

Minutes of Port Commission Regular Meeting  
February 9, 2023  
In Person & Videoconference

A Regular Meeting of the Port Commission of Port Freeport was held February 9, 2023, beginning at 1:03 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.

The videoconference is available online as follows:

Join Zoom Meeting

<https://us02web.zoom.us/j/87556395715?pwd=dFdwTjByL1pkN0d2dWpXV1NOK2oyZz09>

Meeting ID: 875 5639 5715

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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 Singhania, Commissioner  
Mr. Shane Pirtle, Commissioner

Staff Members Present:

Mr. Grady Randle, 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. Chris Hogan, Director of Protective Services  
Mr. Jason Hull, Director of Engineering  
Mr. Jason Miura, Director of Business & Economic Development  
Mr. Brandon Robertson, Network Systems Manager  
Ms. Missy Bevers, Executive Assistant  
Ms. Mary Campus, Controller  
Ms. Christine Lewis, Safety Coordinator  
Ms. Tricia Vela, Public Affairs Assistant  
Mr. Jesse Hibbetts, Operations Manager

Ms. Bailee Pavlovsky, Accounting

Also, present:

Ms. Brianna Glover, TTI  
Mr. Max Steadman, TTI  
Mr. Bill Pireto, TTI  
Mr. Chris Moore, Texas Port Ministry  
Ms. Megan Mikutis, Randle Law Office  
Mr. Chad Janosky, Bay-Houston Towing  
Mr. Gary Basinger, The Alliance  
Mr. Rick Stephanow, Gulf LNG Services  
Ms. Barbara Fratila  
Mr. Sammy Chambless

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.
5. Safety Briefing – Ms. Christine Lewis provided a safety moment regarding heart health.
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. Approval of minutes from the Regular Meetings held January 26, 2023.

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

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.

Ms. Saathoff began by asking Ms. Campus to introduce the accounting department's newest employee, Bailee Pavolsky who joined the department as the Accounting Analyst. Ms. Saathoff reported there will be a public briefing February 11 at 9 a.m. Brazosport High

School regarding the incident that occurred at Freeport LNG in June. Ms. Saathoff will be speaking at the Angleton Chamber of Commerce Transportation Luncheon February 23 which is also a board meeting day therefore staff recommends delaying the start of the meeting to 2:30 p.m. Ms. Saathoff and Mr. Hull have been in discussions with the Corps regarding bid package adjustments. The Corps is still in position to put the remaining sections of the project out to bid February 17. Ms. Saathoff gave a status update on the Port to the Fort Bend County Commissioners Court at their February 7 meeting. She noted that Commissioner McCoy (newest FBC Commissioner) is planning a trip to tour Port Freeport. Commissioner Singhania noted that Stuart Herbst will be the speaker at the Brazosport Chamber Public Affairs Meeting February 14 at 8:30 at the Chamber Office, asking Commissioners to join the meeting in show of support.

11. Presentation of Economic Impact Study final report submitted by Texas A&M Transportation Institute.

Mr. Wilson introduced Brianna Glover with Texas A&M Transportation Institute (TTI) who then introduced Max Steadman and Bill Pireto who were part of the research team who conducted the study. Mr. Steadman presented the results of the study and what went into the analysis. This included the purpose of the study, the economic profile (port tenants and other major companies and commodities), recently completed projects since the last study in early 2019 included Freeport LNG Liquefaction Facility Trains 1-3, MEGlobal Oyster Creek Mono-ethylene Glycol Plant, Linde Hydrogen Plant and Phillips 66 Sweeny NGL Fractionators. The methodology in the analysis included data collection of surveys, interviews, available data sources, figures from local agencies (the Alliance) and input/output analysis (IMPLAN). The output results from the analysis included direct, indirect and induced impacts (summary and tax impacts). Mr. Steadman explained that the summary impacts are the jobs and dollars produced from operations which are reported as employment, labor income and output while the tax impacts are separated into state and local tax revenues generated from operations. He then shared a summary of the economic impact results noting in 2022 there were approximately 12,000 direct jobs, 266,300 jobs supported nationally, \$157 billion in national total economic output, \$22.5 billion in national labor income, \$5.3 billion in state and local tax revenues nationally and \$5.4 billion in federal tax revenues nationally. He also noted that when compared to the previous report, the impacts are higher. Impacts for Brazoria County only shows direct employment of approximately 12,000, \$1.8 billion in direct income and \$52.8 billion in direct output. He explained that the total number includes direct, indirect and induced effects which shows Port Freeport supports approximately 37,000 jobs in Brazoria County, generates \$3.4 billion in labor income and generates a total economic out of \$64.6 billion in Brazoria County. The tax impacts indicate Port Freeport generates \$105 million in county taxes, \$435 million in state taxes and \$1 billion in federal taxes. A similar slide shows the statewide impacts. Mr. Steadman noted the direct impacts are the same because all the direct impacts are occurring in Brazoria County. Totals show Port Freeport supports approximately 110,000 jobs across the state of Texas, \$8.8 billion in labor income and \$84 billion in total economic output. Across the state, the Port generates \$1.8 billion in state and local taxes and \$2.2 billion in federal taxes. Outside of Texas and within the U.S., Port Freeport supports approximately 156,000 jobs, 13.7 billion in labor income, \$73 billion in total economic output and nationally (entire 50 states), the Port supports 266,000 jobs, \$22.5 billion in labor income and \$157 billion in total economic output. On the tax side nationally, the Port generates about \$5.3 billion in state and local taxes and \$5.4 billion in federal taxes. Mr. Steadman explained that TTI also looks at future growth opportunities for the Port noting there's approximately 500 acres of land ready for

development and over 1800 acres available for future development. Finally, the report looks at ongoing and future projects noting that Chevron Phillips (1-Hexene Plant) and Freeport LNG (Train 4) are both expanding their operations while Velasco Terminal will be expanded and the Freeport Harbor Channel Improvement project will be completed in 2025 which will deepen the channel to 51-56 feet and widen the channel to 400 feet.

Commissioner Singhania inquired about how much help TTI received from the Economic Alliance. Mr. Steadman stated that EA provided contact information for some of the companies, information on the major projects (past, present and future) as well as employment data from the larger companies. He also inquired if TTI has a table comparison from the previous study to the current study. It is not included in the study because it was not done the last several years, but staff can provide a table showing that comparison.

Commissioner Giesecke inquired about the models used for the data noting that the same model was previously used in 2019 however, a different model (in-house IO model) was used in 2016. Ms. Glover stated the in-house model used for the 2016 report was calibrated with the IMPLAN model and was found that it was very similar however, the IMPLAN model gives a little more detail. Overall results will be very similar. She went on to explain that different models can use slightly different methods to get their multipliers which is what is applied to the input to get the output. The previous model used was an older model TTI had created in-house. TTI took several other economic analyses' done from 2016-2019 and applied both the in-house model and the IMPLAN model and found they were getting very similar results. They decided to use the IMPLAN model since it was the more acceptable model to use in the market and thus began to phase out the in-house model. The 2016-2019 data is a valid comparison. Commissioner Giesecke then inquired about the 528 different multipliers. Ms. Glover explained that for Brazoria County, the model only applies multipliers for industries that are present for the County. When you get to the state and national areas, the impact is much broader for all the industries in the area. Not all 528 multipliers are used, only ones that apply to the area. With regard to the chart showing the direct jobs, Commissioner Giesecke inquired about it showing as an output rather than an input, asking if it was a mixture of hard numbers from industry vs estimations. Ms. Glover stated that it shows up in both places. Direct is what TTI used as an input, but it also shows up because those are jobs you're seeing. With regard to the induced jobs (GDP output), Commissioner Giesecke asked if it includes spending by the indirect employees or if it only includes direct employees. Ms. Glover will double-check but believes it uses spending by the induced jobs as well.

Commissioner Croft asked if TTI has a means of tracking former data to today's data so you can see the trend. While the current report does not include it the output has been presented in the same format over the last three reports so it should be easy to track how those results have changed. Ms. Saathoff added that the last report was the first time the national analysis was done so you will only have the two reports to compare.

Ms. Saathoff complimented the TTI team for their thoroughness on the report and the extra resources checked to get the most accurate numbers and best possible data.

12. Acceptance of Port Freeport Economic Impact Study final report submitted by Texas A&M Transportation Institute.

A motion was made by Commissioner Pirtle to accept the report as presented. The motion was seconded by Commissioner Giesecke with all Commissioners voting in favor of the motion.

13. Adopting of a Resolution Ordering an Election to be held May 6, 2023 for the purpose of electing two Port Commissioners, Positions 1 and 2.

A motion was made by Commissioner Santos to adopt the resolution. The motion was seconded by Commissioner Singhanian with all Commissioners present voting in favor of the motion.

14. Approval of a Joint Election Agreement and Contract for Election Services between Brazoria County and Port Freeport for the May 6, 2023 Election.

Ms. Saathoff stated the agreement before the Commission is for Brazoria County to conduct the May 6<sup>th</sup> election. The final cost-share amount will not be available until it is determined how many entities will conduct an election. The cost for the last election was around \$32,000. Staff recommends approval.

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

15. Approval of Executive Director/CEO travel for the month of February.

Ms. Saathoff stated she will need to attend the Port Authority Advisory Committee meeting in Austin February 14. Representatives from the Texas Transportation Commission as well as new committee members will be in attendance. Matters will also be discussed related to future RIDER funds or capital program funds available for ports and how they will be evaluated, and the criteria required.

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

16. 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 551.087 (Economic Development Negotiations or Incentives):

1. To discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay or expand in or near the territory of the governmental body

- and with which the governmental body is conducting economic development negotiations.
2. To deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1).
- C. 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, 7 and 8.
  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.

17. RECONVENE OPEN SESSION:

18. Adjourn.

With no further business before the Commission, the meeting adjourned at 5:16 PM.