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Genesis port project to cost \$150 million

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Houston-based Genesis Energy L.P. announced Tuesday that it plans to spend \$150 million to build its planned oil storage and import/export terminal at the Port of Greater Baton Rouge on the west bank of the Mississippi River.

Most of that money will be spent on storage tanks and pipelines that connect to both the port dock and ExxonMobil's Anchorage Tank Farm in West Baton Rouge Parish, Bob Deere, Genesis' chief financial officer, said in a telephone interview. But Deere said none of the \$150 million will be spent on a rail spur that was a topic of discussion Monday during a meeting of the port's board of commissioners, who voted to grant a Genesis subsidiary a [10-year lease](#) on about 91 acres of land for the terminal.

Port officials said that lease would generate more than \$2 million in annual revenue for the port once the subsidiary — BR Port Services LLC — begins storing and exporting oil or other bulk petroleum products to [Aframax-class](#) tankers. Those large vessels can range to more than 700 feet in length. The lease permits BR Port Services to extend its lock on the land for as many as 20 additional years. Information in the lease also indicates that more than 33 million barrels of crude oil or other petroleum products may be run annually through the terminal. Genesis officials said Tuesday the planned terminal should be operational by the end of the second quarter of 2015.

On Monday, port commissioners discussed the possible need for a rail spur that could accommodate unit trains hauling oil to the planned terminal. Some said such a project could cost the port millions of dollars. But Deere confirmed such a spur is not included among Genesis' planned expenditures at the port. "The project doesn't include that (rail spur)," Deere said. "We don't comment on what may happen in the future."

Grant Sims, Genesis' chief executive officer, said in a written statement corporate officials are "pleased with our growing relationship with ExxonMobil, which has led to the successful development of this new project and our other previously announced projects in Louisiana." Sims noted those [projects](#) include "our Port Hudson Terminal expansion, Scenic Station rail facility and new pipeline connecting Port Hudson, Scenic Station, (ExxonMobil's) Baton Rouge Refinery and potentially other refineries."

Genesis is spending \$125 million on those projects on the east bank of the Mississippi, corporate officials announced in 2012. Also included among those projects is Genesis' extension of its 18-mile, 24-inch pipeline beneath the Mississippi River to ExxonMobil's Anchorage Tank Farm, north of the port in West Baton Rouge Parish.

Genesis Energy reported Tuesday that net income for the fourth quarter of 2013 was \$16.7 million, or 19 cents per unit. That was down from the fourth quarter of 2012, when net income totaled \$27 million, or 34 cents per unit.