

## AGENDA

**Port Freeport  
Port Commission  
Regular Meeting  
Thursday, August 11, 2022, 1:00 pm - 5:00 pm  
In Person & Videoconference - Administration Building - 1100 Cherry Street - Freeport**

**This meeting agenda with the agenda packet is posted online at [www.portfreeport.com](http://www.portfreeport.com)**

The meeting will be conducted pursuant to Section 551.127 of the Texas Government Code titled "Videoconference Call." A quorum of the Port Commission, including the presiding officer, will be present at the Commissioner Meeting Room located at 1100 Cherry Street, Freeport, Texas. The public will be permitted to attend the meeting in person or by videoconference.

The videoconference is available online as follows:

Join Zoom Meeting

<https://us02web.zoom.us/j/88683342548?pwd=VWJsL2U0ZnZ5RW1Yc2oySU10MDY4Zz09>

Meeting ID: 886 8334 2548

Passcode: 242743

Dial by your location

1 346 248 7799 US (Houston)

Meeting ID: 886 8334 2548

Find your local number: <https://us02web.zoom.us/u/kDCvQLZdt>

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Invocation.
3. Pledge of Allegiance: U.S. Flag & Texas Flag
4. Roll Call.
5. Safety Briefing.
6. Call to identify and discuss any conflicts of interest that may lead to a Commissioner abstaining from voting on any posted agenda item.
7. Public Comment. (Public comment on any matter not on this Agenda will be limited to 5 minutes per participant and can be completed in person or by videoconference)
8. Public Testimony. (Public testimony on any item on this Agenda will be limited to 3 minutes per agenda item to be addressed per participant and can be completed in person or by videoconference. The participant shall identify in advance the specific agenda item or items to be addressed.
9. Approval of minutes from the Special Meeting held July 21, 2022 and the Regular Meetings held July 28, 2022.
10. Receive report from Executive Director/CEO and/or Port staff on activities and matters related to COVID-19 health safety matters, administrative affairs, financial results, facility engineering matters, operations and vessel activity, port safety matters, port security matters, Port tenant updates, USCOE, and other related port affairs.
11. Discussion regarding the 2022 Tax Rate Calculation Worksheet, the 2022 No New Revenue Tax Rate and the tax rate setting process and upcoming budget workshop.
12. Adoption of a Resolution approving the acceptance of the Port's portion of proceeds received from high bidders on delinquent tax property held in trust by Brazoria County, Texas and authorizing the Chairman to join in conveyance to high bidders.
13. Approval of an Electrical Easement to CenterPoint Energy Houston Electric, LLC to serve the Vulcan Materials lease area.

14. Discuss and re-approve an Advance Funding Agreement with the State of Texas for construction of the Velasco Terminal Access Project.
15. EXECUTIVE SESSION in accordance with Subchapter D of the Open Meetings Act, Texas Government Code Section 551.001, et. seq., to review and consider the following:
  - A. Under authority of Section 551.071 (Consultation with Attorney):
    1. Consultation with attorney under Government Code Section 551.071(1) (to seek or receive attorney's advice on pending or contemplated litigation).
    2. Consultation with attorney under Government Code Section 551.071(2) (to seek or receive attorney's advice on legal matters that are not related to litigation).
  - B. Under authority of Section 551.087 (Economic Development Negotiations or Incentives):
  - C. Under authority of Section 551.072 (Deliberation of Real Property Matters) for discussion regarding:
    1. The potential exchange, lease, or value of real property located in Freeport, Texas, including but not limited to the area known as the East End of Freeport and bordered by or adjacent to the following streets: FM 1495; East 2nd Street; Terminal Street and East 8th Street in Freeport, Texas.
    2. The potential purchase, exchange, lease or value of real property located at Port Freeport, including but not limited to the real property located at and contiguous to Berths 1, 2, 5 and 7.
    3. The potential exchange, lease, or value of real property located at Port Freeport, including but not limited to Parcel 14, 19, 27, 34 and property on Quintana Island.
16. RECONVENE OPEN SESSION to discuss and review the following:
17. Discuss and consider engaging outside General Counsel to provide legal services.
18. Discuss and consider the request for a Third Amendment to the Second Lease Agreement between Port Freeport and Vulcan Construction Materials, LLC.
19. Adjourn.

***The Port Commission does not anticipate going into a closed session under Chapter 551 of the Texas Government Code at this meeting for any other items on the agenda, however, if necessary, the Port Commission may go into a closed session as permitted by law regarding any item on the agenda.***

With this posted notice, Port Commissioners have been provided certain background information on the above listed agenda items. Copies of this information can be obtained by the public at the Port Administrative offices at 1100 Cherry Street, Freeport, TX.



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Phyllis Saathoff, Executive Director/CEO  
**PORT FREEPORT**

*In compliance with the Americans with Disabilities Act, the District will provide for reasonable accommodations for persons attending its functions. Requests should be received at least 24 hours in advance.*

Minutes of Port Commission Special Meeting  
July 21, 2022  
In Person & Videoconference

A Special Meeting of the Port Commission of Port Freeport was held July 21, 2022, beginning at 8:37 AM at the Administration Building, 1100 Cherry Street, Freeport, Texas.

**This meeting agenda with the agenda packet is posted online at [www.portfreeport.com](http://www.portfreeport.com)**

The meeting will be conducted pursuant to Section 551.127 of the Texas Government Code titled "Videoconference Call." A quorum of the Port Commission, including the presiding officer, will be present at the Commissioner Meeting Room located at 1100 Cherry Street, Freeport, Texas. The public will be permitted to attend the meeting in person or by videoconference.

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Meeting ID: 854 4918 5086

Passcode: 604997

Dial by your location

+1 346 248 7799 US (Houston)

Meeting ID: 854 4918 5086

Find your local number: <https://us02web.zoom.us/u/kdOfQP4hlw>

Commissioners present in person:

Mr. John Hoss, Chairman  
Mr. Rudy Santos, Vice Chairman  
Mr. Dan Croft, Secretary  
Mr. Rob Giesecke, Asst. Secretary  
Mr. Ravi Singhania, Commissioner

Commissioners present by videoconference:

Mr. Shane Pirtle, Commissioner

Staff Members Present:

Ms. Phyllis Saathoff, Executive Director/CEO  
Mr. Rob Lowe, Director of Administration/CFO  
Mr. Brandon Robertson, Network Systems Manager  
Ms. Missy Bevers, Executive Assistant  
Ms. Andrea Johnson, Kane Russell Coleman Logan

Also, present:

Mr. Grady Randle, Randle Law Office  
Mr. Brandon Morris, Randle Law Office

Ms. Megan Mikutis, Randle Law Office  
Mr. Scott Bounds, Olson & Olson  
Ms. Derra Purnell, BB&K  
Mr. Lowry Crook, BB&K  
Ms. Bridgette Begle, Olson & Olson  
Ms. Rebecca Andrews, BB&K  
Mr. Peter Nemeth, Crain, Caton & James

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Roll Call – Commissioner Hoss noted that all Commissioners were present in the Board Room, with the exception of Commissioner Pirtle who was participating by videoconference.

Commissioner Pirtle also noted that Ms. Andrea Johnson with Kane Russell Coleman Logan was present in the Board Room, serving as legal counsel for this meeting.

3. Public Comment – There was no public comment.
4. Public Testimony – There was no public testimony.

At this time, the Port Commission went into executive session at 8:42 a.m.

Reconvene open session at 9:34 a.m.

5. Receive presentations from and query candidate law firms regarding potential rendition of outside General Counsel legal services.

Representatives from Randle Law Office (RLO), Grady Randle, Brandon Morris, and Megan Mikutis gave a presentation about their firm, highlighting areas of their individual expertise and answered questions from the Port Commission. Mr. Randle began by stating the firm began in 2005 as a one-man firm and has since grown to include seven attorneys. RLO is a government firm, handling a majority of local government work but they also litigate and handle transactions. Their tagline is “Exceeding client expectations through exceptional results.” He explained that this is achieved by speed, accuracy and cost effectiveness. RLO serves 8 different counties and has been in Brazoria County since before 2005 and has served as the City of Angleton’s interim city attorney for five years (now permanent). Mr. Randle discussed his background in economic development which includes pilot payments (payment in lieu of taxes), purchased of an HEB as an economic incentive for Mont Belvieu, tax abatement agreement for Hardin County and have also worked on depopulating an area in Mont Belvieu for industry growth. Mr. Brandon Morris (5 years) discussed the firm’s work with local governmental entities and knowledge in open government law with primarily, Open Meetings Act (review agendas, attend meetings, parliamentary procedure), and Public Information Act. Mr. Morris also touched on his real estate experience over the last few years on a number of different projects. RLO also works on land use and developments which includes annexations, development agreements and anything that comes with it from construction contracts, architectural contracts, deeds, rights-of-way, easements, etc. Ms. Megan Mikutis discussed her port experience from her time at the Port of Galveston, which included in house review of anything that touched compliance, legal review or regulatory

issues. This included open records, procurement contracting, lease and lease development, records retention and also worked with the engineering and operations departments to organize cross departmental projects that required legal review and multi-phased consideration. Ms. Mikutis also ran the real estate portfolio that generated approximately \$4 million in revenue. Being a land port, they were able to lease bigger areas of water side property for stakeholders and community members to develop for various activities. Additionally, she did work with infrastructure and development, developing a grant program for the port. She also touched on her experience with federal contracting, negotiating with TxDOT, procurement and contracting and development of policies and procedures. Mr. Randle stated that Ms. Mikutis would serve as lead attorney, handling day to day and attending meetings, with Mr. Morris serving as back up.

At this time, the Port Commission went into executive session at 9:34 a.m.

Reconvene open session at 11:04 a.m.

Representatives from Olson & Olson, Scott Bounds and Bridgette Begle, as well as representatives from Best, Best & Krieger (BB&K), Derra Purnell and Lowry Crook gave a presentation about their firm, highlighting areas of their individual expertise and answered questions from the Port Commission. Mr. Scott Bounds with Olson & Olson began by stating the proposal submitted is a joint proposal submitted by Olson & Olson and BB&K. Olson & Olson is a 36-lawyer law firm based in Houston that specializes in local government law and divided into three basic practice groups, general counsel for local governments, litigation (insurance defense) and tax work. Mr. Bounds has been practicing local government law since 1976 and has been with Olson & Olson since 2001. His principal clients are Gulf Coast Authority, a tri-county entity that does wastewater industrial services. In addition, he represents the city of West University Place, Galveston County WIDC1 as well as a number of other small cities under special projects. Mr. Bounds is very familiar with the Open Meetings Act, Public Information Act and employment law in Texas. He also does construction work however there is a lot about ports that's specialized that he does not know which is why they have teamed up with BB&K. Derra Purnell spoke about BB&K stating they are a national, municipal and local government firm with 250 attorneys. BB&K has worked with Olson & Olson on specifically water law or environmental compliance issues and felt this joint proposal was the best way to get the Port the type of experience it needs. BB&K does special counsel work which means anytime it becomes more efficient for BB&K to do work for Port Freeport, they will call in someone from BBK. Ms. Purnell does specific work in procurement law, land use, real estate and contract work. She is trained as general counsel but does more work in the other areas. Ms. Purnell would attend the first few board meetings along with Mr. Bounds to get to know what the Port needs are as a client. She explained that Lowry Crook is currently attached to the BB&K office in Washington, DC and does a lot of work on Army Corps of Engineer projects and water quality work. Mary Beth Coburn is an engineer and specifically a construction and public infrastructure attorney. Rebecca Andrews is an environmental compliance and water quality attorney, knows the Clean Water Act and deals with administrative agencies like TECQ. Lowry Crook spoke on his experience stating he moved to DC after clerking in Austin where he worked for a firm (9 years), then government (8 years) and is now focusing on helping public agencies deal with the federal government on infrastructure or regulatory issues. While in government, he was chief of staff and counsel to the chair for the federal maritime commission, so he has familiarity with both the maritime law, ports and liner shipping industry issues. Additionally,

he spent time as the deputy in the office that oversees the Army Corps of Engineers. Currently, Mr. Crook is working in Texas with the Port of Houston on a project with the Corps, Harris County flood control on post-Harvey and flood control projects, the Gulf Coast Protection District (Sabine to Galveston), the Texas Coastal Project as well as work with Cedar Bayou Navigation District on issues with pipeline relocations. Mr. Bounds followed-up by stating that he would be lead counsel, attend the meetings and coordinate for a while. He added that if there are particular issues that an attorney will need to address, they will make arrangements for that attorney to attend remotely or in person. First back up to Mr. Bounds will be Bridgette Begel and most likely, a representative to assist as well. Ms. Purnell clarified that she is secondary backup and team lead for BB&K. Mr. Bounds stated that their proposal for billing is that the Port will be billed separately by each firm. They will review bills jointly prior to submitting to ensure there is no overlap of services. Commissioner Singhania inquired about BB&K being a full-service firm and partnering with Olson & Olson for a presence in Texas. Ms. Purnell clarified that BB&K has a presence in Texas with their business takes a really long-term view of the practice of law by being an upstanding member of the community. BB&K had a long-term relationship with Olson & Olson prior. BB&K is trying to stay out of general counsel work in Texas and chosen to partner with firms like Olson & Olson who can give the long-term experience in the area while BB&K serves as special counsel who can give best type of attorney for particular issues. Commissioner Santos asked inquired how long BB&K has teamed with Olson & Olson. Ms. Purnell clarified that BB&K hasn't necessarily teamed with Olson & Olson but rather served as special counsel for them when necessary, over the last 7 years.

At this time, the Port Commission went into executive session at 11:28 a.m.

Reconvene open session at 1:30 p.m.

Commissioner Hoss noted that Commissioner Croft has stepped out of the meeting for a conference call and will rejoin the meeting later.

Mr. Peter Nemeth from Crain, Caton & James gave an overview of his firm, highlighting areas of his expertise and past experience working for Port Freeport, and answered questions from the Port Commission. Mr. Nemeth started with some history stating that he was first introduced to the Port in 2000 when a partner asked him to come down to make a presentation with him for general counsel services to be provided by Brown McCarroll which was successful. His first project was a proposed tenant who wanted to do a regasification project to import LNG which was also successful, successfully shut it down and turned it into a liquefaction facility. Mr. Nemeth has worked with the Port over the years on a lot of complex projects, supporting efforts to set up businesses, help tenants succeed and work out contracts that take the port into the future. Crain, Caton & James is a Houston based law firm founded in 1912 with currently 38 attorneys covering a broad range of practice areas including public law, corporate law and governance, real estate, general commercial transactions and contracts. The firm's focus is to deliver high quality cost effective legal solution to their clients needs. Mr. Nemeth has over 35 years of legal experience with 22 served representing Port Freeport. He was the Mayor of Piney Point Village for two years, served on city council two years prior and planning and zoning commission four year prior to that. He served as general counsel for STP Nuclear Operating Company for six years which gives him a lot of experience in dealing with key stakeholders who have competing

interest and is able to negotiate challenging issues. Mr. Nemeth stated that he would be lead for the port and Jeff Horowitz would be his first back-up followed by Adrian Bond.

Commissioner Hoss noted that Commissioner Croft rejoined the meeting at 1:38 p.m.

At this time, the Port Commission went into executive session at 1:44 p.m.

6. EXECUTIVE SESSION in accordance with Subchapter D of the Open Meetings Act, Texas Government Code Section 551.001, et. seq., to review and consider the following:
  - A. Under authority of Section 551.071 (Consultation with Attorney) for discussion regarding:
    1. Confer with attorney under Government Code Section 551.071(2) (to seek or receive attorney's advice on legal matters that concern the duty of confidentiality of an attorney to Port Freeport under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas).
    2. Consultation with attorney under Government Code Section 551.071(1) (to seek or receive attorney's advice on pending of contemplated litigation).
7. RECONVENE OPEN SESSION to review and consider the following:
8. Discuss, consider and potential action regarding engaging outside General Counsel to provide legal services.

This item was tabled.

9. Adjourn.

With no further business before the Commission, the meeting adjourned at 4:31 PM

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John Hoss, Chairman

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Rudy Santos, Vice Chairman

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Dan Croft, Secretary

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Rob Giesecke, Asst. Secretary

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Ravi K. Singhania, Commissioner

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Shane Pirtle, Commissioner

Minutes of Port Commission Regular Meeting  
July 28, 2022  
In Person & Videoconference

A Regular Meeting of the Port Commission of Port Freeport was held July 28, 2022, beginning at 1:02 PM at the Administration Building, 1100 Cherry Street, Freeport, Texas.

**This meeting agenda with the agenda packet is posted online at [www.portfreeport.com](http://www.portfreeport.com)**

The meeting will be conducted pursuant to Section 551.127 of the Texas Government Code titled "Videoconference Call." A quorum of the Port Commission, including the presiding officer, will be present at the Commissioner Meeting Room located at 1100 Cherry Street, Freeport, Texas. The public will be permitted to attend the meeting in person or by videoconference.

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Meeting ID: 864 1193 9766

Passcode: 455678

Dial by your location

+1 346 248 7799 US (Houston)

Meeting ID: 864 1193 9766

Find your local number: <https://us02web.zoom.us/u/killgAi4c>

Commissioners present in person:

Mr. John Hoss, Chairman  
Mr. Rudy Santos, Vice Chairman  
Mr. Dan Croft, Secretary  
Mr. Rob Giesecke, Asst. Secretary  
Mr. Ravi Singhanian, Commissioner

Commissioners present by videoconference:

Mr. Shane Pirtle, Commissioner

Staff Members Present:

Mr. Peter Nemeth, Interim Legal Counsel  
Ms. Phyllis Saathoff, Executive Director/CEO  
Mr. Rob Lowe, Director of Administration/CFO  
Mr. Al Durel, Director of Operations  
Mr. Mike Wilson, Director of Economic Development & Freight Mobility  
Mr. Jason Hull, Director of Engineering  
Mr. Chris Hogan, Director of Protective Services  
Mr. Brandon Robertson, Network Systems Manager  
Ms. Missy Bevers, Executive Assistant  
Ms. Mary Campus, Controller



Ms. Tricia Vela, Public Affairs Assistant  
Mr. Nick Malambri, Engineering Specialist  
Mr. Jesse Hibbetts, Operations Manager  
Ms. Holly Soria, Operations Coordinator  
Ms. Hannah Fitzsimmons, Operations Specialist  
Ms. Darlene Winkler, Communications Specialist  
Ms. Christine Lewis, Safety Coordinator

Also, present:

Mr. Chris Moore, Texas Port Ministry  
Mr. Jason Mills, Terracon  
Mr. Scott Bowman, Ports America  
Mr. Donald Davidson, Volkswagen  
Ms. Megan Mikutis, Randle Law Office  
Mr. Grady Randle, Randle Law Office  
Ms. Rebecca Andrews, BB&K  
Ms. Kim Voigtlander  
Ms. Barbara Fratila

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Invocation – Mr. Chris Moore, Texas Port Ministry.
3. Pledge of Allegiance: U.S. Flag & Texas Flag.
4. Roll Call –Commissioner Hoss noted that all Commissioners were present in the Board Room, with the exception of Commissioner Pirtle who was participating by videoconference.
5. Safety Briefing – Ms. Christine Lewis provided a safety moment regarding back-to-school safety.
6. Call to identify and discuss any conflicts of interest that may lead to a Commissioner abstaining from voting on any posted agenda item.  
  
There were no conflicts noted from Commissioners.
7. Public Comment – There were no public comments.
8. Public Testimony – There was no public testimony.
9. Adoption of a Resolution approving the application for tax abatement between Port Freeport and Volkswagen Group of America, Inc. and PRP KDC Freeport Development, LLC regarding a \$115 million 125-acre vehicle importation and processing center for property located within the City of Freeport Reinvestment Zone 2022-01, approving Tax Abatement Agreement and authorizing Chairman and Secretary to execute said agreement.

Mr. Lowe stated that Volkswagen Group of America and PRP KDC Freeport Development LLC is evaluating the development of a 125-acre vehicle importation and processing center. The project will be a \$114,495,000 investment of which \$28,500,000 will be vertical improvements to be abated as well as \$1,394,000 of tangible property to be abated. The abatement period will be 7 years commencing January 2023. 10 new jobs are committed per the abatement application however it is also noted within the application plans for 113 permanent employees with 11 at Volkswagen, 3 at Porsche and 99 third party roles. The application also includes total direct and indirect jobs in the 260-300 range. Construction jobs will range from 100 at start up, 387 at peak and end with 80. Mr. Lowe also noted an abatement was approved by the City of Freeport July 18 and by Brazoria County July 26. Additionally, this abatement application was submitted under the Port's guidelines approved two years ago and is appropriately being approved under the guidelines of which it was submitted, as confirmed by legal counsel. Mr. Donald Davidson, Manager of Government Relations with Volkswagen Group of America thanked the Port Commission and staff for all their support during this process adding he is incredibly excited for a Volkswagen Group project to come to Port Freeport. He also noted the amount of abated taxes over the course of the project would be approximately \$88,254.

A motion was made by Commissioner Croft to adopt a resolution approving the application for tax abatement between Port Freeport and Volkswagen Group of America, Inc. and PRP KDC Freeport Development, LLC regarding a \$115 million 125-acre vehicle importation and processing center for property located within the City of Freeport Reinvestment Zone 2022-01, approving Tax Abatement Agreement and authorizing Chairman and Secretary to execute said agreement for a 100% abatement for 7 years. The motion was seconded by Commissioner Singhania with all Commissioners present voting in favor of the motion.

10. Adjourn.

With no further business before the Commission, the meeting adjourned at 5:18 PM

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John Hoss, Chairman

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Rudy Santos, Vice Chairman

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Dan Croft, Secretary

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Rob Giesecke, Asst. Secretary

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Ravi K. Singhania, Commissioner

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Shane Pirtle, Commissioner

Minutes of Port Commission Regular Meeting – Supplemental Agenda  
July 28, 2022  
In Person & Videoconference

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Mr. Donald Davidson, Volkswagen  
Ms. Megan Mikutis, Randle Law Office  
Mr. Grady Randle, Randle Law Office  
Ms. Rebecca Andrews, BB&K  
Ms. Kim Voigtlander  
Ms. Barbara Fratila

*Original Agenda Items Posted June 28, 2022:*

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Invocation – Mr. Chris Moore, Texas Port Ministry.
3. Pledge of Allegiance – U.S. Flag and Texas Flag
4. Roll Call – Commissioner Hoss noted that all Commissioners were present in the Board Room with the exception of Commissioner Pirtle who was participating by videoconference.
5. Safety Briefing – Ms. Christine Lewis provided a safety moment regarding back-to-school safety.
6. Call to identify and discuss any conflicts of interest that may lead to a Commissioner abstaining from voting on any posted agenda item.

There were no conflicts noted from Commissioners.

7. Public Comment – There were no public comments.
8. Public Testimony – There was no public testimony.
9. Adoption of a Resolution approving the application for tax abatement between Port Freeport and Volkswagen Group of America, Inc. and PRP KDC Freeport Development, LLC regarding a \$115 million 125-acre vehicle importation and processing center for property located within the City of Freeport Reinvestment Zone 2022-01, approving Tax Abatement Agreement and authoring Chairman and Secretary to execute said agreement.

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permanent employees with 11 at Volkswagen, 3 at Porsche and 99 third party roles. The application also includes total direct and indirect jobs in the 260-300 range. Construction jobs will range from 100 at start up, 387 at peak and end with 80. Mr. Lowe also noted an abatement was approved by the City of Freeport July 18 and by Brazoria County July 26. Additionally, this abatement application was submitted under the Port's guidelines approved two years ago and is appropriately being approved under the guidelines of which it was submitted, as confirmed by legal counsel. Mr. Donald Davidson, Manager of Government Relations with Volkswagen Group of America thanked the Port Commission and staff for all their support during this process adding he is incredibly excited for a Volkswagen Group project to come to Port Freeport. He also noted the amount of abated taxes over the course of the project would be approximately \$88,254.

A motion was made by Commissioner Croft to adopt a resolution approving the application for tax abatement between Port Freeport and Volkswagen Group of America, Inc. and PRP KDC Freeport Development, LLC regarding a \$115 million 125-acre vehicle importation and processing center for property located within the City of Freeport Reinvestment Zone 2022-01, approving Tax Abatement Agreement and authorizing Chairman and Secretary to execute said agreement for a 100% abatement for 7 years. The motion was seconded by Commissioner Singhania with all Commissioners present voting in favor of the motion.

*Supplemental Agenda Items to be considered:*

10. Approval of minutes from the Regular Meeting held June 23, 2022.

A motion was made by Commissioner Singhania to approve the minutes. The motion was seconded by Commissioner Croft with all Commissioners present voting in favor of the motion.

11. Public hearing to discuss the proposed Port Freeport Tax Abatement Guidelines and Criteria pursuant to Section 312.002 of the Texas Property Tax Code, to be effective July 28, 2022 - July 27, 2024.

Mr. Lowe highlighted key updates and changes to the tax abatement guidelines. He stated the guidelines are effective for two years from the date adopted, noting the current Port Freeport guidelines were adopted July 23, 2020, and need to be updated to consider new applications going forward. Staff has reviewed the guidelines and state statute with legal counsel and has suggested updates aimed at providing administrative and process clarity. He also noted that staff presented the proposed guidelines to the Finance Advisory Committee on July 21 and recommends adopting the guidelines as presented. An in-depth discussion began regarding the creation of a Port Tax Abatement Review Committee (PTARC) and the roll of the Finance Advisory Committee. Counsel noted that it is not advocating the creation of a PTARC; the same option existed in the prior guidelines. The other added language documents the current process whereby the Brazoria County Tax Abatement Committee completes the requisite economic impact study and the Brazoria County Commissioners Court conducts a hearing. The Finance Advisory Committee reviews tax abatement applications before they are presented to the Port Commission for consideration.

12. Discuss and consider the adoption, amendment, repeal or reauthorization of the Port Freeport Tax Abatement Guidelines and Criteria, to be effective July 28, 2022-July 27, 2024.

At this time, Commissioner Giesecke brought up an item to discuss within subsection 2.h.6 regarding the use of local vendors and service providers with the final sentence stating, “it is *preferred* that applicant seek qualified workers who are United States citizens and veterans and also legal residents prior to seeking workers from other countries”. Commissioner Giesecke feels it should be *required* to seek qualified workers who are United States citizens, veterans and legal residents before going outside to use a visa program. He further stated that if one of the reasons the Port is asked to grant tax abatements is to provide employment opportunities for local residents, E-Verify should be required to make sure the people being hired are authorized to work in the United States. After discussing this item, the Port Commission agreed to table this item for further consideration.

Commissioner Giesecke also asked to further discuss the proposed Tax Abatement Graduated Scale as approved by Brazoria County under their new guidelines which was also discussed with the Finance Advisory Committee. He noted that he does support the graduated scale as not every project warrants a full 100% 7-year or 10-year abatement, and this allows the Commission flexibility to approve an abatement on a graduated scale. Mr. Lowe stated that staff discussed this scale with legal counsel and found the Port’s guidelines (as well as the County’s) specifically gives the Commission the freedom to determine the number of years and the percentages as deemed appropriate. From that basis, staff does not see the need to adopt the scale. Additionally, in most cases, the County will approve the agreement ahead of time, therefore the Commission will have that information ahead of time. After additional discussion, the Port Commission agreed to table this item for further consideration.

13. Receive reports from Executive Staff on activities and matters related to COVID-19 health safety matters, administrative affairs, financial results, facility engineering matters, operations and vessel activity, port safety matters, port security matters, Port tenant updates, USCOE, and other related port affairs.

A. Executive Director/CEO

Ms. Saathoff reported on activities within the House and Senate in the last week which includes passing an Appropriations Bill that funds the USACOE and would subsequently give the FHCIP an additional \$90.6 million allocation if it makes through the process to become law. Ms. Saathoff also reported attending the ILA Convention in San Diego earlier in the week. Plans and specs are proceeding for advertising the deepening portion of Reaches 2 and into 1 (out to the Jetties). Anticipate package advertised before September 30 with bid opening in October/November timeframe, award at the end of the year and Notice to Proceed in early 2023. Orion is mobilizing to begin the dry excavation work in the bend of Reach 2. Lastly, the current meters for the PORTS NOAA System have been installed and NOAA is verifying the data to make sure it is operating and reporting accurately. Once the review is complete, a link will be sent to the Freeport Fiscal Oceanographic Real Time Station (the Port’s page) on the NOAA Tides and Currents website. Mr. Hull is working with legal counsel to finalize the maintenance agreement with the Conrad Blucher Institute at Texas A&M.

B. Chief Financial Officer

Mr. Lowe gave a presentation regarding the financial results for the month of June.

C. Director of Engineering

Mr. Hull shared a current photo of the progress at Berth 8. He also echoed Ms. Saathoff stating that Orion's contract has been signed and equipment will be arriving in the weeks ahead.

D. Director of Operations

Mr. Durel reported on a few highlights from his written report on year-to-date statistics with the Port handling 391 vessels compared to 389 last year. 12.3 million tons to compared to 12.5 million tons last year with the inner harbor handling 1.8 million tons compared to 1.5 million tons last year. LNG handled 10.3 million compared to last year of 11.0 million tons last year. With regard to safety, Ms. Lewis held an in-person tenant safety meeting and continues to move forward developing the safety culture. He also reported that Vulcan has secured a vessel which will be here in September. He also introduced Hannah Fitzsimmons, who is the newest member of the Operations Department. Mr. Hogan gave a brief recap on the security update previously given to the OSS Advisory Committee. Topics included the fleet vehicle accident, the June 8 Freeport LNG incident and an EOC AV Upgrade Project.

E. Director of Business & Economic Development

In Mr. Miura's absence, Mr. Wilson was available to answer any questions from the written reports submitted.

14. Receive report from Commissioners on matters related to Port Commission related meetings or conferences, Port presentations and other Port related matters.

A. July 20 and July 28 Finance Advisory Committee – Commissioner Croft reported the committee took no issue with management with any items discussed at the meetings and all items are on the current agenda for consideration.

B. July 20 OSS Advisory Committee - Commissioner Pirtle reported the committee received a safety update from staff and also discussed other SSI related information in executive session.

C. Port Commission related meetings or conferences, Port presentations and other Port related matters.

Commissioner Pirtle reported attending the Santa Anna Ball.

Commissioner Croft reported attending the Santa Anna Heritage Festival, several local meetings and the Rotary International Convention in Houston.

Commissioner Santos reported attending the Alliance Industry Update as well as the Commissioner's Court meeting held earlier in the week. He also thanked Al Durel and his Operations Team for all their work.

Commissioner Singhania reported attending the Friends of River (FOR) Breakfast, the Santa Anna Ball, the Alliance Industry Update and an AAPA videoconference on Port Opportunities with Energy, Resilience, and Sustainability (POWERS) Program.

Commissioner Giesecke reported attending the Alliance Industry Update.

Commissioner Hoss reported attending the Change of Command in Galveston and other local events.

15. Approval of financial reports presented for the period ending June 30, 2022.

A motion was made by Commissioner Croft to approve the financial reports as presented. The motion was seconded by Commissioner Giesecke with all Commissioners present voting in favor of the motion.

16. Approval of an extension to the following Grazing Leases at Port Freeport: W.F. Gonzalez; John V. Nesmith; and James Price Phillips III.

Mr. Lowe stated the Port currently has three grazing leases related to Parcels 5, 6, 7 and 38. Leases were executed in 2018 after all options from the original leases had expired. Lease rates were evaluated and adjusted accordingly at that time. The leases were extended for a three-year term in 2019 which expired June 30, 2022, and the leases were then converted to a monthly basis. It is staff's recommendation and that of the committee to extend the leases an additional three years at the current rates. Mr. Lowe also shared information on each of the leases and their respective rates.

A motion was made by Commissioner Croft to approve the extension of all leases for three years as recommended by staff. The motion was seconded by Commissioner Giesecke with all Commissioners present voting in favor of the motion.

17. Approval of a Professional Services Agreement with PBK for Gate 8 Guardhouse Expansion, for an amount not to exceed \$33,600.00.

Mr. Hull stated this project involves adding an equipment room on the backside of the Gate 8 Guardhouse. The agreement includes the architectural engineering, construction observation and materials testing in the amount of \$33,600.00. Staff recommends approval.

A motion was made by Commissioner Singhania to approve the agreement. The motion was seconded by Commissioner Croft with all Commissioners present voting in favor of the motion.

18. Approval of a new Stevedore License application submitted by QSL Texas Terminals.

Mr. Durel stated that QSL visited the port a few weeks back and was very excited about the Port's future and indicated they would be interested in doing business at the Port. They submitted a stevedore application with all the necessary paperwork which was then presented to the OSS Advisory Committee. Staff recommends approval.

A motion was made by Commissioner Santos to approve the license. The motion was seconded by Commissioner Pirtle with all Commissioners present voting in favor of the motion.

19. Approval regarding the 2022 Port Freeport Golf Tournament budget and benefactor.

Ms. Darlene Winkler stated that staff seeks approval of the proposed budget and Texas Port Ministry as benefactor for the annual golf tournament hosted by Port Freeport tentatively set



for October 17, 2022. Staff is requesting a total budget amount of \$21,000 with a Port Freeport contribution of \$3,000. Due to an increase in expenses and a reduction in sponsorships, staff also recommends returning to a single flight tournament. Staff presented this to the Finance Advisory Committee prior to the meeting and recommends approval.

A motion was made by Commissioner Singhania to approve the budget and benefactor as presented. The motion was seconded by Commissioner Giesecke with all Commissioners present voting in favor of the motion.

20. Approval of Executive Director/CEO travel for the months of July and August 2022.

Ms. Saathoff clarified the “Tri-State Area” is the upper East Coast area. She also included for the record, her trip to Washington, DC in June and the recent ILA Conference. Additional upcoming trips include meetings in Austin and customer visits in August/September.

A motion was made by Commissioner Croft to approve the travel. The motion was seconded by Commissioner Giesecke with all Commissioners present voting in favor of the motion.

At this time, Commissioner Hoss noted that agenda item 21 will be deferred for possible action after discussion in executive session.

Commissioner Giesecke pointed out a proposed lease amendment with an existing Port tenant that was uploaded in BoardPaq under executive session, suggesting it be discussed in open session rather than executive session as a matter of transparency and policy. Ms. Saathoff noted there is not an item on the agenda to discuss or approve an amendment. Mr. Nemeth noted that if its commercial negotiations on a contract that hasn't been signed (i.e. proposed amendment), discussion in executive session is appropriate.

21. Discuss and consider engaging outside General Counsel to provide legal services.

This item was tabled.

22. EXECUTIVE SESSION in accordance with Subchapter D of the Open Meetings Act, Texas Government Code Section 551.001, et. seq., to review and consider the following:

A. Under authority of Section 551.071 (Consultation with Attorney) for discussion regarding:

1. Consultation with attorney under Government Code Section 551.071(1) (to seek or receive attorney's advice on pending or contemplated litigation).
2. Consultation with attorney under Government Code Section 551.071(2) (to seek or receive attorney's advice on legal matters that are not related to litigation).

B. Under authority of Section 551.072 (Deliberation Concerning Real Property Matters) for discussion regarding:

1. Discussion regarding the potential exchange, lease, or value of real property located in Freeport, Texas, including but not limited to the are known as the East End of Freeport and bordered by or adjacent to the following streets: FM1495; East 2<sup>nd</sup> Street; Terminal Street and East 8<sup>th</sup> Street in Freeport, Texas.

2. The potential purchase, exchange, lease, or value of real property located at Port Freeport, including but not limited to the real property located at and contiguous to Berths 1, 2, 5 and 7.
3. The potential exchange, lease, or value of real property located at Port Freeport, including but not limited to Parcels 14, 19, 27, 34 and property on Quintana Island.

23. RECONVENE OPEN SESSION:

At this time, Commissioner Giesecke noted for the record that while he did sit in on executive session, he did not find it to be allowable under the Open Meetings Act, he listened but he did not participate.

24. Adjourn.

With no further business before the Commission, the meeting adjourned at 5:18 PM

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John Hoss, Chairman

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Rudy Santos, Vice Chairman

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Dan Croft, Secretary

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Rob Giesecke, Asst. Secretary

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Ravi K. Singhanian, Commissioner

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Shane Pirtle, Commissioner

## RESOLUTION APPROVING SALE OF PROPERTY HELD IN TRUST

At a regular meeting of the Port Commission of Port Freeport held at the office of Port Freeport at 1100 Cherry Street, Freeport, Texas, on the 11<sup>th</sup> day of August, 2022, among other business came on to be considered the following resolution, which, upon motion duly made and seconded, was adopted by vote of all Commissioners present:

### FINDINGS

1. Due and proper notice of the date, time, place and purpose of this meeting has been duly given in accordance with the provisions of the Texas Open Meetings Act, and such meeting has been conducted in accordance with said Open Meetings Act.

2. The County of Brazoria, State of Texas, has heretofore instituted tax suits and has been awarded tax judgments relative to the hereinafter described tracts and parcels of land, where, in each instance, as a result of delinquent tax sales, the high bid was less than the amount of taxes owing on each respective parcel. Each such parcel was bid off to Brazoria County for the amount of judgment against each respective parcel and each such parcel of property is held in trust due to delinquent tax foreclosure.

3. The Property Resale Committee of Brazoria County has advertised for, received, and opened sealed bids on each said parcel of property held in trust and determined that in each instance, the high bid is less than the amount of taxes owing on each respective parcel. The account number, legal description, entity holding in trust, appraised value, opening bid and amount bid for each respective parcel, are described in Exhibit "A" attached hereto.

4. The Property Resale Committee of Brazoria County has requested that Port Freeport approve the sale amount of each respective item of property as described in Exhibit "A" attached hereto, in accordance with Section 34.05 of the Property Tax Code of the State of Texas, and that Port Freeport join in the conveyances to respective high bidders to evidence Port Freeport's consent to each such sale.

### RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that Port Freeport hereby consents to the acceptance of the high bid as to each respective parcel as described in Exhibit "A" attached hereto and the conveyance of each respective parcel to each respective high bidder; and that Port Freeport accept its pro rata share of the proceeds; and

BE IT FURTHER RESOLVED, that the Chairman of the Port Commission be, and he is hereby authorized to join in the conveyance to each respective high bidder of each respective parcel to evidence Port Freeport's consent to each respective sale for less than the amount of taxes owing.






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## MEMORANDUM

**TO:** Commissioners  
Directors  
Legal Counsel

**FROM:** Jason Hull, P.E.   
Director of Engineering

**DATE:** August 2, 2022

**SUBJECT:** Easement to CenterPoint Energy for extension of electrical service into Parcel 14 to serve Vulcan's Lease

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CenterPoint Energy is needing an electrical easement across Parcel 14 in order to extend electrical service in the parcel to serve Vulcan's Lease.

I recommend approval of granting an electrical easement to CenterPoint Energy on Parcel 14 so that electrical service can be extended to the site as shown.

PORT COMMISSION

JOHN HOSS, CHAIRMAN; RUDY SANTOS, VICE CHAIRMAN; DAN CROFT, SECRETARY; ROB GIESECKE, ASST. SECRETARY;  
RAVI K. SINGHANIA, COMMISSIONER; SHANE PIRTLE, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO