

I N D E X

PORT COMMISSION
OF THE
PORT OF HOUSTON AUTHORITY
OF THE PORTS OF HARRIS COUNTY, TEXAS
March 20, 2023

Minute No.

Event/Action

General

Chairman Campo convened the in-person and virtual Port Commission meeting and provided opening remarks along with Port Commissioners

Minutes

2023-0320-01 Approve the minutes of the February 21, 2023 Port Commission meeting

Staff Reports

2023-0320-02 Roger Guenther, Executive Director, presented a summary of selected financial and operational matters

Appearances

2023-0320-03(a) Chairman Campo introduced David McCoy, trucker, who addressed the Port Commission

2023-0320-03(b) Chairman Campo introduced Erandi Trevino, Public Citizen, who addressed the Port Commission

F. Executive

2023-0320-04 Staff Report – Selected agenda items – Kerrick Henny, Chief Government and Public Relations Officer, and Tom Heidt, Chief Operating Officer

2023-0320-05 Enter into a professional services contract with Brown Consulting for state governmental policy consulting and support

2023-0320-06 Enter into a professional services contract with Michael Toomey and Associates for state governmental policy consulting and support

2023-0320-07 Approve the amended Port of Houston Authority Promotion and Development Fund Policy

G. Business Equity (no items)

Minute No.

Event/Action

H. Commercial

- 2023-0320-08 Staff Report – Selected agenda items – Christine Abbruscato, Director, Marketing and Branding
- 2023-0320-09 Approve an amendment to increase funds on the current contract with STS Brand LLC for the purchase of promotional items
- 2023-0320-10 Approve an amendment to the lease with TPC Group LLC for approximately 6 acres out of Block 3 at Sims Bayou to extend the term for one year, effective no earlier than April 1, 2023, at an annual base rent of approximately \$273,767, subject to annual base rent escalation of the greater of 3% or the increase in the Consumer Price Index
- 2023-0320-11 Approve the change of control of Gulf Winds International, Inc. under its lease for approximately 11.273 acres at the Bayport Container Terminal, commencing November 1, 2018, resulting from the purchase of its capital stock by Gulf Winds International Acquisition, LLC
- 2023-0320-12 Approve (i) an amendment to the lease with the City of Galena Park for approximately 203.79 acres out of the east side of the Clinton site in the Ezekiel Thomas Survey, A-73, to extend the term for five years, effective no earlier than April 1, 2023, at an annual base rent of approximately \$3,600, and (ii) consent to the sublease by the City of Galena Park to Susan Tettenhorst, as an individual, for five years to run coterminously with the extended term of the lease

I. Finance

- 2023-0320-13 Staff Report – Selected agenda items – Tim Finley, Chief Financial Officer
- 2023-0320-14 Authorize the Port Authority to (a) plan and prepare for the future issuance of revenue bonds for long-term financing to fund remaining portions of the Port Authority’s share of Project 11 construction costs; (b) appoint PFM Financial Advisors LLC as financial advisor, and Morgan Stanley (Senior Manager), Loop Capital Markets LLC (co-senior manager) and Hilltop Securities Inc. and Blaylock Van LLC as underwriters, to assist in the bond issuance; (c) appoint Greenberg Traurig, LLP and Baker Williams Mattiesen LLP as co-bond counsel, and Bracewell LLP and West and Associates, L.L.P. as co-disclosure counsel; and (d) prepare documentation authorizing the issuance of revenue bonds
- 2023-0320-15 Adopt a resolution expressing the Port Authority’s intent to finance Houston Ship Channel Expansion Channel Improvement Project expenditures with the proceeds of tax-exempt debt obligations

J. Infrastructure

<u>Minute No.</u>	<u>Event/Action</u>
2023-0320-16	Staff Report – Selected agenda items – Rich Byrnes, Chief Infrastructure Officer
2023-0320-17	Approve staff’s ranking of vendors and award a construction contract to Hi-Tech Electric, Inc. for medium voltage electrical cable installation at Bayport Container Terminal
2023-0320-18	Award a contract to SNM2R for support of the Port Authority Environmental, Sustainability, Safety, Governance (ES ² G) Action Plan using Catena Foundation Grant funds
2023-0320-19	Amend a professional services contract to TC&B/GBA, a Joint Venture of Turner Collie & Braden Inc. and Gahagan & Bryant Associates, Inc. to provide continued engineering, design, project coordination, and other general assistance for the Houston Ship Channel Expansion Channel Improvement Project
2023-0320-20	Amend the 4B/5 Alternate B dredging contract to Weeks Marine, Inc. to remove obstructions located in the Bayport Ship Channel and Barbours Cut Ship Channel at the former Lighter Aboard Ship (LASH) dock for the Houston Ship Channel Expansion Channel Improvement Project
2023-0320-21	Approve a change order with Rigid Constructors, LLC to perform additional work associated with the 12-acre interim container storage facility expansion at the west end of Barbours Cut Terminal
2023-0320-22	Approve the renewal of the following expiring Port Authority licenses for new thirty-year terms: Enterprise Houston Ship Channel, L.P., Enterprise Intrastate LLC, HSC Pipeline Partnership, LLC, Linde Inc., Seaway Crude Pipeline Company LLC, and Seminole Pipeline Company, LLC
2023-0320-23	Issue a transmission line license to CenterPoint Energy Houston Electric, LLC for one fiber communication line over and across Buffalo Bayou
2023-0320-24	Issue a transmission line license to CenterPoint Energy Houston Electric, LLC for one 138kV electrical line over and across Brays Bayou
2023-0320-25	Issue a pipeline easement and relocation agreement to Kinder Morgan Texas Pipeline LLC (Kinder Morgan) across the Port Authority’s Beltway 8 property and terminate all existing Beltway 8 property easements and licenses held by Kinder Morgan and its predecessors
K. Operations	
2023-0320-26	Staff Report – Selected agenda items – Jeff Davis, Chief Port Operations Officer

<u>Minute No.</u>	<u>Event/Action</u>
2023-0320-27	Award a contract to ABB Inc., the sole source provider, for the purchase of upgrades to safety centers and related parts on four wharf cranes at Barbours Cut Terminal and Bayport Container Terminal
	L. People
2023-0320-28	Staff Report – Selected agenda items – Carolyn Ashley, Director, Employee Development and Engagement
2023-0320-29	Authorize the renewal of the agreement with SumTotal Systems, LLC for software licenses for an integrated, automated Learning Management System and Talent Suite for a two-year period
	M. Security and Emergency Operations
2023-0320-30	Staff Report – Selected agenda items – Marcus Woodring, Chief Port Security and Emergency Operations Officer
2023-0320-31	Issue a purchase order to Cavender Grande Ford for the purchase of one Ford F-350 Rescue HAZMAT Truck, including outfitting by Siddons Martin Emergency Group, LLC using the Houston-Galveston Area Council Cooperative Purchasing Program
2023-0320-32	Approve the CIMA Member Services Agreement with the Channel Industries Mutual Aid to share emergency equipment, materials, and manpower to fight major fires, chemical releases, and other major emergencies that may occur along the Houston Ship Channel
	N. Technology (no items)
	Recess Open Meeting and Convene Executive Session
	Reconvene Open Meeting
2023-0320-33	Authorize the Port Authority to enter into an interlocal agreement with the City of Galveston with respect to Seawolf Park on the terms discussed in Executive Session, and authorize the Executive Director to do all things necessary to give effect to the foregoing
2023-0320-34	Authorize the Port Authority to amend the agreements for legal services with (a) Boyar Miller and (b) Bracewell LLP, on the terms discussed in Executive Session, and authorize the Chief Legal Officer to do all things necessary to give effect to the foregoing
	Infrastructure
2023-0320-35	Staff Report – Selected agenda items – Tom Heidt, Chief Operating Officer

Minute No.

Event/Action

2023-0320-36

Authorize the creation of the Port Houston Local Government Corporation

Closing Remarks by Chairman and Commissioners

Adjourn Meeting

**Port of Houston Authority
Port Commission Public Meeting**

**Houston, Texas
March 20, 2023**

A public meeting of the Port Commission of the Port of Houston Authority of Harris County, Texas was convened on March 20, 2023, at 9:15 a.m., at the Port of Houston Authority Executive Offices, Fourth Floor Boardroom, at 111 East Loop North, Houston, Texas 77029, and via Cisco WebEx. The following commissioners, staff, and counsel were present:

Ric Campo, Chairman
Wendy Cloonan, Commissioner
Dean Corgey, Commissioner
Cheryl Creuzot, Commissioner
Stephen DonCarlos, Commissioner
Clyde Fitzgerald, Commissioner
Roger Guenther, Executive Director
Erik Eriksson, Chief Legal Officer, via WebEx
Tom Heidt, Chief Operating Officer
J. Kent Friedman, outside counsel

Chairman Campo began his opening remarks by giving a status update on the current Houston Ship Channel deepening and widening project (Project 11). Project 11 was on time and on budget, though the Port Authority was still waiting on \$180 million in federal funding for the final leg of Galveston Bay construction scheduled for completion in 2025. Representatives from the Port Authority were scheduled to meet with Congresswoman Sylvia Garcia and Mitch Landrieu, advisor to the President, about the funding.

Chairman Campo concluded his remarks by giving thanks to Port Authority staff, International Longshoremen's Association (ILA) employees, the Houston Pilots, and all those who kept the port running every day.

(2023-0320-01) Chairman Campo called for a motion to approve the minutes of the February 21, 2023 Port Commission meeting. Commissioner Corgey moved for approval, seconded by Commissioner Fitzgerald. The minutes were approved as written.

(2023-0320-02) Roger Guenther, Executive Director, presented a summary of selected financial and operational matters:

- Cargo activities remained solid at Port Authority facilities through February 2022 versus 2023.
- Overall tonnage was up 7% year-to-date for all terminals compared to 2022.
- Container and total tonnage demand was softening considerably, especially in container imports.

- The softening of demand was considerably different from the overall decline across the U.S.
- The 2023 budget anticipated the softening in demand, so from a financial perspective, the Port Authority was tracking to plan.
- Retail imports continued to have extremely high levels of inventory and were likely to trend down during the first half of the year.
- Expectations were that recovery of this volume would begin to bounce back in the last half of 2023.
- With investments that had been made and continued to be made, confidence was high that Houston would continue to be a priority for shippers as consumer demand again surged.
- Conversely, export volumes remained strong, driven by the strength of plastic resins and other petrochemical commodities produced in the region and delivered globally through the Port of Houston.
- Export shippers signaled that 2023 would continue to be a solid year.

Mr. Guenther explained how the Port Authority viewed the softening as an opportunity to take a breath from high import demand and utilize the time to reset and continue to aggressively pursue facility capital improvements in order to meet future demand: planned investments totaled \$1.4 billion over the next five years. Additionally, the rapid development of Project 11 was critical for serving all industry facilities for the next generation's growth.

Mr. Guenther highlighted a recent visit from members of the board of trustees and staff of the Environmental Defense Fund (EDF). The meeting went well, and Port Authority staff believed it furthered mutual understanding and cooperation. A tour on the M/V Sam Houston provided EDF representatives a more in-depth view of how the port works on both the public and private sides. There was a readiness from the EDF to support the Port Authority's environmental, social, safety, and governance goals and applications for funding from the recently passed legislation.

Mr. Guenther next recognized staff members that had recently received the "You" portion of the READY award program. This program was designed to reinforce the Port Authority's core values, based on peer recognition. Anyone who received awards for the four categories of Respect, Excellence, Accountability, and Diligence then received the "You" or "Y" award. The following staff received that award:

- Justin Brown, Tradesman IV
- Rene Garza, Facilities Electrician
- LaDell Gillyard, Tradesman IV
- William Gontaruk, Facilities Electrician
- Donald Janota, Tradesman IV

- Art Luna, Tradesman IV
- David Merrill, Tradesman II
- Floyd Paley, Tradesman IV
- Bodie Reynolds, Forman, Outside Maintenance
- Brandon Smith, Tradesman III
- Michael Stoe, Tradesman IV

Mr. Guenther recognized and thanked Nena Armstrong for her 40 years of service with the Port Authority. She began as a CRT operator and was currently Maintenance Support Coordinator.

Lastly, Mr. Guenther recognized Charlie Jenkins on his recent promotion to Chief Channel Infrastructure Officer. Mr. Jenkins has been with the Port Authority for 33 years and has served in many different roles. The current success of Project 11 can be attributed to Mr. Jenkins' guidance and the work of his staff.

Chairman Campo thanked those recognized by Mr. Guenther for their hard work, and Commissioner Corgey agreed and stressed that the Port Authority was getting the job done.

(2023-0320-03) Appearances

(a) Chairman Campo recognized David McCoy, trucker, who addressed the Port Commission.

Mr. McCoy was concerned about the conduct of certain truck drivers who frequented Port Authority terminals. He described instances of aggressive and unsafe actions taken while on the road, in an attempt to circumvent the long queue of trucks waiting for ingress or egress to the terminals. He was even assaulted physically in one instance.

Port Authority staff also made things difficult when driving around the terminals.

Complaints sent to the Port Authority had not yet been answered but rather routed back and forth between Port Operations and Port Police.

Mr. McCoy remarked that prior to working at Port Authority terminals, he had worked in the oil fields where things were much different. He had proposals for improving the situation and was willing to help.

Chairman Campo thanked Mr. McCoy for his comments and directed Mr. Guenther to follow up and investigate the claims made by Mr. McCoy. Mr. Guenther committed to doing so and stressed that the Port Authority did not condone unsafe practices.

(b) Chairman Campo recognized Erandi Trevino, Public Citizen, who addressed the Port Commission.

Ms. Trevino questioned Item II on the agenda regarding the revenue bonds; she wanted to know who would repay the bonds.

Chairman Campo explained that the bonds were to be paid back by the Port Authority through its own revenues, not taxpayers.

Tim Finley, Chief Financial Officer, briefly spoke about the funds associated with the bond issuance, planned at \$425 million. The annual revenue of the Port Authority for 2023 was projected to be \$300 million.

Chairman Campo noted that the Port Authority had used general obligation (GO) bonds in the past for investments made on landside improvements, which led to great cash flow and the ability to issue revenue bonds for current needs instead of issuing GO bonds again; however, there may be a need for GO bonds in the future.

(2023-0320-04) Chairman Campo recognized Kerrick Henny, Chief Government and Public Relations Officer, and Tom Heidt, Chief Operating Officer, to provide a report of selected Executive agenda items.

Mr. Henny highlighted Items F1 and F2: consultant contracts for state governmental policy priorities. The contracts were with the same consultants that the Port Authority currently used.

Mr. Heidt remarked that Item F3 was for the approval of an amendment to the Port Authority's Promotion and Development Fund Policy and had been approved by the Community Relations Committee in February 2023.

(2023-0320-05) RCA F1 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA F1 PASSED.

(2023-0320-06) RCA F2 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA F2 PASSED.

(2023-0320-07) RCA F3 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA F3 PASSED.

Chairman Campo noted that there were no Business Equity agenda items.

(2023-0320-08) Chairman Campo recognized Christine Abbruscato, Director, Marketing, Branding, and External Communications, to provide a report of selected Commercial agenda items.

Ms. Abbruscato reported that a local mass media campaign had recently been launched focusing on job creation and the promotion of Project 11. The campaign would help build awareness and affinity among various stakeholders and community members. The campaign included a robust radio campaign, billboards on the highway, and digital advertising. This was done in addition to the campaign that focused on Port Authority customers.

Mr. Abbruscato noted that the Trans-Pacific Maritime Conference had recently concluded, and the next big conference was the World Petrochemical Conference in Houston, at which both Mr. Guenther and John Moseley, Chief Commercial Officer, were scheduled to speak.

Packwell, a tenant of the Port Authority, had recently broke ground on its resin facility at the Bayport Container Terminal. The facility was expected to anchor about 20,000 export containers throughout Port Authority terminals through the first quarter of 2024.

Ms. Abbruscato highlighted agenda Item H4, an amendment to the lease with the City of Galena Park. The Port Commission had previously approved the amendment, but now the city was requesting a change of sublessee.

(2023-0320-09) RCA H1 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA H1 PASSED.

(2023-0320-10) RCA H2 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA H2 PASSED.

(2023-0320-11) RCA H3 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA H3 PASSED.

(2023-0320-12) RCA H4 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA H4 PASSED.

(2023-0320-13) Chairman Campo recognized Mr. Finley to provide a report of selected agenda items.

Mr. Finley explained that Item I1 was a request for approval to plan and prepare for a potential revenue bond issuance. The proceeds from the 2021 revenue bond issuance were expected to be expended by August or September 2023, and given the volatile markets, the intention was to monitor rates and return to the Port Commission at a later date when the timing was right for issuance.

The Item II request was threefold: (i) authorize the planning and preparation of the documents necessary for an issuance, (ii) appoint an underwriting team, and (iii) appoint bond counsel and disclosure counsel.

(2023-0320-14) RCA I1 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Corgey, Creuzot, and Fitzgerald voted Aye. Nays none. Commissioners Cloonan and DonCarlos abstained. RCA I1 PASSED.

(2023-0320-15) RCA I2 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA I2 PASSED.

(2023-0320-16) Chairman Campo recognized Rich Byrnes, Chief Infrastructure Officer, to provide a report of selected agenda items.

Mr. Byrnes offered his congratulations to Mr. Jenkins for his recent promotion to Chief Channel Infrastructure Officer. Mr. Jenkins was the rare person who was able to get staff to both go far and go fast.

Mr. Byrnes commented on a recent meeting with approximately twenty trucking companies on the topic of transitioning to zero emission trucks. There was great feedback, with questions about things such as weight capacity discussed. The Port Authority would continue to pursue grants in order to assist companies in converting to zero-emission trucks. Additionally, delegations from Sweden, Belgium, and the Netherlands had visited the Port Authority to discuss the future of clean emission vehicles.

Mr. Byrnes remarked that there was \$6.5 million in requests on the agenda. Item J2 was for a contract for support resources in order to identify appropriate available grant

funding and assistance in preparing the applications for such funding, and Items J3, J4, and J9 were all related to Project 11.

(2023-0320-17) RCA J1 was presented. Commissioner Corgey moved for staff's ranking of vendors – first, Hi-Tech Electric, Inc., seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, and Fitzgerald Aye. Nays none. RCA J1 PASSED.

(2023-0320-18) RCA J2 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA J2 PASSED.

(2023-0320-19) RCA J3 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA J3 PASSED.

(2023-0320-20) RCA J4 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA J4 PASSED.

(2023-0320-21) RCA J5 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA J5 PASSED.

(2023-0320-22) RCA J6 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA J6 PASSED.

(2023-0320-23) RCA J7 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Corgey, Creuzot, DonCarlos, and Fitzgerald voted Aye. Nays none. Commissioner Cloonan recused herself. RCA J7 PASSED.

(2023-0320-24) RCA J8 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Corgey, Creuzot, DonCarlos, and Fitzgerald voted Aye. Commissioner Cloonan recused herself. Nays none. RCA J8 PASSED.

(2023-0320-25) RCA J9 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA J9 PASSED.

(2023-0320-26) Chairman Campo recognized Jeff Davis, Chief Port Operations Officer, to provide a report of selected agenda items.

Mr. Davis recognized the Maintenance Department and remarked how it often took over after construction was approved. He added that the department had recently worked with CenterPoint when power was lost at the Executive Office Building.

Mr. Davis reiterated that volumes were steady in February 2023, but were up against soft numbers from the prior year: fewer empty containers were being loaded and sent back to Asia to be restocked and returned full. Additionally, gate transactions had declined, as had gang workers on the docks.

A result of the softening was that service levels at the container terminals had improved greatly; turn times were down to just 30 minutes.

Every port in the U.S. was seeing a slowdown; meanwhile Ret. General Stephen R. Lyons had been named as Port and Supply Chain Envoy to the current administration, to address bottlenecks and speed up the movement of goods.

Mr. Davis announced that steel was down 9% year-to-date, Saturday gate hours had run their course and would no longer be in service as of April 29, 2023, and finally, there had been inquiries into the rail yard at the Barbour's Cut Container Terminal and staff was exploring the possibility of reopening it. It was currently being used for container storage, but that would no longer be necessary with softening volumes.

Mr. Davis explained that the lone item on the agenda was a contract award for software upgrades to safety equipment and parts on four wharf cranes at the container terminals.

(2023-0320-27) RCA K1 was presented, moved by Commissioner Cloonan, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA K1 PASSED.

(2023-0320-28) Chairman Campo recognized Carolyn Ashley, Director, Employee Development and Engagement, to provide a report of selected People agenda items.

Ms. Ashley announced that the Port Commission Community Advisory Council (PCCAC) would meet later in the day. The agenda included information on the 2023 Community Grants Program application process. 94 letters of intent had been submitted and the full application process was currently open.

The Executive Development Program had recently launched and focused on succession initiatives, along with the Supervisor Development Program. The Port Authority recognition program was undergoing a re-evaluation to determine ways in which it could be enhanced. Finally, a supervisor bootcamp focused on training to address unconscious bias was being planned and more information on it would be forthcoming.

Mr. Ashley highlighted the lone agenda item: a two-year renewal for online application tracking software, which was the only one that supported the JDEdwards platform and integrated with the Port Authority training software.

(2023-0320-29) RCA L1 was presented, moved by Commissioner Corgey, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA L1 PASSED.

(2023-0320-30) Chairman Campo recognized Marcus Woodring, Chief Port Security and Emergency Operations Officer, to provide a report of selected agenda items.

Mr. Woodring announced that Item M1 was a request to purchase a new HAZMAT vehicle. The wait time for delivery of such a vehicle was currently estimated to be approximately three years.

Item M2 was a request for authorization to enter into a member services agreement with Channel Industries Mutual Aid (CIMA). CIMA had recently updated its bylaws and agreement. He added that annual membership dues totaled \$3,000.

(2023-0320-31) RCA M1 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA M1 PASSED.

(2023-0320-32) RCA M2 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA M2 PASSED.

Chairman Campo noted that there were no Technology agenda items.

Chairman Campo called for an Executive Session and asked Mr. Friedman to make the following announcement:

It is now 10:00 a.m. The Port Commission of the Port of Houston Authority of Harris County, Texas will now convene in a closed meeting, as permitted by the Texas Open Meetings Act and Government Code (1) to conduct a private Consultation with Attorneys (*Section 551.071, Texas Open Meetings Act*), including consultation regarding (i) TCW, Inc. v. Evergreen

Shipping Agency (AM.) Corp. & Evergreen Line Joint Service Agreement, Federal Maritime Commission Docket No. 1966, (ii) Transportation Code Chapter 431 Subchapter D, and (iii) proposed amendments to the agreement for legal services with Boyar Miller and Bracewell LLP; deliberate regarding (2) Real Estate (*Section 551.072, Texas Open Meetings Act*), including disposition of Pelican Island property and possible acquisition of Greater Fifth Ward property; (3) Economic Development Negotiations or Incentives (*Section 551.087, Texas Open Meetings Act*); (4) Employment and Evaluation of Public Employees (*Section 551.074, Texas Open Meetings Act*); and (5) Security-Related Matters (*Sections 418.175-418.183 of the Texas Government Code, and Section 551.076, Texas Open Meetings Act*). The Port Commission will reconvene in public session after the closed meeting is adjourned.

At 10:36 a.m., Chairman Campo reconvened the open meeting with the following Commissioners, staff, and counsel in attendance:

Ric Campo, Chairman
Wendy Cloonan, Commissioner
Dean Corgey, Commissioner
Cheryl Creuzot, Commissioner
Stephen DonCarlos, Commissioner
Clyde Fitzgerald, Commissioner
Roger Guenther, Executive Director
Erik Eriksson, Chief Legal Officer, via WebEx
Tom Heidt, Chief Operating Officer
J. Kent Friedman, outside counsel

(2023-0320-33) Commissioner Fitzgerald moved to authorize the Port Authority to enter into an interlocal agreement with the City of Galveston with respect to Seawolf Park on the terms discussed in Executive Session, and authorize the Executive Director to do all things necessary to give effect to the foregoing, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, and Fitzgerald voted Aye. Nays none. MOTION PASSED.

(2023-0320-34) Commissioner Corgey moved to authorize the Port Authority to amend the agreements for legal services with (a) Boyar Miller and (b) Bracewell LLP on the terms discussed in Executive Session, and authorize the Chief Legal Officer to do all things necessary to give effect to the foregoing, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, and Fitzgerald voted Aye. Nays none. MOTION PASSED.


(2023-0320-35) Chairman Campo recognized Mr. Heidt to provide a report of selected agenda items.

Mr. Heidt explained that Item Q1 was an authorization for the creation of a local government corporation for the acquisition and development of the new Executive Office Building at the East River development.

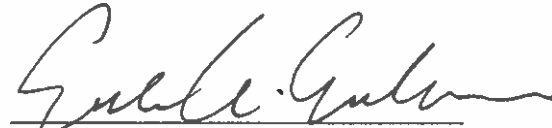
(2023-0320-36) RCA Q1 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA Q1 PASSED.

At 10:38 a.m., Chairman Campo adjourned the Port Commission meeting.

The above is a correct copy of the Minutes of the March 20, 2023 meeting of the Port Commission of the Port of Houston Authority.



Ric Campo, Chairman



Erik A. Eriksson, Secretary

F. EXECUTIVE

Subject	1. Enter into a professional services contract with Brown Consulting for state governmental policy consulting and support in an amount not to exceed \$66,000.
Meeting	Mar 20, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 20, 2023 meeting, authorize the Port Authority to enter into a one year professional services contract with Brown Consulting in an amount not to exceed \$66,000, effective April 1, 2023, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - PARTNERSHIPS (Develop and Strengthen External Partnerships)

Category:

Awards, Amendments & Change Orders

Department:

Government Relations

Staff Contact:

Cam Spencer

Background:

The Port Authority currently contracts with Brown Consulting to consult on state policy priorities, assist in developing strategic plans and objectives, and facilitate effective communication with government officials and their staffs.

Staff Evaluation/Justification:

Staff recommends that the Port Commission authorize a twelve-month contract with Brown Consulting for continued state consulting and support services.

F. EXECUTIVE

Subject **2. Enter into a professional services contract with Michael Toomey and Associates for state governmental policy consulting and support in an amount not to exceed \$66,000.**

Meeting Mar 20, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 20, 2023 meeting, authorize the Port Authority to enter into a one year professional services contract with Michael Toomey and Associates in an amount not to exceed \$66,000, effective April 1, 2023, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals [STRATEGIC GOAL #3 - PARTNERSHIPS \(Develop and Strengthen External Partnerships\)](#)

Category:

Awards, Amendments & Change Orders

Department:

Government Relations

Staff Contact:

Cam Spencer

Background:

The Port Authority currently contracts with Michael Toomey and Associates to consult on state policy priorities, assist in developing strategic plans and objectives, and facilitate effective communication with government officials and their staffs.

Staff Evaluation/Justification:

Staff recommends that the Port Commission authorize a twelve-month contract with Michael Toomey and Associates for continued state consulting and support services.

F. EXECUTIVE

Subject	3. Approve the amended Port of Houston Authority Promotion and Development Fund Policy.
Meeting	Mar 20, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 20, 2023 meeting, approve the amended Port of Houston Authority Promotion and Development Fund Policy, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - PARTNERSHIPS (Develop and Strengthen External Partnerships)

Category:

General

Department:

Executive

Staff Contact:

Erik Eriksson

Background:

Texas Water Code Chapter 60, Subchapter H, authorizes navigation district "Promotion and Development Funds," to pay expenses connected with: (i) advertising, development, and promotion of navigation districts in Texas, and their ports, waterways, harbors, and terminals; (ii) furthering the general welfare of navigation districts and facilities; and (iii) the improvement of relations with steamship and rail lines, shippers, freight consignees, governmental officials, and others interested or sought to be interested in ports, waterways, harbors, or terminals.

The Port Commission adopted the current Port of Houston Authority Promotion and Development Fund Policy and Standards in August 2013.

Since that time the Port Authority has instituted updates to its promotion and development procedures. For example, staff members make sure they conform to the subsequently instituted requirements of Special District Local Laws Code Sec. 5007.219 regarding the fund. Most recently, staff adopted the Promotion and Development Fund strategy approved by the Community Relations Committee in September 2022, to optimize value for service partners, community organizations, and other stakeholders.

To incorporate these changes, and make other updates to reflect Port Commission guidance and changed circumstances, staff has now proposed an amended Promotion and Development Fund Policy, the form of which is attached. Following its review of the draft, the Community Relations Committee acted in February to recommend Port Commission approval of the amended policy.

Staff Evaluation/Justification:

Staff recommends that the Port Commission approve the amended Port of Houston Authority Promotion and Development Fund Policy as attached hereto.

Port of Houston Authority
PROMOTION AND DEVELOPMENT FUND POLICY
Amended _____, 2023



I. Purpose.

A. The State of Texas has granted the Port of Houston Authority (the “Port Authority”) the authority to set aside and use a portion of its income from operations for certain promotion and development activities, subject to the control of its Port Commission.

B. This Promotion and Development Fund Policy (the P&D Policy”) is implemented for the purpose of ensuring compliance with state law, advancement of the Port Authority’s interests, prudent financial management, business control, and accountability, and applies to all Port Commissioners and Port Authority staff members.

II. Definitions.

A. “Approval Authority” means the Port Commission and persons properly delegated the authority to review, evaluate, approve, and disapprove requests for expenditures from the P&D Fund.

B. “Outreach Vehicles” means the 1947 restored antique fire truck owned by the Port Authority, the Mobile Command Center, the Port Authority’s emergency response vehicles and vessels, and other suitable Port Authority vehicles and vessels.

C. “P&D Fund” means the promotion and development fund of the Port Authority created pursuant to Texas Water Code Sec. 60.204.

D. “P&D Priorities” means the P&D Fund expenditure priorities described in Section IV below.

E. “P&D Statutes” means Texas Water Code Chapter 60 Subchapter H “Promotion and Development Fund in Certain Districts” (see Exhibit “A” attached) and Texas Special District Local Laws Code Sec. 5007.219 “Promotion And Development Fund” (see Exhibit “B” attached).

F. “Port of Houston” means the maritime complex along the Houston Ship Channel and its tributary waterways, including the Port Authority’s public terminals as well as privately-owned facilities.

III. Establishment of P&D Fund.

A. Pursuant to the P&D Statutes that authorize the Port Authority to set aside up to five percent of its gross income from operations in each calendar year for the purposes described therein and below, the Port Authority hereby sets aside a portion of its operating revenues as a P&D Fund.

Promotion and Development Fund Policy
Amended ____, 2023
Page 2

B. The P&D Fund shall be kept separate from all other funds and accounts of the Port Authority. No money collected from assessing or levying taxes may be comingled with the P&D Fund.

C. The P&D Fund shall be under the exclusive control of the Port Commission, which shall have full responsibility for auditing, approving, and safeguarding the expenditure of money from the P&D Fund. In order to meet these obligations, the Port Commission may delegate Port Authority staff members certain authority to act on its behalf.

D. All P&D Fund disbursements require Approval Authority authorization. The Approval Authority shall exercise due diligence when evaluating requests for disbursements, including balancing the benefits of making the proposed expenditure against the Port Authority's other financial and operational needs and resources, and considering the authority and limitations on expenditures stated in the P&D Statutes and P&D Policy.

E. P&D Fund expenditures shall be accounted for using generally-accepted accounting principles, transparent, and subject to audit.

IV. P&D Fund Purposes.

A. Pursuant to the P&D Statutes, the P&D Fund shall be used for the following purposes:

1. Developing and promoting the Port Authority and the Port of Houston;
2. Furthering the general welfare of the Port Authority and the Port of Houston; and
3. Improving the Port Authority's relations with parties that are interested in or that may be interested in the Port of Houston.

B. The Port Authority may conduct programs, initiatives, and activities to support the P&D Priorities. In addition, Port Commissioners, Port Authority staff members, and representatives of external organizations may request that the Port Authority assist programs, initiatives, and activities that support the P&D Priorities, through contributions of funds or in-kind services.

V. P&D Priorities.

Requests for P&D Fund disbursements corresponding to the following P&D Priorities shall, to the extent practicable, be preferred by an Approving Authority as it balances the anticipated benefit of a proposed P&D Fund expenditure against the Port Authority's other financial and operational needs and resources.

Promotion and Development Fund Policy
Amended ____, 2023
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A. Community Outreach, Improvement, and Beautification. The Port Authority is committed to supporting community-based organizations to promote the Port Authority, the Port of Houston, and the general welfare of the region. Expenditures related to this priority include the following programs, initiatives, and activities that may be submitted for approval:

1. Forging community, governmental, and other alliances, and cultivating inclusion and relationships;
2. Increasing awareness, understanding, and trust of the Port Authority and the Port of Houston;
3. Encouraging dialogue with community members and groups;
4. Encouraging Port Authority staff volunteer efforts;
5. Supporting projects focused on improving communities, neighborhoods, parks and greenspace, and “points of entry” to Port Authority facilities; and
6. Otherwise supporting communities that are impacted by Port Authority activities.

B. Workforce and Business Development. The Port Authority promotes workforce development-related programs in order to generate and support employment with the Port Authority, and grow the Port of Houston and regional businesses and employment. Expenditures related to this priority include the following programs, initiatives, and activities that may be submitted for approval:

1. Initiatives supporting the development of small businesses and minority and woman-owned business enterprises;
2. Support of business development groups, including local chambers of commerce;
3. Activities fostering maritime industry-related career readiness; and
4. Educational activities that promote maritime workforce opportunities.

C. Environmental Awareness. The Port Authority is committed to promoting environmental protection and stewardship aimed at air quality improvement, marsh creation, pollution prevention and remediation, storm-water management, sustainability, and waste reduction. Expenditures related to this priority include the following programs, initiatives, and activities that may be submitted for approval:

1. Participation in pilot projects and long-term sustainability initiatives;
2. Support of other sustainability and conservation measures;
3. Participation in community cleanups and other local environmental initiatives; and
4. Sponsorship of environmental and sustainability conferences and other gatherings;

VI. Financial Support, In-Kind Contributions, and Other Support.

A. Programs, Initiatives, and Activities.

1. The Port Authority may initiate and invest in programs, initiatives, and activities that are aligned with the P&D Statutes and P&D Priorities, and approved in accordance with the P&D Policy to assure responsible use of and accounting for P&D Fund resources.

2. Port Commissioners, Port Authority staff members, and representatives of external organizations may request that the Port Authority assist with programs, initiatives, and activities that support P&D Priorities, whether sponsored by the community or otherwise, through contribution of funds or in-kind services.

3. The Port Authority should endeavor to receive appropriate recognition for providing funding or in-kind services for external programs, initiatives, and activities supported by the Port Authority.

4. Port Authority staff members may staff P&D Fund-supported programs, initiatives, and activities provided such participation does not unreasonably interfere with the employee's regular job responsibilities and is approved by the Port Authority.

B. Grants.

1. The Port Authority may award P&D Fund-supported grants to non-profit organizations carrying out activities, programs, or services that help support the P&D Priorities, develop and strengthen partnerships, and create greater value for our region.

2. Grants shall not be awarded to non-profit organizations that are not in good standing with the Internal Revenue Service, for-profit entities, labor, sectarian, fraternal, military, or professional associations, sports or athletic groups, charitable or endowment campaigns, political action committees, candidates, or lobbyists, and individuals.

C. Organizational Support Agreements.

1. The Port Authority may enter into P&D Fund-supported organizational support agreements with non-profit organizations carrying out activities, programs, or services that help support the P&D Priorities. These organizations may include chambers of commerce, workforce development, environmental, and transportation organizations, and other community, regional and business groups.

2. The Port Authority's organizational support agreements should require these groups provide periodic written reports documenting the organization's activities and accounting for use of Port Authority P&D funds to the Port Authority staff member designated in the applicable agreement to receive such reports.

D. Sponsorships.

1. The Port Authority may provide sponsorship support from the P&D Fund for events and activities that help support the P&D Priorities.

2. Sponsorships should generally be used to provide opportunities for Port Commissioners and Port Authority staff members to promote the Port Authority and the Port of Houston and improve the Port Authority's relations with those who are interested or may be interested in the Port of Houston.

3. Sponsorships may include Port Authority-led events, and monetary and in-kind support of events organized by third parties or with the assistance of the Port Authority.

E. M/V SAM HOUSTON Tours. The M/V SAM HOUSTON is operated by the Port Authority to support the P&D Priorities.

1. The M/V SAM HOUSTON, and any successor vessels, should conduct public tours on a regular basis. Tours should be open to the public by advance reservation subject to space restrictions and availability.

2. In addition to regularly-scheduled public tours, the tour vessel may be reserved for special tours, provided that in the judgment of the Approval Authority, the special tour helps support the P&D Priorities.

a. The Port Authority reserves the right to determine all special tour conditions, including tour group sizes, catering arrangements, and materials that may be brought aboard the tour vessel.

b. Tour groups shall not be permitted to use the tour vessels for hire, nor use special tours to support political or special interest issue advocacy, fundraising, or for-

Promotion and Development Fund Policy
Amended ____, 2023
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profit business activities, including offering special tours for compensation, whether as an auction item or for other consideration.

3. As ambassadors of the Port of Houston, Port Commissioners and former Port Commissioners may sponsor one special tour aboard the M/V SAM HOUSTON and successor vessels each calendar year, provided that in the judgment of the Approval Authority, the special tour helps support the P&D Priorities.

F. Outreach Vehicles. Outreach Vehicles may be used to support the P&D Priorities, subject to scheduling availability.

1. Outreach Vehicles may be displayed to members of the public to increase their familiarity with the Port Authority and the Port of Houston. Community activities such as parades and gatherings that call for displays or booths should be given priority for the use of Outreach Vehicles, in the event of conflicting requests for display of Outreach Vehicles.

2. Outreach Vehicles shall not be used for hire or to support political or special interest issue advocacy, fundraising, or for-profit business activities, or for personal use by any Port Commissioner, employee, or third party, or provided for compensation or other consideration.

G. Other Activities. The Port Authority reserves the right to engage in other activities which are supported by the P&D Fund, consistent with the P&D Statutes, aligned with the P&D Priorities, and approved by an Approval Authority.

VII. Limitation of P&D Disbursements.

A. Expenses incurred by the Port Authority to conduct its routine operations and customarily approved, audited, and paid for out of regular funds of the Port Authority shall not be paid by P&D Fund disbursement.

B. Without limiting the foregoing, the P&D Fund shall not be used to pay the following:

1. Payroll-related expenses unrelated to the M/V SAM HOUSTON and any successor vessels;

2. Overhead expenses that would customarily be considered an operating expense under generally-accepted accounting principles; or

3. Operational and capital expenditures made to assist a city, county, state, or federal governmental entity.

VIII. Port Commission Expenditure Authority, Delegation, and Directives.

Promotion and Development Fund Policy
Amended ____, 2023
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A. Approval of P&D Fund Expenditures and Budget. Each year the Port Commission shall approve the budget for all activities and costs to be paid from the P&D Fund, and review and approve appropriate individual items, including all contracts subject to Port Commission approval by law, and may delegate review and approval of items to Port Authority staff as it deems appropriate.

B. Delegation of Authority to Port Commission Audit Committee. The Port Commission hereby delegates to the Port Commission Audit Committee the following duties:

1. Oversight of audits and financial reviews of the P&D Fund, including an annual audit conducted by an independent auditor; and
2. Oversight of related P&D Fund financial matters, including the following:
 - a. The integrity of P&D Fund financial statements;
 - b. P&D Fund accounting reporting processes and controls; and
 - c. The qualifications, independence, and performance of the P&D Fund's independent auditor.

C. Delegation of Authority to Executive Director and Designees. Except with respect to its approval of contracts otherwise subject to Port Commission approval by law, or as otherwise provided by this P&D Policy and other Port Commission-approved policies, the Port Commission hereby delegates to the Executive Director, and his or her designees as set forth in writing, the review, prioritization, analysis, and approval or disapproval of requests for expenditure of P&D Funds, including the programs, initiatives, and activities set forth herein.

D. Delegation to the Chief Financial Officer. The Port Commission hereby delegates to the Chief Financial Officer the creation and execution of P&D Fund accounting procedures and practices consistent with this P&D Policy, the P&D Statutes, and accounting best practices.

E. P&D Fund Reporting. Port Authority staff members shall provide the Port Commission with regular reports, no less frequently than quarterly, setting forth all expenditures from the P&D Fund, in such detail as the Port Commission requires, for the previous quarter and for such other periods as the Port Commission directs.

1. Without limiting the foregoing, such reports shall include information regarding:
 - a. Travel by Port Commissioners;

Promotion and Development Fund Policy
Amended ____, 2023
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- b. Grants, organizational support agreements, sponsorships, and similar spending;
- c. In-kind and special uses of the Port Authority's resources, including the use of the M/V SAM HOUSTON, successor vessels, and associated costs, sorted by Port Authority division;
- d. Total expenditures from the P&D Fund, including year-to-date summary information by category of expenditure; and
- e. Other matters as requested by the Port Commission.

2. Periodic reports concerning P&D Fund expenditures shall be prepared for the public and made available to the public on the Port Authority's website.

F. P&D Policy Exceptions.

- 1. Exceptions to this P&D Policy applicable to Port Commissioner requests require action by the Port Commission in public session.
- 2. All other exceptions shall be approved by the Approval Authority with such delegated power.
- 3. All expenditures resulting from approved exceptions shall be subject to the same reporting requirements as other approved expenditures from the P&D Fund.

IX. Management of P&D Fund Budgeting, Requests, and the Approval Process.

A. Budgeting.

- 1. Each Port Authority division that anticipates P&D Fund expenses in the following year should develop a budget of these expenditures in conjunction with the Port Authority's annual budget process.
- 2. Port Authority staff should recommend reasonably detailed P&D Fund budget-line items for the forthcoming year, for Port Commission action at the Port Commission meeting during which the annual operating budget of the Port Authority is reviewed and acted on.
- 3. The Port Authority should endeavor to limit P&D Fund expenditures to the amounts set forth in the annual operating budget adopted by the Port Commission. In no event shall P&D Fund expenditures exceed five percent of the Port Authority's gross income from operations in each calendar year.

4. Budgets should be reforecast periodically by the applicable budget owner, and each reforecast should be shown on subsequent monthly reports, along with explanations for significant variances from the original approved annual budget line items.

B. External Requests for P&D Fund Expenditures.

1. All external requests for use of P&D Funds shall be submitted in writing to the Port Authority. P&D Fund request forms shall be available to the public and should be the preferred method for submitting a request for P&D Funds.

2. External requests not made in writing or lacking adequate justification may be disapproved by the Port Authority.

C. Evaluation and Approval or Disapproval of Funding Requests.

1. Every request for a P&D Fund expenditure shall be evaluated to determine whether it falls within the P&D Priorities and the budget adopted by the Port Commission and whether it properly serves the interests of the Port Authority. Each approved expenditure shall include a description of the expected impact of the expenditure and how the expenditure is consistent with the P&D Priorities and state whether the amount being requested is within the quarterly budget of the applicable budget owner.

2. Port Commissioners, and persons with applicable delegated Approval Authority, shall review and take action on such requests in accordance with this P&D Policy and the budget guidelines adopted by the Port Commission.

3. Any request for funding exceeding Fifty Thousand Dollars (\$50,000) shall be approved by the Port Commission during public session prior to payment.

4. Any request for funding not included in the Port-Commission-approved budget shall be approved by the Executive Director or his or her designee for such purpose prior to payment.

5. Except as hereafter provided, the action of the Approval Authority is final. If the Approval Authority disapproves a request or fails to act on any request, the request shall be considered denied, provided however if the Port Commission or Approval Authority disapproves or fails to act on a Port Commissioner request, a Port Commissioner may resubmit the request for consideration and possible action at a public session of the Port Commission.

X. P&D Policy Responsibility.

Promotion and Development Fund Policy
Amended ____, 2023
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1. The Port Commission Community Relations Committee shall evaluate this P&D Policy's effectiveness and recommend updates as needed to the Port Commission for possible action at regularly scheduled meetings.

2. The Director, Community Relations and Events is responsible for implementation of this P&D Policy and is the contact for staff members seeking its interpretation.

XI. Adoption.

This Promotion and Development Fund Policy was originally adopted by the Port Commission on August 20, 2013, as evidenced by Minute No. 2013-0820-09, and amended by its action dated ____, 2023, Minute No. 2023-____-____.

Policy Owner: Community Relations
Policy Version: First Amendment

Exhibit A

TEXAS WATER CODE

CHAPTER 60 SUBCHAPTER H. PROMOTION AND DEVELOPMENT FUND IN CERTAIN DISTRICTS

Sec. 60.201. PURPOSE. Districts in this state which operate ports or waterways and harbor and terminal facilities are in keen competition with other ports, waterways, harbors, and terminals outside the state and with privately owned Port Authority and terminal facilities inside the state. Well-situated and well-equipped ports and waterways in other nearby states and owners of substantial Port Authority and terminal facilities located inside and outside the state are advertising, promoting and developing their competing ports, waterways, harbors, and terminals through expenditure of large amounts of money without any audit or restriction on expenditure of the money. This activity or expenditure is thwarting and impeding the use, progress, and development of the ports, waterways, harbors, and terminals of this state. Continuation of this hardship and injustice can best be met and coped with by more liberal use of some relatively small fund set aside from the gross income from operations of the ports of this state to be used in the manner provided in this subchapter.

Sec. 60.202. CREATION OF FUND. A district organized under general or special law may set aside out of current income from its operations a promotion and development fund of not more than five percent of its gross income from operations in each calendar year.

Sec. 60.203. EXPENDITURE OF FUND. Money in the promotion and development fund shall be spent by the commission or as the commission may direct to pay any expenses connected with:

- (1) any activity or matter incidental to the advertising, development, or promotion of the district or its ports, waterways, harbors, or terminals;
- (2) furthering the general welfare of the district and its facilities; or
- (3) the betterment of the district's relations with steamship and rail lines, shippers, consignees of freight, governmental officials, or others interested or sought to be interested in the ports, waterways, harbors, or terminals.

Sec. 60.204. MANAGEMENT AND CONTROL OF PROMOTION AND DEVELOPMENT FUND.

(a) The money in the promotion and development fund shall be kept separate from all other funds and accounts of the district, and no money collected from assessing or levying taxes may be mingled with the fund.

(b) The promotion and development fund shall be under the exclusive control of the commission, and the commission shall have full responsibility for auditing, approving, and safeguarding the expenditure of money from the fund.

[(c) The county auditor shall exercise his usual supervision and control to assure that the commission sets aside no more than five percent of its gross income from operations in each calendar year in the promotion and development fund. The county auditor may audit disbursements from the fund and shall be entitled to a monthly statement showing the:

- (1) date of each disbursement from the fund;
- (2) amount disbursed;
- (3) person or concern to whom disbursed; and
- (4) general purpose of each disbursement.]*

Sec. 60.205. OTHER EXPENSES NOT AFFECTED. Since this subchapter authorizes disbursements from the promotion and development fund for unusual purposes and occasions not covered by other law, the setting aside of the fund and disbursements from the fund shall not affect payment of other expenses customarily approved, audited, and paid out of the regular funds of the district.

*Water Code Sec. 60.204(c) does not apply to the Port of Houston Authority, effective September 1, 2013; see *Special District Local Laws Code Sec. 5007.227(d)*.

Exhibit B

TEXAS SPECIAL DISTRICT LOCAL LAWS CODE SEC. 5007.219

Sec. 5007.219. PROMOTION AND DEVELOPMENT FUND. (a) In this section, "promotion and development fund" means a fund created and managed under Subchapter H, Chapter 60, Water Code.

(b) The port commission shall adopt clear, complete policy and procedures to govern the use of the promotion and development fund. The policy and procedures must include:

(1) provisions limiting acceptable uses of promotion and development fund money to uses with a direct tie to the mission of the authority;

(2) a consistent budget process;

(3) a process for requesting sponsorship funds by port commissioners, authority employees, and outside groups;

(4) an approval process for each type of expenditure from the promotion and development fund, including:

(A) the level of approval or notification required for authority employees, applicable task forces, and the port commission; and

(B) a requirement that each approved expenditure must include a description of:

(i) the expected impact of the expenditure; and

(ii) how the expenditure is consistent with the strategic direction for promotion and development fund money as adopted by the port commission;

(5) a procedure for handling exceptions to the policy, including a requirement that an exception be subject to the same reporting requirements as other approved expenditures from the promotion and development fund;

(6) a provision for evaluating the policy's effectiveness and having the port commission adopt updates to the policy as needed at regularly scheduled public meetings; and

(7) requirements for regular tracking of all expenditures from the promotion and development fund and reporting of the expenditures to the port commission and to the public by making the reports available on the authority's website.

(c) A report described by Subsection (b)(7) must include detailed information about:

(1) travel by port commissioners;

(2) special uses of the authority's resources, including the use of any public tour vessels and the associated costs, sorted by authority division;

(3) sponsorship and similar spending; and

(4) total expenditures from the promotion and development fund, including year-to-date summary information by category of expenditure.

H. COMMERCIAL

Subject	1. Approve an amendment to increase funds on the current contract with STS Brand LLC for the purchase of promotional items in an amount not to exceed \$50,000.
Meeting	Mar 20, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action, Information
Recommended Action	The Port Commission, at its March 20, 2023 meeting, approve an amendment to increase funds to the current contract with STS Brand LLC for the purchase of promotional items in an amount not to exceed \$50,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	<p>STRATEGIC GOAL #3 - PARTNERSHIPS (Develop and Strengthen External Partnerships) Strategic Objective 3a. - Cultivate key relationships to accomplish common goals STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region) Strategic Objective 4c. - Support development of a robust Regional maritime workforce Strategic Objective 4d. - Support sustainable growth of Port Houston and the greater Port</p>

Category:

Awards, Amendments & Change Orders

Department:

Commercial

Staff Contact:

Christine Abbruscato

Background:

By Minute No. 2020-0428-06, the Port Commission approved a contract with STS Brand LLC and World of Promotion to supply promotional items and/or apparel services.

The contracts have been utilized by Port Authority departments to purchase branded promotional items and apparel. STS Brand LLC has been the top vendor used for these purchases and these funds have now been depleted.

STS Brand LLC is the apparel vendor for branded apparel and branded promotional items, and is a Minority Business Enterprise (MBE), and a Small Business Enterprise (SBE) certified within the S/MWBE program at the Port Authority.

The Port Authority's contract with STS Brand LLC is set to expire on June 9, 2023, and staff expects to return to the market to obtain new contracts for these items thereafter.

Staff Evaluation/Justification:

Staff recommends the Port Commission authorize a contract amendment with STS Brand LLC to increase contract funds by \$50,000 to continue the use of this vendor until the expiration of the contract.

H. COMMERCIAL

Subject **2. Approve an amendment to the lease with TPC Group LLC for approximately 6 acres out of Block 3 at Sims Bayou to extend the term for one year, effective no earlier than April 1, 2023, at an annual base rent of approximately \$273,767, subject to annual base rent escalation of the greater of 3% or the increase in the Consumer Price Index.**

Meeting Mar 20, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 20, 2023 meeting, approve an amendment to the lease with TPC Group LLC for approximately 6 acres out of Block 3 at Sims Bayou to extend the term for one year, effective no earlier than April 1, 2023, at an annual base rent of approximately \$273,767, subject to annual base rent escalation of the greater of 3% or the increase in the Consumer Price Index, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals [STRATEGIC GOAL #3 - PARTNERSHIPS \(Develop and Strengthen External Partnerships\)](#)
[Strategic Objective 3a. - Cultivate key relationships to accomplish common goals](#)
[STRATEGIC GOAL #4 - STEWARDSHIP \(Create Greater Value for the Region\)](#)
[Strategic Objective 4d. - Support sustainable growth of Port Houston and the greater Port](#)

Category:

Leases

Department:

Real Estate

Staff Contact:

John A. Moseley/Diana Sechler

Background:

In 2020, the Port Commission approved a one-year lease with TPC Group LLC (TPC) for approximately 6 acres out of Block 3 at Sims Bayou. The property is used for parking vehicles for TPC's contract refinery personnel as described in the lease. Subsequently, the Port Commission approved a one-year extension of the lease in each of 2021 and 2022.

TPC has requested that the Port Authority extend the lease term for an additional one year (for a total term of four years) and intends to continue to use the property for the purpose described above.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve the proposed lease amendment under the terms described above.

H. COMMERCIAL

Subject **3. Approve the change of control of Gulf Winds International, Inc. under its lease for approximately 11.273 acres at the Bayport Container Terminal, commencing November 1, 2018, resulting from the purchase of its capital stock by Gulf Winds International Acquisition, LLC.**

Meeting Mar 20, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 20, 2023 meeting, approve the change of control of Gulf Winds International, Inc. under its lease for approximately 11.273 acres at the Bayport Container Terminal, commencing November 1, 2018, resulting from the purchase of its capital stock by Gulf Winds International Acquisition, LLC, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals [STRATEGIC GOAL #3 - PARTNERSHIPS \(Develop and Strengthen External Partnerships\)](#)
[Strategic Objective 3a. - Cultivate key relationships to accomplish common goals](#)
[STRATEGIC GOAL #4 - STEWARDSHIP \(Create Greater Value for the Region\)](#)
[Strategic Objective 4d. - Support sustainable growth of Port Houston and the greater Port](#)

Category:

Leases

Department:

Real Estate

Staff Contact:

John A. Moseley/Jim Vo

Background:

By Minute No. 2018-1030-10, the Port Commission approved a five-year lease with Gulf Winds International, Inc. (Gulf Winds) for approximately 8.585 acres on the south side of Port Road adjacent to Old Highway 146 at the Bayport Container Terminal, commencing November 1, 2018. The property is used for the staging of trucks for Gulf Winds' warehouse, the operation of empty and loaded container handling equipment, the stacking and storage of empty and loaded containers, and the operation of a small mobile office building.

By Minute No. 2021-1026-13, the Port Commission approved an amendment to the lease to, among other things, increase the acreage of the property to 10.435 acres and extend the term for an additional ten years.

By Minute No. 2022-0524-08, the Port Commission approved an amendment to the lease to, among other things, increase the acreage of the property to 11.273 acres.

Staff Evaluation/Justification:

Gulf Winds has recently notified the Port Authority that it entered into an agreement with Gulf Winds International Acquisition, LLC (Buyer) pursuant to which Buyer acquired the capital stock of Gulf Winds (the Transaction). The Transaction closed on December 13, 2022. Gulf Winds confirmed that it would remain the tenant under the lease and would remain subject to its obligations and the terms as currently in effect under the lease. Accordingly, Gulf Winds has requested the Port Authority's consent to the change of control of Gulf Winds as a result of the Transaction.

Staff has reviewed the matter and determined that Gulf Winds is expected to continue to operate without disruption under the lease and to continue to operate under the same leadership of Gulf Winds in place prior to the Transaction. Accordingly, staff recommends that the Port Commission approve the change of control of Gulf Winds.

H. COMMERCIAL

Subject **4. Approve (i) an amendment to the lease with the City of Galena Park for approximately 203.79 acres out of the east side of the Clinton site in the Ezekiel Thomas Survey, A-73, to extend the term for five years, effective no earlier than April 1, 2023, at an annual base rent of approximately \$3,600, and (ii) consent to the sublease by the City of Galena Park to Susan Tettenhorst, as an individual, for five years to run coterminously with the extended term of the lease.**

Meeting Mar 20, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 20, 2023 meeting, approve (i) an amendment to the lease with the City of Galena Park for approximately 203.79 acres out of the east side of the Clinton site in the Ezekiel Thomas Survey, A-73, to extend the term for five years, effective no earlier than April 1, 2023, at an annual base rent of approximately \$3,600, (ii) consent to the sublease by the City of Galena Park to Susan Tettenhorst, as an individual, for five years to run coterminously with the extended term of the lease, and (iii) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals [STRATEGIC GOAL #3 - PARTNERSHIPS \(Develop and Strengthen External Partnerships\)](#)
[Strategic Objective 3a. - Cultivate key relationships to accomplish common goals](#)

Category:

Leases

Department:

Real Estate

Staff Contact:

John A. Moseley/Diana Sechler

Background:

By Minute No. 2022-0802-13, the Port Commission approved a five-year extension to the lease with the City of Galena Park for approximately 203.79 acres out of the east side of the Clinton site in the Ezekiel Thomas Survey, A-73, effective no earlier than September 1, 2022 at an annual base rent of approximately \$3,600, and consented to the extension of a sublease between the City of Galena Park, as subtenant and Galena Park Riding Club (Riding Club), as sublessee, for five years to run coterminously with the extended term of the lease.

Following approval of the five-year extension by the Port Commission described above, the Port Authority received an update that the Riding Club was no longer an existing Texas non-profit entity and would not be reinstating its existence as such. In light of this material change to the subtenant's entity status, the City of Galena Park has proposed entering into a sublease with Susan Tettenhorst, in her individual capacity, for the continued use of the property as a recreational area, including horseback riding.

The City of Galena Park's current lease expired August 31, 2022, and has continued in a holdover status since September 1, 2022 while the solution to the subtenant entity was resolved. The proposed five-year extension plus the seven-month holdover period would result in a total lease term of ten years and seven months.

Staff Evaluation/Justification:

Staff have reviewed this proposal and recommends the Port Commission approve the proposed lease amendment and provide its consent to the new subtenant under the terms described above.

I. FINANCE

Subject **1. Authorize the Port Authority to (a) plan and prepare for the future issuance of revenue bonds for long-term financing to fund remaining portions of the Port Authority's share of Project 11 construction costs; (b) appoint PFM Financial Advisors LLC as financial advisor, and Morgan Stanley (Senior Manager), Loop Capital Markets LLC (co-senior manager) and Hilltop Securities Inc. and Blaylock Van LLC as underwriters, to assist in the bond issuance; (c) appoint Greenberg Traurig, LLP and Baker Williams Mattiesen LLP as co-bond counsel, and Bracewell LLP and West and Associates, L.L.P. as co-disclosure counsel; and (d) prepare documentation authorizing the issuance of revenue bonds.**

Meeting Mar 20, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 20, 2023 meeting, authorize the Port Authority to (a) plan and prepare for the future issuance of revenue bonds for long-term financing to fund remaining portions of the Port Authority's share of Project 11 construction costs; (b) appoint PFM Financial Advisors LLC as financial advisor, and Morgan Stanley (Senior Manager), Loop Capital Markets LLC (co-senior manager) and Hilltop Securities Inc. and Blaylock Van LLC as underwriters, to assist in the bond issuance; (c) appoint Greenberg Traurig, LLP and Baker Williams Mattiesen LLP as co-bond counsel, and Bracewell LLP and West and Associates, L.L.P. as co-disclosure counsel; and (d) prepare documentation authorizing the issuance of revenue bonds, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals [STRATEGIC GOAL #4 - STEWARDSHIP \(Create Greater Value for the Region\)](#)

Category:

General

Department:

Treasury

Staff Contact:

Roland Gonzalez/Tim Finley

Background:

By Minute No. 2021-1026-15, the Port Commission approved an order authorizing the sale of Port of Houston Authority of Harris County, Texas, First Lien Revenue Bonds. The proceeds on the sale of the bonds were \$400 million.

Through February 28, 2023, the Port Commission has approved Project 11 construction and design contract awards totaling \$694 million. Port Authority staff is forecasting an approximate additional \$150 million in 2023 and 2024 would be needed to complete that construction, for a total of \$845 million.

The Port Authority has continued analyzing liquidity projections for the level of expected additional investment in the Project 11 construction. The substantial level of capital investment requires a second issuance of revenue bonds as a source of funding, and would avoid the potential for impairment of other operating capital equipment and infrastructure investments. Liquidity projections show the potential need to issue revenue bonds in 2023, requiring preparation for issuance to begin in early 2023.

Staff Evaluation/Justification:

Staff recommends that the Port Commission authorize staff to proceed with preparations, planning, and development of necessary documentation for the future issuance of revenue bonds.

The proposed underwriting team is comprised of firms previously approved by the Port Commission by Minute No. 2021-0525-14, for participation in a "pool" of underwriters authorized for future bond issuances. The proposed legal team is comprised of firms previously approved by the Port Commission by Minute No. 2021-0525-07, for participation in a pool of public finance counsel.

Request for revenue bond issuance would be presented to the Port Commission at a future meeting date.

I. FINANCE

Subject **2. Adopt a resolution expressing the Port Authority's intent to finance Houston Ship Channel Expansion Channel Improvement Project expenditures with the proceeds of tax-exempt debt obligations.**

Meeting Mar 20, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 20, 2023 meeting, adopt a resolution expressing the Port Authority's intent to finance Houston Ship Channel Expansion Channel Improvement Project expenditures with the proceeds of tax-exempt debt obligations, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals [STRATEGIC GOAL #4 - STEWARDSHIP \(Create Greater Value for the Region\)](#)

Category:

General

Department:

Treasury

Staff Contact:

Roland Gonzalez/Tim Finley

Background:

By Minute No. 2020-0929-20, the Port Commission adopted a resolution expressing the Port Authority's intent to finance Houston Ship Channel Expansion Channel Improvement Project (Project 11) expenditures with the proceeds of tax-exempt debt obligations in an amount not to exceed \$960 million.

By Minute No. 2021-1026-15, the Port Commission approved an order authorizing Series 2021 Revenue Bonds to be sold in an amount not to exceed \$400 million in proceeds.

Since the Series 2021 Revenue Bonds were issued for the purposes outlined in the 2020 reimbursement resolution, staff has been advised of the desirability of adopting a new reimbursement resolution that includes adjustments for the amount of remaining Project 11 costs.

In addition to its past expenditures for Project 11, the Port Authority would continue to incur significant additional expense in connection with the project, and expects to finance much of this expense with tax-exempt debt.

Staff Evaluation/Justification:

In order to permit the Port Authority to reimburse itself for these costs in advance of debt issuance from the proceeds of this future tax-exempt financing, staff recommends that the Port Commission adopt the resolution attached as Exhibit A expressing its intent to do so. The resolution would permit reimbursement for up to \$500 million, for both certain capital expenditures in connection with Project 11 that the Port Authority has, and will, incur.

RESOLUTION EXPRESSING INTENT TO
FINANCE EXPENDITURES TO BE INCURRED

March 20, 2023

WHEREAS, the Port of Houston Authority of Harris County, Texas (the “Authority”) is a political subdivision of the State of Texas authorized to finance its activities by issuing obligations; and

WHEREAS, the Authority will make, or has made not more than sixty days prior to the date hereof, payments with respect to the projects described in Exhibit A (collectively, “Financed Projects”); and

WHEREAS, in certain circumstances, federal and/or state law requires that the Authority express its official intent to issue obligations to reimburse itself for expenditures paid prior to the issuance of such obligations in order for such expenditures to be eligible for reimbursement from proceeds of such obligations; and

WHEREAS, Section 1.150-2(d)(2) of the Treasury Regulations sets forth limitations regarding the timing of reimbursements made from the proceeds of certain obligations.

NOW, THEREFORE, be it resolved by the Port Commission of the Authority that:

Section 1. The Authority reasonably expects to reimburse itself for all costs that have been or will be paid subsequent to the date that is sixty days prior to the date hereof and that are to be paid in connection with the Financed Projects from the proceeds of obligations to be authorized subsequent to the date hereof.

Section 2. The Authority reasonably expects that the maximum principal amount of obligations issued to reimburse the Authority for costs associated with the Financed Projects will not exceed the amounts described in Exhibit A. Such obligations may be issued in one or more series.

Section 3. Unless otherwise advised by bond counsel, any reimbursement allocation will be made not later than 18 months after the later of (i) the date the original expenditure is paid or (ii) the date on which the Financed Projects (or the portion thereof to which the expenditure relates) is placed in service or abandoned, but in no event more than three years after the original expenditure is paid.

Section 4. All resolutions and parts of resolutions in conflict herewith are hereby repealed to the extent of the conflict only.

Section 5. If any word, phrase, clause, sentence, paragraph, section or other part of this resolution or the application thereof to any person or circumstance shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of this

resolution and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this resolution to any other person or circumstance shall not be affected thereby.

Section 6. The terms that are defined in the recitals to this resolution are hereby adopted and incorporated in this resolution.

Section 7. The Port Commission hereby finds, determines and declares that a sufficient written notice of the date, hour, place and subject of each meeting at which this resolution was discussed, considered or acted upon was given in the manner required by the Texas Open Meetings Act, as amended, and that each such meeting has been open to the public as required by law at all times during such discussion, consideration and action.

[Signature page follows.]

ADOPTED by the Port Commission of the Port of Houston Authority of Harris County, Texas, at a meeting duly called and held on the 20th day of March, 2023.

Ric Campo
Chairman, Port Commission
Port of Houston Authority
of Harris County, Texas

ATTEST:

Erik Eriksson
Secretary, Port Commission
Port of Houston Authority
of Harris County, Texas

Minute No. 2023-0320-

**EXHIBIT A
FINANCED PROJECTS**

<u>Project/Purpose</u>	<u>Costs</u>
Expenditures relating to the design, construction and equipment of the Houston Ship Channel – Expansion Channel Improvement Project including, but not limited to costs associated with the deepening and widening the channel, acquisition of property, relocation of utilities, construction and acquisition of aids to navigation, and other expenditures related to the project.	\$ <u>500,000,000</u>

Minute No. 2020-0920-20

J. INFRASTRUCTURE

Subject	1. Approve staff's ranking of vendors and award a construction contract to Hi-Tech Electric, Inc. for medium voltage electrical cable installation at Bayport Container Terminal in an amount not to exceed \$1,974,706.
Meeting	Mar 20, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 20, 2023 meeting, award a construction contract to Hi-Tech Electric, Inc. for medium voltage electrical cable installation at Bayport Container Terminal, in an amount not to exceed \$1,974,706, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Awards, Amendments & Change

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

This project consists of the installation, splicing, and testing of medium voltage and low voltage conductors within Bayport Container Terminal to support the on-going Wharf 6 construction project.

The Port Authority notified vendors regarding its request for competitive sealed bids (CSBs) using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Twelve vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On March 1, 2023, one CSB was received, opened, and publicly read. The response was reviewed and evaluated by staff in accordance with the published criteria.

Following staff Executive Committee review, staff recommends that the Port Commission award a contract to Hi-Tech Electric, Inc., a responsible bidder submitting the only bid, for medium voltage electrical cable installation at Bayport Container Terminal.

J. INFRASTRUCTURE

Subject	2. Award a contract to SNM2R for support of the Port Authority Environmental, Sustainability, Safety, Governance (ES²G) Action Plan using Catena Foundation Grant funds in an amount not to exceed \$500,000.
Meeting	Mar 20, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 20, 2023 meeting, award a contract to SNM2R for support of the Port Authority Environmental, Sustainability, Safety, Governance (ES ² G) Action Plan using Catena Foundation Grant funds in an amount not to exceed \$500,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Technical & Business Analytics

Staff Contact:

Brenda Trevino

Background:

The project consists of research, project definition, and implementation development services, working with Port Authority staff for execution of emission reduction initiatives from the "Sustainability Roadmap to 2050." The work also includes support for internal and external communication and engagement with key stakeholders to advance the initiatives, with the intent of preparing the associated port projects for execution. Finally, the work would assist in identifying the appropriate available grant funding for the identified projects and would assist in preparing the applications for such funding.

The Port Authority notified five participating BuySpeed vendors regarding its request for proposals for the scope of work contracted with the Catena Foundation. Two vendors returned responses for the project and participated in interviews with the Port Authority for selection.

Staff Evaluation/Justification:

On February 23, 2023, the final interviews were held. The responses were reviewed and evaluated by staff in accordance with the project criteria outcomes contracted with the granting entity, Catena Foundation.

Staff recommends that the Port Commission award a contract to SNM2R for up to two years of services funded by this privately-funded grant, and act as otherwise described above.

J. INFRASTRUCTURE

Subject	3. Amend a professional services contract to TC&B/GBA, a Joint Venture of Turner Collie & Braden Inc. and Gahagan & Bryant Associates, Inc. to provide continued engineering, design, project coordination, and other general assistance for the Houston Ship Channel Expansion Channel Improvement Project in an amount not to exceed \$2,475,100 for a total amount of \$31,616,700.
Meeting	Mar 20, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 20, 2023 meeting, authorize an amendment of a professional services contract TC&B/GBA, a Joint Venture of Turner Collie & Braden Inc. and Gahagan & Bryant Associates, Inc., to provide continued engineering, design, project coordination, and other general assistance for the Houston Ship Channel Expansion Channel Improvement Project in an amount not to exceed \$2,475,100 for a total of \$31,616,700, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Channel Improvement

Staff Contact:

Lori Brownell

Background:

The Port Authority is currently engaged in carrying out Project 11, the Houston Ship Channel (HSC) widening and deepening in some segments, along with other channel improvements, the eleventh major HSC improvement project and also referred to as the Houston Ship Channel Expansion Channel Improvement Project (HSC-ECIP).

To date, the Port Authority has awarded five HSC-ECIP construction contracts: (1) Beltway 8 Site clearing and grubbing; (2) abandoned pipeline removal; (3) 3/4A – Bolivar Roads to Redfish; (4) 4B/5 – Redfish to Bayport Container Terminal (Mechanical Dredging); and (5) 4B/5 – Redfish to Bayport Container Terminal (Hydraulic Dredging).

At present, there are two remaining Port Authority-led HSC-ECIP procurement efforts: Package 6 – Bayport Container Terminal to Barbours Cut Terminal, and a potential stand-alone project, the Torrent asset removal, both of which are scheduled to be advertised Summer 2023 and awarded by Fall 2023.

As part of this specific effort, the Joint Venture (JV) of Turner Collie & Braden, Inc. and Gahagan & Bryant Associates, Inc. would finalize the construction drawings and technical specifications for Package 6, and provide a stand-alone utility removal package and other core activities, stemming from the original 2019 design contract, that includes support of other ongoing activity.

Staff Evaluation/Justification:

In the judgment of Port Authority staff, the JV is the most highly qualified provider of the design and related support services required to complete the Segment 1 and 2 HSC-ECIP.

Staff recommends that the Port Commission authorize the contract amendment.

J. INFRASTRUCTURE

Subject	4. Amend the 4B/5 Alternate B dredging contract in an amount not to exceed \$165,000 to Weeks Marine, Inc. to remove obstructions located in the Bayport Ship Channel and Barbours Cut Ship Channel at the former Lighter Aboard Ship (LASH) dock for the Houston Ship Channel Expansion Channel Improvement Project.
Meeting	Mar 20, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 20, 2023 meeting, amend the dredging contract with Weeks Marine, Inc., to remove obstructions located in the Bayport Ship Channel and Barbours Cut Ship Channel at the former Lighter Aboard Ship (LASH) dock for the Houston Ship Channel Expansion Channel Improvement Project, in an amount not to exceed \$165,000 for a total of \$324,048,950, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Channel Improvement

Staff Contact:

Leia Wilson

Background:

In conjunction with the Houston Ship Channel Expansion Channel Improvement Project (HSC-ECIP), by Minute No. 2022-0617-02, the Port Commission awarded a contract to Weeks Marine, Inc. (WMI) to widen the Bayport Ship Channel from 350 feet to 455 feet. During required preconstruction surveys, an obstruction was identified within the dredging template that requires removal to complete the scope of work.

The U.S. Army Corps of Engineers (USACE) is preparing for widening of the Barbours Cut Ship Channel from 300 feet to 455 feet and widening the turning basin at the entrance of the ship channel. In preparation of this work, the Port Commission by Minute No. 2019-0423-21, approved the removal of a portion of the LASH dock at Barbours Cut Terminal. A recent hydrographic survey of the area also indicated remnants of the LASH dock causing an obstruction for planned dredging work and in the interim causing a navigation hazard for the Houston Pilots.

This contract amendment would authorize WMI, with the assistance of a subcontractor, to remove both obstructions from the Bayport Channel and Barbours Cut Channel. These tasks would permit uninterrupted dredging operations and avoidance of standby costs in this time-sensitive salvaging effort.

Staff Evaluation/Justification:

In the judgment of Port Authority staff, the amendment of the WMI contract to remove the obstructions would prevent operational delays of work and standby costs. Accordingly, staff recommends the Port Commission authorize a contract amendment to WMI to remove the obstructions as described above.

J. INFRASTRUCTURE

Subject	5. Approve a change order with Rigid Constructors, LLC to perform additional work associated with the 12-acre interim container storage facility expansion at the west end of Barbours Cut Terminal in an amount not to exceed \$1,388,263.
Meeting	Mar 20, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 20, 2023 meeting, approve a change order with Rigid Constructors, LLC to perform additional work associated with the 12-acre interim container storage facility expansion at the west end of Barbours Cut Terminal in an amount not to exceed \$1,388,263, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2022-1027-21, the Port Commission awarded a contract for construction of the 12-acre interim container storage facility expansion, as part of the redevelopment of the west end of Barbours Cut Terminal.

This proposed change order addresses solutions for:

- Unanticipated saturated and weak materials, preventing the stabilization of the subgrade onsite; and
- A crack within the asphalt pavement on the Phase 1 interim yard footprint.

This is the second change order to this contract, for a total change order value to date of \$1,471,120, which is 20.5% of the total contract value.

Staff Evaluation/Justification:

Port Authority staff has reviewed the proposal submitted by Rigid Constructors, LLC and found it to be fair and reasonable, and recommends that the Port Commission authorize this change order.

J. INFRASTRUCTURE

Subject	6. Approve the renewal of the following expiring Port Authority licenses for new thirty-year terms: Enterprise Houston Ship Channel, L.P., Enterprise Intrastate LLC, HSC Pipeline Partnership, LLC, Linde Inc., Seaway Crude Pipeline Company LLC, and Seminole Pipeline Company, LLC.
Meeting	Mar 20, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 20, 2023 meeting, authorize the Port Authority to (i) approve the renewal of the following expiring Port Authority licenses for new thirty-year terms: Enterprise Houston Ship Channel, L.P., Enterprise Intrastate LLC, HSC Pipeline Partnership, LLC, Linde Inc., Seaway Crude Pipeline Company LLC, and Seminole Pipeline Company, LLC, (ii) and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Operations

Staff Contact:

Garry McMahan

Background:

The pipeline and transmission line licensees listed below have applied to renew their licenses:

30 Year Term

Company	File No.	License Fee*
Enterprise Houston Ship Channel, L.P.	2012-0420	\$31,812
Enterprise Intrastate LLC	2003-0068	\$73,723
HSC Pipeline Partnership, LLC	2002-0336	\$149,313
Linde Inc.	2003-0245	\$59,619
Seaway Crude Pipeline Company LLC	2013-0065	\$227,518
Seminole Pipeline Company, LLC	2003-0040	\$12,122
Total		\$554,107

*License fee is calculated for the first 10 years of the agreement for the 30-year term licenses.

Staff Evaluation/Justification:

The applications were reviewed and approved by the Port Authority's Channel Operations department and the Port Terminal Railroad Association when applicable. The licenses are to be renewed subject to the Port Authority's usual terms and conditions.

Staff recommends approval.

J. INFRASTRUCTURE

Subject	7. Issue a transmission line license to CenterPoint Energy Houston Electric, LLC for one fiber communication line over and across Buffalo Bayou.
Meeting	Mar 20, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 20, 2023 meeting, authorize the Port Authority to issue a transmission line license to CenterPoint Energy Houston Electric, LLC for one fiber communication line over and across Buffalo Bayou, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Operations

Staff Contact:

Garry McMahan

Background:

CenterPoint Energy Houston Electric, LLC, Port Authority File No. 2023-0056, has applied for one fiber communication line over and across Buffalo Bayou, in the S M Williams Survey, A-87. This communication line was originally permitted by the Port Authority in 1953 to Houston Lighting & Power Company. This action would authorize the line under current licensing standards.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Operations department. The license is subject to the Port Authority's terms and conditions for 30-year licenses and at an initial fee of \$2,010 for the first ten-year term. The \$675 application fee and the \$2,500 as-built deposit have been paid.

Staff recommends approval.

AFFIDAVIT OF SUBSTANTIAL INTEREST

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

**Filed with the Port of Houston Authority
In Compliance with Section 171.004 of the Texas Local Government Code**

On this day appeared Wendy Montoya Cloonan, who after being duly sworn, stated as follows:

1. I am twenty-one (21) years of age or over and competent to make this Affidavit of Substantial Interest, based upon facts within my personal knowledge.
2. I am a member of the Port Commission (the “Port Commission”) of the Port of Houston Authority (the “Port Authority”).
3. I am filing this Affidavit with the official record keeper of the Port Authority, pursuant to §171.004 of the Texas Local Government Code, to comply with the provisions of Chapter 171 of the Texas Local Government Code.
4. I have, or may have, a substantial interest in the matter of Items J-7 and J8 as set forth in the agenda for the meeting of the Port Commission scheduled for March 20, 2023:


 Issue a transmission line license to CenterPoint Energy Houston Electric, LLC for one fiber communication line over and across Buffalo Bayou.

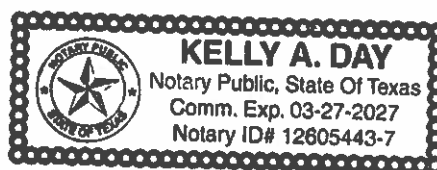
 Issue a transmission line license to CenterPoint Energy Houston Electric, LLC for one 138kV electrical line over and across Brays Bayou
5. The nature and extent of the substantial interest described above is as follows: my service as a director of CenterPoint Energy Inc., a company affiliated with CenterPoint Energy Houston Electric, LLC, CenterPoint Energy Intrastate Pipeline, Inc, and CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Texas Gas Operations. Funds received by me in connection with such employment may exceed 10 percent of my gross income for the previous year.
6. This substantial interest also derives from an interest in CenterPoint Energy Inc., on which the action requested in the above matter will have a special economic effect, distinguished from the effect on the public. This substantial interest derives from possible ownership of \$15,000 or more of the fair market value of such entity.
7. Action on the matter will have a special economic effect on the entities described in the forgoing paragraph that is distinguishable from the effect on the public.

8. By virtue of the foregoing described interest, I have not and will not participate in any consideration, vote, or decision by the Port Commission regarding such matter.


Wendy Montoya Cloonan

SWORN TO AND SUBSCRIBED before me this March 20, 2023.


Notary Public, State of Texas



J. INFRASTRUCTURE

Subject	8. Issue a transmission line license to CenterPoint Energy Houston Electric, LLC for one 138kV electrical line over and across Brays Bayou.
Meeting	Mar 20, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 20, 2023 meeting, authorize the Port Authority to issue a transmission line license to CenterPoint Energy Houston Electric, LLC for one 138kV electrical line over and across Brays Bayou, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Operations

Staff Contact:

Garry McMahan

Background:

CenterPoint Energy Houston Electric, LLC, Port Authority File No. 2023-0057, has applied for one 138kV electrical line over and across Brays Bayou, in the J R Harris Survey, A-27. Staff is informed that this electrical line was originally installed during the 1960s; however, there is no evidence of prior Port Authority authorization. The work includes upgrading the existing line to 138kV.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Operations department. The license is subject to the Port Authority's terms and conditions for 30-year licenses and at an initial fee of \$2,474 for the first ten-year term. The \$675 application fee and the \$2,500 as-built deposit have been paid.

Staff recommends approval.

J. INFRASTRUCTURE

Subject	9. Issue a pipeline easement and relocation agreement to Kinder Morgan Texas Pipeline LLC (Kinder Morgan) across the Port Authority's Beltway 8 property and terminate all existing Beltway 8 property easements and licenses held by Kinder Morgan and its predecessors.
Meeting	Mar 20, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 20, 2023 meeting, authorize the Port Authority to issue a pipeline easement and relocation agreement to Kinder Morgan Texas Pipeline LLC (Kinder Morgan) across the Port Authority's Beltway 8 property and terminate all existing Beltway 8 property easements and licenses held by Kinder Morgan and its predecessors, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Operations

Staff Contact:

Garry McMahan

Background:

Kinder Morgan Texas Pipeline LLC (Kinder Morgan) holds several easements and licenses for pipelines and surface valve sites across the Port Authority's Beltway 8 property. The current Houston Ship Channel Expansion Channel Improvement Project (Project 11) requires use of the Beltway 8 property that is in conflict with Kinder Morgan's pipelines and valve sites. Several of Kinder Morgan's existing easements include provisions that require Kinder Morgan, upon request by the Port Authority, to relocate its easements and pipelines at Kinder Morgan's cost, with the requirement that the Port Authority provide an alternate location on the property.

Port Authority staff and Kinder Morgan have agreed to an alternate location, for one non-exclusive 20-foot easement and one Kinder Morgan pipeline located within that easement, that would not interfere with Project 11 and the future development of the Beltway 8 property.

The parties have additionally agreed that Kinder Morgan would remove its pipelines, valve sites, and other installations on the Port Authority's Beltway 8 property, and that the existing easements and licenses would be terminated.

Staff Evaluation/Justification:

The agreement for the relocation of the pipelines, valve sites, and easements, for the termination of the existing easements, and for the granting by the Port Authority to Kinder Morgan of one new 20-foot easement, was negotiated between the Port Authority's Channel Operations department and Kinder Morgan with assistance from the Legal department, and the survey for the new easement was approved by the Channel Operations department. Based on provisions in most of the existing easements, the Port Authority would grant this new easement to Kinder Morgan at no cost.

Staff recommends approval.

K. OPERATIONS

Subject	1. Award a contract to ABB Inc., the sole source provider, for the purchase of upgrades to safety centers and related parts on four wharf cranes at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$100,000.
Meeting	Mar 20, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 20, 2023 meeting, award a contract to ABB Inc., the sole source provider, for the purchase of upgrades to safety centers and related parts on four wharf cranes at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$100,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

The Port Authority currently owns a total of eighteen wharf cranes manufactured by Shanghai Zhenhua Heavy Industries Co., Ltd. (ZPMC) and equipped with motor control drives manufactured by ABB Inc. that are in operation at Barbours Cut Terminal and Bayport Container Terminal. Each crane operates with four safety centers that monitor and manage onboard emergency stop systems. These cranes were commissioned in 2006. Since then the technology employed in these safety centers has become obsolete and finding replacement parts has become increasingly difficult.

It is recommended that existing safety centers on these four wharf cranes be replaced with systems compatible with the Windows 10 platform, to ensure reliable crane monitoring, performance, and adequate support from ABB Inc., which would provide hardware, software, and technical supervision for this project.

Staff Evaluation/Justification:

Section 60.412 of the Water Code provides that a purchase for an item that can be obtained only from one source is exempt from certain procurement requirements of the Water Code. Port Authority staff has received a written statement from the manufacturer confirming that ABB Inc. is the sole source for upgrades to safety centers in the United States.

Staff recommends that the Port Commission award a contract to ABB Inc. for the purchase of upgrades to safety centers and related parts on four wharf cranes at Barbours Cut Terminal and Bayport Container Terminal.

L. PEOPLE

Subject **1. Authorize the renewal of the agreement with SumTotal Systems, LLC for software licenses for an integrated, automated Learning Management System and Talent Suite in an amount not to exceed \$234,521 for a two-year period.**

Meeting Mar 20, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 20, 2023 meeting, authorize the renewal of the agreement with SumTotal Systems, LLC for software licenses for an integrated, automated Learning Management System and Talent Suite in an amount not to exceed \$234,521 for a two-year period, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals [STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION \(Be the Best Place to Work\)](#)

Category:

Awards, Amendments & Change Orders

Department:

Employee Development & Engagement

Staff Contact:

Carolyn Ashley

Background:

Systems that provide automated interactive performance management and applicant tracking applications are essential for identifying, onboarding, and managing top talent, which in turn provides critical strategic direction for the Port Authority.

By Minute No. 2020-0428-71, the Port Commission authorized an agreement with SumTotal Systems, LLC (SumTotal), for 690 software user licenses for an integrated, automated Learning Management System (LMS) and talent management system (Talent Suite) and for an initial period of three years, renewable for a two-year period at the option of the Port Authority.

Staff Evaluation/Justification:

SumTotal is the only system that supports JD Edwards (JDE), the financial software system that is currently used by the Port Authority and integrates with the Port Authority's current LMS and talent management systems, thereby maintaining business continuity. Staff believes the cost of these systems is less than the cost would be to hire additional staff to perform these functions.

Staff recommends the Port Commission authorize the renewal option of the agreement with SumTotal, the sole source provider, for its LMS and Talent Suite, and increase the number of user licenses to 760.

M. SECURITY AND EMERGENCY OPERATIONS

Subject **1. Issue a purchase order to Cavender Grande Ford for the purchase of one Ford F-350 Rescue HAZMAT Truck, including outfitting by Siddons Martin Emergency Group, LLC using the Houston-Galveston Area Council Cooperative Purchasing Program, in an amount not to exceed \$182,000.**

Meeting Mar 20, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 20, 2023 meeting, issue a purchase order to Cavender Grande Ford for the purchase of one Ford F-350 Rescue HAZMAT Truck, including outfitting by Siddons Martin Emergency Group, LLC using the Houston-Galveston Area Council Cooperative Purchasing Program, in an amount not to exceed \$182,000, determine that this procurement method provides the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals [Strategic Objective 4b. - Prepare for disruptive events and mitigate their impact](#)

Category:

Awards, Amendments, & Change Orders

Department:

Fire

Staff Contact:

William Buck

Background:

The Port Authority Fire Department has prepared specifications for a Ford F-350 Rescue HAZMAT truck to promote reliable response operations, a safe work environment, and cost-effective operations. This new unit would replace the existing 2015 Ford F-350 HAZMAT truck (unit 2704). Delivery time is estimated at 30 months.

By Minute No. 99-1129-29, the Port Commission authorized the Port Authority to enter into an Interlocal Agreement with the Houston-Galveston Area Council (H-GAC) to participate in its cooperative purchasing program. The Director of Procurement Services has determined that procuring these vehicles through the H-GAC program is the method that both satisfies competitive purchase requirements and provides the best value to the Port Authority.

Staff Evaluation/Justification:

Staff has compared Ford F-350 Rescue HAZMAT vehicle prices obtained from non H-GAC local dealerships and H-GAC providers.

The H-GAC website lists several pre-approved vendors. Staff has reviewed the Ford F-350 Rescue HAZMAT specifications from H-GAC providers and determined that Cavender Grande Ford and Siddons Martin Emergency Group, LLC is the vendor with the best price for the Ford F-350 Rescue HAZMAT truck and meets the Port Authority's requirements. Cavender Grande Ford and Siddons Martin Emergency Group, LLC pricing for the selected model was reviewed and approved by H-GAC.

Accordingly, staff requests the Port Commission approve this purchase and procurement method.

M. SECURITY AND EMERGENCY OPERATIONS

Subject **2. Approve the CIMA Member Services Agreement with the Channel Industries Mutual Aid to share emergency equipment, materials, and manpower to fight major fires, chemical releases, and other major emergencies that may occur along the Houston Ship Channel.**

Meeting Mar 20, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 20, 2023 meeting, approve the CIMA Member Services Agreement with the Channel Industries Mutual Aid to share emergency equipment, materials, and manpower to fight major fires, chemical releases, and other major emergencies that may occur along the Houston Ship Channel, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals [Strategic Objective 4b. - Prepare for disruptive events and mitigate their impact](#)
[STRATEGIC GOAL #3 - PARTNERSHIPS \(Develop and Strengthen External Partnerships\)](#)

Category:

General

Department:

Fire

Staff Contact:

William Buck

Background:

Since 1955, the Port Authority has benefited from its membership in the Channel Industries Mutual Aid (CIMA) as a charter member. CIMA is a non-profit organization combining the firefighting, rescue, hazardous material handling, and emergency medical capabilities of the refining and petrochemical industry in the Greater Houston Metropolitan area. CIMA members include industrial companies, municipalities, and government agencies. These groups maintain a corps of highly trained emergency personnel and a pool of more than two-hundred pieces of specialized equipment, including rescue trucks, high-volume foam pumpers, and fully equipped ambulances.

CIMA recently updated its bylaws and the CIMA Member Services Agreement. The Port Authority's continued membership would keep it aligned with the various Houston Ship Channel industries and governmental entities that have the resources required to participate in efficient and effective response for firefighting, rescue, hazmat, and emergency medical services at facilities in emergency situations, either natural or man-made.

Staff Evaluation/Justification:

Staff has reviewed the CIMA Member Services Agreement and find it to be in the best interests of the Port Authority to continue its membership.

Staff recommends the Port Commission approve the Member Services Agreement between the Port Authority and CIMA.

Q. EXECUTIVE

Subject	1. Authorize the creation of the Port Houston Local Government Corporation.
Meeting	Mar 20, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 20, 2023 meeting, authorize the creation of the Port Houston Local Government Corporation, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

General

Department:

Executive

Staff Contact:

Erik Eriksson

Background:

The Port Authority has located its executive office functions at the current site for over 30 years. The age of the building, entailing higher maintenance and operation costs, and lack of capacity for future workforce needs, has led staff to conclude that a new office building is needed.

Relocation of the executive office building will also allow its current site to be used for cargo storage, potentially increasing the efficiency of the Northside Turning Basin Terminal, and allowing more advantageous use of its foreign trade zone status.

In order to facilitate the acquisition and development of a new office building, staff advises that the Port Commission approve the formation of a local government corporation organized under subchapter D of Chapter 431 of the Transportation Code. The local government corporation would be governed by a board of directors made up of the members of the Port Commission.

The first step of the formation process would be the approval of an application previously submitted for that purpose to the Port Commission. If the Port Commission determines to approve such application, it would be submitted to the Texas Secretary of State, and following that approval, the organizational meeting of the Port Houston Local Government Corporation would be held.

At that meeting, the final form of bylaws as well as other organizational matters would be attended to, including an interlocal agreement with the Port Authority, to provide the local government corporation with support, including various administrative services. The interlocal agreement would also be brought to the Port Commission for action on behalf of the Port Authority.

Staff Evaluation/Justification:

Staff requests that the Port Commission approve a resolution approving the creation of the Port Houston Local Government Corporation; approving the certificate of formation and the bylaws thereof; confirming the appointment of initial directors and chair; and containing findings and other provisions relating to the subject. The form of that resolution, and the application for its formation have been provided to the Port Commission under separate cover.