

AGENDA

**Port Freeport
Port Commission
Regular Meeting
Thursday, June 9, 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

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/83434074563?pwd=eUpDQ09BYThBZi9iMWZvRHlYYjVZz09>

Meeting ID: 834 3407 4563

Passcode: 229644

Dial by your location

1 346 248 7799 US (Houston)

Meeting ID: 834 3407 4563

Find your local number: <https://us02web.zoom.us/u/kciEMmR8>

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 Regular Meeting held May 26, 2022.
10. PUBLIC HEARING on application for tax abatement filed by Volkswagen Group of America, Inc. regarding a \$115 million 125-acre vehicle importation and processing center for property located within the City of Freeport Reinvestment Zone 2022-01 and proposed Tax Abatement Agreement to be entered into by Port Freeport related to same.
11. Adoption of a Resolution approving the application for tax abatement between Port Freeport and Volkswagen Group of America, Inc. 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.
12. 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.

13. Approval of liability insurances through broker Arthur J. Gallagher & Co.
14. Approval of an Interlocal Cooperation Agreement between Port Freeport and Brazoria County for Public Safety Radio Access and Services.
15. Adoption of a Resolution recognizing Bobby Fuller for his years of service to Texas Port Ministry.
16. Discussion and possible approval of change to the Regular Meeting schedule of the Port Commission for July, 2022.
17. Update regarding General Counsel Request for Proposals.
18. 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 551.072 (Deliberation of 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 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.
19. RECONVENE OPEN SESSION:
20. 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.



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 Regular Meeting
May 26, 2022
In Person & Videoconference

A Regular Meeting of the Port Commission of Port Freeport was held May 26, 2022, beginning at 1:00 PM at the Administration Building, 1100 Cherry Street, Freeport, Texas.

This meeting agenda with the agenda packet is posted online at 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/88490012605?pwd=d0lMNWtlejZ0Y3NORVYyOWhsMW4rdz09>

Meeting ID: 884 9001 2605

Passcode: 061727

Dial by your location

+1 346 248 7799 US (Houston)

Meeting ID: 884 9001 2605

Find your local number: <https://us02web.zoom.us/u/kc1ADrXGZc>

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
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. Jason Miura, Director of Business & Economic Development
Mr. Brandon Robertson, Network Systems Manager
Ms. Missy Bevers, Executive Assistant
Ms. Mary Campus, Controller
Ms. Tricia Vela, Public Affairs Assistant

Also, present:

Mr. Chris Moore, Texas Port Ministry

Mr. Charles Montgomery, ILA Local 30
Mr. Jason Mills, Terracon
Mr. James Nash, WGMA
Mr. Rick Stephanow, Gulf LNG Services
Ms. Megan Mikutis, Gilman & Allison
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 and Texas Flag
4. Roll Call – Commissioner Hoss noted that all Commissioners were present.
5. 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.

6. Public Comment – There were no public comments.
7. Public Testimony – There was no public testimony.
8. Approval of minutes from the Regular Meeting held April 28.

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

9. Receive update regarding the status of ILA Local 30.

Mr. Charles Montgomery with ILA Local 30 gave an update on the ILA which supplies a large part of the labor to the loading and unloading processes that take place inside Port Freeport. For the last 13 months, Mr. Montgomery has been assigned to the Local 30 to investigate the growth issues experienced by ILA in Port Freeport. He noted that over 2021 vs. 2020, revenues saw an 18% growth in payroll. In 2020, Local 30 experienced \$6.2 million in payroll, \$8 million in 2021 and this year is on track to close out the contract year (September 30) at approximately \$8.2 million. ILA has hired an additional 100+ people to help supply the needs of the Port. Mr. Montgomery has worked closely with Port staff to put together safety programs which has changed the safety culture within the Port and reduced incidents. ILA continues to work to enhance the attractiveness of the Port by increasing the skill set of labor to include heavy equipment operators, increased the amount of truck drivers from 22 to over 100 and tripled experienced forklift operators. Mr. Montgomery will be rotating out of the area in June but will be hands on watching and coordinating the future of Local 30.

10. 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

Mr. Hogan provided a safety moment to the group regarding hurricane season. Ms. Saathoff reported on a successful Take-a-Child Fishing Tournament and thanked staff and volunteers for their efforts. The Corps released the 2022 Work Plan with Port Freeport receiving an additional allocation of \$73,156,000 for the Freeport Harbor Channel project construction. Ms. Saathoff reminded the Commission the City of Freeport will hold a meeting this evening regarding a tax abatement. Port Freeport hosted a Roundtable group for a tour of the Port earlier in the day. Ms. Saathoff received notification from Representative Code Vasut's office regarding an application to provide water utility service in Brazoria County. Mr. Hull provided an update regarding this application stating a developer wants to develop outside the city limits of Angleton. Because its outside the city limits, the city is not required to provide water and therefore the developer has to build his own water system. This has nothing to do with Port Freeport.

B. Chief Financial Officer

Mr. Lowe gave a presentation regarding the financial results for the month of April. He also introduced Angela Lewis who joined the Port as the new receptionist.

C. Director of Engineering

Mr. Hull shared a recent photo of the progress at Berth 8. He also reported that Corey LaChance and Roy Yates were recently sworn in as new board supervisors at Velasco Drainage District.

D. Director of Operations

Mr. Durel introduced Christine Lewis who joined the Port as a full-time safety coordinator and noted that Rick Benavidez was hired as a part-time safety coordinator. Mr. Durel thanked Charles Montgomery for his efforts over the last 13 months working with the Port to improve overall safety with ILA. Staff has completed review of the hurricane procedures in preparation for the upcoming hurricane season. Additionally, the PCT (Port Coordination Team) was activated and had their first call to test the system and discuss hurricane season. Mr. Durel noted the average vessel activity in 2021 was 44 vessels per month and this month the Port handled 39 vessels.

E. Director of Business & Economic Development

In addition to his written report, Mr. Miura noted that staff continues to see incremental business with the Port even with the supply chain disruption and current market. Staff continues to advance discussions with potential new business.

11. Receive report from Commissioners on matters related to:

A. May 26 OSS Advisory Committee – Commissioner Pirtle reported the committee discussed security information related to grants and received a safety update.

B. May 26 Finance Advisory Committee - Commissioner Croft reported the committee reviewed the contract with KM&L as well as the Port's investment policy, both of which are on the agenda for approval.

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

Commissioner Pirtle reported attending the Take-a-Child Fishing Tournament, the Alliance Quarterly meeting with KC Conway and the BCCA meeting.

Commissioner Croft reported attending the Take-a-Child Fishing Tournament and the Alliance Quarterly meeting.

Commissioner Santos reported attending the Alliance Quarterly meeting.

Commissioner Singhanian reported attending the Alliance Quarterly meeting and is working with the Indo/America Chamber for a visit later in the year. He also noted the Brazoria County TARC will hold a meeting June 6 regarding tax abatement and will be on Commissioners' Court agenda June 14.

Commissioner Giesecke reported attending the Alliance Quarterly meeting, Take-a-Child Fishing Tournament and BCCA meeting. He also gave an update to the Angleton Republican Women.

Commissioner Hoss reported on the tour of the Port by the Roundtable group earlier in the day and thanked staff who assisted the tour. He also reported attending the Alliance Quarterly meeting.

12. Approval of financial reports presented for the period ending April 30, 2022.

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

13. Approval of a contract with KM&L, LLC for the Annual Independent Financial and Compliance audit for a term of 3 years, with the Port's option to renew for two additional one-year periods.

Mr. Lowe stated that staff met with the Finance Advisory Committee to discuss the contract for annual independent financial and compliance audit which ended September 30, 2021. The Port received three proposals, one of which was rejected as it arrived after the deadline. Staff recommends awarding a three-year contract to KM&L for fiscal year 2022 in the amount of \$31,650 with an option to the Port to extend services for two additional one-year periods. Staff noted the competing offer was nearly four times the rate and man hours of KM&L.

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

14. Adoption of a Resolution approving amendments to the Port Freeport Investment Policy.

Ms. Campus stated that staff met with the Finance Advisory Committee to discuss Port's Investment Policy. The policy sets the standard for the Port's investment brokers, training

and review of staff training. Because the Texas Legislature was not in session this year, no changes are recommended other than dates, however the Port Commission must reauthorize the policy for the year and adopt the resolution that states the Port is in compliance.

A motion was made by Commissioner Croft to adopt the resolution approving amendments to the Port Freeport Investment Policy. The motion was seconded by Commissioner Giesecke with all Commissioners present voting in favor of the motion.

15. Discuss plans for review and update of Port Policies.

Ms. Saathoff stated that staff will soon begin the process of reviewing and updating the Port's set of policies. Most policies will fall to the Personnel Advisory Committee for review however if a policy is finance related or operations, safety, security related, the policies will fall to those respective committees. The process will take more than a year to review all policies so as not to overwhelm the Commission with the process. Staff will layout a schedule and relay soon.

16. Receive update regarding General Counsel Request for Proposals.

Commissioner Hoss noted that not all scoring sheets have been returned. More information will be provided as soon as its available.

17. 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 or a settlement offer).
 - 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 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 Parcels 14, 19, 27, 34 and property on Quintana Island.
- C. Under authority of Section 551.076 (Deliberation of Security Matters) for discussion regarding:
 - 1. Issues related to the deployment or specific occasions for implementation of security personnel or devices or security audit services.

18. RECONVENE OPEN SESSION:

19. Adjourn.

With no further business before the Commission, the meeting adjourned at 6:01 PM

John Hoss, Chairman

Rudy Santos, Vice Chairman

Dan Croft, Secretary

Rob Giesecke, Asst. Secretary

Ravi K. Singhania, Commissioner

Shane Pirtle, Commissioner

**APPLICATION FOR TAX ABATEMENT IN
PORT FREEPORT IN
BRAZORIA COUNTY, TEXAS**

INSTRUCTIONS FOR COMPLETION OF APPLICATION:

1. Attach additional pages if there is not enough space allotted to answer questions on the application.
2. Applicants and projects must meet the requirements established by the Port Freeport Guidelines and Criteria (attached) in order to receive positive consideration. **PLEASE READ THE CRITERIA PRIOR TO COMPLETING THE APPLICATION.**
3. Applicants must submit an application processing fee in the amount of ONE THOUSAND & NO/100 (\$1,000.00) DOLLARS to cover costs of legal notices to be published.
4. Applicants must submit an adequately definitive legal description that sufficiently describes the tract(s) of land comprising the proposed tax abatement area (reinvestment zone) upon which the new facility, expansion or modernization project will be located. Applications with insufficient or indefinite legal descriptions will be returned to the applicant for amendment and such applications will not be considered for hearing until corrected.
5. Applicant must submit the attached "Certification of Appraised Value of Properties" form as part of this application. The certification should cover the proposed tax abatement area and it is the responsibility of the applicant to obtain this information from the Brazoria County Appraisal District.

**PART I
APPLICANT'S INFORMATION**

The taxing unit may consider applicant financial capacity in determining whether to enter into an abatement agreement. Established companies for which public information is available, or the wholly owned businesses of such companies, should include with the new application a copy of their latest annual report to the stockholders. Other applicants and new companies should attach a statement showing: (1) when the company was established; (2) business references [name, contact and telephone number of principal bank, accountant and attorney]; and (3) may be required to submit an audited financial statement and business plan. **Attach as Exhibit "A".**

PARTS II & III PROJECTION INFORMATION

Only facilities listed in Section 2(a) of the Guidelines may receive abatement without applying for a variance. Check guidelines definitions in Section I to see if project qualifies.

If the project is a Regional Entertainment Facility, Regional Service Facility, Regional Distribution Center Facility, or other basic industry, include the following items: (1) market studies; (2) business plans; and (3) agreements or other materials demonstrating that the facility is intended to serve a market of which the majority is substantially outside the Brazoria County region. See Part III of the Application – Required Exhibits.

PART IV ECONOMIC IMPACT INFORMATION

Permanent Employment Estimates

In estimating the permanent employment, include the total number of jobs created at this site by your firm as well as known permanent jobs of service contractors required for operation.

Estimated Appraised Value on Site

The value January 1 preceding abatement should be the value established by the Brazoria County Central Appraisal District. If the applicant must estimate value because the taxable value is not known or is combined with other properties under a single tax account, please so state. To qualify, the abated properties must be expected to result in an addition to the tax base of at least one million dollars after the period of abatement expires. Projections of value should be a “best estimate” based on taxability in Texas. The projection of project values not abated should include personal property and ineligible project-related improvements such as office in excess of that used for plant administration, housing, etc. **Attach as Exhibit “B”.**

PARTS V & VI

Self-explanatory.

**APPLICATION FOR TAX ABATEMENT IN
PORT FREEPORT IN
BRAZORIA COUNTY, TEXAS**

FILING INSTRUCTION:

This application should be filed at least NINETY (90) DAYS prior to the beginning of construction or the installation of equipment. This filing acknowledges familiarity and assumed conformance with "GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENT IN A REINVESTMENT ZONE IN BRAZORIA COUNTY" (Copy attached). This application will become part of any later agreement or contract and knowingly false representations thereon will be grounds for the voiding of any later agreement or contract.

ORIGINAL COPY OF THIS APPLICATION AND ATTACHMENTS SHOULD BE SUBMITTED TO:

**CHIEF FINANCIAL OFFICER
PORT FREEPORT
1100 CHERRY STREET
FREEPORT, TX 77541**

PART I - APPLICANT INFORMATION

Company Name: Volkswagen Group of America Inc. Submittal Date: 5.18.2022
Address/City: 2200 Woodland Pointe Avenue
Phone: 248-754-5000
Name/Address/Phone of Company Contact on this Project: Donald Davidson
601 Pennsylvania Avenue, Suite 740; Washington DC, 20004
Type of Structure: Corporation ☒ Partnership ☐ Proprietorship ☐
Total number employed: About 8,000 Corporate Annual Sales per year: Approx. \$25.5 Billion
Annual Report submitted: Yes ☒ No ☐ (see instructions)

PART II - PROJECT INFORMATION

Check Type of Facility to be abated:

Manufacturing	<input type="checkbox"/>	Regional Distribution	<input checked="" type="checkbox"/>
Regional Service	<input type="checkbox"/>	Regional Entertainment Center	<input type="checkbox"/>
Research	<input type="checkbox"/>	Other Basic Industry	<input type="checkbox"/>

Proposed Facility Address and Legal Description: **Attach as Exhibit "C".**

Attach a map showing site. **Attach as Exhibit "D".**

Abatement Term Requested: 7 years Percentage Requested: 100%

Proposed facility located in the following taxing jurisdictions:

School District: Brazosport Independent School District
College District: Brazosport College
Drainage District: Velasco Drainage District
Hospital District: N/A
City: City of Freeport
Other Taxing Jurisdictions: Port Freeport

Describe product or service to be provided: Automotive - Port Terminal

This application is for a: New Plant (✓) Expansion () Modernization ()

PART III - PROJECT DESCRIPTION

Please attach a statement (1) fully explaining the project; (2) describing the site and existing improvements; (3) describing all proposed improvements; and (4) providing a list of improvements and fixed equipment for which abatement is requested. **Attach as Exhibit "E"**.

If applicable, please describe any additional property located outside of the proposed reinvestment zone that would add to the overall value of the project.

PART IV - ECONOMIC IMPACT INFORMATION

A. Estimated cost of proposed improvements: \$114,495,000

B. Permanent employment estimates:
If existing facility, the current plant employment: N/A
Estimated number of plant jobs retained: (N/A) Jobs created: () 113
Number of employees anticipated at start-up: 113 within one year: 113

C. Construction employment estimates:
Construction to start: Month: 06 Year: 2022
Construction to be completed: Month: 12 Year: 2023
Number construction jobs anticipated:
At start: unknown Peak: 387 Finish: unknown

D. School District impact estimates:
Number of families transferred to area: unknown
Number of children added to ISDs: unknown

E. City Impact estimates
Volume of treated water required from City: minor
Volume of effluent to be treated by City: minor

Please provide statement by Addendum relative to planned water and sewer treatment methods and disposal of effluent if the facility is to be located outside city systems. If effluent is not treated by municipal facilities, by Addendum, include an explanation of the manner of treatment and by whom. Attach as Exhibit "F".

Has permitting been started: Yes () No ()

F. Estimated appraised value on site:

	LAND	PERSONAL PROPERTY	IMPROVEMENTS
Valuation of existing property as of January 1, preceding this abatement application:	<u>\$393,210</u>	<u>0</u>	<u>0</u>
Estimated value of Personal Property and Improvements, not subject to abatement, excluding exempt Pollution Control Equipment , upon completion of the project subject to this application:		<u>\$393</u>	<u>0</u>
Estimated value of abated improvements at the completion of construction:			<u>\$28,500,000</u>
Estimated value of Tangible Personal Property, subject to abatement :		<u>\$1,394,000</u>	
Estimated value of abated improvements after abatement agreement expires:			<u>TBD by assessor</u>
Estimated value of abated Tangible Personal Property, after abatement agreement expires:		<u>\$786,500</u>	
Estimated value, upon completion of the project, of exempt pollution control equipment:			<u>N/A</u>

G. Minimum Production Life of Equipment: 14 years and greater

H. Variance: Is a variance being sought under any provision of the "Guidelines"? Yes () No (✓)
If "Yes", attach any supplementary information required. **Attach as Exhibit "G".**

I. Statement on planned efforts to use Brazoria County Vendors and Services: Please attach a statement describing willingness and planned efforts to use qualified Brazoria County Vendors and services where applicable in the construction and operation of the facility. (See Section 2 (h) (6) of the Guidelines and Criteria for Granting Tax Abatement). **Attach as Exhibit "H".**

J. Tangible Personal Property Abatement Request: Attach a detailed list describing all tangible personal property sought to be abated. Said list must include projected life, cost, and value after abatement agreement expires. **Attach as Exhibit "I".**

PART V - OTHER AGREEMENT APPLICATIONS

Has the company made application for abatement of this project to other taxing jurisdictions or counties: Yes () No ()

If "Yes", provide (1) dates of application; (2) hearing dates; (3) name of jurisdiction(s) and contact(s); and (4) any letters of intent to abate. **Attach as Exhibit "J"**.

PARTS VI - DECLARATION

To the Best of my knowledge, the above information is an accurate description of project details.



Company Official Signature

Donald Davidson, Manager of Government Relations
Printed Name & Title of Company Official

EXHIBIT

A

REQUIRED ATTACHMENTS

- EXHIBIT "A" – Latest Annual Report or Information on Establishment of the Company, Business References, audited financial statement and business plan.**
- EXHIBIT "B" – Certification of Appraised Value of Properties as of January 1, 2021**
- EXHIBIT "C" – Proposed Facility Address and Legal Description**
- EXHIBIT "D" – Map Showing Site**
- EXHIBIT "E" – Project Description including Time Schedule for Undertaking and Completing Project**
- EXHIBIT "F" – Planned Water and Sewer Treatment Methods and Disposal of Effluent**
- EXHIBIT "G" – Letter/Statement regarding Variance Requests**
- EXHIBIT "H" – Statement on Planned Use of Brazoria County Vendors**
- EXHIBIT "I" – Detailed Itemized List of Tangible Personal Property requesting to be abated.**
- EXHIBIT "J" – Application for Abatement with Other Taxing Jurisdictions**



1100 CHERRY ST. • FREEPORT, TX 77541
(979) 233-2667 • 1 (800) 362-5743 • FAX: (979) 373-0023
WWW.PORTFREEPORT.COM

For a copy of the complete Supermax Corporation Berhad 2020 Annual Report, please contact Port Freeport CFO, Rob Lowe via email at lowe@portfreeport.com or by calling 979-233-2667 ext.4366.

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

EXHIBIT "B"

**CERTIFICATION OF APPRAISED VALUE OF PROPERTIES
AS OF JANUARY 1, 2022**

TO: BRAZORIA COUNTY
FROM: BRAZORIA COUNTY APPRAISAL DISTRICT
DATE: May 20th 2022

The Brazoria County Appraisal District hereby certifies that the following appraised values as of January 1, 2022, for property of _____ described in Exhibit B-1 attached hereto are listed in the records of Brazoria County Appraisal District and indicated by the following account numbers:

PERSONAL PROPERTY	APPRAISED VALUE
Account No. _____	\$ _____
Account No. _____	\$ _____
LAND	
Account No. <u>169639</u>	\$ <u>\$260,050</u>
Account No. <u>162701</u>	\$ <u>\$133,160</u>
Account No. _____	\$ _____
IMPROVEMENTS	
Account No. _____	\$ _____
Account No. _____	\$ _____
Account No. _____	\$ _____

Certified this 20th day of May, 2022.

**CHIEF APPRAISER
BRAZORIA COUNTY APPRAISAL DISTRICT**

BY: _____

Exhibit C

DESCRIPTION OF A 147.09 ACRE LEASE TRACT

JOHN G. MCNEEL ½ LEAGUE, ABSTRACT NO. 335 AND

CONCEPCION AREOLA SURVEY, ABSTRACT NO. 142

BRAZORIA COUNTY, TEXAS

BEING A 147.09 ACRE LEASE TRACT IN THE JOHN G. MCNEEL ½ LEAGUE, ABSTRACT NO. 335 AND IN THE CONCEPCION AREOLA SURVEY, ABSTRACT NO. 142, BRAZORIA COUNTY, TEXAS; SAID 147.09 ACRE LEASE TRACT BEING PART OF THAT TRACT OF LAND REFERRED TO AS PARCEL 14 OF PORT FREEPORT; SAID PARCEL 14 BEING PART OF THE REMAINDER OF A 61.27 ACRE TRACT OF LAND CONVEYED TO BRAZOS RIVER HARBOR NAVIGATION DISTRICT FROM FREEPORT SULPHUR COMPANY BY DEED DATED JUNE 18, 1962 AND RECORDED IN VOLUME 826, PAGE 531 OF THE DEED RECORDS OF BRAZORIA COUNTY, TEXAS AND PART OF THE REMAINDER OF A 1384.40 ACRE TRACT REFERRED TO AS A PART OF TRACT SEVEN CONVEYED TO BRAZOS RIVER HARBOR NAVIGATION DISTRICT FROM FREEPORT MINERALS COMPANY BY DEED DATED AUGUST 27, 1982 AND RECORDED IN VOLUME 1663, PAGE 22 OF THE DEED RECORDS OF BRAZORIA COUNTY, TEXAS; SAID 147.09 ACRE LEASE TRACT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING at TxDOT right of way monument located at the northeast corner of said Parcel 14 and being also located at the intersection of the southerly right of way of State Highway 36 with the westerly right of way of F M Highway 1495; thence as follows:

North 89° 12' 15" West, across said Parcel 14, a distance of 595.28 feet to the **POINT OF BEGINNING** and northeast corner of the herein described lease tract;

THENCE, South 29° 59' 49" West, along the eastern most line of the herein described lease tract, a distance of 562.30 feet to a point for corner;

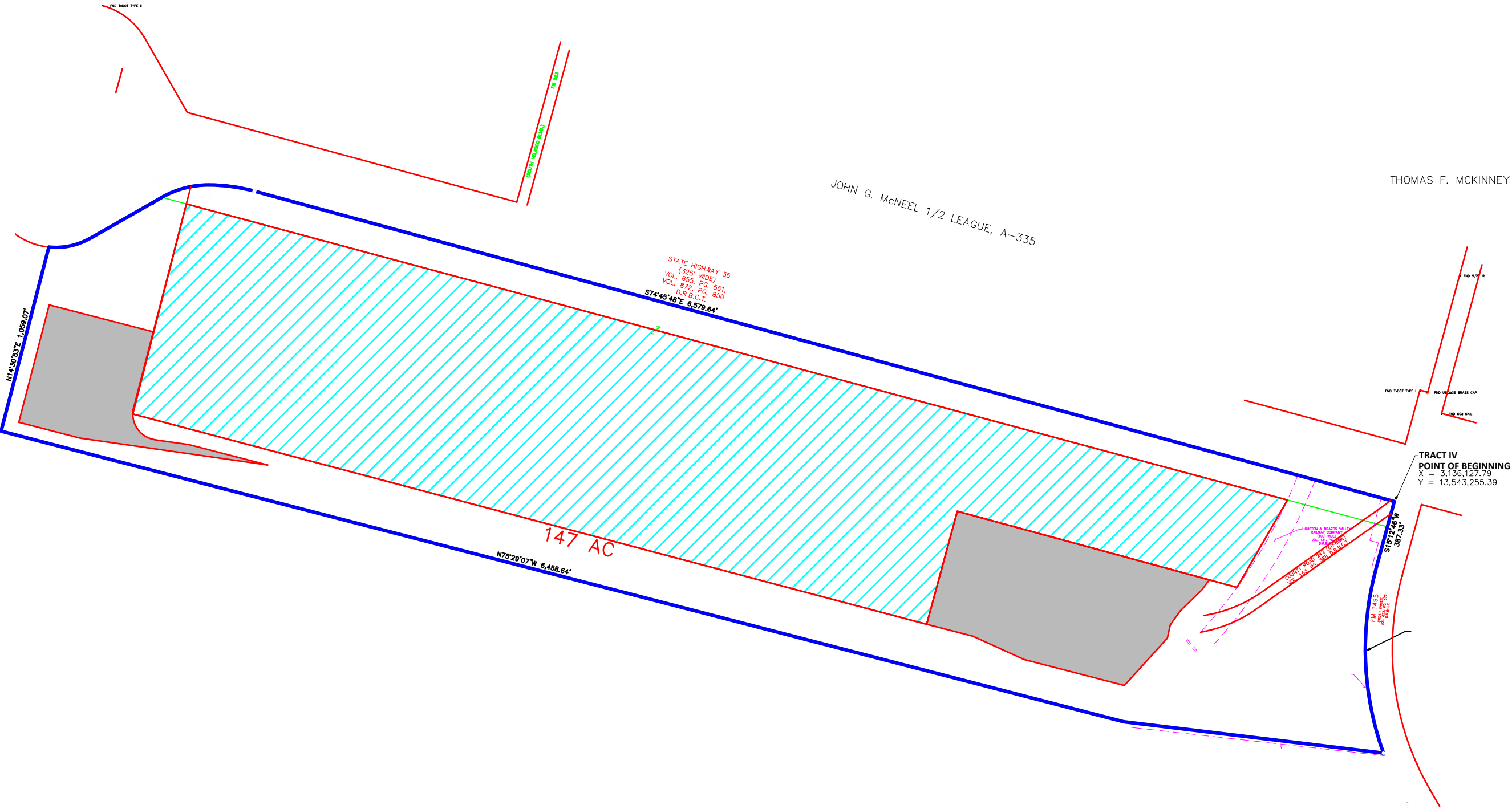
THENCE, North 74° 46' 11" West, along the interior north line of the herein described lease tract, at a distance of 159.63 feet pass a chain link fence corner post located at the northeast corner of an existing 20.404 acre lease tract; and continuing for a total distance of 1,614.04 feet to a chain link fence corner post located at the northwest corner of said 20.404 acre lease tract for the interior corner of the herein described lease tract;

THENCE, South 15° 12' 24" West, along an interior east line of the herein described lease tract and along a chain link fence along the westerly line of said 20.404 acre lease site, a distance of 652.00 feet to a chain link fence corner post located at the southwest corner of said 20.404 acre lease tract and for the most southerly southeast corner of the herein described lease tract;

THENCE, North 75° 09' 40" West, along the southerly line of the herein described lease tract, a distance of 4,573.11 feet to a point for the southwest corner of the herein described lease tract; same being on the east line of 10.00 acre lease;

THENCE, North 14° 17' 43" East, along the westerly line of the herein described lease tract and along the east line of said 10.00 acre lease, passing the northeast corner of said 10.00 acre lease, and continuing for a total distance of 1,207.96 feet to a point for the northwest corner of the herein described lease tract;

THENCE, South 74° 56' 34" East, along the northerly line of the herein described lease tract, a distance of 6,349.84 feet to the **POINT OF BEGINNING** and containing 147.09 acres.

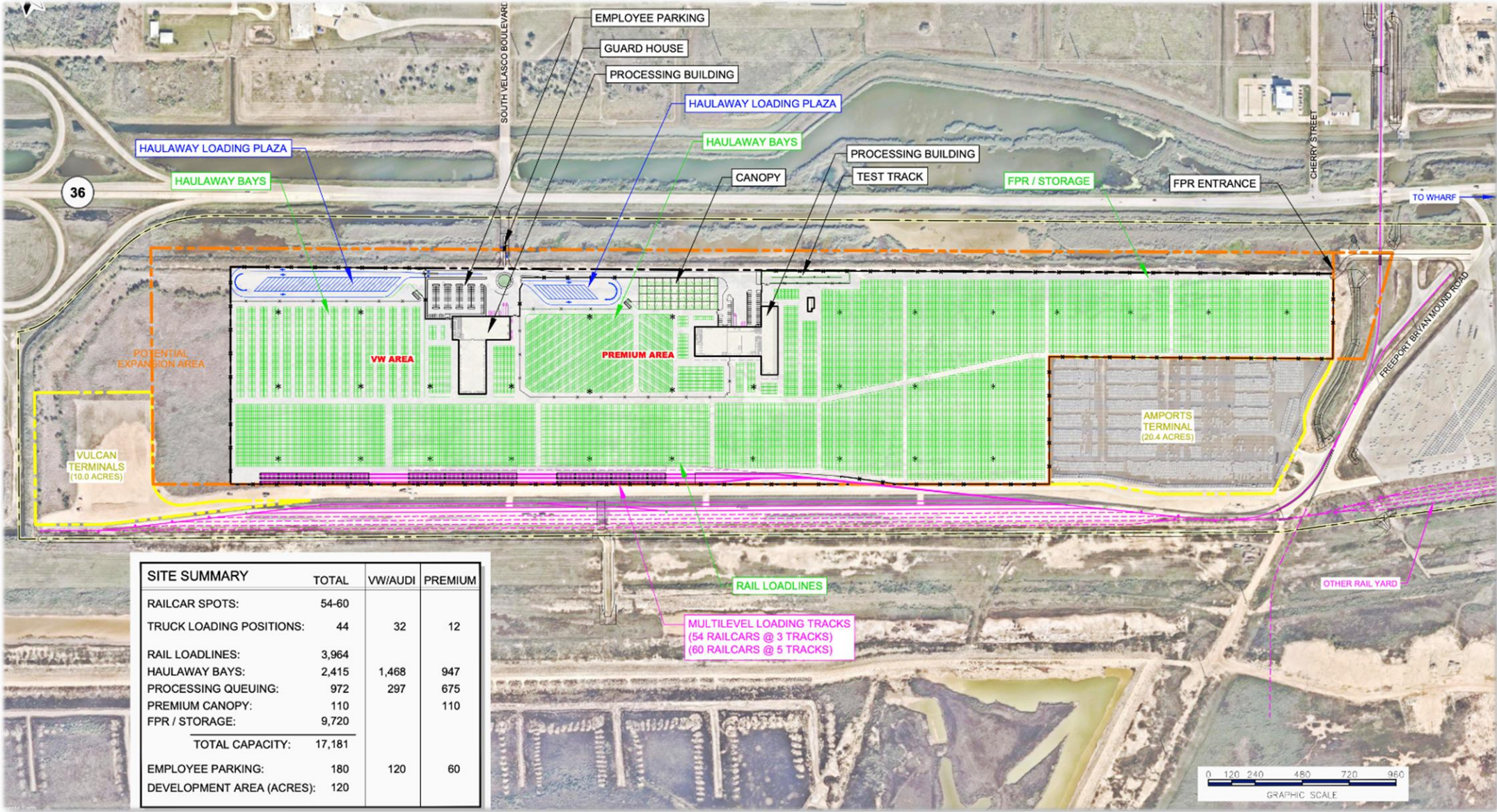


Proposed Port Freeport Facilities

Exhibit D



Proposed Development – Site Plan



Project Overview



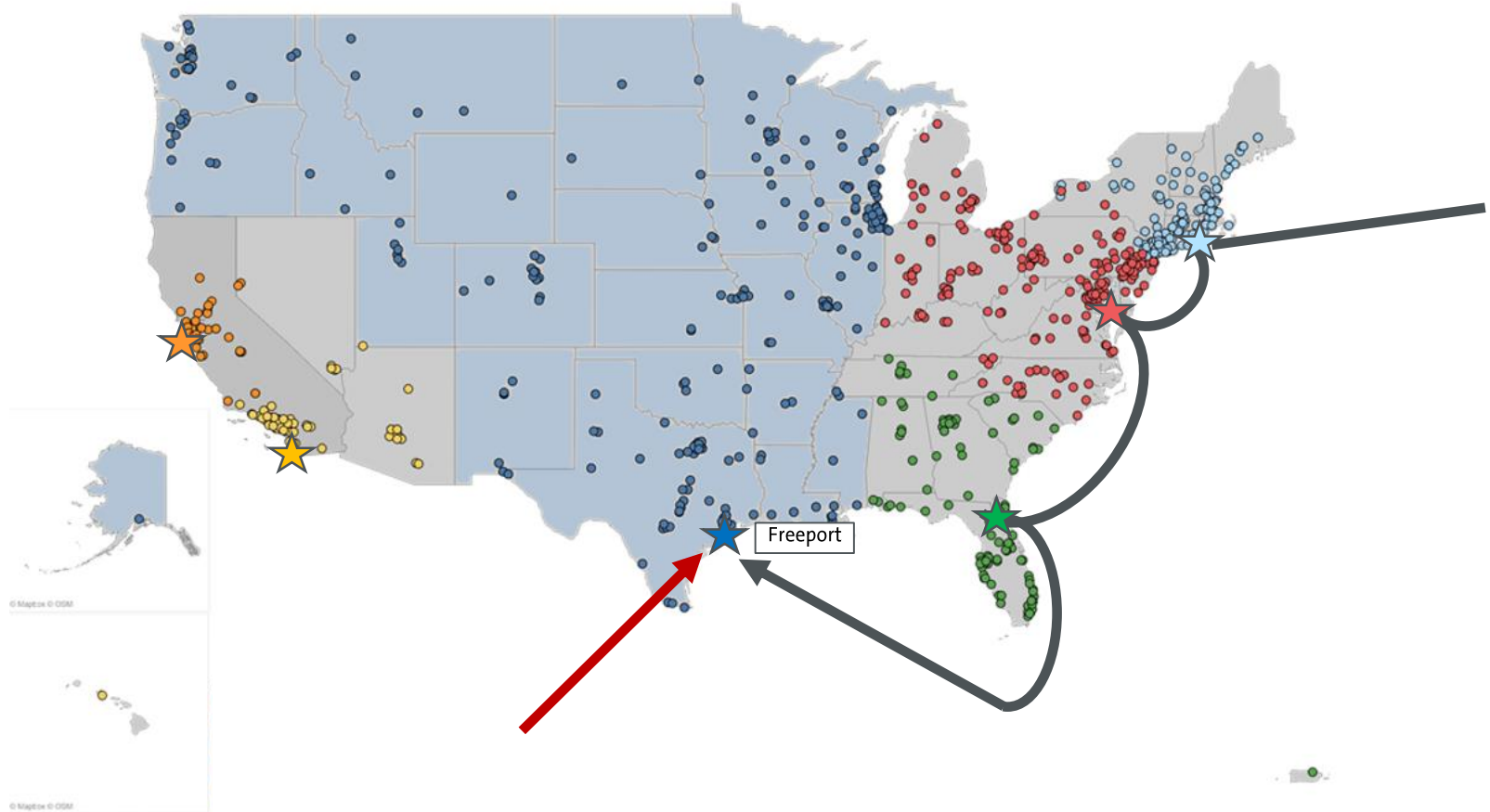
** Example Photos - Taken at VWGoA's new Tradepoint Atlantic vehicle terminal at the Port of Baltimore.*

Project Overview



** Example Photos - Taken at VWGoA's new TradePoint Atlantic vehicle terminal at the Port of Baltimore.*

Project Overview: US Network & Texas Port Service Area



Proposed Development – Location



Proposed Development – Site Plan

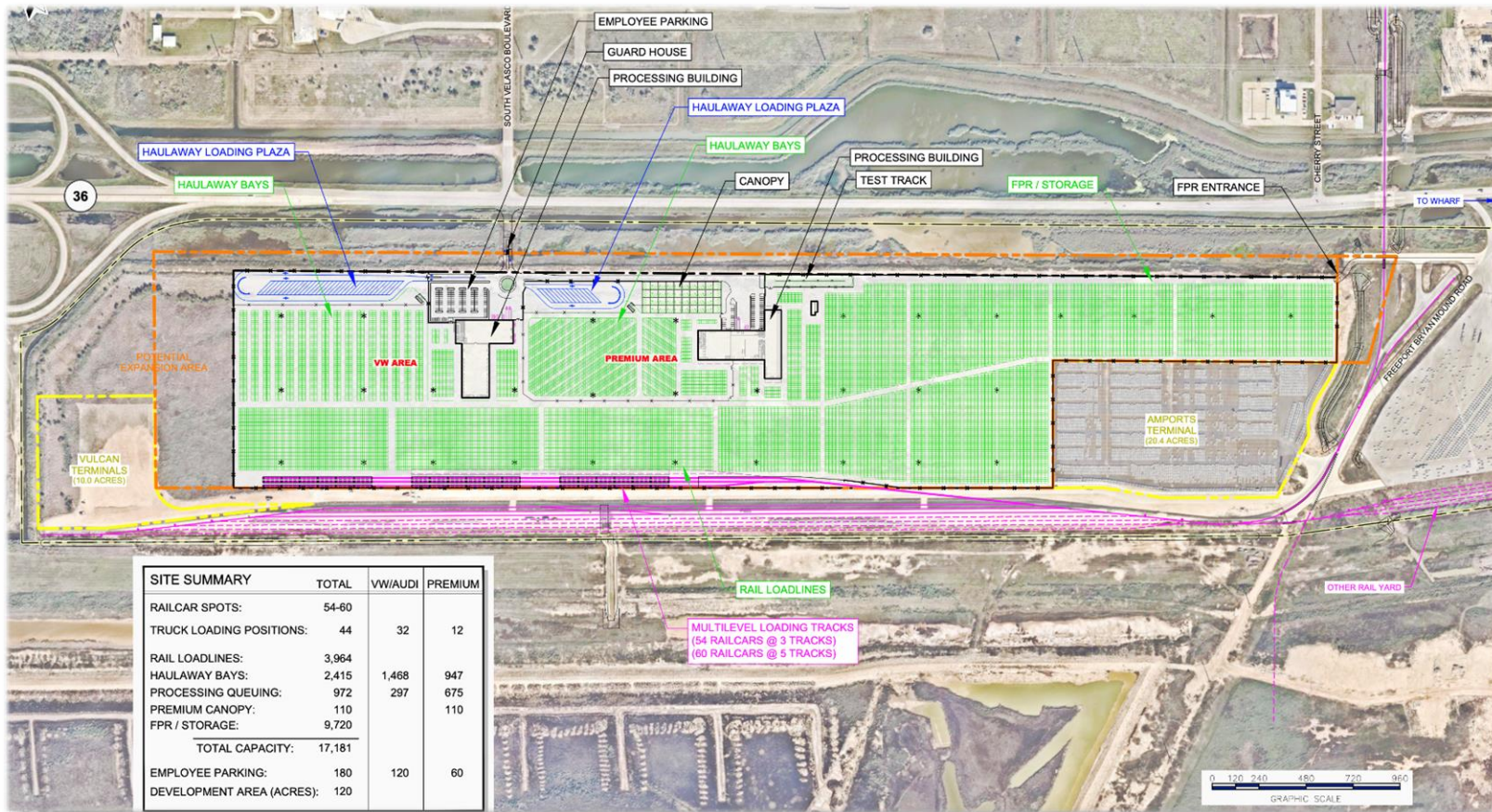


Exhibit F

Statement on Water and Sewer Use

The Volkswagen Group of America, Inc. port terminal facility at Port Freeport would be connected to city services for water and sewer.

Statement on Planned Use of Brazoria County Vendors

Volkswagen Group of America, Inc. and its development partners will endeavor to locate and source local Brazoria County Vendors and Services throughout all elements of the Project, including, but not limited to, site work, construction, and on-going operation of the facility.

Exhibit I

Tangible Personal Property Qualified for Abatement

Description	Cost (\$)	Projected Life	Value After 7 Year Abatement (\$)
Challenger Lifts	524,000	14	230,560
Dock Equipment	21,700	14	9,548
Hunter Lifts	111,800	14	49,192
Paint Booth	273,000	14	120,120
Racking	228,000	14	100,320
Rotary Lifts	236,000	14	103,840
Total	1,394,500		613,580

VOLKSWAGEN

GROUP OF AMERICA

Tim Kelty
City Manager
City of Freeport
200 W. 2nd Street
Freeport, TX 77541

Donald Davidson
Manager of Government Relations
Government Relations
+1 202 899 1004
+1 202 431 8108
donald.davidson@vw.com

NAME
TITLE
DEPARTMENT
DIRECT
MOBILE
E-MAIL

March 1, 2022

DATE

RE: Tax Abatement Request – Proposed Investment at Port Freeport

Dear Mr. Kelty:

On behalf of Volkswagen Group of America, Inc. (VWGoA), I am writing to request consideration of a tax abatement by the City of Freeport to support the substantial investment VWGoA is proposing at Port Freeport.

VOLKSWAGEN GROUP OF AMERICA, INC.
601 PENNSYLVANIA AVENUE NW
SUITE 740
WASHINGTON, DC 20004

As you know, VWGoA currently utilizes the Port of Houston and a Midlothian inland port to import vehicles, and we are now in the process of evaluating a number of ports across the Gulf Coast as opportunities to expand our investment and presence. We have had positive discussions with Port Freeport, and as our company works towards making a final siting decision, we would like to begin exploring how best to partner with the City to support this project.

The proposed VWGoA Port of Entry project at Port Freeport will consist of a 125-acre vehicle importation and processing center, which will manage distribution of vehicles inbound from Europe and Mexico by both rail and water. The project will include an on-site rail loading and unloading facility, a vehicle storage area, as well as two buildings totaling approximately 170,000 square feet for administration, vehicle processing, parts storage, and specialized technical space for several different Volkswagen Group brands. Additionally, electric chargers, fueling facilities, car washes, a storage canopy for certain vehicles, and dedicated truck loading and haulaway facilities will be constructed.

The project will be constructed on land ground leased from Port Freeport, who will retain fee title to the land.

The geographical area of dealers that will be served by the project will cover over 50% of the United States by geography, serving dealers in an area spanning Texas, the Midwest, and the Pacific Northwest. Average throughput of the facility over the next 5 years is projected to be between 120,000 and 140,000 cars per year.

Total capital investment in the project is projected at approximately \$115 million, and the vertical building improvements in the project are projected to have an estimated taxable value of \$28.5 million.

During construction of the project, we would anticipate the creation of 387 jobs over a construction period of 18-20 months, with almost 550,000 person-hours of construction activities being performed.

After initiating operations at Port Freeport, the VWGoA Port of Entry would support jobs for 260-300 people. 113 of these jobs would be at the Volkswagen Group terminal itself, with others being created as a direct result of our port operations. For instance, our operations would require employment at the port of 60 to 100 stevedore drivers to unload the thousands of vehicles the terminal will import via vessel. Additionally, our operations would require a robust trucking operation to be established and would support further employment at a shortline rail operator. Below is a more detailed estimate of employment impact.

Estimated Total Employment Connected to VWGoA Port of Entry Project

	Number of People
<i>VWGoA Full Time Employees</i>	11
<i>Contractor / 3rd Party Logistics Provider (3PL) – Processing, Management, Administrative, HR, IT)</i>	55
<i>Porsche Full Time Employees</i>	3
<i>Contractor 3PL – Rail Operations</i>	12
<i>Contractor 3PL – Technical (Accessory Installation, Vehicle Quality, Collision Repair Technician, Paint Shop Technician)</i>	25
<i>Contractor 3PL – Warehouse (Forklift Operator, Parts)</i>	4
Contractor 3PL - Temp Labor (operations)	15
<i>Facility Maintenance</i>	3
Trucking (Dispatch, Truck Loading Supervision, Short Haul drivers)	15
Trucking (Long Haul drivers)	40
Vessel Stevedore Management, Supervision, Administration	5
Vessel Stevedore Drivers	60-100
Shortline Rail Operator	10
Vehicle Inspection 3PL	2
VWGoA / Porsche Full Time Employees	14
Total Jobs Directly at VWGoA Port of Entry	113
Total Direct & Indirect Jobs	260-300

Bold, Italicized = Jobs at VWGoA Terminal

As the VWGoA Port of Entry project most closely matches the description of Applicant Category D in Resolution No. 2020-2636, VWGoA would request a 100% abatement on ad valorem taxes on real property and improvements for a period of 10 years. If Port Freeport is chosen as our next port of entry, this abatement would support the substantial additional investment (approximately \$65 million of hard and soft costs) we must make to stabilize the site's land – an investment in land that is significantly above that of competing sites.

We would request that the other local taxing entities, including Brazoria County, Brazosport College, Brazosport, Independent School District City of Freeport, Velasco Drainage District, and Port Freeport also grant the same abatement.

In addition to consideration of the abatement, we would request the City's assistance improving the intersection at which our site would connect to TX-36 Expressway and Velasco Boulevard in order to accommodate the increased traffic connected to our port operations. To support traffic flow at this intersection, the addition of a stop light and other intersection infrastructure improvements (deceleration and turn lanes, etc.) would be beneficial.

We appreciate your consideration and stand ready to provide any additional information you may need. We look forward to discussing the opportunity to partner together in support of this project and the City's broader economic growth.

Sincerely,

Donald Davidson
Manager of Government Relations
Volkswagen Group of America

cc: Joe Magruder, Economic Development & Tourism - Office of the Governor
Phyllis Saathoff, Port Freeport
Jason Miura, Port Freeport
Nicole Barranco, Volkswagen Group of America
Heather Gilhuly, Volkswagen Group of America
Laura Matz, Matz and Company, LLC



Executive Summary

July 1, 2022-2023

Port Freeport

Arthur J Gallagher Risk Management Services, Inc.

David Garcia, CPA | Broker Consultant

david_garcia@ajg.com | 713.540.1960

Stephen Whalley | Area Vice President

Stephen_whalley@ajg.com | 832.419.0005

Date of Meeting: June 6, 2022



Gallagher




Insurance | Risk Management | Consulting

ajg.com

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CORE360® Executive Summary Scorecard

Your **CORE360** Executive Summary Scorecard has been developed for you to get a quick snapshot of how we've impacted your total cost of risk for the policies detailed in this proposal.

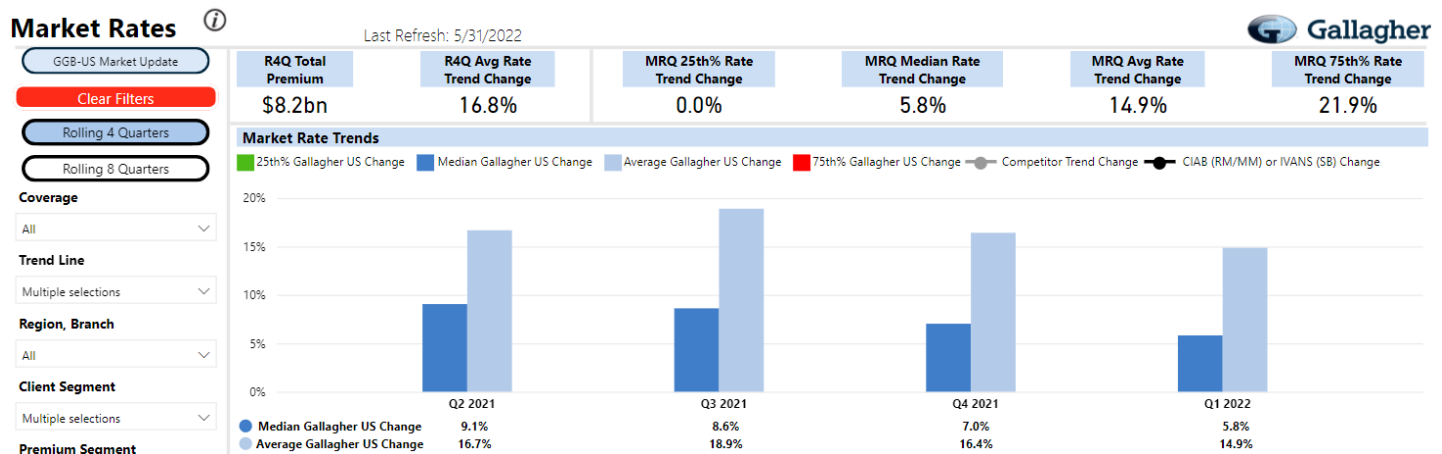
 <p>Insurance Premiums</p>	<p>Total Premium of \$198,168</p> <ul style="list-style-type: none"> • State of the Market – Average rate increase of 14.9%. • Year over year increase for the entire program is 11.53% or \$20,479. • The majority of the year over year increases are as follows: <ul style="list-style-type: none"> – Auto – Rate Increase of 16.75%; or \$5,109 year over year – Marine General Liability – \$11.97% rate increase; year over year increase of \$13,500; driven primarily through revenue growth of \$31M to \$41.7M or 34.81%. – Bumbershoot- Year over year increase of \$5,790 or 121.1% driven by revenue growth. – Public Officials – Decrease of \$3,804
 <p>Program Structure</p>	<p>Incumbent Carriers</p> <ul style="list-style-type: none"> • Commercial Auto – Nationwide - Rating A+ XV (Admitted) • Marine General Liability – C.N.A - Rating A XV (Admitted) • Hull& Machinery / P&I – Beazley Insurance - Rating A XIV (Admitted) • Vessel Pollution – Safe Harbor - Rating A IX (Admitted) • Public Officials - \$5M– AIG - Rating A XV (Admitted) • Public Officials - \$5M x \$5M– Iron shore - Rating A XV (Admitted) • Public Officials - \$5M x \$10M– One Beacon - Rating A+ XV (Admitted) • Maritime Employers Liability – Lloyd's of London - Rating A XV (Non-Admitted) • Bumbershoot - \$9M X \$1M –Sompo International (Endurance American Ins.Co.) – Rating A+ XV • Bumbershoot - \$15M X \$9M <ul style="list-style-type: none"> – Navigators - 50% Participation <ul style="list-style-type: none"> ▪ Rating A+ XI – Ascot – 50% Participation <ul style="list-style-type: none"> ▪ Rating A XIV
 <p>Contractual Liability</p>	<p>Continue to issue all certificates accurately and timely.</p> <ul style="list-style-type: none"> • 15 certificates in 2017. • 10 certificates in 2018. • 12 certificates in 2019. • 13 certificates in 2020. • 15 certificates in 2021.

Gallagher Recommendation

- Total premium spend is \$198,168 which is a year over year increase of 11.53% or \$20,479.
- We recommend that you renew with all incumbent carriers:
- Please note the following:
 - **Marine General Liability** –C.N.A. has been your marine general liability carrier since 2020, and we still recommend C.N.A. as your Marine General Liability carrier for a few reasons; to build equity with the carrier in the event of a loss plus the following events have been scheduled onto the policy form at no additional cost.
 - Take a Child Fishing- Local Dad's N' Daughters fishing held on municipal land.
 - Port Freeport Annual Golf Tournament –held at Lack Jackson Public Course- municipal owned
 - Dedication Ceremony
 - Seminar sponsored in Houston at a hotel for ports and associated groups
 - Local seminars help at Port Freeport with vendors for safety meetings - quarterly
 - **Auto** – In 2019, Philadelphia exited the monoline auto market due to significant losses within the industry. Nationwide was very interested in this line due to your great loss history and Nationwide actually delivered a decrease in 2020 in terms of rate which is a significant win. For 2022, we still recommend Nationwide as the premium of \$35,606 is the same cost as the Auto program with Philadelphia back in 2019 - approximately \$35,328.
 - **Bumbershoot** – The lead carrier is Sompo International (\$9M Limit) while both Navigators and Ascot writes the Excess Bumbershoot (\$15M X \$10M) at 50% participation.
 - In 2020, Navigators had 100% participation on the Excess Bumbershoot.
 - Due to market conditions in 2021, Navigators only offered a 50% participation.
 - Ascot was the 2nd carrier that provided a 50% line.
 - **Public Officials/ D&O** – We still recommend AIG (\$5M), Ironshore (\$5M x \$5M) and One Beacon (\$5M x \$10M) as your carriers for your Public Officials coverage. You have been with these carriers for over 6 years and have built up substantial equity with these carriers.

State of the Market – 1Q 2022

The big picture - Average Rate Change is 14.9%



WHERE WE WERE: 2021

- Like 2019 and 2020, 2021 was a challenging market overall. Our clients faced significant difficulties trying to find coverage, with capacity issues and significant rate increases—for some clients as much as 50%–100% increases, often multiple years in a row.
- A confluence of factors continued to challenge the industry, including social inflation—the trend of rising insurance costs as a result of increased litigation, plaintiff-friendly judgements and high jury awards — increased storm activity and pandemic losses. Additionally, carriers’ ability to offset these results through investment income remained a challenge due to the low interest rate environment.

WHERE WE ARE: WHAT WE’RE SEEING NOW

- Rate increases are moderating for some lines. After three years of substantial rate increases, we’re approaching a point of rate adequacy in the market, which is leading to more moderate rate increases.
- The market is trending slightly flatter, though not in every coverage line. Cyber, for example, has kept up sizeable year-over-year rate increases, with median increases of 39%, while Workers’ Compensation rates were flat.
- Three years of carriers raising rates, restricting limits and increasing deductibles have generally made the market more attractive to new business. Carriers’ combined ratios improved throughout 2021.

WHERE WE’RE GOING: TRENDS WE ARE WATCHING

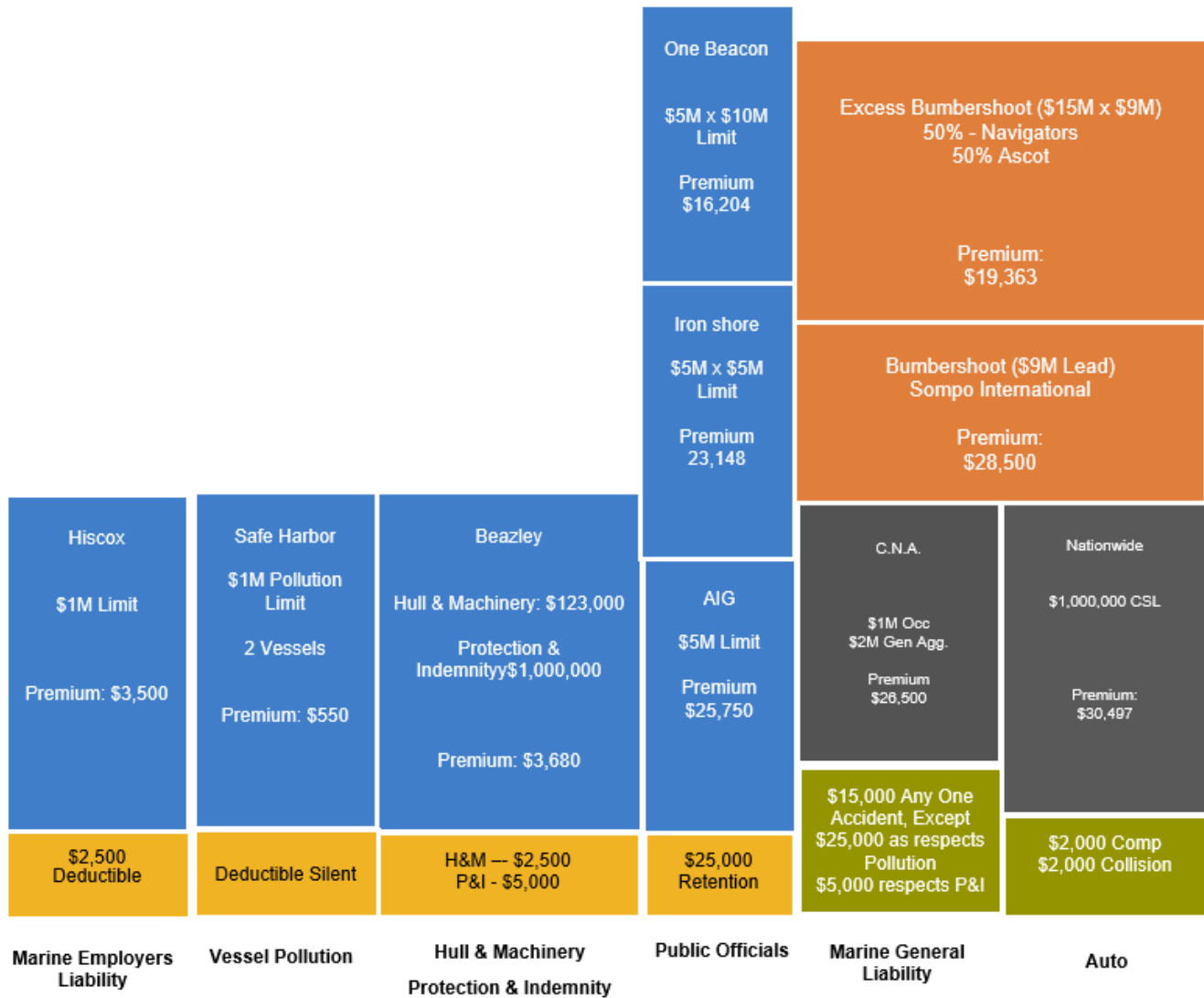
- With improving rate adequacy comes increased carrier competition. There are a number of new entrants to the market and increasing competition as underwriters look to write new business. We expect this to level off rate increases further into 2022. Exceptions are challenged placements, those with elevated risk profiles, and accounts that have experienced losses.
- Social inflation remains a concern, with a particular impact on Commercial Auto, General Liability, Directors and Officers (D&O), and Umbrella/Excess insurance. This trend continues to drive rates up, albeit more moderately than in prior years.

Insurance Premiums

Total Cost	2021	2022	Change
Premium	\$177,689	\$198,168	11.53%
		Change Year over Year	\$20,479
Commercial Auto	2021 (Nationwide)	2022 (Nationwide)	Change
Premium	\$30,497	\$35,606	16.75%
Number of Auto	22	22	0.00%
Deductible	\$2,000	\$2,000	0.00%
Rate per Auto	\$1,386	\$1,618	16.75%
Marine General Liability	2021 (C.N.A.)	2022 (C.N.A.)	Change
Premium	\$26,500	\$40,000	50.94%
Revenue	31,000,000	41,790,000	34.81%
Rate	\$0.85	\$0.96	11.97%
Hull & Machinery / Protection & Indemnity (Including Vessel Pollution)	2021 (Beazley & Safe Harbor)	2022 (Beazley & Safe Harbor)	Change
Hull / Protection & Indemnity Premium	\$3,680	\$3,914	6.36%
Pollution Premium	550	550	0.00%
Hull & Machinery	123,000	123,000	0.00%
Protection & Indemnity - Limit	1,000,000	1,000,000	0.00%
Vessel Pollution Limit	1,000,000	1,000,000	N/A
Rate	\$29.92	\$31.82	6.36%

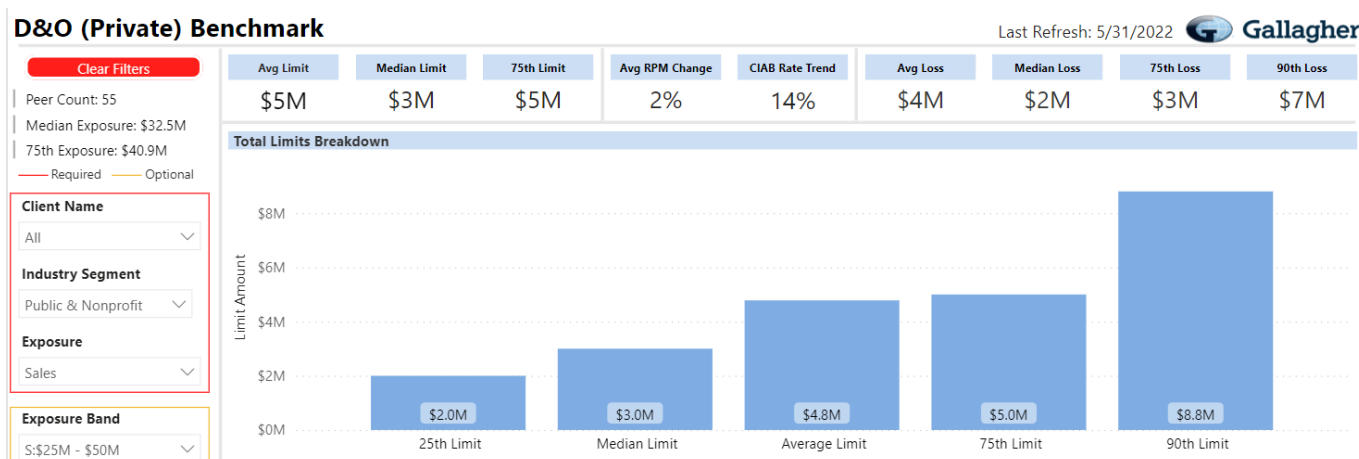
Maritime Employers Liability	2021 (Lloyds)	2022 (Lloyds)	Change
Premium	\$3,500	\$3,150	-10.00%
Revenue	If Any	If Any	N/A
Bumbershoot -\$25M	2021 (Various Carriers)	2022 (Various Carriers)	Change
Premium	47,860	53,650	12.10%
Revenue	31,100,000	41,790,000	34.37%
Sompo International Limit	9,000,000	9,000,000	0.00%
Navigators/Ascot Limit	15,000,000	15,000,000	0.00%
Rate	\$1.54	\$1.28	-16.58%
Public Officials -D&O / EPL - AIG - \$5M Limit	2021 (AIG)	2022 (AIG)	Change
Premium	\$25,750	\$23,442	-8.96%
Projected Revenue	31,100,000	41,790,000	34.37%
Retention	25,000	25,000	0.00%
Rate	\$0.83	\$0.56	-32.25%
Public Officials -Excess - Ironshore - \$5M x \$5M	2021 (Ironshore)	2022 (Ironshore)	Change
Premium	\$23,148	\$22,268	-3.80%
Projected Revenue	31,100,000	41,790,000	34.37%
Rate	\$0.74	\$0.53	-28.41%
Public Officials -Excess - One Beacon - \$5M X \$10M	2021 (One Beacon)	2022 (Intact/One Beacon)	Change
Premium	\$16,204	\$15,588	-3.80%
Projected Revenue	31,100,000	41,790,000	34.37%
Rate	\$0.52	\$0.37	-28.41%

Program Structure



Benchmarking – Directors’ & Officers’

- Entities with revenues between \$25M and \$50M in revenues on average purchase \$5M Limits for Directors’ & Officers’
- The Port Freeport currently purchases \$15M in Directors’ & Officers’ Limits



Your Team

Your Gallagher team is a true partner. We have the expertise to understand your business and we're here to service and stay alongside you, every step of the way.

Name/Title	Phone	Email	Role
Primary Service Team			
Stephen Whalley	713.358.5744 office 832.419.0005 mobile	stephen_whally@ajg.com	Area Senior Vice President
David Garcia, CPA	713.722.1615 office 713.540.1960 mobile	david_garcia@ajg.com	Broker Consultant
Lisa Frausto	713.358.5960 office 281.507.8545 mobile	lisa_frausto@ajg.com	Senior Client Service Manager
Claims & Loss Control			
Toby Grist	972.663.6147 office	Toby_grist@ajg.com	Regional Claims Manager
Patrick Mikel	972.663.6118 office	patrick_mikel@ajg.com	Property Claim Specialist
Ed Zabinski	630.694.5486 mobile	ed_zabinski@ajg.com	Loss Control Managing Director

INTERLOCAL COOPERATION AGREEMENT FOR PUBLIC SAFETY RADIO ACCESS AND SERVICES

THE STATE OF TEXAS §
§
COUNTY OF BRAZORIA §

This Interlocal Cooperation Agreement (“Agreement”) is made and entered into by and between **BRAZORIA COUNTY, TEXAS** (“COUNTY”) and **PORT FREEPORT** (“PORT”) pursuant to Texas Government Code chapter 791.

I. **RECITALS**

1.1 COUNTY is a political subdivision of the State of Texas acting by and through its Commissioners Court.

1.2 PORT is a political subdivision of the State of Texas located within COUNTY’S jurisdiction, acting by and through its PORT Council.

1.3 The Brazoria County Sheriff’s Office (the “Sheriff’s Office”) is a law enforcement agency that follows all Texas laws and regulations related to law enforcement and provides law enforcement services to the local community on behalf of COUNTY.

1.4 The Sheriff’s Office operates a public safety communication system owned by COUNTY that permits radio communications and transmissions via radio units;

1.5 PORT desires to obtain access to the communication system via radio units to facilitate communications between various public safety agencies;

1.6 COUNTY finds that allowing PORT access to the communication system will serve a public purpose;

1.7 Under Texas Government Code chapter 791, the Interlocal Cooperation Act, COUNTY and PORT (each a “Party,” together “Parties”) may contract for governmental functions and services, including police protection, fire protection, and other governmental functions in which the Parties are mutually interested.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements set forth in this Agreement, COUNTY and PORT agree as follows:

II.

DEFINITIONS

2.1 “Governmental Functions and Services” is as defined in Government Code section 791.003.

2.2 “Communications System” means The Brazoria County ASTRO 25 Simulcast, 700/800MHz emergency radio infrastructure, including all structures, hardware and software components, antennas, and interoperable radio frequencies.

2.3 “Radio Unit” means any console, consolette, mobile, or hand-held device capable of transmitting communications on the Brazoria County communications system.

III. COUNTY OBLIGATIONS

COUNTY hereby agrees, during the term of this Agreement, to the following:

3.1 COUNTY shall, through the Sheriff’s Office, upon request by PORT and approval by the Sheriff’s Office, allow PORT to access its Communications System to engage in radio communications by authorizing users of PORT’s Radio Units to access the Communications System for public safety purposes.

3.2 COUNTY shall, through the Sheriff’s Office, provide programming and repair services, to the extent resources are available and solely at its discretion, to equipment used on the Communications System.

3.3 COUNTY shall, through the Sheriff’s Office, attempt to disable any lost or stolen Radio Units upon being notified by PORT that one or more of PORT’s Radio Units has been lost or stolen.

IV. PORT OBLIGATIONS

PORT hereby agrees, during the term of this Agreement, to the following:

4.1 PORT shall affirm COUNTY assumes no cost or responsibility for providing, maintaining, repairing, replacing, upgrading, or performing any servicing of Radio Units to or on behalf of PORT, and that PORT assumes all responsibility for providing, maintaining, repairing, replacing, upgrading, or performing any servicing of Radio Units used to access the Communications System.

4.2 PORT shall provide COUNTY at least ten (10) days prior written notice of its intent to increase, decrease, or otherwise change the number of Radio Units that have access to the Communications System.

4.3 PORT shall notify COUNTY that one or more of its Radio Units have been lost or

stolen within twenty-four (24) hours of determining the Radio Units have been lost or stolen.

4.4 PORT shall provide any and all training to its employees regarding use of the Radio Units and the Communications System.

4.5 PORT shall observe and abide by all applicable statutes, laws, rules, and regulations, including, without limitation, those of the Federal Communications Commission. In addition, PORT agrees to observe and abide by any applicable administrative rules promulgated by COUNTY from and after the date such rules become effective and have been delivered to PORT. Further, PORT acknowledges that, should any of these statutes, rules, regulations, or administrative rules change during the term of this Agreement and if the change necessitates a modification of the Agreement, the modification may be effectuated by COUNTY without incurring any liability for this modification.

V.

PAYMENTS

5.1 PORT shall pay COUNTY one hundred eighty Dollars and zero Cents (\$180.00) annually per Radio Unit with access to the Communications System. The number of Radio Units charged to PORT under this Agreement shall be determined by COUNTY based upon the number of Radio Units with access to the Communications System within thirty (30) days before the initiation of the applicable agreement term.

5.2 COUNTY shall submit to PORT annual invoices for payments due under this Agreement. PORT hereby agrees to remit payment for such services no less than thirty (30) days after the issuance of an invoice.

5.3 Except for the consideration specifically provided for in this Agreement, each Party shall bear its own cost of participation in this Agreement, unless mutually agreed upon in writing wherein this Agreement shall be incorporated by reference.

5.4 The Parties agree all amounts to be paid under this Agreement for the performance of governmental functions or services shall be paid from current revenues available to the paying Party.

5.5 The Parties agree all payment amounts fairly compensate the performing Party for the services or functions performed under the Agreement.

VI.

TERM AND TERMINATION

6.1 The term of this Agreement shall be for a period of one (1) year, beginning on October 1, 2022, and ending on September 30, 2023 (the "Initial Agreement Term"), subject to earlier termination as hereinafter provided. Upon expiration of the Initial Agreement Term, this Agreement shall automatically renew annually for four (4) years (each a "Renewal Agreement Term"), and together with the Initial Agreement Term, the "Agreement Term"), unless either

Party provides written notice of nonrenewal at least thirty (30) days prior to the end of the then-current term. If either Party provides timely notice of its intent not to renew this Agreement, this Agreement shall terminate on the expiration of the then-current term, unless earlier terminated in accordance with the Agreement.

6.2 Notwithstanding the preceding, either Party may terminate this Agreement for any reason, with or without cause, by providing thirty (30) days written notice to the other Party at any time.

6.3 This Agreement may also be terminated at any time and for any reason, without any prior notice, upon written agreement by the Parties.

6.4 If PORT fails to make any payment of any sum due under this Agreement or fails to perform as required under any other provision hereunder, and such failure continues for fifteen (15) days after written notice of such failure has been given to PORT by COUNTY, PORT shall be deemed in default under this Agreement. In the event of PORT's default, COUNTY shall have the right to terminate this Agreement, deny PORT any service under this Agreement, and retain all amounts paid to COUNTY pursuant to the terms and conditions of this Agreement as liquidated damages. All rights and remedies of COUNTY herein are cumulative to and not in lieu of any other right or remedy herein or afforded by law or equity.

VII.

ASSIGNMENT OF CIVIL LIABILITY

7.1 Pursuant to Texas Government Code subsections 791.006(a-1) and (b), the Parties agree that any and all responsibility for civil liability that arises from the furnishing or obtaining of services under this Agreement is assigned to PORT. The assignment of civil liability under this provision is intended to be separate and different than that referenced in Texas Government Code subsection 791.006(a).

VIII.

NO WAIVER OF IMMUNITY

8.1 The Parties expressly understand and agree that, in the execution of this Agreement and the performance of services herein, the Parties do not waive, nor shall they be deemed to have waived, any immunity or defense that would otherwise be available to the Parties or their officials, employees, and/or agents against claims arising in the exercise of governmental powers and functions, including, but not limited to, sovereign and/or governmental immunity. This Agreement is expressly made subject to the Parties' sovereign and/or governmental immunity, including, without limitation, Title 5 of the Texas Civil Practice and Remedies Code, and all applicable federal and state laws.

IX.

LIABILITY

9.1 COUNTY shall not be liable for any claims, costs, damages, expenses, losses,

and/or liability arising out of the negligent, wrongful, or illegal acts or omissions of PORT or PORT's officials, employees, representatives, or agents in relation to any obligation or service provided under this Agreement. To the extent permissible by law, PORT shall fully indemnify, hold harmless, and defend COUNTY and its officials, officers, employees, agents, and representatives from and against any and all litigation, claims, costs, damages, expenses, losses and/or liabilities related to any obligation or service provided by PORT or PORT's officials, employees, representatives, or agents under this Agreement.

9.2 PORT hereby waives and releases COUNTY and its officials, officers, employees, agents, and representatives for any and all claims arising from or related to the services provided under this Agreement.

9.3 It is expressly understood that COUNTY neither warrants nor assumes any responsibility for, and PORT assumes the total risk of any loss associated with, the functionality, compatibility, or operation of the Communications System, Radio Units, or any associated hardware, software, server, system, equipment or materials related to the services provided under this Agreement.

X.

CONFIDENTIAL INFORMATION

10.1 The Parties acknowledge and agree that any information exchanged between the Parties in accordance with this Agreement is being shared pursuant to an intergovernmental transfer on the basis that both Parties are governmental entities. Such transfers shall be made subject to an understanding that the Parties will use the information for official purposes only, respecting and keeping any confidential information contained therein confidential, as the law demands. Notwithstanding the preceding, the Parties acknowledge and agree either Party may disclose without penalty any information as required by federal and Texas law, including any decision by the Texas Attorney General's Office.

XI.

SUCCESSORS AND ASSIGNS

11.1 Neither Party may assign, lease, sublet, or transfer its interest in or obligations under this Agreement, in whole or in part, without the prior written consent of the other Party.

11.2 This Agreement binds and is for the sole and exclusive benefit of the Parties and their legal successors, including, without limitation, any successor governmental agency or entity to either Party.

XII.

FORCE MAJEURE

12.1 The Parties shall not be liable or responsible to each other for any delay, loss, failure, or inability to perform their obligations as described herein which is caused by "force majeure." The term "force majeure" includes, but is not limited to, acts of God, strikes, acts of a

public enemy, wars, mines or other items of ordnance, blockages, public rioting, lightning, fire, hurricanes, floods, storms, explosions, inability to obtain materials, supplies, labor permits, servitudes, or rights of way, acts or restraints of any governmental authority, epidemics, landslides, lightning storms, earthquakes, washouts, arrests, restraints of rulers and peoples, civil disturbances, breakage or accident to machinery or lines of equipment, temporary failures of equipment, freezing of equipment, and any other causes, whether of the kinds specifically enumerated above or otherwise, which are not reasonably within the control of the Parties and which by the exercise of reasonable due diligence could not reasonably be prevented or overcome.

12.2 In the event time limits are not met under this Agreement as a result of force majeure, the Party whose performance is due shall have an extension of the time limit or deadline equal to the number of days for which the force majeure condition existed. After the force majeure condition has ended, the Agreement shall continue under the same operations and circumstances as existed prior to the force majeure event.

12.3 Events reasonably within the control of the respective Party shall not constitute force majeure and shall be remedied with the exercise of due diligence. The Parties shall use all reasonable means to remove all contingencies affecting the performance of this Agreement as quickly as is reasonably possible. This clause does not relieve any Party from its obligations to make any payments of amounts then due for services provided or obligations contemplated and performed under this Agreement, and neither Party's time for performance shall be extended for any event which is reasonably within the control of such Party.

XIII. **AMENDMENT**

13.1 No amendment, modification, or alteration of the terms or provisions of this Agreement shall be binding unless it is in writing, references this Agreement, is dated subsequent to the Effective Date of this Agreement, and is duly executed by authorized representatives of both Parties.

XIV. **ENTIRETY**

14.1 This Agreement and all promises contained in it supersede any and all other agreements, either oral or in writing, between the Parties with respect to the subject matter of this Agreement.

14.2 The Agreement contains all the covenants and agreements between the Parties relating in any way to the services to be provided hereunder.

14.3 Each Party acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any Party, or anyone acting on behalf of any Party, that are not set forth in this Agreement, and that no agreement, statement, or promise not contained in this Agreement shall be valid or binding.

XV.
MISCELLANEOUS

15.1 Authorship. This Agreement shall not be construed in favor of or against any Party on the basis that the Party did or did not author this Agreement.

15.2 Titles or Headings. Any titles or headings of sections and paragraphs in this Agreement are included solely for convenience, shall not be considered a part of the Agreement, shall not in any way serve to modify or restrict any term or provision, and shall not be considered in ascertaining intent.

15.3 No Rights Created. The Parties acknowledge and agree that nothing in this Agreement shall be construed to create any rights in any person, government, or other entity not COUNTY or PORT. Additionally, this Agreement shall not authorize any person, government, or other entity not COUNTY or PORT to maintain a suit for personal injuries, property damage, or any other relief.

15.4 Severability. If any term or provision in this Agreement is, for any reason, held invalid, illegal, or unenforceable by any court of competent jurisdiction, the Parties shall by written amendment make it valid, legal, or enforceable. ~~_; however, i~~ If any term or provision in this Agreement cannot be amended to make it valid, legal, or enforceable while still providing the effect desired by both Parties, said term or provision shall be deemed a separate, distinct, and independent provision, shall be constructed as having never been contained in this Agreement, and shall not affect the validity, legality, or enforceability of the remaining terms and provisions in this Agreement, which shall remain in full force and effect.

15.5 Authorized Representative. Each Party to this Agreement represents to the other Party that it is fully authorized to enter into this Agreement and to perform its obligations hereunder and that no waiver, consent, approval, or authorization from any third party is required to be obtained or made in connection with the execution, delivery, or performance of this Agreement in accordance with its terms, other than those that have been obtained.

15.6 Including. Wherever the word “including” is used, it is deemed to mean “including, without limitation.”

15.7 Governing Law. This Agreement shall be governed by and construed in accordance with the laws and court decisions of the State of Texas.

15.8 Exclusive Jurisdiction and Venue: Exclusive jurisdiction and venue for all legal actions related to this Agreement shall be in Brazoria County, Texas. The Parties waive any objection to the adjudication of all court actions related to this Agreement in Brazoria County, Texas.

15.9 Counterparts. This Agreement may be executed in one or more counterparts, all of which together will be deemed an original.

15.10 Joint Enterprise. Nothing in this Agreement shall be deemed or construed by the Parties, nor any third party, as creating a relationship of principal and agent, partnership, joint enterprise, common enterprise, joint venture, joint owners, or joint tenants between the Parties. The Parties hereby declare and acknowledge the relationship of PORT to COUNTY is one of independent contractor, and COUNTY will not and does not have the right to control the details of PORT's work to fulfill the obligations set forth in this Agreement. This Agreement does not and shall not be construed to entitle either Party or any of their respective officials, employees, or agents, if applicable, to any benefit, privilege, or other amenities of employment from the other Party.

15.11 Notices. All notices, requests, and other communications required or authorized under this Agreement shall be in writing and shall be sent by electronic mail and/or certified U.S. mail to the following addresses:

COUNTY:

Bo Stallman
Brazoria County Sheriff
3602 County Road 45
Angleton, TX 77515
Email: bo.stallman@brazoria-county.com

PORT:

Chris Hogan
Port Freeport
1100 Cherry Street
Freeport, TX 77541
Email: saathoff@portfreeport.com

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their following authorized officers and made this Agreement effective as of the last date listed below ("Effective Date"):

BRAZORIA COUNTY:

PORT FREEPORT:

By: _____
L.M. "Matt" Sebesta, Jr.
COUNTY JUDGE

By: _____
Phyllis Saathoff
EXECUTIVE DIRECTOR/CEO

Date: _____

Date: _____

RESOLUTION OF RECOGNITION HONORING BOBBY FULLER, TEXAS PORT MINISTRY

At a regular meeting of the Port Commission of Port Freeport (“Port”) held at the office of said District at 1100 Cherry Street, Freeport, Texas, on the 9th day of June 2022, among other business, on motion duly made and seconded, the following Resolution was passed and adopted:

WHEREAS, Bobby Fuller was called to the Seaman’s Center in February 2007 and became Texas Port Ministry in the fall of 2007.

WHEREAS, Fuller graduated from Brazosport High School in 1974, married Jackie Hopkins on February 14, 1976, and welcomed a daughter in 1979.

WHEREAS, prior to joining Texas Port Ministry, Fuller worked at Maintenance Service Company (1975-1978) and then Dahl & Co. for 28 years; he surrendered to full-time Christian ministry in 1999, served as Minister of Education & Administration for Temple Baptist Church in Clute until 2000 and Minister of Education and Administration of First Baptist Church in Old Ocean until 2003.

WHEREAS, Fuller became a missionary for the North American Mission Board and served in several capacities for Port Ministry International, including President and Vice President.

WHEREAS, Texas Port Ministry grew in scope and financially under Fuller’s leadership, to include...

- Recruitment and training of new volunteers to support the service and ministry of Texas Port Ministry;
- Continuously adapting the ministry to meet the changing needs of the people that Texas Port Ministry served;
- Extending service to all the terminal and industries companies within the harbor community;
- Creation of Monday meals to feed and pray for workers in the harbor community;
- Annually serving over 10,000 international seafarers from over 50 countries, over 150,000 truck drivers, and many local port workers;
- Offering a place of rest for truck drivers’ children and spouses while business is conducted inside the Port; and
- Supporting the Port’s Annual Golf Tournament and Take-A Child Fishing Tournament with volunteers for 10 years.

WHEREAS, Fuller functioned as a chaplain to the whole Port and focused on meeting the spiritual, physical and emotional needs, including the difficult times of the pandemic.

WHEREAS, Fuller’s biggest impacts is that everyone who comes in contact with Texas Port Ministry feels loved, and his vision of “show up and love people” will continue long after he’s gone.

NOW, THEREFORE, BE IT RESOLVED, the Port Commission of Port Freeport, by adoption of this Resolution, is honored to recognize Bobby Fuller and his years of outstanding contributions, leadership and service to Texas Port Ministry, the seaman, longshoremen, truckers and port administration workers; and we extend our best wishes to Mr. Fuller as he embarks in the next chapter of his life.

John Hoss, Chairman

Rob Giesecke, Asst. Secretary

Rudy Santos, Vice Chairman

Ravi K. Singhania, Commissioner

Dan Croft, Secretary

Shane Pirtle, Commissioner