

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

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/86411939766?pwd=mw1bKSE2bAGMIq273rQonz-yjtoFJ8b.1>

Meeting ID: 864 1193 9766

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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