

Minutes of Port Commission Regular Meeting
May 30, 2023
In Person & Videoconference

A Regular Meeting of the Port Commission of Port Freeport was held May 30, 2023, 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.

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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:

Ms. Grady Randle, Legal Counsel
Ms. Phyllis Saathoff, Executive Director/CEO
Mr. Rob Lowe, Director of Administration/CFO
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, Director of Information Technology
Ms. Missy Bevers, Executive Assistant
Ms. Mary Campus, Controller
Ms. Tricia Vela, Public Affairs Assistant
Mr. Jesse Hibbetts, Operations Manager
Mr. Nick Malambri, Engineering Specialist
Mr. Cecil Booth, Project Engineer
Ms. Christine Lewis, Safety Coordinator
Ms. Emily Henderson, Sales & Marketing Specialist
Ms. Grace Spinks, Operations Intern

Also, present:

Mr. Chris Moore, Texas Port Ministry
Mr. Peter Nemeth, Crain, Caton & James
Ms. Megan Mikutis, RLO
Ms. Barbara Fratila
Mr. Kim Kincannon
Mr. James Nash, WGMA
Mr. Robert Hawn, WGMA
Mr. Santos Aluiso, ILA

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 with regard to new areas, surroundings and change.
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 by Commissioners.

7. Public Comment – There were no public comments.
8. Public Testimony – There was no public testimony.
9. Approval of minutes from the Regular Meeting held May 16, 2023, and the Special Meeting May 19, 2023.

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

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

Ms. Saathoff reported the regular session of the state legislature ended May 30 and a special session has begun with a focus on property taxes and border security. Carriage House Partners will provide a recap of the full session. The Port's HB5336 has been transmitted to the Governor for signature. The Governor has until June 18 to veto any bills, but the Port bill is

expected to be signed. Ms. Saathoff noted that one of the TPA bills has already been signed by the Governor and the others have been sent to the Governor for signature. Ms. Saathoff also noted the session ended with the House impeaching the Attorney General on a number of counts. The west coast labor situation is still not resolved. Agreement has been made in some areas, however more national, local and state trade associations are getting involved in an effort to reach a solution. The Interlocal Agreement with the City of Freeport was fully executed and transmitted to TxDOT to finalize the funding agreement to secure the grant funds through the RIDER program and proceed with the improvements to the roadways in the expansion area and creation of the new gate. Commissioner Giesecke inquired about the GCPD (Gulf Coast Protection District). Ms. Saathoff stated that \$550 million was allocated to the GCPD. Should Brazoria County and Velasco Drainage District elect to join the GCPD, \$50 million will be directed to Velasco Drainage District this biennium. She has not confirmed if any funds have been allocated to the newly created (Gulf Coast Protection) Trust Fund at this time.

B. Chief Financial Officer

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

C. Director of Engineering

Mr. Hull stated that Berth 8 is complete and closing out. The rail project is expected to be complete this week, ahead of schedule. Pending inspection by Union Pacific Railroad, it should be ready for service mid-June. The Port-Wide Pavement Repair project is currently out for bid. Staff is awaiting notification that the notice of award for the FHCIP has been released; it is expected after 4:00 today.

D. Director of Operations

Mr. Durel shared photos of the first two vessels docked at Berth 8. He stated that cargo, number of vessels and tonnage for April is back on track and in line with previous year. May is projected to be even better. Christine Lewis recently held the Tenant Safety Quarterly Meeting while Chris Hogan has been working on updates for the Port's Hurricane Plan. Mr. Durel introduced operations' summer intern, Grace Spinks, who has a degree in Maritime Business Administration from Texas A&M and will begin working towards her Masters in September.

E. Director of Business & Economic Development

In addition to his written report, Mr. Miura stated that staff recently held a mandatory pre-bid and port tour meeting with potential proposers for Port Freeport's RFP seeking a qualified rail operator to perform switching services to Port Freeport's rail shippers on Parcel 14. June 12 is the deadline for final questions to be submitted with proposals due June 26.

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

Commissioner Pirtle reported on a meeting held with Commissioner New at TxDOT to discuss 36A. He also attended chamber meetings.

Commissioner Croft reported attending Brazoria County Economic Alliance meeting, Sweeny Chamber Banquet and the CCA Texas Board of Directors Meeting.

Commissioner Singhanian reported attending the Sweeny and Brazosport Chamber events, the Tenaris Reception and learning about green hydrogen and green ammonia with Jason Miura.

Commissioner Giesecke reported attending the Brazosport Chamber event and the BCCA Dinner.

12. Approval of financial reports presented for the period ending April 30, 2023.

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

13. Approval of a Blanket Electrical Easement to CenterPoint Energy Houston, Electric for VW Development.

Mr. Hull stated that this is an electrical easement for the VW and Porsche buildings which will give CenterPoint the ability to go onto their leased area where it is necessary to install the infrastructure for electrical services to the buildings. Once all work has been completed and surveyed, a new easement will be recorded and brought back to the Commission for approval which will replace this blanket easement. Staff recommends approval.

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

14. Approval of a new Stevedore License submitted by Riviana Foods, Inc.

Ms. Holly Soria stated that Riviana wants to be able to unload their own barges. The current stevedore only provides a 12-hour service and Riviana wants to go to 24-hour service to keep up with the plants. Riviana has submitted all necessary paperwork and there are no concerns from staff regarding the application. Commissioner Hoss inquired if this license would be limited to Riviana's dock or if they could also operate as any other stevedore would. Mr. Durel stated that right now their focus is ship to barges and they have not mentioned working other docks.

A motion was made by Commissioner Singhanian to approve the new license submitted by Riviana Foods. The motion was seconded by Commissioner Giesecke with all Commissioners present voting in favor of the motion.

15. Receive update regarding legislation under consideration in the Texas 88th Legislature.

Ms. Saathoff covered this update under her report (#10A) and had nothing further to add.

16. Presentation to Commissioner Hoss and Commissioner Pirtle for their years of service on Port Freeport Port Commission.

Ms. Saathoff shared some highlights of the Port's accomplishments during Commissioner Hoss and Commissioner Pirtle tenure at the Port which included the following....

- *Securing Congressional authorization, new start designation, and federal funding for the Freeport Harbor Channel Improvement Project;*
 - *In February 2020, PF was one of two seaports nationwide to secure a “new start” designation for commencement of construction along with securing \$19 million in initial federal funding;*
 - *Effective June 25, 2020, signing a Project Partnership Agreement (PPA) with USACE for the Project;*
 - *Securing additional federal funding for the Project with the most recent being the \$90.16 million included in the 2022 Omnibus Bill at the request of Congressman Weber to fund the project to completion bringing the total federal funding to \$204 million;*
 - *On April 8, 2021, breaking ground on the Project, a historic milestone that will make Port Freeport the deepest port in the Gulf of Mexico; and completing 3 contracts for the project which provided immediate benefits by making transits safer and lifting daylight restricts to certain size vessels calling Velasco Container Terminal and berths in the inner harbor. The award of a 4th and expected final contract will occur in the coming days and should be completed in 2025 the 100th anniversary of the Brazoria County voters approving the creation of Port Freeport and authorizing the bond issuance to divert the Brazos River.*
 - *Partnering with the Velasco Drainage District on storm protection levee improvements;*
- *Advocating for the successful passage of the 2018 bond referendum to ensure local share financing of the channel project;*
- *Maintaining pledge to the taxpayers to hold the tax rate as indicated during the 2018 bond referendum election;*
- *Voting to reduce the tax rate by 35% since 2011;*
- *Three times increasing the homestead exemption for those over 65 and disabled;*
- *Regarding expanding the Port’s infrastructure and facilities to attract new business,*
 - *Progressing the Velasco Container Terminal Expansion Project with Phase I put into service in 2014 and Phase II which we commemorated with a Ribbon-cutting earlier today giving Velasco Container Terminal a total of 1725 linear feet of berth and a new roll-on roll-off platform;*
 - *Securing two 100-foot gauge Post Panamax container cranes for the Velasco Container Terminal and supporting plans to purchase*
- *Entering into new partnerships to grow Port Freeport’s economic impact including:*
 - *Securing lease agreements with Freeport LNG for the investment of \$15 billion in liquefaction capability supporting 5 percent of LNG to the world;*
 - *Securing a lease agreement with Tenaris for the importation of steel bars for their seamless steel pipe fabrication facility in Bay City;*
 - *Establishing the Port Freeport as a significant hub for roll-on roll-off with the signing of a lease with Hoegh Autoliners in 2014 and later transferred to Ampports supporting many different carriers that handle automobiles and high and heavy equipment;*
 - *Further growing the automotive business with the recent agreement with Volkswagen Group of Americas Horizon Terminal to establish their Gulf Coast Hub in Freeport;*
 - *Growing the containerized cargo business at Velasco Container Terminal with a contract extension signed with Dole Fresh Fruit, Chiquita Brands International*

- continuing their operations, and CMA CGM Group and Oceanus establishing operations in the port; and*
 - *Welcoming the M/V DOLE AZTEC on its maiden voyage to the United States for its new weekly service to Port Freeport, and celebrating 40 years of partnership between the Port and Dole Fresh Fruit;*
- *And growing other business at the port by*
 - *Completing Phase 1 & 2 of the Parcel 14 Rail Development giving the Port capability to receive unit trains;*
 - *Securing \$6.3 million in grant funding from the U.S. Dept. of Transportation to assist with funding Phase 2 of the Parcel 14 Rail Development;*
 - *Approving a 2nd Lease Agreement with Vulcan Construction Materials to expand the company's footprint at the Port and construct an aggregate distribution facility on Parcel 14;*
 - *Entering into a new partnership with CEMEX Servicios Logisticos and Union Pacific Railroad to transport liquid carbon dioxide from Port Freeport to Mexico.*
 - *Celebrating new U.S. Customs and Border Protection offices at Port Freeport in the Expansion Area;*
 - *Completing acquisition of the Expansion Area and reaching settlement with the City of Freeport; and*
 - *Obtaining a \$6 million Rider Grant through TxDOT improving roadways in the Expansion Area and a new gate entrance to Velasco Container Terminal in place of Gate 14.*
- *Establishing a heavy lift corridor to allow local industries to move cargo under a permit system, reducing the number of trucks on the roadways, cutting down on emissions, and improving roadway safety for citizens;*
- *Increasing the Port's annual statewide economic impact from \$17 billion in 2012 to \$84 billion in 2022 and increasing the impacted jobs from 67,000 to 109,800;*
- *Supporting increased annual ship arrivals from 754 in 2015 to 1184 in 2022;*
- *Progressing Port Freeport's national ranking to 11th for total foreign waterborne tonnage in 2021.*
- *Ensuring no disruption of port operations or services during the COVID-19 pandemic.*

Ms. Saathoff and Commissioner Santos then presented framed prints of Port Freeport to Commissioners Hoss and Pirtle as an expression of appreciation and thank you for their 12 years of service.

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).
 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 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, 7 and 8.
 3. The potential exchange, lease, or value of real property located at Port Freeport, including but not limited to Parcels 12, 13, 14, 19, 27, 34 and property on Quintana Island.

18. RECONVENE OPEN SESSION:

19. Adjourn.

With no further business before the Commission, the meeting adjourned at 3:26 PM