

Minutes of Port Commission Special Meeting
November 6, 2023
In Person & Videoconference

A Special Meeting of the Port Commission of Port Freeport was held November 6, 2023, beginning at 3:01 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. Ravi Singhania, Chairman
Mr. Rob Giesecke, Vice Chairman
Ms. Barbara Fratila, Secretary
Mr. Kim Kincannon, Asst. Secretary
Mr. Rudy Santos, Commissioner
Mr. Dan Croft, Commissioner

Staff Members Present:

Mr. Peter Nemeth, Crane, Caton & James
Ms. Heather Cook, Randle Law Office
Ms. Phyllis Saathoff, Executive Director/CEO
Mr. Rob Lowe, Director of Administration/CFO
Mr. Al Durel, Director of Operations
Mr. Jason Miura, Director of Business & Economic Development
Mr. Mike Wilson, Director of Economic Development & Freight Mobility
Mr. Brandon Robertson, Director of Information Technology
Ms. Missy Bevers, Executive Assistant
Ms. Mary Campus, Controller

Also, Present:

Mr. Steve Abernathy, Gulf Stevedoring Services

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:

2. Roll Call – Commissioner Singhania noted that all Commissioners were present in the Board Room.
3. 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.

4. Public Comment – There were no public comments.
5. Public Testimony – There was no public testimony.
6. EXECUTIVE SESSION in accordance with Subchapter D of the Open Meetings Act, Texas Government Code Section 551.001, et. seq., to review and consider the following:
 - A. Under authority of Section 551.071 (Consultation with Attorney) for discussion regarding:
 1. 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 Expansion Area and bordered by or adjacent to the following streets: FM1495; East 2nd Street; Terminal Street and East 8th Street in Freeport, Texas.
7. RECONVENE OPEN SESSION to review and consider the following:
8. Approval of a Lease Agreement between Port Freeport and Freeport Warehouse, LLC.

Mr. Miura stated that staff is recommending approval of a lease agreement with Freeport Warehouse, LLC, a Texas Limited Liability Company, and subsidiary of North American Stevedore Holding Company. The agreement has a primary term of twenty years plus options to renew. It considers acreage of approximately 15 acres in Port's Expansion Area and the permitted use is to design, build, finance, operate and maintain a chilled cross-dock facility. Facility particulars include the following:

- Approximately 80,000 square feet of chilled cross-dock space;
- Approximately 80 truck bays, about 40 bays per north and south sides of facility;
- Segregated rooms to handle perishable commodities at various temperatures; and
- Capacity to handle 52,000 containers per year and USDA/USCBP Agricultural Inspections.

The investment level is approximately \$25 million, and the estimated full-time employees is approximately 160,000 labor hours per year or about 75 full-time equivalents.

Staff's recommendation is to approve the lease agreement as presented. Mr. Miura also noted that a resolution has been prepared for approval. Ms. Saathoff read aloud the following resolution.

At a special meeting of the Port Commission of Port Freeport held at the Administration Building of the Port at 1100 Cherry Street, Freeport, Texas, on November 6, 2023, among other business, on motion duly made and seconded, the following resolution was passed and adopted:

FINDINGS:

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

2. *Freeport Warehouse, LLC (“Freeport Warehouse”) has asked to lease approximately fifteen (15) acres of land (the “Land”) for development of a chilled cross-dock facility.*

3. *The terms for the proposed lease of the Land are more particularly set forth in a Lease Agreement to be entered into between Port Freeport, as Landlord, and Freeport Warehouse, as Tenant, which has been presented to the Port Commission for consideration on this date. The term of the proposed Lease Agreement (including extension options provided for therein) does not exceed fifty (50) years.*

4. *Payment and performance of the Tenant’s obligations under the Lease Agreement are to be guaranteed by North American Stevedoring Holding Company, LLC (“NAS Holding Co.”). The terms for the Guaranty Agreement to be executed by NAS Holding Co. have been presented to the Port Commission for consideration on this date.*

5. *After review and consideration of the Lease Agreement and the Guaranty Agreement, the Port Commission finds and determines that the terms of the Lease Agreement are acceptable, and execution of the Lease Agreement should be approved.*

NOW, THEREFORE, BE IT ORDERED AND RESOLVED, that the form and substance of the proposed Lease Agreement be, and are hereby, authorized and approved; and

BE IT FURTHER ORDERED AND RESOLVED, that the Chairman and Secretary of the Port Commission or the Executive Director/CEO of Port Freeport be, and each of them is hereby, singularly authorized and directed to execute and deliver the Lease Agreement, substantially in the form presented at this meeting and with such nonmaterial changes as may be approved by the official executing same, their execution thereof to constitute conclusive evidence of such approval.

Mr. Nemeth clarified that the resolution covers both agenda items 8 and 9, adding that the Guaranty Agreement is not to be signed by Port Freeport, only by the guarantor. The Lease Agreement is to be signed by both parties.

A motion was made by Commissioner Giesecke to approve the lease agreement and adoption of the resolution. The motion was seconded by Commissioner Croft with all Commissioners present voting in favor of the motion.

At this time, Commissioner Singhania invited Mr. Steve Abernathy with Gulf Stevedoring Services to make any comments. On behalf of North American Stevedoring, Gulf Stevedoring and Freeport Warehouse, Mr. Abernathy thanked the Port for the opportunity and

consideration of the agreement. He especially thanked staff for all the work put into the agreement and looks forward to a very long relationship.

Commissioner Singhania thanked the attorneys and staff for all their time and effort into bringing this to fruition.

9. Approval of a Guaranty Agreement to be signed by North American Stevedoring Holding Company, LLC, in favor of Port Freeport with regard to the Freeport Warehouse, LLC Lease Agreement.

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

10. Adjourn.

With no further business before the Commission, the meeting adjourned at 4:16 PM.