

Jody Weaver

July 5

From: Bloodworth, Ward <BloodworthW@helenaagri.com>  
Sent: Monday, July 5, 2021 7:15 PM  
To: jweaver@portlavaca.org  
Cc: Rodrigue, Louis  
Subject: Helena cost comparisons

Flag Status: Flagged

Ms. Weaver-

I asked our legal department to retrieve lease and fees for several terminals we have across the country. We actually own more of them than I originally thought in the Midwest, so they weren't comparable to what we have in the south. I also had to remove the deep water ports that have very different logistics and we are buying large volumes together with several other companies, so that wasn't a good comparison. I have included two ports that we feel are very comparable to what you have in Port Lavaca.

	LEASE			
LESSOR	AMOUNT	TARIFFS/ THROUGHPUT	DOCK FEES	STRUCTURE
Louisiana River Terminal	\$20,000.00	N/A	N/A	6.753 acres
Mississippi River Terminal	\$97,517.99	N/A	\$6,000/year wharfage fee	15 acres
CITY OF PORT LAVACA, TX (adding the \$75/car)	\$73,962.96	\$0.65/ton + railroad \$75/day per railcar	\$3.30/linear ft (\$1,951.13)	9.397 acres of land
CITY OF PORT LAVACA, TX (Currently)				

What we are asking from is to remove the \$75/car tariff that has been proposed by the city. As I mentioned in our meeting, we don't control the railroad and when they take the cars off the lot. We feel we are very responsible in getting these cars off the track and back to the railroad because we are paying a demurrage from the supplier. I would also like to remind the board that we need all the products to supply the market from this location. If we have to remove the poly phosphate (finished good from the product in the railcars), then we would have to decrease the circumference of where the Port Lavaca tons current reach. We also feel the steep increase on the dock fee was very large of an increase this soon into our agreement. We are willing to continue with where are, but would also like to get a conversation started with our agreement that we won't get hit with steep charges in the future. The flexibility you have with the lease terms should be adequate for City to capture any appreciation in the markets. We felt at the time of the lease that the "rent" would be our only real cost risk.

Louis, myself and all the team appreciate and understand the commitment to working through this with us. We feel we have a very long working relationship with the City and it is our desire to continue to grow our business and provide something for you and the rest of the city to be as proud of as we are.

Thanks again for your time and interest in our business. We look forward to speaking to you again soon.

**Ward Bloodworth**  
Helena Agri-Enterprises, LLC  
EMAIL: [bloodworthw@helenaagri.com](mailto:bloodworthw@helenaagri.com)

Jody Weaver

July 19

**From:** jweaver@portlavaca.org  
**Sent:** Monday, July 19, 2021 6:49 PM  
**To:** bloodworthw@helenaagri.com; RodrigueL@Helenaagri.com  
**Subject:** Helena Lease

Good evening Ward and Louis,

I hope you are both well. As you know, the Helena Lease at the Harbor of Refuge is scheduled for an annual increase on August 1st per the Municipal Cost Index. Your current monthly rent is \$6,163.58 per month.

The most recently published rate is June 2021 with a MCI of 278.07. The MCI of June 2020 was 253.22. This is a 9.8% increase, which would bring the new monthly rate to \$6,767.61. If I go back to the MCI of 2018 in July and August, when the lease was signed, it was 251.69 and 251.55 respectively. So that is an increase of 10.5% from the starting rent in 2018 of \$6,108, which would be a new monthly rate of \$6,749.34.

In light of our recent discussions, I imagine you were not projecting close to a 10% increase in the monthly lease rate. I can't help but think that the market will correct itself at some point. I would like to propose a 5% increase this year and we'll see where things are at this time next year, by again looking at the MCI as it compares to that of July and August of 2018. With a 5% increase, the rent would increase by \$308.18 to \$6,471.76/month.

For comparison and to satisfy my curiosity, I looked at the change in the Consumer Price Index since the summer of 2018 and now and it is 7.6%. A 7.6% increase over the 2018 rate of \$6,108 would be \$6,572.20.

In addition, we are still trying to get a better grasp on the costs involved to maintain the rail on the property. We are still coming up with an estimate of about \$10,000 a year, which would equate to \$833 per month.

Please look at these figures and let me understand how these will affect your operations here in Port Lavaca. Please feel free to offer an alternate proposal for consideration.

Kind Regards,

JoAnna P. "Jody" Weaver, P.E.

Interim City Manager

Phone: 361-552-9793

Mobile: 361-827-3601

Email: [jweaver@portlavaca.org](mailto:jweaver@portlavaca.org)

202 N. Virginia Street Port Lavaca, Texas 77979



CITY OF PORT LAVACA  
TEXAS

July 30

**From:** Jody Weaver [mailto:jweaver@portlavaca.org]  
**Sent:** Friday, July 30, 2021 11:25 AM  
**To:** Bloodworth, Ward <BloodworthW@helenaagri.com>  
**Cc:** Rodrigue, Louis <RodrigueL@helenaagri.com>  
**Subject:** Your input is needed  
**Importance:** High

\*\*\*CAUTION - EXTERNAL SENDER\*\*\*  
Ward and Luis,

I did want to let you know that based upon discussions at a workshop on July 21, there is no planned increase to the 65 cents per ton bulk tariff nor the \$3.30/LF for the dockage charge.

With this understanding, if the rate for the rail spur is established at \$10,000/year, what does that do to your \$1.28/ton? With a 5% increase in the rent, what does that do to your \$1.28/ton?

I am meeting with the Port Commission on Tuesday and preparing a memo today. As we have discussed, Council wants your input in such matters and to understand how changes in rates affect your operations. We don't want to do something that is going to have such a negative impact that you reduce your operations and thus reduce the volume of product brought across the dock. Please let me have your input on these issues.

Thank you so much.

Kind Regards,

JoAnna P. "Jody" Weaver, P.E.  
Interim City Manager

Phone: 361-552-9793

Mobile: 361-827-3601

Email: [jweaver@portlavaca.org](mailto:jweaver@portlavaca.org)

202 N. Virginia Street Port Lavaca, Texas 77979



CITY OF PORT LAVACA  
TEXAS

**From:** Bloodworth, Ward <[BloodworthW@helenaagri.com](mailto:BloodworthW@helenaagri.com)>  
**Sent:** Monday, July 5, 2021 7:15 PM  
**To:** [jweaver@portlavaca.org](mailto:jweaver@portlavaca.org)  
**Cc:** Rodrigue, Louis <[RodrigueL@helenaagri.com](mailto:RodrigueL@helenaagri.com)>  
**Subject:** Helena cost comparisons

Ms. Weaver-

I asked our legal department to retrieve lease and fees for several terminals we have across the country. We actually own more of them than I originally thought in the Midwest, so they weren't comparable to what we have in the south. I also had to remove the deep water ports that have very different logistics and we are buying large volumes together

**Jody Weaver**

Aug 2

**From:** Rodrigue, Louis <RodrigueL@helenaagri.com>  
**Sent:** Monday, August 2, 2021 10:33 AM  
**To:** Jody Weaver  
**Cc:** Bloodworth, Ward; Ward, John; Savage, Tony; Jeff Holley  
**Subject:** RE: Your input is needed

Jody, thanks for your patience as we worked through our plans going forward.

Your willingness to see the concerns from our businesses' vantage point is appreciated. As you learned we were caught off guard by the increases in costs we incurred when doing business in the Port Lavaca Port. Some aspects of this we own.

As we discussed there is a radius out from the Port we can competitively sell. Given our uncertainty concerning how and when we might see significant additional costs of thru put, when bringing tons into and out of the Port, we stopped and re assessed our current investment. We looked at options in the event the Port levied significant additional costs on our Port Lavaca operations.

We appraised different cost structures and what it means to our ability to service our retail facilities and their customers, the Texas farmer and Rancher from Port Lavaca.

We do value our current relationship with the Port, and as well, our investment in the community and our people who manage the site. Thanks for the update on the bulk per ton tariff and the dockage charges, no increases planned.

Rail spur, we will accept the \$10,000/year charge (as you know in many ports we do not see an additional fees for rail services to or from the port).

We ask that we see no \$75.00/day rail car fee as earlier proposed.

Sorry for the delay in getting back to you. We are in season and had some additional work to do prior to responding. Thank you for all the time and consideration. We would welcome the opportunity to discuss any aspect of our agreement, as needed, all in an attempt to minimize any surprises to either of us.

Our goal is to be good for the Port while running a solid business from Port Lavaca. Please call with questions. 9015378262 Office 9012165991 Mobile

Thanks  
Best Regards

Louis Rodrigue  
HAE LLC

**Jody Weaver**

Aug 2

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**From:** Rodrigue, Louis <Rodriguel@helenaagri.com>  
**Sent:** Monday, August 2, 2021 4:18 PM  
**To:** Jody Weaver  
**Cc:** Bloodworth, Ward; Ward, John; Savage, Tony; Jeff Holley  
**Subject:** RE: Your input is needed

→ Thanks. Yes we are receptive to the 5% lease increase. As we indicated earlier, each of these increases takes our per ton cost up and reduces our reach from PL.  
Appreciate your help. Regards Louis

**From:** Jody Weaver [mailto:jweaver@portlavaca.org]

**Sent:** Monday, August 2, 2021 12:43 PM

**To:** Rodrigue, Louis <Rodriguel@helenaagri.com>

**Cc:** Bloodworth, Ward <BloodworthW@helenaagri.com>; Ward, John <WardJ@helenaagri.com>; Savage, Tony <SavageT@helenaagri.com>; Jeff Holley <holleyj@gatefrontllc.com>

**Subject:** Re: Your input is needed

→ Do you have any comment about a 5% increase in rent? Recall the lease provides for an annual increase per the Municipal Cost Index, but currently that would equate to nearly 10%, so I am proposing 5%.

Sent from my iPhone

Best Regards,  
JoAnna P. "Jody" Weaver, P.E.  
Interim City Manager  
City of Port Lavaca  
[jweaver@portlavaca.org](mailto:jweaver@portlavaca.org)  
361-827-3601

**Jody Weaver**

Aug 3

**From:** Rodrigue, Louis <RodrigueL@helenaagri.com>  
**Sent:** Tuesday, August 3, 2021 1:39 PM  
**To:** Jody Weaver  
**Subject:** Re: Your input is needed

→ As stated earlier I can't think of a port lease where we pay additional fees for rail service.

It will have us looking harder at our options and concerned that our type business which is bulk commodities, doesn't allow for all of our costs to be passed along. We unfortunately run a low margin business where we buy and sell - only so much latitude in pricing. Don't know we have a lot of choice short term other than to accept the increase. Thanks for your help. It is appreciated.  
Regards Louis

Sent from my iPhone

On Aug 3, 2021, at 1:15 PM, Jody Weaver <jweaver@portlavaca.org> wrote:

Louis,

→ The Port Commission accepted all my recommendations except is recommending to Council for the rail fee to be \$1,000/month instead of \$833.00. How would this impact things?

Jody

Sent from my iPhone

Best Regards,  
JoAnna P. "Jody" Weaver, P.E.  
Interim City Manager  
City of Port Lavaca  
jweaver@portlavaca.org  
361-827-3601

**Jody Weaver**

Aug 3

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**From:** Rodrigue, Louis <Rodriguel@helenaagri.com>  
**Sent:** Tuesday, August 3, 2021 4:55 PM  
**To:** Jody Weaver  
**Subject:** Re: Your input is needed

→ Yes we would. Thanks you  
Regards Louis



Sent from my iPhone

On Aug 3, 2021, at 4:45 PM, Jody Weaver <jweaver@portlavaca.org> wrote:

→ But you would still be ok with the \$833/mo?

Thanks for the feedback?

Sent from my iPhone

Best Regards,  
JoAnna P. "Jody" Weaver, P.E.  
Interim City Manager  
City of Port Lavaca  
jweaver@portlavaca.org  
361-827-3601