

I N D E X

PORT COMMISSION
OF THE
PORT OF HOUSTON AUTHORITY
OF THE PORTS OF HARRIS COUNTY, TEXAS
April 29, 2025

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

2025-0429-01 Approve the minutes of the March 25, 2025 Port Commission meeting

Staff Reports

2025-0429-02 Charlie Jenkins, Chief Executive Officer, presented a summary of selected financial and operational matters

Appearances

2025-0429-03 Chairman Campo introduced Roy Mease, former Port Commissioner, who addressed the Port Commission

F. Executive

2025-0429-04 Staff Report – Selected agenda items – Erik Eriksson, Chief Legal Officer

2025-0429-05 Approve a professional services contract with Shey-Harding Associates, Inc. to provide executive search services for the Chief Operating Officer position

2025-0429-06 Appoint Charlie Jenkins, Tim Finley, and Jessica Shaver as the Assistant Secretaries of the Port Commission

2025-0429-07 Authorize Erik Eriksson, Tim Finley, and Jessica Shaver to make emergency purchases or contracts in an amount that exceeds the amount authorized under Water Code Section 60.403(a) for routine purchases or contracts

2025-0429-08 Approve the (i) amended and restated Foreign Corrupt Practices Act Compliance Policy, and (ii) amended and restated Office of Foreign Assets Control Compliance Policy

<u>Minute No.</u>	<u>Event/Action</u>
2025-0429-09	Approve the proposed Fee and Charge Adoption Policy for licenses and permits
2025-0429-10	Approve the proposed Permitting and Licensing Policy for third-party uses of Port Authority property
	G. Business Equity (No Items)
	H. Channel Infrastructure
2025-0429-11	Staff Report – Selected agenda items - Lori Brownell, Chief Channel Infrastructure Officer
2025-0429-12	Approve the renewal of the expiring Port Authority pipeline license for a thirty-year term for the following entity: CenterPoint Energy Resources Corporation; and approve the renewal of the expiring Port Authority transmission line licenses for ten-year terms for the following entity: CenterPoint Energy Houston Electric, LLC
2025-0429-13	Approve the renewal of expiring Port Authority pipeline licenses for thirty-year terms for the following entities: Dow Hydrocarbons and Resources LLC, Phillips 66 Carrier LLC, and Valero Refining-Texas, LP
2025-0429-14	Issue a pipeline license to Bluebonnet Pipeline LLC for a six-inch pipeline crossing the Southside Mainline railroad right-of-way in two locations
2025-0429-15	Issue a transmission line license to Comcast of Houston, LLC for one fiber optic/communication line under the Port Terminal Railroad Association Southside Mainline railroad right-of-way at 75th Street
2025-0429-16	Issue a marine construction permit to Kirby Inland Marine, LP to dredge a 6.26-acre area in Old River near Lost Lake Placement Area
2025-0429-17	Amend a marine construction permit issued to Kinder Morgan Liquids Terminals LLC to install a new firewater pump building and firewater intake pipe at its existing dock facility in Pasadena, Texas
	I. Commercial
2025-0429-18	Staff Report – Selected agenda items – Isaac Kyle, Director Real Estate
2025-0429-19	Approve (i) an amendment to the lease with Matthews Brothers Dredging, LLC for approximately 0.443 acres out of Block 4 at Sims Bayou to extend the term for two years, effective no earlier than July 1, 2025, at an annual base rent of \$10,554.35, subject to annual base rent escalation of the greater of 3% or increase in the Consumer Price Index, and (ii) a non-exclusive,

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two-year license with the company for approximately 0.416 acres out of the adjacent Block 4A, to run coterminously with the lease, at an annual fee of \$6,600.

2025-0429-20 Approve an amendment to the lease with Houston International Seafarers' Center Inc. to reduce the leased premises area at the 9650 High Level Road building located at Turning Basin Terminal to approximately 6,315 square feet, effective no earlier than June 1, 2025

2025-0429-21 Approve a lease with Suderman Contracting Stevedores, Inc. d/b/a Metro Ports, for a four-year term commencing May 1, 2025, with a one-year mutual option to renew, for approximately 10.74-acres at Block 10 of Northside Turning Basin, at an annual base rent of approximately \$514,918.31, subject to annual base rent escalation of the greater of 3% or the increase in the Consumer Price Index

2025-0429-22 Approve a Memorandum of Understanding with Harris County to survey future access areas over 2.0654-acre and 1.4655-acre site areas within the Harris County Beltway 8 Bridge right-of-way

J. Finance

2025-0429-23 Staff Report – Selected agenda item – Curtis Duncan, Controller and Erica Brown, Forvis Mazars

2025-0429-24 Approve the Port Authority's Fiscal Year 2024 Annual Comprehensive Financial Report

K. Infrastructure

2025-0429-25 Staff Report – Selected agenda items – Rich Byrnes, Chief Port Infrastructure Officer

2025-0429-26 Approve staff's selection of four vendors and award professional services contracts, to perform construction material testing services (CMT) for four large projects at various Port Authority locations to the following proposers: Tolunay-Wong Engineers, Inc., Aviles Engineering Corporation, HVJ Associates, Inc., and UES Professional Solutions 44, LLC

Port Commission adopted the staff-recommended ranking and authorized awards

2025-0429-27 Award a professional services contract to Lockwood, Andrews and Newnam, Inc. for the designs of Container Yard 9 and ancillary exit gate for the East End Bayport Container Terminal

<u>Minute No.</u>	<u>Event/Action</u>
2025-0429-28	Approve the hiring of Corrie Yaw as a consultant to provide project and construction management services for the new Port Authority tour boat and new Administration Building, and other projects as requested by the Port Authority
2025-0429-29	Approve a change order with Russell Marine, Inc. to perform additional work associated with the construction of Wharf 7 at Bayport Container Terminal
	L. Maintenance
2025-0429-30	Staff Report – Selected agenda items – Paulo Soares, Chief Port Maintenance Officer
2025-0429-31	Approve staff's ranking of vendors and award a two-year contract for mowing services and landscape maintenance at Bayport Container Terminal and Turning Basin Terminal to the top-ranked proposers: staff ranking - first, Yellowstone Landscape; second, Ambassador Services, LLC; and third, SMC Landscape Services. Port Commission adopted the staff-recommended ranking and authorized award
2025-0429-32	Award a two-year contract to MNI Diesel, LLC for the purchase of miscellaneous filters for terminal equipment at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal
2025-0429-33	Award a two-year contract to Monument Chevrolet for the purchase of General Motors parts and related services for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal, using a Sourcewell cooperative purchase program contract
2025-0429-34	Issue a purchase order to Tennant Company for the purchase of one Tennant S30 sweeper for Turning Basin Terminal, using Local Government Purchasing Cooperative's BuyBoard, a cooperative purchase program
	M. Operations
2025-0429-35	Staff Report – Selected agenda items – Mike Shaffner, Director Container Operations
2025-0429-36	Amend the Section 559 Reimbursable Services Agreement and Memorandum of Understanding with U.S. Customs and Border Protection to cover a projected three years of reimbursement for overtime services

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N. People

- 2025-0429-37 Staff Report – Selected agenda item – Jessica Shaver, Chief People Officer
- 2025-0429-38 Ratify an amendment to the agreement with CARCO Group, Inc. dba Cisive for background check services for an additional amount not to exceed \$18,000 and further amend the agreement for an additional amount not to exceed \$25,000

O. Security and Emergency Operations

- 2025-0429-39 Staff Report – Selected agenda item – Jessica Thomas, Director Security
- 2025-0429-40 Approve staff's ranking of vendors and award a three-year contract, with unilateral option for one additional two-year term for unarmed, uniformed security officer services to the top-ranked proposer: staff ranking – first, GardaWorld; second, Marksman Security Corporation; and third, Sunstates Security
- Port Commission adopted the staff-recommended ranking and authorized award

P. Technology

- 2025-0429-41 Staff Report – Selected agenda item – Charles Thompson, Chief Information Officer
- 2025-0429-42 Issue a purchase order to CyberOne for purchase of the Next Generation (NXGEN) INFOSEC selected managed detection and response services, using the Texas Department of Information Resources cooperative purchase program
- 2025-0429-43 Issue a purchase order to CyberOne for purchase of the Next Generation (NXGEN) INFOSEC selected security information and event management solution, using the Texas Department of Information Resources cooperative purchase program
- 2025-0429-44 Approve a change order with TREScope Inc., to perform additional work associated with implementation, consulting, and professional services in support of the Next Generation (NXGEN) Enterprise Resource Planning (ERP) project

Q. Recess Open Meeting and Convene Executive Session

R. Reconvene Open Meeting

<u>Minute No.</u>	<u>Event/Action</u>
2025-0429-45	Approve a consulting agreement with Tom Heidt on the terms discussed in Executive Session, and authorize the Chief Executive Officer to do all other things reasonable or necessary to give effect to the foregoing

Commercial

2025-0429-46	Declare as surplus and authorize the sale of approximately 67.95 acres of land at Pelican Island for the construction of City of Galveston municipal office and infrastructure buildings on the terms discussed in Executive Session
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Executive

2025-0429-47	Authorize an interlocal agreement with the City of Galveston to provide advance funding and right-of-way property, to help satisfy Galveston's local sponsor obligations for the Pelican Island Bridge Project, and declare as surplus an approximately 13.78 acre Pelican Island parcel and authorize its conveyance in connection therewith
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2025-0429-48	Regular Code of Ethics training and review
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S. Closing Remarks by Chairman and Commissioners

T. Adjourn Meeting

C. APPROVAL OF MINUTES

Port of Houston Authority
Port Commission Public Meeting

Houston, Texas
April 29, 2025

A public meeting of the Port Commission of the Port of Houston Authority of Harris County, Texas was convened on April 29, 2025, 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
Clyde Fitzgerald, Commissioner
Roland Garcia, Commissioner
Thomas Jones, Commissioner
Charlie Jenkins, Chief Executive Officer
Erik Eriksson, Chief Legal Officer
Tom Heidt, Chief Operating Officer
J. Kent Friedman, outside counsel

Chairman Campo began his opening remarks by recognizing Tom Heidt, who would be retiring in ten days.

Chairman Campo announced that the Houston Ship Channel was once again ranked the number one U.S. waterway for waterborne tonnage, according to the Army Corps of Engineers. An impressive 309.5 million short tons of cargo moved through the channel in 2023, the most recent year for which the Army Corps of Engineers had released numbers and a 5.3% increase in total tonnage from the previous year.

The gap between the Houston Ship Channel at number one and the number two port was bigger than the volume of 97% of all the ports in the U.S. – ports five through one hundred fifty. The ship channel handled approximately 13% of the country's total waterborne tonnage.

Chairman Campo emphasized that the ranking reminded everyone of just how vital the Houston Ship Channel was for the region and for the entire nation. Hundreds of companies and more than three million jobs depended on the channel, and it was the Port Authority's job to protect the asset.

Chairman Campo stated that the Port Authority continued to be a voice in Washington D.C. related to legislation that was being discussed. The Port Authority knew that, if implemented, the proposed tariffs would have an impact on its customers and on the industry and like everyone, the Port Authority was analyzing the data and assessing the situation.

Chairman Campo continued: tariffs would impact the Port Authority's expenses, including its ship-to-shore crane purchases, and the ones previously purchased the prior

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year. The Port Authority supported the end goal of strengthening domestic manufacturing and encouraged the administration to work with industry to develop a path forward that minimized unintended consequences for American workers, exporters, and consumers.

Chairman Campo remarked finally that earlier in the month, Commissioners DonCarlos, Fitzgerald, and Robb, along with former Commissioner Mease, attended a ribbon cutting to celebrate the opening of the new Holly Bay Pavilion. This was part of the Port Authority's East Harris County Greenspace Program, and it was happy to be able to support this and to be part of the community's beautification work.

Commissioner Fitzgerald thanked Mr. Heidt for his service.

Commissioner Cloonan remarked that Mr. Heidt was always willing to help and work with the Port Commission generally, and educate new Port Commissioners specifically.

(2025-0429-01) Chairman Campo called for a motion to approve the minutes of the March 25, 2025 Port Commission meeting. Commissioner Cloonan moved for approval, seconded by Commissioner Fitzgerald. The minutes were approved as written.

(2025-0429-02) Charlie Jenkins, Chief Executive Officer, presented a summary of selected financial and operational matters.

Mr. Jenkins reported that he had recently attended a successful meeting with Congressman Mike Collins, representative from Georgia, who was Chair of the Water Resources and Environment Subcommittee of the House Transportation and Infrastructure Committee. This was an important relationship, especially as related to the Water Resources Development (WRDA) bill, legislation that instructed the Army Corps of Engineers on the intent of Congress.

During the meeting discussion of the future of the Channel and its importance to the national economy was a significant topic. Also discussed were ways to improve the laws promoting maritime transportation and infrastructure the right way. The conversation was one more instance of the Port Authority working on behalf of the region, emphasizing the importance of the port and channel.

Mr. Jenkins noted that in November 2025, during the 250th anniversary of the Marines and the Navy, Houston would be hosting Fleet Week for the first time. The Port Authority was excited to be a part of this celebration and host a few ships at its terminals, and more information would be shared soon.

Mr. Jenkins recognized Tom Heidt. Mr. Heidt was retiring after 43 years at the Port Authority; he started back in 1982. A lot had changed since then – when Mr. Heidt started,

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the Port Authority handled 335,000 twenty-foot equivalent units (TEU) a year, and last year that total was 4 million TEUs. Total tonnage had nearly tripled since he was hired, and operating revenue has increased twelve times from what it was in 1982.

Mr. Jenkins stressed that Mr. Heidt had several roles during his time here, starting in accounting, and was named Chief Operating Officer in 2015. He dedicated his career to the Port Authority and staff appreciated him and all he had done to help grow the port to what it is today.

With Mr. Heidt's retirement came the opportunity for new leaders, and effective May 1, 2025 Jessica Shaver assumed the role of Chief Administrative Officer, which would oversee many aspects of the organization like strategic planning and people. There would also be a search for a Chief Operating Officer to oversee other aspects of the organization, like operations and infrastructure. The two roles joined the other chiefs to lead the Port Authority going forward, with the direction of the Port Commission.

Mr. Heidt thanked everyone for the kind words. It had been a journey over the past forty-three years. He had worked with many different people, learned much, and was looking forward to traveling during his retirement.

Chairman Campo remarked that behind every great man was a great family, and recognized Mr. Heidt's that was in attendance.

(2025-0429-03) Appearances

(a) Chairman Campo recognized Roy Mease, former Port Commissioner, who addressed the Port Commission.

Mr. Mease thanked the Port Authority for the aforementioned pavilion that had been built in Pasadena. He mentioned that East Harris County was inundated with traffic, a direct result of the increase in waterborne cargo, and that the cities in East Harris County should be thanked for putting up with the increase in traffic.

Mr. Mease gave a farewell to Mr. Heidt. He recalled how he would often stop by Mr. Heidt's office for spontaneous, general discussions regarding day-to-day business at the Port Authority.

(2025-0429-04) Chairman Campo recognized Erik Eriksson, Chief Legal Officer, to provide a report of selected Executive agenda items.

Mr. Eriksson remarked that Item F1 was a contract to provide executive search services for the Chief Operating Officer position. Item F4 was to approve the amended and restated Foreign Corrupt Practices Act Compliance Policy and also approve the

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amended and restated Office of Foreign Assets Control Compliance Policy. Both had been reviewed by outside counsel.

Items F5 and F6 pertained to the Port Authority's licensing and permitting policies. The updates to these were to conform to the current practices of the Port Authority.

(2025-0429-05) RCA F1 was presented, moved by Commissioner Jones, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Fitzgerald, Garcia, and Jones voted Aye. Nays none. RCA F1 PASSED.

(2025-0429-06) RCA F2 was presented, moved by Commissioner Jones, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Fitzgerald, Garcia, and Jones voted Aye. Nays none. RCA F2 PASSED.

(2025-0429-07) RCA F3 was presented, moved by Commissioner Jones, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Fitzgerald, Garcia, and Jones voted Aye. Nays none. RCA F3 PASSED.

(2025-0429-08) RCA F4 was presented, moved by Commissioner Jones, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Fitzgerald, Garcia, and Jones voted Aye. Nays none. RCA F4 PASSED.

(2025-0429-09) RCA F5 was presented, moved by Commissioner Jones, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Fitzgerald, Garcia, and Jones voted Aye. Nays none. RCA F5 PASSED.

(2025-0429-10) RCA F6 was presented, moved by Commissioner Jones, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Fitzgerald, Garcia, and Jones voted Aye. Nays none. RCA F6 PASSED.

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

(2025-0429-11) Chairman Campo recognized Lori Brownell, Chief Channel Infrastructure Officer, to provide a report of selected Channel Infrastructure agenda items.

Ms. Brownell announced that the Army Corps of Engineers was set to award its second Project 11 contract by the end of the week. This would be a contract associated with the Beltway 8 property. Additionally, the two remaining Port Authority-led contracts were currently on schedule and on budget.

Ms. Brownell explained that agenda Item H6 was a permit for the installation of a new firewater pump building and intake pipe.

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(2025-0429-12) RCA H1 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Garcia. Chairman Campo, and Commissioners, Fitzgerald, Garcia, and Jones voted Aye. Commissioner Cloonan recused herself. Nays none. RCA H1 PASSED.

(2025-0429-13) RCA H2 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Garcia. Chairman Campo, and Commissioners Cloonan, Fitzgerald, Garcia, and Jones voted Aye. Nays none. RCA H2 PASSED.

(2025-0429-14) RCA H3 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Garcia. Chairman Campo, and Commissioners Cloonan, Fitzgerald, Garcia, and Jones voted Aye. Nays none. RCA H3 PASSED.

(2025-0429-15) RCA H4 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Garcia. Chairman Campo, and Commissioners Cloonan, Fitzgerald, Garcia, and Jones voted Aye. Nays none. RCA H4 PASSED.

(2025-0429-16) RCA H5 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Garcia. Chairman Campo, and Commissioners Cloonan, Fitzgerald, Garcia, and Jones voted Aye. Nays none. RCA H5 PASSED.

(2025-0429-17) RCA H6 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Garcia. Chairman Campo, and Commissioners Cloonan, Fitzgerald, Garcia, and Jones voted Aye. Nays none. RCA H6 PASSED.

(2025-0429-18) Chairman Campo recognized Isaac Kyle, Director, Real Estate, to provide a report of selected Commercial agenda items.

Mr. Kyle highlighted Item I4, a Memorandum of Understanding to survey a future access area for ingress and egress. The intention was to conduct preliminary survey work in support of a future permanent easement.

(2025-0429-19) RCA I1 was presented, moved by Commissioner Jones, seconded by Commissioner Garcia. Chairman Campo, and Commissioners Cloonan, Fitzgerald, Garcia, and Jones voted Aye. Nays none. RCA I1 PASSED.

(2025-0429-20) RCA I2 was presented, moved by Commissioner Jones, seconded by Commissioner Garcia. Chairman Campo, and Commissioners Cloonan, Fitzgerald, Garcia, and Jones voted Aye. Nays none. RCA I2 PASSED.

(2025-0429-21) RCA I3 was presented, moved by Commissioner Jones, seconded by Commissioner Garcia. Chairman Campo, and Commissioners Cloonan, Fitzgerald, Garcia, and Jones voted Aye. Nays none. RCA I3 PASSED.

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(2025-0429-22) RCA I4 was presented, moved by Commissioner Jones, seconded by Commissioner Garcia. Chairman Campo, and Commissioners Cloonan, Fitzgerald, Garcia, and Jones voted Aye. Nays none. RCA I4 PASSED.

(2025-0429-23) Chairman Campo recognized Curtis Duncan, Controller, to provide a report of selected Finance agenda items.

Mr. Duncan introduced Erica Brown, Senior Manager, Forvis Mazars (Forvis), and yielded the floor to Ms. Brown to give an overview of the results of the 2024 Financial Statement Audits.

Ms. Brown stated that the audit was conducted in accordance with standard Governmental Accounting Standards Board (GASB) and Generally Accepted Accounting Principles practices. The Annual Certified Financial Report (ACFR), Promotion and Development Fund, and the OPEB Plan were audited with no significant deficiencies, material weaknesses or material findings.

No matters were reportable with respect to significant unusual accounting policies or accounting methods used for significant transactions. The Port Authority implemented GASB Statement No. 101, related to compensated absences the previous year. The standard clarified how the liability should be calculated, and due to an adjustment the Port Authority did on the matter, it added about \$900,000 to the liability.

Ms. Brown added that additional disclosures had been made to the ACFR related to the current uncertainty due to tariffs, addressing the unknowns due to these uncertainties.

Regarding adjustments, Ms. Brown noted that Forvis proposed – and staff accepted – approximately \$21 million to accurately reflect lease receivable and related deferred inflows of resources due to missing payments starting in 2028. Due to a glitch in the system, when the lease receivable information was inputted, it was missing payment stream information – and the adjustment was to update that payment stream.

Other adjustments that were not accepted by staff included record accruals for a settlement of a disputed construction claim, sales taxes collected by the Port Authority presented as gross versus net, and an adjustment of prior year over-accruals of grant revenues.

Commissioner Jones asked for more clarity on the \$21 million adjustment. Ms. Brown noted that the adjustment was essentially like a present value calculation to determine revenue payments that would be occurring for the next twenty years.

Commissioner Cloonan emphasized that the main point was that there were no material misstatements and no material findings.

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(2025-0429-24) RCA J1 was presented, moved by Commissioner Jones, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Fitzgerald, Garcia, and Jones voted Aye. Nays none. RCA J1 PASSED.

(2025-0429-25) Chairman Campo recognized Rich Byrnes, Chief Infrastructure Officer, to provide a report of selected Infrastructure agenda items.

Mr. Byrnes recognized Roger Hoh on his forthcoming retirement. Since 2013, Mr. Hoh had overseen \$1.6 billion in funds awarded by the Port Commission for various infrastructure projects. Mr. Byrnes yielded the floor to Mr. Hoh for a few brief remarks.

Mr. Hoh remarked that he began the early part of his career building power plans before coming to the Port Authority, and he was very proud of the accomplishments of the Port Authority during his tenure.

Mr. Hoh yielded the floor back to Mr. Byrnes.

Mr. Byrnes highlighted Items K1 and K2. Item K1 was to hire firms for construction material testing, since the Water Code required the Port Authority to hire such firms to independently test the acceptability of construction material. These awards supported the construction of three buildings: the new Port Coordination Center at the Turning Basin Terminal, and new maintenance facilities at the Turning Basin Terminal and the Bayport Container Terminals, plus the Bayport South Access Road. Three of the four firms were registered as small- and minority-owned businesses.

Item K2 was for design consulting services for the Bayport Container Terminal Container Yard 9 and an Exit Gate to be located in Container Yard 1 South. Container Yard 9 added forty-five more acres to the Bayport footprint. The yard space and gate are supporting the Port Authority's strong container cargo growth and future expansion needs of the Bayport East End. This design effort included 31 percent SMWBE participation.

(2025-0429-26) RCA K1 was presented. Commissioner Cloonan moved for staff's ranking of four vendors and award professional services contracts to each – Tolunay-Wong Engineers, Inc., Aviles Engineering Corporation, HVJ Associates, Inc., and UES Professional Solutions 44, LLC, seconded by Commissioner Garcia. Chairman Campo, and Commissioners Cloonan, Fitzgerald, Garcia, and Jones voted Aye. Nays none. RCA K1 PASSED.

(2025-0429-27) RCA K2 was presented, moved by Commissioner Cloonan, seconded by Commissioner Garcia. Chairman Campo, and Commissioners Cloonan, Fitzgerald, Garcia, and Jones voted Aye. Nays none. RCA K2 PASSED.

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(2025-0429-28) RCA K3 was presented, moved by Commissioner Cloonan, seconded by Commissioner Garcia. Chairman Campo, and Commissioners Cloonan, Fitzgerald, Garcia, and Jones voted Aye. Nays none. RCA K3 PASSED.

(2025-0429-29) RCA K4 was presented, moved by Commissioner Cloonan, seconded by Commissioner Garcia. Chairman Campo, and Commissioners Cloonan, Fitzgerald, Garcia, and Jones voted Aye. Nays none. RCA K4 PASSED.

(2025-0429-30) Chairman Campo recognized Paulo Soares, Chief Port Maintenance Officer, to provide a report of selected Maintenance agenda items.

Mr. Soares reported that the Port Authority had recently taken delivery of a reach stacker and twenty yard tractors. The units were critical to meet the daily demands of the terminals and comply with the latest environmental guidelines for emissions.

The Maintenance Division was also testing cellular hydrostatic meters along the northside of the Turning Basin Terminal. This would help with meter readings for water billing and help avoid human error. Additionally, the division was collaborating with the Port Security and Emergency Operations Division to install emergency shut offs for the HVAC systems.

Mr. Soares highlighted agenda Item L1, contracts for mowing and landscaping services for the Bayport Container Terminal and the Turning Basin Terminal. Finally, Item L4 was for the purchase of a new street sweeper for the Turning Basin Terminal, to replace the current ten-year-old model in order to meet EPA standards.

(2025-0429-31) RCA L1 was presented. Commissioner Fitzgerald moved for staff's ranking of vendors and award a contract to the top-ranked proposers: first, Yellowstone Landscape; second, Ambassador Services, LLC; and third, SMC Landscape Services, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Fitzgerald, Garcia, and Jones voted Aye. Nays none. RCA L1 PASSED.

(2025-0429-32) RCA L2 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Fitzgerald, Garcia, and Jones voted Aye. Nays none. RCA L2 PASSED.

(2025-0429-33) RCA L3 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Fitzgerald, Garcia, and Jones voted Aye. Nays none. RCA L3 PASSED.

(2025-0429-34) RCA L4 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Fitzgerald, Garcia, and Jones voted Aye. Nays none. RCA L4 PASSED.

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(2025-0429-35) Chairman Campo recognized Mike Shaffner, Director, Container Operations, to provide a report of selected Port Operations agenda items.

Mr. Shaffner reported that Total tonnage year to date across the public terminals was down 2%, and while this was an improvement month over month, the recovery was not quite as strong as forecasted. Year-to-date container volumes surpassed one million TEU and remained essentially flat compared to last year.

Volumes at the multipurpose facilities remained down, 7% year to date, but rebounded slightly, up 2% from the previous month. This was driven by weak liquid imports and exports of dry bulk volumes. Steel on the other hand was up 4%.

Mr. Shaffner noted that the container terminals recorded the busiest March on record, driven by strong export volume, up 13% from last March, but driven by recovery from February's poor performance. Year to date, the container terminals remained down, just inside 1% in total TEU.

Looking ahead, the cargo forecast remained uncertain at best, as the environment changed day to day. The previous week at the Journal of Commerce Breakbulk conference, staff met with various carriers and the conversations were dominated by speculation regarding the impacts of trade tariffs and the impending fee on Chinese-built vessels. What was known up to this point was that ocean carrier customers reported three blank sailings over the upcoming six to eight weeks and one Trans-Pacific service announced a downsize to smaller ships.

Mr. Shaffner highlighted Item M1, a request to amend Section 559 of the Port Authority's Reimbursable Services Agreement with U.S. Customs and Border Protection (USCBP). This agreement had been in effect since 2014 and allowed the Port Authority and its tenants to operate extended gate hours at both container facilities and the Multipurpose Facilities due to volume demand or customer requests, while accommodating USCBP's mandate to perform its required inspection services. The requested funds were estimated to last 3 years.

Commissioner Garcia asked for an elaboration on the three blank sailings. Mr. Shaffner answered that a blank sailing was when a carrier cancelled or skipped a scheduled port call on a published voyage schedule.

Mr. Jenkins added that it was a supply and demand issue.

Chairman Campo noted that contracts were getting cancelled and buyers were going elsewhere for their products.

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Mr. Jenkins emphasized that the Port Authority was taking cost-control measures. Necessities were getting approved while niceties were getting challenged.

Commissioner Fitzgerald congratulated the Operations Division on its work with labor on maintaining efficiency at the container terminals.

(2025-0429-36) RCA M1 was presented, moved by Commissioner Jones, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Fitzgerald, Garcia, and Jones voted Aye. Nays none. RCA M1 PASSED.

(2025-0429-37) Chairman Campo recognized Jessica Shaver, Chief People Officer, to provide a report of selected People agenda items.

Ms. Shaver reiterated the forthcoming organizational restructuring, commenting that future Port Commission Agenda's may look different as a result. Carlecia Wright would be assuming the role of Chief People Officer, as Ms. Shaver transitioned to her new role of Chief Administration Officer.

There was only one item on the agenda for the People Division: an amendment to the agreement for background check services on applicants and employees of the Port Authority.

(2025-0429-38) RCA N1 was presented, moved by Commissioner Cloonan, seconded by Commissioner Garcia. Chairman Campo, and Commissioners Cloonan, Fitzgerald, Garcia, and Jones voted Aye. Nays none. RCA N1 PASSED.

(2025-0429-39) Chairman Campo recognized Jessica Thomas, Director, Security, to provide a report of selected Security and Emergency Operations agenda items.

Ms. Thomas stressed that ensuring the protection of the Port Authority's facilities and monitoring access control was critical for the safety and security of the port and all its terminals. The key to success was in prioritizing the contract for security officers – Item O1. This involved building strong management support and an abundance of effective training and quality leadership.

(2025-0429-40) RCA O1 was presented. Commissioner Cloonan moved for staff's ranking of vendors and award a contract to the top-ranked proposer: staff ranking – first, GardaWorld; second, Marksman Security Corporation; and third, Sunstates Security, seconded by Commissioner Garcia. Chairman Campo, and Commissioners Cloonan, Fitzgerald, Garcia, and Jones voted Aye. Nays none. RCA O1 PASSED.

(2025-0429-41) Chairman Campo recognized Charles Thompson, Chief Information Officer, to provide a report of selected Technology agenda items.

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Mr. Thompson stated there were three items on the agenda for Technology. Items P1 and P2 pertained to information and cybersecurity. Given the increasing complexity of cybersecurity threats and the need for continuous monitoring, contracting for proactive threat detection, identification and mitigation of risks was a strategic investment in protecting the Port Authority's assets, operations, and reputation.

Item P3 was a change order for professional support services in support of the Next Generation Enterprise Resource Planning project. The change order addressed the impacts resulting from the Port Authority's direction to prioritize company project resources toward the engagement of internal reorganization activities.

(2025-0429-42) RCA P1 was presented, moved by Commissioner Jones, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Fitzgerald, Garcia, and Jones voted Aye. Nays none. RCA P1 PASSED.

(2025-0429-43) RCA P2 was presented, moved by Commissioner Jones, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Fitzgerald, Garcia, and Jones voted Aye. Nays none. RCA P2 PASSED.

(2025-0429-44) RCA P3 was presented, moved by Commissioner Jones, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Fitzgerald, Garcia, and Jones voted Aye. Nays none. RCA P3 PASSED.

At 10:13 a.m. Chairman Campo called for a brief recess, and at 10:21 a.m. called for an Executive Session and asked Mr. Eriksson to make the following announcement:

It is now 10:21 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 consultations regarding (i) Houston Ship Channel Expansion Channel Improvement Project and (ii) 33 U.S.C.A. §§5(b) and 2236; (2) Real Estate (Section 551.072, Texas Open Meeting Act), including deliberations regarding disposition of Galveston Bay vicinity property and Pelican Island properties; (3) Economic Development Negotiations or Incentives (*Section 551.087, Texas Open Meetings Act*); (4) Employment and Evaluation of Public Officers and Employees (Section 551.074, Texas Open Meetings Act), including deliberations regarding employment of the Chief Operating Officer of the Port Authority, and other matters related thereto; and (5) Security-Related Matters (Sections 418.175-418.183 of the Texas Government Code, and Section 551.076, Texas Open Meetings Act), including deliberations regarding including cybersecurity risk and control matters.

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The Port Commission will reconvene in public session after the closed meeting is adjourned.

At 11:16 a.m., Chairman Campo reconvened the open meeting with the following Commissioners, staff, and counsel in attendance:

Ric Campo, Chairman
Wendy Cloonan, Commissioner
Clyde Fitzgerald, Commissioner
Roland Garcia, Commissioner
Thomas Jones, Commissioner
Charlie Jenkins, Chief Executive Officer
Erik Eriksson, Chief Legal Officer
Tom Heidt, Chief Operating Officer
J. Kent Friedman, outside counsel

(2025-0429-45) Commissioner Garcia moved to approve a consulting agreement with Tom Heidt on the terms discussed in Executive Session, and authorize the Chief Executive Officer to do all other things reasonable or necessary to give effect to the foregoing, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Fitzgerald, Garcia, and Jones voted Aye. Nays none. MOTION PASSED.

(2025-0429-46) RCA S1 was presented, moved by Commissioner Jones, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Fitzgerald, Garcia, and Jones voted Aye. Nays none. RCA S1 PASSED.

(2025-0429-47) RCA T1 was presented, moved by Commissioner Cloonan, seconded by Commissioner Jones. Chairman Campo, and Commissioners Cloonan, Fitzgerald, Garcia, and Jones voted Aye. Nays none. RCA T1 PASSED.

(2025-0429-48) Chairman Campo recognized David McNamara, Associate General Counsel, to give the regular Code of Ethics training and review.

Mr. McNamara explained that the Code of Ethics presentation was intended to provide a general overview of the minimum requirements for behavior; further guidance could be found by consulting a copy of the code or a Port Authority attorney.

Mr. McNamara reviewed the Statement of Purpose: the Port Authority was committed to lawful and ethical behavior in all of its activities; the public interest should be placed above any private interest; confidence and integrity should be instilled, and the public trust gained; and commissioners should act in accordance with all applicable laws, regulations, and policies.

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Mr. McNamara began with the avoidance of conflicts of interest. A conflict of interest was the sum of a substantial outside interest plus a special economic effect. A conflict of interest existed if a Port Authority action could have a special effect on an individual or close relative, or a business or real property in which an individual or close relative had a "Substantial Interest." If a Port Authority action involved a business or real property action in which a commissioner had a "Substantial Interest," then (i) the commissioner could not participate in the action or decision and (ii) the commissioner should disclose the conflict by filing an affidavit with the chief legal officer.

Mr. McNamara reviewed the disclosure for non-investment income. A commissioner or the executive director must file a conflicts disclosure if the Port Authority contracted with (or considered a contract with) a person from or with whom the commissioner or executive director had received taxable income, other than investment income, that exceeded \$2,500 in the recent 12-month period, received gifts that had an aggregate value of more than \$100 in the recent 12-month period, or a family relationship.

Commissioner Garcia asked if disclosures included business lunches. Mr. McNamara stated that it did.

Mr. McNamara stated that a commissioner or employee shall not: earn commissions or fees from Port Authority transactions; act as a surety for any Port Authority projects or bonds; make investments that could create a substantial conflict between one's private interest and the public interest; or act as a lobbyist on behalf of a profession related to the operation of the Port Authority. Additionally, commissioners could not be (or be married to) an officer, employee (manager or spouse), or consultant of a Texas Trade Association that was in a field relating to maritime commerce and whose members were regulated by the Port Authority.

Regarding real property disclosure, Mr. McNamara emphasized that commissioners must disclose if a government entity was acquiring their property. If a commissioner had an interest in real property that was to be acquired with public funds – by purchase or condemnation – the commissioner must file an affidavit with the clerk of the county in which the commissioner resided and all counties in which the property was located.

Mr. McNamara addressed abuse of public office by stating that commissioners shall not use their status for pecuniary gain or other benefit, attempt to influence government decisions for personal gain or advantage, or otherwise bring discredit on the Port Authority. Further, commissioners shall not solicit or accept any benefit in exchange for an opinion, recommendation, exercise of discretion of powers, vote, or decision; or any violation of a duty imposed by law or policy.

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Mr. McNamara emphasized that commissioners could not accept benefits from any parties who were or may become interested in any Port Authority actions. There were possible exceptions such as benefits that were prescribed by law or legitimate consideration was given, a relationship independent of a role with the Port Authority, political contributions (as further explained in Title 15 of the Election Code), and non-cash benefits under fifty dollars. Commissioners were required to file annual personal financial statements to comply with the Government Code.

Mr. McNamara explained that commissioners generally may not accept an honorarium in exchange for services performed as part of his or her Port Authority duties, but may accept certain travel, lodging, and meals in connection with services provided at a conference or seminar. Prohibitions on nepotism included no hiring of any relatives of any commissioner, no employee involvement in hiring relatives, no employee involvement in any employment decisions regarding relatives, and no trading.

Commissioner Jones asked if a commissioner could accept an honorarium if it was donated to a charity or other non-profit. Mr. McNamara advised to first consult with the Legal Department as honoraria that were donated could be permissible under the right conditions.

Mr. McNamara reviewed staff outside employment and compensation. Outside employment was permitted in limited circumstances; however, no outside employment was allowed that would impair independence or hinder performance of Port Authority duties. Senior managers must receive approval from the executive director and the executive director must receive Port Commission approval.

Mr. McNamara noted that former commissioners and employees could not participate in matters worked on or that were within their area or responsibility while at the Port Authority. The Port Commission must approve certain contracts with former employees or their new employers for twelve months after departure. Commissioners and the executive director had a two-year post-service ban on communications with intent to influence.

Mr. McNamara stressed that Port Authority property shall not be used in violation of any agreement by which a commissioner or employee held the property, any contract of employment, any law, or the limited purpose for which the property was provided to the commissioner or employee. Discounts, awards, and coupons for travel were not considered Port Authority property.

Mr. McNamara remarked that commissioners shall not solicit, obtain, use, or disclose confidential Port Authority information to obtain or help another obtain property or some other benefit, to coerce another into holding back information from a law enforcement agency, or to harm or defraud another.

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Mr. McNamara stated that it was the policy of the Port Authority to promote an atmosphere of respect, equality, and safety, and to prevent discrimination and harassment. Any instance of misconduct shall be reported promptly, investigated fully, and addressed appropriately. Acts of retaliation against a commissioner or employee reporting misconduct were prohibited. In addition to other penalties that may be imposed by law or other Port Authority policies, penalties for violations of the Code of Ethics by commissioners included official reprimand or a recommendation of removal from office by a majority of a quorum of the Port Commission. For employees, penalties included reprimand, suspension, or dismissal from employment. Contractors may have their contracts terminated and be excluded from future Port Authority business.

At 11:33 a.m., Chairman Campo adjourned the Port Commission meeting.

The above is a correct copy of the Minutes of the April 29, 2025 meeting of the Port Commission of the Port of Houston Authority.

A handwritten signature in black ink, appearing to read 'Ric Campo', written over a horizontal line.

Ric Campo, Chairman

A handwritten signature in black ink, appearing to read 'Erik A. Eriksson', written over a horizontal line.

Erik A. Eriksson, Secretary

F. EXECUTIVE

Subject	1. Approve a professional services contract with Shey-Harding Associates, Inc. to provide executive search services for the Chief Operating Officer position, in an amount not to exceed \$125,000.
Meeting	Apr 29, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 29, 2025 meeting, approve a professional services contract with Shey-Harding Associates, Inc. to provide executive search services for the Chief Operating Officer position, in an amount not to exceed \$125,000, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Executive

Staff Contact:

Jessica Shaver

Background:

The Port Authority is seeking to fill the upcoming vacancy in the Chief Operating Officer (COO) position.

The COO, reporting to the Chief Executive Officer, is a key strategic member of the executive team, responsible for leading essential day-to-day operations at the Port Authority and responsible for growth and development of multiple port operations.

The role oversees and directs the Channel Infrastructure, Commercial, Port Infrastructure, Port Maintenance, and Port Operations divisions, ensuring efficient and effective management of infrastructure, resources, and personnel.

The COO will need strong maritime or port-related expertise that includes terminal operations experience and the ability to work with all stakeholders, including labor, shippers, carriers, and other supply chain partners. Moreover, the Port Authority particularly seeks an experienced executive leader who can develop and pursue strategies to support the Port Authority's role in growing maritime commerce.

Accordingly, staff has determined that the Port Authority is best served by engaging an executive search firm to assist with the identification and recruitment of the most qualified person for this role.

Staff Evaluation/Justification:

Staff recommends retaining Shey-Harding Associates, Inc. (Shey-Harding) to assist in the identification and selection of the next Chief Operating Officer at the Port Authority. Staff has determined Shey-Harding would offer the best qualified team to conduct this search, with relevant expertise in maritime and port industry and an extensive national network. Shey-Harding has proposed a fee of 25% of the hired candidate's first year base salary plus reimbursement of approved direct expenses, which staff believes is fair and reasonable.

Accordingly, staff recommends approval of the proposed contract.

F. EXECUTIVE

Subject	2. Appoint Charlie Jenkins, Tim Finley, and Jessica Shaver as the Assistant Secretaries of the Port Commission.
Meeting	Apr 29, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its meeting of April 29, 2025, appoint Charlie Jenkins, Tim Finley, and Jessica Shaver as the Assistant Secretaries of the Port Commission, and further authorize the Secretary of the Port Commission 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 Chief Legal Officer of the Port Authority has been appointed by the Port Commission to act as Secretary to it. In the past, the Port Commission has also designated Assistant Secretaries to act on behalf of the Secretary as may be reasonable or necessary.

Staff Evaluation/Justification:

Given ongoing changes in staff leadership, legal staff now recommends that the Port Commission appoint the persons listed above as the Assistant Secretaries of the Port Commission.

F. EXECUTIVE

Subject	3. Authorize Erik Eriksson, Tim Finley, and Jessica Shaver to make emergency purchases or contracts in an amount that exceeds the amount authorized under Water Code Section 60.403(a) for routine purchases or contracts.
Meeting	Apr 29, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 29, 2025 meeting, authorize Erik Eriksson, Tim Finley, and Jessica Shaver to make emergency purchases or contracts or emergency amendments to existing purchase orders or contracts in an amount that exceeds the amount authorized under Water Code Section 60.403(a) for routine purchases or contracts, and further authorize the Chief Executive Officer 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:

Section 60.4035 of the Water Code permits the Executive Director (i.e., the Chief Executive Officer) or other appointed navigation district officer to make emergency purchases in circumstances when it is not feasible to conduct a formal procurement process or obtain prior authorization from the Port Commission for the expense. Such purchases are limited to those necessary:

- (1) to preserve or protect the public health and safety of residents of the district;
- (2) to preserve district property in the case of a public calamity;
- (3) to repair unforeseen damage to the property of the district;
- (4) to respond to security directives issued by:
 - (A) the federal Department of Homeland Security, including the Transportation Security Administration;
 - (B) the United States Coast Guard;
 - (C) the federal Department of Transportation, including the Maritime Administration; or
 - (D) another federal or state agency responsible for domestic security; or
- (5) to respond to an emergency related to supply chain disruptions or shortages or other disruptions or stoppages in the operation of the district which, without harm to the welfare of the district, does not permit the delay incident to the competitive process or would result in undue costs to the district.

The statute requires that port commissioners be notified of any such purchase not later than 48 hours after it is made.

Staff Evaluation/Justification:

Emergency purchases may periodically be required in the absence of the Chief Executive Officer. Accordingly, given ongoing changes in staff leadership, legal staff recommends that the persons named above be provided the authority to make emergency purchases and provide notice to port commissioners.

F. EXECUTIVE

Subject	4. Approve the (i) amended and restated Foreign Corrupt Practices Act Compliance Policy, and (ii) amended and restated Office of Foreign Assets Control Compliance Policy.
Meeting	Apr 29, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 29, 2025 meeting, approve the (i) amended and restated Foreign Corrupt Practices Act Compliance Policy of the Port Authority, and (ii) amended and restated Office of Foreign Assets Control Compliance Policy of the Port Authority, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

General

Department:

Legal

Staff Contact:

Janna Mouret

Background:

The federal Foreign Corrupt Practices Act (FCPA) is enforced by the U.S. Department of Justice. Most significantly, the FCPA prohibits offering to pay, paying, promising to pay, or authorizing the payment of money or anything of value to a foreign official in order to influence any act or decision of the foreign official in his or her official capacity or to secure any other improper advantage in order to obtain or retain business.

Separately, the Office of Foreign Assets Control ("OFAC") of the U.S. Department of the Treasury enforces trade sanctions against targeted foreign countries, terrorists, narcotics traffickers, those engaged in the proliferation of weapons of mass destruction, and other threats to the United States.

At its meeting on February 25, 2014, the Port Commission approved and adopted the Port Authority's FCPA Compliance Policy and OFAC Compliance Policy. At its meeting on April 16, 2018, the Port Commission approved and adopted amended and restated versions of each policy.

As part of the Port Authority's periodic policy review, Port Authority legal staff members have prepared proposed amended and restated versions of each policy, and presented such versions to the Governance Committee of the Port Commission on March 25, 2025.

A summary of the proposed amendments to the policies is as follows:

- The existing policies would be streamlined to ensure efficiency and consistency within each policy and between the two policies, as applicable.
- The existing policies would be amended to include updates for items such as job titles, division/department titles, documents, defined terms, and similar items.
- In addition, streamline compliance training and certifications, the policies would place responsibility on the Chief Legal Officer to determine who will be required to attend training for FCPA and OFAC compliance and make certifications regarding compliance. This helps give the

Port Authority the ability to ensure the appropriate individuals are receiving necessary training and making the required certifications.

- Finally, both policies would provide for review on the second anniversary of their effective date.

Staff Evaluation/Justification:

Following its review of the proposed amended and restated policies on March 25, 2025, the Governance Committee of the Port Commission acted to recommend that the Port Commission approve these policies as attached.



Port of Houston Authority
FOREIGN CORRUPT PRACTICES ACT COMPLIANCE POLICY
[_____, 2025]

I. Scope and Purpose.

A. The U.S. Foreign Corrupt Practices Act (“FCPA”) prohibits offering to pay, paying, promising to pay, or authorizing the payment of money or anything of value to a foreign official, in order to influence any act or decision of the foreign official in his or her official capacity, or to secure any other improper advantage in order to obtain or retain business. Individuals or companies violating the act are subject to civil and criminal prosecution as well as suspension or debarment from contracting with the federal government.

B. This Foreign Corrupt Practices Act Compliance Policy (“Policy”) is implemented for the purpose of assisting compliance by the Port of Houston Authority (the “Port Authority”) with the FCPA and other applicable anti-corruption and anti-bribery laws. This Policy applies to all Port Commissioners, full- and part-time employees of the Port Authority, and any Business Partners (as defined below), whether based domestically or abroad, who may interact with Foreign Officials (as defined below) on behalf of the Port Authority.

II. Definitions.

A. “Anything of Value” means cash and non-cash Payments (as defined below) and can include gifts, the gift or sale of stock or other investments (in other than an arm’s length transaction for demonstrated fair market value), contracts or other business opportunities awarded to a company in which a Foreign Official (as defined below) holds a beneficial interest, medical expenses, living expenses, educational expenses, contributions to any foreign charity, travel, meals, lodging, or shopping or entertainment expenses.

B. “Business Partners” means any venture partners, agents, contractors, vendors, consultants, service providers, sales representatives, distributors, and any third parties representing the Port Authority who may interact with “Foreign Officials” on behalf of or for the benefit of the Port Authority.

C. “Commissioners and Employees” means all Port Commissioners, and full- and part-time Port Authority employees, wherever located.

D. “Compliance Officer” means the Chief Legal Officer of the Port Authority, or the person designated by Port Commission action to serve in the capacity as Compliance Officer, and the person designated by the Compliance Officer to act in his or her absence, if applicable.

E. “Foreign Government” means any government outside the United States.

F. “Foreign Official” means any officer or employee of a Foreign Government (at any level of government, whether in the executive, legislative or judicial branches, and whether at the national, state or local levels or their equivalent), a public international organization, or a foreign political party, including political candidates. It also includes any person, paid or unpaid, acting in an official capacity for such government or organization, as well as members of a royal family. The term includes consultants who hold government positions as well as officers, directors, and employees of companies owned or controlled by governments, civil servants, and members of the military. For purposes of this Policy, the term also encompasses family members and close personal friends of any of the foregoing, even if they are not otherwise associated with a government or public office.

G. “Payment” or “Payments” means a distribution of Anything of Value.

H. “Routine Governmental Action” means an action which is ordinarily and commonly performed by a Foreign Official in connection with (i) obtaining permits, licenses, or other official documents to qualify a person to do business in a foreign country; (ii) processing foreign governmental papers, such as visas and work orders; (iii) providing police protection, mail pick-up and delivery, or scheduling inspections associated with contract performance or inspections related to transit of goods in a foreign country; (iv) providing phone service, power and water supply, loading and unloading cargo, or protecting perishable products or commodities from deterioration in a foreign country; or (v) actions of a similar nature. The term “routine governmental action” does not include any decision by a Foreign Official whether, or on what terms, to award new business to or to continue doing business with a particular party, or any action taken by a Foreign Official involved in the decision-making process to encourage a decision to award new business to or continue doing business with a particular party.

I. “Senior Personnel” means all Port Commissioners, and Port Authority chief officers, directors, senior managers, and other Port Authority department heads.

III. Policy.

A. Improper Payments Prohibited. The Port Authority prohibits the direct or indirect giving or receiving of improper Payments or other improper benefits in order to influence acts or decisions by Foreign Officials in their official capacity or to secure any other improper advantage in order to obtain or retain business.

B. Compliance with Laws. The Port Authority shall conduct its business in compliance with the FCPA and other applicable anti-corruption and anti-bribery laws and regulations, including those enacted in countries where the Port Authority does business.

C. No Payments or Offers to Provide Anything of Value. Persons subject to this Policy may not offer, pay, promise, facilitate, or authorize any bribe, kickback or,

except as provided below, Anything of Value, to any Foreign Official directly, or indirectly through a third party, to secure any contract, concession or other favorable treatment for the Port Authority. Likewise, persons subject to this Policy shall take no action to evade FCPA requirements. Payments or offers to provide Anything of Value to Foreign Officials require pre-approval absent rare and extenuating circumstances, and in some cases, they are completely prohibited.

D. Maintain Accurate Books and Records. The Port Authority shall comply with generally acceptable accounting principles and maintain accurate books and records to facilitate internal or external audit of Payments and other transactions subject to FCPA requirements. The Port Authority shall require its Business Partners to comply with the FCPA, including applicable provisions related to accounting and recordkeeping, as the Port Authority relies on invoices and other documents received from or produced by its Business Partners in order to create and maintain accurate books and records.

IV. Business Practices.

A. Preapprovals of Payments. Under some circumstances a Payment to a Foreign Official may be permitted or be legally defensible. Decisions about what is or is not an allowable Payment or whether a person or entity is a Foreign Official must be made after consideration of the relevant circumstances, and reliance on past practice may not be appropriate. To help ensure Policy compliance and proper justification for Payments, all Payments to Foreign Officials are to be preapproved except where a person's physical health or safety are in immediate jeopardy.

1. Preapproval of Payments Associated with Routine Government Action. The following may, consistent with their Port Authority approval authority, preapprove Payments to Foreign Officials for Routine Government Action, but only if the persons identified below (or the Port Commission, if applicable) have received training and executed certifications as required under this Policy:

- a. Chief Officers;
- b. Department Heads;
- c. Chief Executive Officer; and
- d. The Port Commission.

2. Preapproval of Payments for Other than Routine Government Action or Under Statutory Exception. When the basis for approval of a Payment to Foreign Officials is a foreign law or regulation, or the promotion, demonstration, or explanation of products or services, or the execution or performance of a contract with a foreign government or agency thereof, the following may, consistent with their Port Authority approval authority, preapprove the Payment but only if each person preapproving the Payment (or the Port Commission, if applicable) has received training and executed certifications as required under this Policy:

- a. Chief Officers together with the Chief Legal Officer;
- b. Chief Executive Officer together with the Chief Legal Officer; and
- c. The Port Commission together with the Chief Legal Officer.

3. Form of Request. Requests for preapproval under this Policy must be in writing, conform to Port Authority procurement procedures, and, at minimum, include:

- a. Justification for the Payment;
- b. The name of the Port Authority employee requesting authorization;
- c. The name and governmental or company affiliation of the Foreign Official to receive the Payment;
- d. The name and governmental or company affiliation of any agent or intermediary receiving or facilitating the Payment or any commission related to the Payment;
- e. Details of the proposed transaction (e.g. who, how, what, where, when, and why); and
- f. Documentation and/or such other explanation as may also be required under other applicable Port Authority policies, which may include but are not limited to policies regarding travel, meals and business entertainment, the Promotion and Development Fund, and procurement.

4. Form of Approval. Approvals must be provided in writing signed by the person(s) providing the approval.

5. When Preapproval Not Required. The FCPA does not prohibit Payments made where a person's physical health or safety are in immediate jeopardy. If a credible emergency exists and a person's physical health or safety is in immediate jeopardy, preapproval of a Payment is not required. In emergencies, extortion may serve as a defense to an allegation of illegal Payment but the threat must be credible. Any Payment(s) made under this provision must be immediately reported to the Compliance Officer and Chief Executive Officer and documented as required by the Compliance Officer.

B. Preparation and Maintenance of Financial Records.

1. The Port Authority's financial statements are, and shall be, prepared in conformity with accounting principles generally accepted in the United States of America. The Port Authority follows enterprise fund accounting and reporting requirements, including the accrual basis of accounting and application of Governmental Accounting Standards Board ("GASB") pronouncements as well as the Financial Accounting Standards Board ("FASB") pronouncements, unless FASB pronouncements conflict with or contradict GASB pronouncements.

2. Written requests, approvals, and documentation of denied requests shall be maintained in accordance with the Port Authority's Active and Continuing Records Management Program Policy and shall be subject to audit.

C. Assessment of Risks. The Port Authority shall conduct periodic assessments of risks with respect to its compliance with the FCPA and this Policy.

D. Training and Certification.

1. Training. All Required Trainees (as defined below) shall receive FCPA compliance training on a recurring schedule at the discretion of the Compliance Officer. The Port Authority shall make available resources reasonably necessary to conduct such training.

2. Certification. In those years when FCPA compliance training is not required, all Required Trainees shall: (i) read this Policy, (ii) certify that they have read and fully understand this Policy, including, but not limited to, the responsibilities assigned to them under this Policy, and any FCPA Standards and Procedures (as defined below), (iii) acknowledge their commitment to comply with this Policy and any FCPA Standards and Procedures, and (iv) confirm that they have no knowledge of any conduct which deviates from this Policy (collectively, a "Certification").

V. Responsibilities in Support of this Policy.

A. Compliance Officer.

1. Maintain and implement this Policy and, through periodic review, act to obtain required updates as may be required, including any required to meet the needs of the Port Authority;

2. Develop, establish, and/or approve formal or informal standards and procedures to facilitate compliance with the FCPA and related laws, including those for the vetting of Business Partners ("FCPA Standards and Procedures");

3. Determine which Commissioners and Employees, and Business Partners shall be required to receive FCPA compliance training and provide certifications (the "Required Trainees")

4. Develop, establish, and/or approve the content of FCPA compliance training and certifications for Required Trainees and ensure timely delivery of training and execution of certifications;

5. Ensure appropriate vetting of Business Partners;

6. Approve or disapprove any Payments to Foreign Officials, including without limitation those proposed which fall outside the definition of Routine Government Action or under a statutory exception;

7. Serve as the Port Authority's primary point of contact when communicating with governmental entities on matters related to FCPA compliance, exceptions, reporting, or enforcement;

8. Serve in the capacity of compliance counsel responsible for rendering legal advice and guidance with respect to the FCPA and obligations imposed by regulatory mandates;

9. Delegate to a qualified person any responsibility of the Compliance Officer stated in this paragraph; and

10. Fulfill such other duties as set forth in this Policy.

B. Chief Executive Officer and Other Chief Officers.

1. Enforce this Policy and associated standards and procedures;

2. Require that any Required Trainee under their direct or indirect supervision obtain training and execute certifications in a timely manner;

3. Approve/disapprove Payment requests, as applicable;

4. Vet and hold Business Partners accountable for their actions and the requirements of this Policy; and

5. Commit resources reasonably necessary to ensure compliance with this Policy.

C. Senior Personnel.

1. Enforce this Policy and associated standards and procedures; and

2. Identify, and suggest to the Compliance Officer, any division or department staff employees and others requiring FCPA training.

D. Chief Audit Executive.

1. Ensure FCPA compliance risks are considered when undertaking any Port Authority risk assessments;

2. Incorporate FCPA compliance into its audit plan on a recurring schedule and conduct audits thereof; and

3. Report audit findings related to FCPA compliance to the Port Commission Audit Committee.

E. Commissioners and Employees, and Business Partners.

1. Read and understand this Policy;

2. Fully comply with this Policy and associated standards and procedures, as applicable; and

3. Obtain guidance from the Compliance Officer, should questions about such matters arise.

VI. Policy Violations.

A. Reporting Known or Reasonably Suspected Violations. Persons with actual knowledge or a reasonable suspicion that a violation of this Policy has or will occur should promptly report such actual knowledge or reasonable suspicion. Reports may be made directly to the Compliance Officer, electronically via <https://secure.ethicspoint.com/domain/media/en/gui/65635/index.html>, telephonically through the Port Authority's hotline hosted by a third-party provider at 1-800-892-2871, or in any manner authorized for reporting misconduct in the Port Authority Misconduct Reporting Policy. Reports may be made anonymously. (*See also*, the Port Authority's Misconduct Reporting Policy, including provisions related to consequences associated with retaliation.)

B. Consequences. Employees violating this Policy are subject to employment action up to and including termination. Business Partners violating this Policy risk the continued opportunity to do business with the Port Authority. The FCPA allows for the civil and criminal prosecution of individuals and, as appropriate to the circumstances, imposition of fines, penalties and/or jail time. Because many countries have laws related to bribery/anti-corruption, prosecution may also occur in more than one jurisdiction. The Port Authority will not be responsible for legal fees, penalties, or other expenses of Business Partners violating the FCPA and may be prohibited by law from making certain expenditures on behalf of Commissioners and Employees.

VII. Questions. Questions regarding this Policy may be directed to the Compliance Officer or, in their absence, the Chief Executive Officer.

Foreign Corrupt Practices Act Compliance Policy
____, 2025
Page 8

Draft

VIII. Adoption. This Policy was adopted by the Port Commission on _____, 2025, as evidenced by Minute No. 2025-_____.

Policy Owner: Chief Legal Officer
Policy Version: 3.0
Replaces: Foreign Corrupt Practices Act Compliance Policy, Version 2.0, adopted April 16, 2018 as evidenced by Minute No. 2018-0416-03

Effective Date: _____, 2025
Initial Review Date: _____, 2027 and every two years thereafter

Port of Houston Authority
OFFICE OF FOREIGN ASSETS CONTROL COMPLIANCE POLICY
[_____, 2025]



I. Scope and Purpose.

A. Based on U.S. foreign policy and national security goals, the U.S. Department of the Treasury Office of Foreign Assets Control (“OFAC”) administers and enforces economic and trade sanctions against targeted foreign countries and regimes, terrorists, international narcotics traffickers, and those engaged in activities related to the proliferation of weapons of mass destruction and other threats to the national security, foreign policy, or economy of the United States. Under Presidential national emergency powers, as well as authority granted by specific legislation, OFAC is authorized to impose controls on transactions and freeze assets under U.S. jurisdiction.

B. The Port of Houston Authority (the “Port Authority”) is required by law to act in support of OFAC’s mandate and recognize, stop, or suspend and report suspect foreign transactions. Accordingly, it is the policy of the Port Authority to comply with the applicable laws and regulations and orders within OFAC’s jurisdiction regarding doing business within the United States and with U.S. citizens, foreign countries, and foreign nationals, including those which may limit or prohibit certain transactions (“OFAC Regulations”).

C. This Office of Foreign Assets Control Compliance Policy (“Policy”) is implemented to ensure compliance with OFAC Regulations and applies to all Port Commissioners, full- and part-time employees of the Port Authority, and any Business Partners.

II. Definitions.

A. “Block” means a way of controlling targeted property. Title to the Blocked property remains with the target, but the exercise of powers and privileges normally associated with such ownership is prohibited without authorization from OFAC. A Block imposes an immediate across-the-board prohibition against transfers or dealings of any kind with regard to the property.

B. “Business Partners” means venture partners, agents, contractors, vendors, consultants, service providers, sales representatives, distributors, and any other third-party representatives that may act on behalf of, or otherwise provide goods, services, or other items of value to, the Port Authority.

C. “Compliance Officer” means the Port Authority Chief Legal Officer or the person designated by Port Commission action to serve in the capacity as Compliance Officer.

D. “Prohibited Transactions” means trade or financial transactions and other dealings in which U.S. persons may not engage, unless authorized by OFAC or expressly exempted by statute.

E. “Sanctioned Country” means at any time, a country, region or territory which is itself (or whose government is) the subject or target of comprehensive sanctions.

F. “Sanctioned Person” means, at any time, (1) any individual, entity or government listed in any sanctions or sanctions-related list of designated persons maintained by OFAC (including OFAC’s Specially Designated Nationals and Blocked Persons List (the “SDN List”)) and OFAC’s Consolidated Non-SDN List), the U.S. Department of State and the U.S. Department of Commerce (including the Entity List), or in any Executive Order implementing any of the foregoing; (2) any individual, entity or government operating, organized or resident in a Sanctioned Country; (3) any person fifty percent (50%) or more owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, any such individual, entity or government described in clauses (1) and (2), including a person that is deemed by OFAC to be a sanctions target based on the ownership of such legal entity by Sanctioned Person(s); or (4) any individual, entity or government otherwise designated by U.S. Government authorities, including vessels and aircraft that are designated under any sanctions program.

III. Policy.

A. Prohibited Transactions. The Port Authority shall not enter into agreements or contracts or transact business with any Sanctioned Country, including the public ports and other governmental authorities within such countries, or with any Sanctioned Person, and shall not engage in any transaction prohibited by law or OFAC Regulations. Exceptions to this prohibition, if any, shall be pursued on a case-by-case basis following a process established and managed by the Compliance Officer.

B. OFAC Compliance Review.

1. Any agreements and transactions shall be reviewed for compliance with OFAC Regulations before sent to the Port Commission for action, if applicable. Agreements and transactions not requiring action by the Port Commission shall also be reviewed for compliance with OFAC Regulations before being entered into. The Compliance Officer shall establish and oversee the review process.

2. Port Authority personnel shall exercise vigilance in the transaction of Port Authority business as no two sanction programs are exactly alike, names on sanction lists change and change frequently and factors such as a substantial ownership interest held by a Sanctioned Person or Sanctioned Country can trigger responsibility under OFAC Regulations. Accordingly, persons at different levels within the Port Authority should be trained to ensure recognition and suspension or stopping of suspect transactions, and timely reporting.

C. Certain Communications.

1. The Compliance Officer shall be the primary conduit through which communications between the Port Authority and OFAC shall occur.

2. The Compliance Officer shall be promptly advised of communications with any Sanctioned Person or Sanctioned Country related to agreements or transactions with the Port Authority in order to facilitate compliance with OFAC reporting requirements.

D. Training and Certification.

1. All Required Trainees (as defined below) shall receive OFAC compliance training on a recurring schedule at the discretion of the Compliance Officer. The Port Authority shall make available resources reasonably necessary to conduct such training.

2. In those years OFAC compliance training is not required, all Required Trainees shall (i) read this Policy, (ii) certify that they have read and fully understand this Policy, including, but not limited to, the responsibilities assigned to them under this Policy, and any OFAC Standards and Procedures (as defined below), (iii) acknowledge their commitment to comply with this Policy and any OFAC Standards and Procedures, and (iv) confirm that they have no knowledge of any violation of this Policy and any OFAC Standards and Procedures by the Port Authority.

E. Periodic Audit Activity. The Port Authority's compliance with OFAC Regulations shall be evaluated as part of its periodic risk assessments and shall be subject to audit.

IV. Responsibilities in Support of this Policy.

A. Compliance Officer.

1. Maintain and implement this Policy and, through periodic reviews, act to obtain required updates as may be required, including any required to meet the needs of the Port Authority;

2. In consultation with Chief Officers, establish and/or approve procedures to screen, monitor, and report matters as required by OFAC Regulations and compliance with this Policy;

3. Approve and manage exception requests, if any, including any related submissions to OFAC;

4. Develop, establish, and/or approve formal or informal standards and procedures to facilitate OFAC compliance (“OFAC Standards and Procedures”);

5. Determine which Port Commissioners and Port Authority employees (including, but not limited to, Port Authority Legal Department personnel, division and department heads whose operations entail contracting or transacting with third parties, and persons whose job responsibilities include the negotiation of agreements or transactions, or the approval of procurements) shall be required to receive OFAC compliance training and provide certifications (the “Required Trainees”)

6. Develop, approve, and administer training and certifications related to OFAC compliance, and to the extent not otherwise addressed in this Policy, correct any unmet training needs;

7. Maintain records and make such periodic and annual reports concerning violations, Blocked property/assets or other matters relating to the OFAC Regulations as may be required by law;

8. Serve as the Port Authority’s primary point of contact when communicating with OFAC or associated regulatory bodies on matters related to OFAC compliance, exceptions, reporting, or enforcement;

9. Serve in the capacity of compliance counsel responsible for rendering legal advice and guidance with respect to the OFAC Regulations and obligations imposed by related regulatory mandates;

10. Together with the Chief Audit Executive, monitor OFAC compliance and assess ongoing Policy needs;

11. Delegate to a qualified person any responsibility of the Compliance Officer stated in this paragraph; and

12. Fulfill such other duties as set forth in this Policy.

B. Chief Audit Executive.

1. Incorporate OFAC compliance into its audit plans on a recurring schedule and conduct audits thereof.

2. Monitor completion of required training based on reports prepared by the Employee Development & Engagement Department and/or the Internal Audit Department.

3. Together with the Compliance Officer, conduct periodic Policy reviews, risk assessments, assessments of Policy needs and, as necessary, revisions of the Policy.

4. Report audit findings related to OFAC compliance to the Port Commission Audit Committee.

C. Chief Executive Officer, Chief Officers, and Department Heads.

1. Enforce this Policy and associated OFAC Standards and Procedures;

2. Require that Required Trainees under their direct or indirect supervision obtain training in a timely manner;

3. Conduct OFAC due diligence regarding agreements and transactions sponsored by or obtained through the efforts of their staff members, to prevent the Port Authority from entering into Prohibited Transactions;

4. Without limiting the foregoing, before executing or approving an agreement, approving an expenditure or submitting an agreement or transaction for Port Commission action, conduct due diligence to prevent the Port Authority from conducting business with Sanctioned Persons and Sanctioned Countries;

5. Promptly advise the Compliance Officer of communications with or actions by Sanctioned Persons or Sanctioned Countries related to Port Authority business, agreements, or transactions;

6. With guidance from the Compliance Officer, take appropriate action to Block or reject, if applicable, any prohibited agreement or transaction and Block any accounts or assets of Sanctioned Persons within their control;

7. Monitor the status of, and ownership interests in, Business Partners and make Business Partners aware of and commit to compliance with OFAC Regulations during the course of work performed for or on behalf of the Port Authority; and

8. Commit resources reasonably necessary to ensure Policy compliance.

D. Port Commissioners and Port Authority Employees.

1. Read and understand the Policy;

2. Fully comply with the Policy and associated OFAC Standards and Procedures, as applicable; and

3. Obtain guidance from the Compliance Officer, should questions about such matters arise.

V. Policy Violations.

A. Reporting Known or Reasonably Suspected Violations. Persons with actual knowledge or a reasonable suspicion that a violation of this Policy has or will occur should promptly report such actual knowledge or reasonable suspicion. Reports may be made directly to the Compliance Officer, electronically via <https://secure.ethicspoint.com/domain/media/en/gui/65635/index.html>, telephonically through the Port Authority's hotline hosted by a third-party provider at 1-800-892-2871, or in any manner authorized for reporting misconduct in the Port Authority Misconduct Reporting Policy. Reports may be made anonymously. (*See also*, the Port Authority's Misconduct Reporting Policy, including provisions related to consequences associated with retaliation.)

B. Consequences. Employees violating OFAC Regulations or this Policy are subject to employment action up to and including termination. Business Partners violating this Policy risk the continued opportunity to do business with the Port Authority. OFAC Regulations allows for the civil and criminal prosecution of individuals and, as appropriate to the circumstances, imposition of fines, penalties and/or jail time. The Port Authority will not be responsible for legal fees, penalties, or other expenses of its business partners violating OFAC Regulations and may be prohibited by law from making certain expenditures on behalf of Port Commissioners and Port Authority employees.

VI. Recordkeeping. All applicable records for OFAC compliance, violations, and audit work papers shall be retained according to OFAC guidelines (which as of the date of approval of this Policy is five (5) years). All reports and records of Blocked or rejected transactions shall be kept for five (5) years.

VII. Reporting to the Audit Committee. The Chief Legal Officer and Chief Audit Executive shall provide periodic reports on Policy compliance to the Audit Committee and provide interim reports upon the request of the Audit Committee or upon the occurrence of events that are materially related to the Port Authority's Policy compliance.

VIII. Questions. Questions regarding this Policy should be promptly directed to the Compliance Officer or in their absence, the Chief Executive Officer.

IX. Interpretation. The Compliance Officer shall interpret the restrictions, requirements, and prohibitions of this Policy in the broadest possible manner to promote the best interests of the Port Authority, and the requirements of Title 31 USC (Money and Finance), 31 CFR Part 500 (Foreign Asset Control Regulations), and other applicable laws, as they may be amended from time to time.

X. Adoption. This Policy was adopted by the Port Commission on _____, 2025, as evidenced by Minute No. 2025-__.

Policy Owner: Chief Legal Officer

Policy Version: 3.0

Replaces: Office of Foreign Assets Control Compliance Policy, Version 2.0, adopted April 16, 2018 as evidenced by Minute No. 2018-0416-03.

Effective Date: ___, 2025

Initial Review Date: ___, 2027 and every two years thereafter

F. EXECUTIVE

Subject	5. Approve the proposed Fee and Charge Adoption Policy for licenses and permits.
Meeting	Apr 29, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 29, 2025 meeting, approve the proposed Fee and Charge Adoption Policy for licenses and permits, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

General

Department:

Executive

Staff Contact:

Rebecca Andrews

Background:

The Port Authority collects fees and charges for various services and uses of its property. The proposed Fee and Charge Adoption Policy provides a framework for ensuring certain of these fees and charges are established and collected in a fair and reasonable manner by implementing the following steps:

1. In the first step, Port Authority staff will undertake an analysis of the proposed fee or charge to include relevant factors such as the manner in which the property will be used by the third party and by the Port Authority, impacts from the use, comparable market rates, and fee model options. This analysis will be summarized in a written report and a tentative recommendation on the new or increased fee or charge.
2. In the second and third steps, Port Authority staff will provide the report to the public, open a public comment period for a minimum of 30 days, and host a stakeholder workshop on the proposed fee or charge.
3. In the fourth step, the proposed fee or charge will be presented to the Port Commission for adoption at an open and public meeting. If adopted, the fee or charge will become effective at least 60 days later, providing an opportunity for affected parties to adjust to the new fee or charge.

The policy covers (a) licensed use of public property by third parties for pipelines, transmission lines, valve sites, bridges, grade crossings, dredged material placement, temporary access, and other similar uses, and (b) permissions to construct certain marine structures or encumbrances affecting the Houston Ship Channel and within waterways in the Port Authority's jurisdictional limits.

Staff Evaluation/Justification:

A policy to foster analysis and public input prior to implementing new fee structures furthers the Port Authority's goal of maintaining fair and reasonable rates for its fees and charges. Following its review of the proposed policy on March 25, 2025, the Governance Committee of the Port Commission acted to recommend that the Port Commission approve the Fee and Charge Adoption Policy in the form attached as Exhibit "A".



Port of Houston Authority
FEE AND CHARGE ADOPTION POLICY
_____, 2025

A. Policy and Purpose.

1. It is the policy of the Port of Houston Authority of Harris County, Texas (“Port Authority”) to charge fair, reasonable, and adequate fees and charges as determined and adopted by the Port Commission, after receipt of public and stakeholder comments, for (a) licensed use of public property by third parties for pipelines, transmission lines, valve sites, bridges, grade crossings, dredged material placement, temporary access, and other similar uses, and (b) permission to construct certain marine structures or encumbrances affecting the Houston Ship Channel and within waterways in the Port Authority’s jurisdictional limits (the “Policy Scope”).

2. The purpose of this Fee and Charge Adoption Policy (“Policy”) is to facilitate the adoption of fair, reasonable, and adequate fees and charges for matters within the Policy Scope by encouraging public and stakeholder commentary.

B. Analysis of Proposed Fees and Charges. Except where state or federal law or regulation provide otherwise, prior to adopting a new or increased fee or charge for Port Authority-issued licenses or similar interests within the Policy Scope, the Port Authority’s staff shall complete the following:

1. Undertake an analysis of the proposed fees or charges to include:
 - a. Consideration of relevant factors, such as:
 - i. the manner in which the property will be used;
 - ii. the property interest and amount of property to be used;
 - iii. the duration of the requested use;
 - iv. the other existing or anticipated uses of some or all of the property by the Port Authority or other parties (such as properties operated as public terminals, properties leased to third parties, vacant lands, submerged lands, lands identified for future development, or other properties);
 - v. the extent to which the proposed use could impact the use of the property by the Port Authority or other parties;
 - vi. other valuation considerations, such as comparable market rates, for the property to be used;
 - vii. the potential environmental impacts of the use;

viii. the potential economic impacts of the use on the Port Authority or other parties;

ix. the potential short-term or long-term costs to the Port Authority (e.g., maintenance, monitoring, potential environmental remediation, security) associated with the proposed use; and

x. any regional and/or national data regarding comparable fees set by other port authorities, governmental agencies, private parties, or other entities for similar uses.

b. Evaluation of alternative fee models such as fixed, variable, or tiered fees, as appropriate to the fee or charge in question.

c. Evaluation of the estimated costs of issuance and post-issuance administration.

2. Prepare a written summary of its analysis and tentative recommendation on the new or increased fees and charges within the Policy Scope.

C. Public Outreach and Comment Process. Except where state or federal law or regulation provide otherwise, prior to adopting a new or increased fee or charge for Port Authority-issued licenses or similar interests within the Policy Scope, the Port Authority's staff will undertake a public outreach and comment process consisting, at a minimum, of at least one stakeholder meeting and one written comment period. The public outreach and comment process shall be consistent with the following:

1. Stakeholder Meeting. At least thirty (30) days before adoption of a new or increased fee or charge, the Port Authority will hold a stakeholder meeting designed to inform stakeholders of the proposed new or increased fee or charge.

a. Notice of the stakeholder meeting shall be provided, at a minimum, on the Port Authority website and by mail or E-mail to stakeholders. Notice shall be provided at least fifteen (15) calendar days before the stakeholder meeting.

b. Stakeholders include, at a minimum, those with a current license (or similar interest) for the particular fee or charge proposed for adoption and those who submit a request to receive notice of any new or increased fee or charge.

c. Written notice to license (or similar interest) holders will be provided to the contact listed in the file of all current license (or similar interest) holder.

d. A request to receive notice of any new or increased fee or charge must be received by the Port Authority within the same calendar year as the stakeholder meeting.

2. Written Comment Period. At least forty five (45) days before adoption of a new or increased fee or charge within the Policy Scope, the Port Authority will provide notice of an opportunity to provide written comments on the proposed fee or charge.

a. Notice of the written comment period shall be provided on the Port Authority website and by mail or E-mail to stakeholders.

b. The comment period shall remain open for at least thirty (30) days after notice is provided.

3. Adoption at Public Meeting. Any new or increased fee or charge for Port Authority-issued licenses (or similar interests) within the Policy Scope must be adopted by the Port Commission at an open and public meeting.

a. The Port Authority will provide notice of the proposed new or increased fee or charge on its website at least seventy two (72) hours prior to the meeting at which the fee or charge will be considered for adoption by the Port Commission.

b. The public meeting at which a new or increased fee or charge will be considered for adoption must occur at least fifteen (15) days after the end of the written comment period.

4. Optional Additional Public Involvement. The Port Authority may, in its discretion, request additional stakeholder input, such as an additional stakeholder meeting or written comment period.

D. Effective Date. A new or increased fee or charge for Port Authority-issued licenses (or similar interests) within the Policy Scope shall become effective no earlier than sixty (60) days following the Port Commission's final action on the adoption of the new or increased fee or charge.

E. Policy Responsibility. The adoption of this Policy does not limit the discretion of the Port Commission, does not waive or impair the Port Authority's immunities from suit or liability, does not create an interest in property or a contract, and does not affect the applicable standard of review.

F. Policy Authority and Construction. The authority for this Policy comes from Texas Special District Local Laws Code, Chapter 5007, and Texas Water Code, Chapters 60, 61, and 62.

Fee and Charge Adoption Policy
_____, 2025
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G. Supersedes Prior Policies. This Policy supersedes and replaces any prior policies adopted by the Port Commission regarding the procedure for the adoption of fees and charges within the Policy Scope.

H. Adoption. This Policy was adopted by the Port Commission on _____, 2025, as evidenced by Minute No. 2025-_____

Policy Owner: Chief Executive Officer
Policy Version: 1.0

F. EXECUTIVE

Subject	6. Approve the proposed Permitting and Licensing Policy for third-party uses of Port Authority property.
Meeting	Apr 29, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 29, 2025 meeting, approve the proposed Permitting and Licensing Policy for third-party uses of Port Authority property, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

General

Department:

Executive

Staff Contact:

Rebecca Andrews

Background:

For decades, the Port Authority has authorized the placement of pipelines, transmission lines, communication lines, docks, piers, dredging, and similar structures and works on property owned and managed by the Port Authority. Historic, current, and future uses of Port Authority property by third parties can create safety and other issues associated with multiple uses, crowding of the waterways, and increased potential for conflicts in the use of such areas.

The proposed Permitting and Licensing Policy provides a framework for making Port Authority-owned and managed property available for structures and uses by third parties in commercially desirable areas and in a safe, efficient, fair, reasonable, and responsible manner. In addition, the proposed Policy adopts the provisions of Local Government Code section 245.005 to establish an expiration date for permits and licenses after two years if: (i) the permit or license does not already have an expiration date and (ii) no progress has been made towards completion of the permitted or licensed project.

Staff Evaluation/Justification:

This proposed policy establishes the basis for third-party use of Port Authority-owned and managed property in a safe, efficient, and commercially reasonable matter. Such a policy, including an expiration date for dormant projects, is consistent with state law and the Port Authority's purpose and authority to operate, develop, and regulate land and waterways within its jurisdiction.

Following its review of the proposed policy on March 25, 2025, the Governance Committee of the Port Commission voted to recommend that the Port Commission approve the Permitting and Licensing Policy in the form attached as Exhibit "A".

Draft

Port of Houston Authority
PERMITTING AND LICENSING POLICY
_____, 2025

A. Purpose.

The purpose of this Permitting and Licensing Policy (the “Policy”) is to set out the principles under which licenses and permits may be issued for the use of submerged lands and other real property owned, managed, or regulated by the Port of Houston Authority (the “Port Authority”).

B. Background.

1. The State of Texas granted to and imposed on the Port Authority the purpose and authority to operate, develop, and regulate waterways, railroads, and other facilities within the Port Authority’s jurisdiction, including activities in aid of navigation and commerce thereon.

2. The Port Authority owns and has authority to manage and regulate certain real property and submerged lands in and around the Port of Houston, including lands with railroad and other rights of way and lands that lie beneath the Houston Ship Channel, pursuant to Special District Local Laws Code Chapter 5007.

3. The circumstances concerning the historic, present, and future placement of pipelines, transmission lines, communication lines, docks, piers, dredging activities, and other types of structures and work on real property and submerged lands owned, managed, and regulated by the Port Authority create safety issues associated with multiple uses, overburdened waterways, and increased potential for conflicts in the use of such areas.

4. Port Authority owned, managed, and regulated properties are available for permitting and licensing of such uses and structures in commercially desirable areas, and the licensing of such uses and structures should be conducted in a safe, efficient, fair, reasonable, and responsible manner.

C. Policy Statements.

1. It is the policy of the Port Authority to authorize permits and licenses for dredging and construction activities, pipelines, transmission lines, railroad grade crossings, and similar activities on suitable Port Authority owned, managed and regulated property, and submerged lands in a manner that:

- a. Facilitates safe and efficient commerce and navigation;
- b. Is reasonable and fair;
- c. Considers the needs of all interested parties; and

- d. Appropriately uses public resources.

2. It is the policy of the Port Authority to place an expiration date on a permit or license on the second anniversary of the date the first permit or license application was filed for the project if: (a) the permit does not have an expiration date; and (b) no progress has been made towards completion of the permitted or licensed project.

D. Application of Policy.

1. The Port Authority may issue permits and licenses for dredging, placement of dredged material, and construction activities, and construction of pipelines, transmission lines, railroad grade crossings, and similar activities on suitable Port Authority owned, managed, or regulated properties.

2. The determination whether the Port Authority will issue any such permit or license will be made at the sole discretion of the Port Authority, and in each event that a determination to issue a permit or license is made, the permitting or licensing shall be accomplished in accordance with the principles of the policy statements set forth in Section C above.

3. Submerged Lands licenses and rights of way shall be permitted and licensed at the then-prevailing rate for the particular use approved by the Port Authority.

4. Such permits and licenses are subject to the procedures established by the Port Authority.

E. Authority of the Port Commission and Delegation of that Authority.

1. Primary Port Commission Authority. Licensing and permitting of Port Authority owned and managed properties, including rights of way and Submerged Lands, is under the exclusive control of the Port Commission which, pursuant to Texas Special District Local Laws Code Chapter 5007, has responsibilities including:

- a. Authorizing, establishing, regulating and leasing all structures for facilitating or accommodating commerce or navigation;

- b. Leasing lands including submerged lands for limited periods for purposes consistent with facilitating or accommodating commerce or navigation;

- c. Providing that no structures are constructed on said lands by anyone except the Port Authority, except as authorized by the Port Authority;

Permitting and Licensing Policy

Draft

_____, 2025

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d. Constructing, maintaining, operating, and developing channels, and prescribing fees and charges to be collected for their use;

e. Entering into all agreements necessary or convenient for carrying out the powers granted by the State of Texas to the Port Authority; and

f. Approving by resolution or order all permits or licenses entered pursuant to this statute.

The Port Commission shall exercise this authority by approving licenses and permits of Port Authority owned, managed, and regulated property for dredging and construction activities, pipelines, transmission lines, railroad grade crossings, and similar activities, and delegating, as it deems appropriate, review and approval of items to Port Authority staff.

2. Delegation of Authority to Chief Executive Officer and Designees. Except with respect to its approval of permits and license subject to Port Commission approval by law, or as otherwise provided by Port Commission-approved policies, the Port Commission hereby delegates to the Chief Executive Officer, and his or her designees, the activities described as Staff Responsibilities in Section F below.

F. Staff Responsibilities.

1. The Port Commission hereby directs staff to prepare and periodically update reasonable standards and procedures consistent with this Policy for staff's administration of such activities, including those listed below:

a. Establish a point of control and coordination for Port Authority permitting and licensing activities;

b. Assign responsibilities for management of the Port Authority's permitting and licensing activities; and

c. Assign responsibilities for evaluating activities subject to this Policy.

2. Standards and procedures developed by staff are subject to revision by the Port Commission.

G. Policy Authority and Construction. The authority for this Policy comes from Texas Special District Local Laws Code, Chapter 5007, Texas Water Code, Chapters 60, 61, and 62, and Texas Local Government Code Chapter 245.

H. Policy Responsibility.

Permitting and Licensing Policy

Draft

_____, 2025

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1. This Policy is not intended to constrain the discretion of the Port Commission, which may amend this Policy at any time for any reason.

2. In the absence of a contrary directive by the Chief Executive Officer, the Chief Channel Infrastructure Officer is responsible for this Policy's implementation and is the contact for its interpretation.

I. Supersedes Prior Policies. This Policy supersedes and replaces any prior policies adopted by the Port Commission regarding way permitting and licensing activities on Port Authority owned and managed properties.

J. Non-binding Statement of Intent. This Policy is a nonbinding statement of intent, which does not create a property interest in any person, does not constitute a contractual obligation of the Port Authority to others, and does not waive any of the Port Authority's immunities under law, including the Port Authority's immunity from suit and its immunity from liability. The Port Authority reserves the right to assert every defense to any claim that is available to it under law.

K. Adoption. This Policy was adopted by the Port Commission on _____, 2025, as evidenced by Minute No. _____.

Policy Owner: Channel Infrastructure Division

Policy Version: 1.0

H. CHANNEL INFRASTRUCTURE

Subject	1. Approve the renewal of the expiring Port Authority pipeline license for a thirty-year term for the following entity: CenterPoint Energy Resources Corporation; and approve the renewal of the expiring Port Authority transmission line licenses for ten-year terms for the following entity: CenterPoint Energy Houston Electric, LLC.
Meeting	Apr 29, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 29, 2025 meeting, authorize the Port Authority to renew expiring Port Authority pipeline license for a thirty-year term for the following entity: CenterPoint Energy Resources Corporation; and approve the renewal of the expiring Port Authority transmission line licenses for ten-year terms for the following entity: CenterPoint Energy Houston Electric, LLC, and further authorize the Chief Executive Officer 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 Infrastructure Real Property

Staff Contact:
Garry McMahan/Chris Gossett

Background:
The natural gas pipeline licensee listed below has applied to renew licenses:

30-Year Term

Company	File No.	License Fee*
CenterPoint Energy Resources Corporation	2005-0339	\$4,772
Total		\$4,772

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

10-Year Term

Company	File No.	License Fee*
CenterPoint Energy Houston Electric, LLC	2013-0013	\$3,804
CenterPoint Energy Houston Electric, LLC	2013-0134	\$1,902
CenterPoint Energy Houston Electric, LLC	2014-0124	\$3,804
CenterPoint Energy Houston Electric, LLC	2014-0187	\$2,474
CenterPoint Energy Houston Electric, LLC	2015-0074	\$4,188
CenterPoint Energy Houston Electric, LLC	2015-0076	\$4,948
Total		\$21,120

Staff Evaluation/Justification:

The applications were reviewed and approved by the Port Authority's Channel Infrastructure Real Property 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.

H. CHANNEL INFRASTRUCTURE

Subject	2. Approve the renewal of expiring Port Authority pipeline licenses for thirty-year terms for the following entities: Dow Hydrocarbons and Resources LLC, Phillips 66 Carrier LLC, and Valero Refining-Texas, LP.
Meeting	Apr 29, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 29, 2025 meeting, authorize the Port Authority to renew expiring Port Authority pipeline licenses for thirty-year terms for the following entities: Dow Hydrocarbons and Resources LLC, Phillips 66 Carrier LLC, and Valero Refining-Texas, LP; and further authorize the Chief Executive Officer 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 Infrastructure Real Property

Staff Contact:

Garry McMahan/Chris Gossett/Mollie Powell

Background:

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

30-Year Term

Company	File No.	License Fee*
Dow Hydrocarbons and Resources LLC	2001-0001	\$57,020
Phillips 66 Carrier LLC	2015-0001	\$41,866
Valero Refining-Texas, LP	2004-0325	\$38,146
Valero Refining-Texas, LP	2014-0436	\$47,587
Valero Refining-Texas, LP	1991-0164	\$1,831
Total		\$186,450

*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 Infrastructure Real Property 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.

H. CHANNEL INFRASTRUCTURE

Subject	3. Issue a pipeline license to Bluebonnet Pipeline LLC for a six-inch pipeline crossing the Southside Mainline railroad right-of-way in two locations.
Meeting	Apr 29, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 29, 2025 meeting, authorize a pipeline license to Bluebonnet Pipeline LLC for a six-inch pipeline crossing the Southside Mainline railroad right-of-way in two locations, and further authorize the Chief Executive Officer 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 Infrastructure Real Property

Staff Contact:

Garry McMahan/Mollie Powell

Background:

Bluebonnet Pipeline LLC, Port Authority File No. 2025-0071, has applied for a pipeline license for a six-inch pipeline crossing the Southside Mainline railroad right-of-way in two locations, in the James Seymour Survey, A-698 and the Thomas Earle Survey, A-18. The pipeline would deliver ethylene products from its Morgan's Point facility to customers north of Highway 225 along the Houston Ship Channel.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Infrastructure Real Property department and Port Terminal Railroad Association. The license is subject to the Port Authority's usual terms and conditions for a thirty-year license and at a fee of \$26,076 for the first ten years of the term. The \$1,000 application fee and the \$10,000 as-built deposit have been paid.

Staff recommends approval.

H. CHANNEL INFRASTRUCTURE

Subject	4. Issue a transmission line license to Comcast of Houston, LLC for one fiber optic/communication line under the Port Terminal Railroad Association Southside Mainline railroad right-of-way at 75th Street.
Meeting	Apr 29, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 29, 2025 meeting, authorize a transmission line license to Comcast of Houston, LLC for one fiber optic/communication under the Port Terminal Railroad Association Southside Mainline railroad right-of-way at 75th Street, and further authorize the Chief Executive Officer 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 Infrastructure Real Property

Staff Contact:

Garry McMahan/Chris Gossett

Background:

Comcast of Houston, LLC, Port Authority File No. 2025-0073, has applied for a transmission line license for one fiber optic/communication line under the Port Terminal Railroad Association Southside Mainline railroad right-of-way at 75th Street, in the John R Harris Survey, A-27, to provide service for 7305 Navigation Boulevard.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Infrastructure Real Property department and the Port Terminal Railroad Association. The license is subject to the Port Authority's usual terms and conditions for a ten-year license and at a fee of \$1,902. The \$1,000 application fee and the \$10,000 as-built deposit have been paid.

Staff recommends approval.

H. CHANNEL INFRASTRUCTURE

Subject	5. Issue a marine construction permit to Kirby Inland Marine, LP to dredge a 6.26-acre area in Old River near Lost Lake Placement Area.
Meeting	Apr 29, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 29, 2025 meeting, authorize the Port Authority to issue a marine construction permit to Kirby Inland Marine, LP to dredge a 6.26-acre area in Old River near Lost Lake Placement Area, and further authorize the Chief Executive Officer 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 Infrastructure Real Property

Staff Contact:

Garry McMahan/Mollie Powell

Background:

Kirby Inland Marine, LP, (Kirby) Port Authority File No. 2025-0083, has applied for a marine construction permit to dredge a 6.26-acre area in Old River, removing approximately 91,500 cubic yards of dredged material to -10 feet Mean Lower Low Water with a 1-foot overdredge tolerance, near Lost Lake Placement Area. This project is in conjunction with a barge fleeting lease (Port Authority File No. 2021-0150, Albatross Industrial Houston Fund, LP) and marine construction permit (Port Authority File No. 2021-0151, Albatross Industrial Houston Fund, LP) for dredging of the 12.51 acres immediately adjacent to the project area. Kirby is a sublessee under the Albatross barge fleeting lease.

The dredged material would be placed in an undetermined federal or private placement facility.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Infrastructure Real Property department. The \$1,000 application fee has been paid.

Staff recommends approval.

H. CHANNEL INFRASTRUCTURE

Subject	6. Amend a marine construction permit issued to Kinder Morgan Liquids Terminals LLC to install a new firewater pump building and firewater intake pipe at its existing dock facility in Pasadena, Texas.
Meeting	Apr 29, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 29, 2025 meeting, authorize the Port Authority to amend a marine construction permit issued to Kinder Morgan Liquids Terminals LLC to install a new firewater pump building and firewater intake pipe at its existing dock facility in Pasadena, Texas, and further authorize the Chief Executive Officer 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 Infrastructure Real Property

Staff Contact:

Garry McMahan/Chris Gossett

Background:

By Minute No. 2007-0626-20, the Port Commission authorized issuance of a marine construction permit to Kinder Morgan Liquids Terminals, LLC for maintenance modifications to its existing Pasadena Ship Dock 1.

Kinder Morgan Liquids Terminals, LLC, Port Authority File No. 2007-0235, has applied to amend this marine construction permit to install a new firewater pump building and firewater intake pipe at its existing dock facility in Pasadena, Texas in the William Vince Survey, A-78.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Infrastructure Real Property department. The \$1,000 application fee and \$10,000 as-built deposit fee has been paid.

Staff recommends approval.

I. COMMERCIAL

Subject	1. Approve (i) an amendment to the lease with Matthews Brothers Dredging, LLC for approximately 0.443 acres out of Block 4 at Sims Bayou to extend the term for two years, effective no earlier than July 1, 2025, at an annual base rent of \$10,554.35, subject to annual base rent escalation of the greater of 3% or increase in the Consumer Price Index, and (ii) a non-exclusive, two-year license with the company for approximately 0.416 acres out of the adjacent Block 4A, to run coterminously with the lease, at an annual fee of \$6,600.
Meeting	Apr 29, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 29, 2025 meeting, approve (i) an amendment to the lease with Matthews Brothers Dredging, LLC for approximately 0.443 acres out of Block 4 at Sims Bayou to extend the term for two years, effective no earlier than July 1, 2025, at an annual base rent of \$10,554.35, subject to annual base rent escalation of the greater of 3% or increase in the Consumer Price Index, and (ii) a non-exclusive, two-year license with the company for approximately 0.416 acres out of the adjacent Block 4A, to run coterminously with the lease, at an annual fee of \$6,000, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	<p>Strategic Objective MARITIME ECONOMIC DEVELOPMENT - CHANNEL Advocate for the Houston Ship Channel</p> <p>Strategic Objective PEOPLE AND ORGANIZATION - CAPITAL Ensure Fiscal Responsibility</p> <p>PEOPLE AND ORGANIZATION Foster a collaborative, results-oriented organization and culture of shared leadership.</p>
Category:	
Leases	
Department:	
Real Estate	
Staff Contact:	
Isaac W. Kyle/Diana Sechler	
Background:	
By Minute No. 2021-0622-11, the Port Commission approved a (i) two-year lease with Matthews Brothers Dredging, Inc. (Matthews Brothers) for approximately 0.443 acres out of Block 4 at Sims Bayou, and (ii) a non-exclusive, two-year license with Matthews Brothers for approximately 0.416 acres out of the adjacent Block 4A, to run coterminously with the lease. Both properties are used for parking vehicles and making crew changes in connection with dredging operations for certain parts of the Houston Ship Channel for the U.S. Army Corps of Engineers.	
By Minute No. 2023-0627-17, the Port Commission approved a (i) two-year amendment to the lease with Matthews Brothers for approximately 0.443 acres out of Block 4 at Sims Bayou, and (ii) a non-exclusive, two-year license with the company for approximately 0.416 acres out of the adjacent Block 4A, to run coterminously with the lease.	

Matthews Brothers has now requested that the Port Authority extend the lease term for an additional two years and enter into a new two-year license for the properties described above and intends to continue to use the properties for the purpose described above.

Staff Evaluation/Justification:

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

I. COMMERCIAL

Subject	2. Approve an amendment to the lease with Houston International Seafarers' Center Inc. to reduce the leased premises area at the 9650 High Level Road building located at Turning Basin Terminal to approximately 6,315 square feet, effective no earlier than June 1, 2025.
Meeting	Apr 29, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 29, 2025 meeting, approve an amendment to the lease with Houston International Seafarers' Center Inc. to reduce the leased premises area at the 9650 High Level Road building located at Turning Basin Terminal to approximately 6,315 square feet, effective no earlier than June 1, 2025, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	<p>Strategic Objective PARTNERSHIPS - CONNECTION Drive Regional Impact Projects</p> <p>Strategic Objective PEOPLE AND ORGANIZATION - CAPITAL Ensure Fiscal Responsibility</p> <p>PEOPLE AND ORGANIZATION Foster a collaborative, results-oriented organization and culture of shared leadership.</p>

Category:

Leases

Department:

Real Estate

Staff Contact:

Isaac W. Kyle/Diana Sechler

Background:

By Minute No. 2015-0623-16, the Port Commission approved a thirty-year lease agreement with the Houston International Seafarer's Center (HISC), effective August 1, 2015 for occupancy, for approximately 8,290 square feet of exclusive-use space, approximately 170 square feet of interior common area space at the 9650 High Level Road building adjoining the Executive Office Building.

The property is used by the tenant in furtherance of its mission of service to seafarers working at the Port of Houston.

HISC has proposed an amendment to the lease to reduce the area of the leased premises, and remove the required uses at the site. HISC would remove certain tenant improvements and fixtures from the space it is relinquishing and carry out any necessary repair work for the 1,975 square feet space returning to the Port Authority.

The annual rental rate remains at \$100 per year.

Staff Evaluation/Justification:

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

I. COMMERCIAL

Subject	3. Approve a lease with Suderman Contracting Stevedores, Inc. d/b/a Metro Ports, for a four-year term commencing May 1, 2025, with a one-year mutual option to renew, for approximately 10.74-acres at Block 10 of Northside Turning Basin, at an annual base rent of approximately \$514,918.31, subject to annual base rent escalation of the greater of 3% or the increase in the Consumer Price Index.
Meeting	Apr 29, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 29, 2025 meeting, approve a lease with Suderman Contracting Stevedores, Inc. d/b/a Metro Ports, for a four-year term commencing May 1, 2025, with a one-year mutual option to renew, for approximately 10.74-acres at Block 10 of Northside Turning Basin, at an annual base rent of approximately \$514,918.31, subject to annual base rent escalation of the greater of 3% or the increase in the Consumer Price Index, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Leases

Department:

Real Estate

Staff Contact:

Isaac W. Kyle/Jared Atabuatsi

Background:

The Port Commission previously approved a lease agreement (Minute No. 2023-0126-11) with Suderman Contracting Stevedores, Inc. d/b/a Metro Ports (Metro Ports) for approximately 10.74-acres within Block 10 at the Northside Turning Basin, with a one-year term and a one-year mutual renewal option. That lease has since expired, and Metro Ports remains in holdover status (PHA File No. 2023-0010).

Metro Ports has now requested that the Port Authority enter into a new lease for the same premises, proposing a four-year term.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve the proposed lease with Metro Ports on the terms described above.

I. COMMERCIAL

Subject	4. Approve a Memorandum of Understanding with Harris County to survey future access areas over 2.0654-acre and 1.4655-acre site areas within the Harris County Beltway 8 Bridge right-of-way.
Meeting	Apr 29, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 29, 2025 meeting, approve a Memorandum of Understanding with Harris County to survey future access areas over 2.0654-acre and 1.4655-acre site areas within the Harris County Beltway 8 Bridge right-of-way located in Harris County Precinct 2, and the Parties plan to swap permanent road easements for the properties, and further authorize the Chief Executive Officer to any and all things in their opinion necessary to give effect to the foregoing.
Goals	<p>Strategic Objective PARTNERSHIPS - CONNECTION Drive Regional Impact Projects</p> <p>Strategic Objective MARITIME ECONOMIC DEVELOPMENT - CHANNEL Advocate for the Houston Ship Channel</p> <p>PARTNERSHIPS Expand regional maritime opportunities and enhance collaboration with stakeholders.</p>

Category:

General

Department:

Real Estate

Staff Contact:

Isaac W. Kyle/Jared Atabuatsi

Background:

Harris County has previously granted to the Port Authority a temporary access license for ingress and egress access across its Beltway 8 right-of-way to support Project 11 activities.

The Port Authority and Harris County now propose a Memorandum of Understanding (MOU) setting forth the parties' intention to conduct survey work to support a future agreement setting out easements that would be exchanged between the parties. The easement swap will support Harris County's development of the Beltway 8 bridge and other county activities, and provide continued support of the Port Authority's Project 11 activities, and in the latter instance take the place of the Port Authority's access license.

Both the Port Authority and Harris County are responsible for funding their feasibility costs, completing preliminary engineering, environmental studies, and obtaining the funding necessary to support the easement swap. The MOU remains pending approval by Commissioners Court as of April 29, 2025.

Staff Evaluation/Justification:

Staff has determined that it is in the best interests of the Port Authority to enter into this MOU and recommends the Port Commission authorize the Port Authority to enter into it.

J. FINANCE

Subject	1. Approve the Port Authority's Fiscal Year 2024 Annual Comprehensive Financial Report.
Meeting	Apr 29, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 29, 2025 meeting, approve the fiscal year 2024 Annual Comprehensive Financial Report (ACFR), including the Report of Independent Public Accountants prepared by Forvis Mazars, LLP dated April 29, 2025, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective PEOPLE AND ORGANIZATION - CAPITAL Ensure Fiscal Responsibility

Category:

General

Department:

Accounting

Staff Contact:

Curtis Duncan

Background:

Texas Water Code Sections 60.002 and 49.191 requires that the Port Authority to secure an annual audit by a certified public accountant or a public accountant holding a license from the Texas State Board of Public Accountancy. In addition, Texas Water Code, Section 49.194, requires the Port Authority's governing body to approve the audit report annually and ensure that a copy of the report is submitted with an accompanying filing affidavit to the Executive Director of the Texas Commission on Environmental Quality (TCEQ) within 135 days after the close of the Port Authority's fiscal year.

Staff Evaluation/Justification:

Forvis Mazars, LLP, the Port Authority's external auditor, has completed its audit of the Port Authority's financial statements for the fiscal year ended December 31, 2024, and staff has provided the Port Commission with the latest draft of the Port Authority's fiscal year 2024 Annual Comprehensive Financial Report (ACFR), which includes the firm's Report of Independent Public Accountants dated April 29, 2025.

The Audit Committee and staff recommend that the Port Commission formally approve the 2024 ACFR, where after the Chief Executive Officer of the Port Authority will submit the ACFR, along with the required filling affidavit, to the Executive Director of the TCEQ.

K. INFRASTRUCTURE

Subject	1. Approve staff's selection of four vendors and award professional services contracts, each in an amount not to exceed \$100,000, to perform construction material testing (CMT) services for four large projects at various Port Authority locations to the following proposers: Tolunay-Wong Engineers, Inc., Aviles Engineering Corporation, HVJ Associates, Inc., and UES Professional Solutions 44, LLC.
Meeting	Apr 29, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 29, 2025 meeting, approve staff's ranking of vendor and award four vendors and award two-year professional services contracts, each in the amount of \$100,000, to perform construction material testing (CMT) services for four large projects at various Port Authority locations to the following proposers: Tolunay-Wong Engineers, Inc., Aviles Engineering Corporation, HVJ Associates, Inc., and UES Professional Solutions 44, LLC., and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective MARITIME ECONOMIC DEVELOPMENT - CARGO Maximize Capacity and Regional Competitiveness

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

This procurement would provide construction material testing (CMT) services for large projects at all terminals. Per Section 60.463(c) of the Texas Water Code, in certain circumstances, the Port Authority is required to hire a third-party inspection firm to independently test the acceptability of construction materials installed by the contractor. This procurement would provide such third-party inspection services for the following projects, including additional future large projects as necessary.

- Port Coordination Center at Turning Basin Terminal;
- Maintenance Annex Building at Bayport Terminal;
- Central Maintenance Building at Turning Basin Terminal;
- Southern Access Road at Bayport Terminal; and
- Other potential projects.

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

Staff Evaluation/Justification:

On January 29, 2025, twelve RFQ responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the selection criteria published in the RFQ.

Following staff Executive Committee review, staff recommends that the Port Commission award four professional services contracts to the most highly qualified firms as described above, each in the amount of \$100,000, and act as otherwise described above.

K. INFRASTRUCTURE

Subject	2. Award a professional services contract to Lockwood, Andrews and Newnam, Inc. for the designs of Container Yard 9 and ancillary exit gate for the East End Bayport Container Terminal in an amount not to exceed \$4,011,364.
Meeting	Apr 29, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 29, 2025 meeting, award a professional services contract to Lockwood, Andrews and Newnam, Inc. for the designs of Container Yard 9 and ancillary exit gate for the East End Bayport Container Terminal in an amount not to exceed \$4,011,364, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective MARITIME ECONOMIC DEVELOPMENT - CARGO Maximize Capacity and Regional Competitiveness

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

This project consists of the design of (1) a forty-five-acre container yard featuring 18-inch-thick pavement, grading, utilities, and drainage components, and (2) an ancillary exit gate featuring three pre-check lanes and six inspection lanes over a footprint of five acres.

The designated use of Container Yard 9 would be loaded stacked storage, wheeled reefer, and empty container storage. The ancillary exit gate, located at Container Yard 1-South, would allow for an alternate exit point within the terminal, alleviating additional traffic volume expected at the terminal's east end.

By Minute No. 2023-0221-15, the Port Commission approved the selection of Lockwood, Andrews and Newnam, Inc. as engineer of record for East End at Bayport Terminal. This established a phased design and construction plan for the buildout of the terminal, including the design of Container Yard 8, Container Yard 1-South, Container Yard 9, and the East End Exit Gate. This request follows on the work thereunder.

Staff Evaluation/Justification:

Staff has reviewed Lockwood, Andrews and Newnam, Inc.'s proposal and found it to be fair and reasonable and recommends that the Port Commission approve the proposed contract.

K. INFRASTRUCTURE

Subject	3. Approve the hiring of Corrie Yaw as a consultant to provide project and construction management services for the new Port Authority tour boat and new Administration Building, and other projects as requested by the Port Authority in an amount not to exceed \$197,840.
Meeting	Apr 29, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 29, 2025 meeting, approve the hiring of Corrie Yaw as a consultant to provide project and construction management services for the new Port Authority tour boat and new Administration Building, and other projects as requested by the Port Authority in an amount not to exceed \$197,840, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

Corrie Yaw, P.E., Project Manager, plans to relocate at the end of April 2025, after providing two and a half years of service to the Port Authority. Ms. Yaw has been working as the Project Manager in the Project and Construction Management Department, managing a variety of capital design and construction projects. In addition, her projects have included the management of the design and fabrication of a new Port Authority tour boat and the design and construction of the new Port Authority Administrative Building. Based on her knowledge of these two high-priority projects and her role in the completion of these projects, staff believes she can play a critical role in helping to achieve successful results in both projects, and Ms. Yaw has expressed a willingness to work as a consultant to the completion of both projects.

The Port Authority's Code of Ethics prohibits the Port Authority from entering into certain contracts with former employees who worked for the Port Authority in the preceding twelve months without the specific approval of the Port Commission. In accordance with that requirement, staff is seeking the Port Commission's approval before re-hiring Ms. Yaw as a consultant.

Staff Evaluation/Justification:

Staff recommends that the Port Commission approve the hiring of Ms. Yaw as a consultant to provide services relating to the completion of the design and fabrication of a new Port Authority tour boat and for the design and construction of the new Port Authority Administrative Building, and other projects as requested by the Port Authority.

K. INFRASTRUCTURE

Subject	4. Approve a change order with Russell Marine, Inc. to perform additional work associated with the construction of Wharf 7 at Bayport Container Terminal in an amount not to exceed \$971,904.
Meeting	Apr 29, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 29, 2025 meeting, approve a change order with Russell Marine, Inc. to perform additional work associated with the construction of Wharf 7 at Bayport Container Terminal in an amount not to exceed \$971,904, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective MARITIME ECONOMIC DEVELOPMENT - CARGO Maximize Capacity and Regional Competitiveness

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2023-0926-30, the Port Commission awarded a contract to Russell Marine, Inc. for the construction of Wharf 7 at Bayport Container Terminal.

This proposed change order addresses:

- Differing site conditions at the existing Container Yard 7 outfall (RFI-059); and
- Dredging and disposal quantity overruns.

This is the tenth change order to this contract, for a total change order value to date of \$5,994,176, which is 5% of the total contract value.

Staff Evaluation/Justification:

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

L. MAINTENANCE

Subject	1. Approve staff's ranking of vendors and award a two-year contract in an amount not to exceed \$2,200,000 for mowing services and landscape maintenance at Bayport Container Terminal and Turning Basin Terminal to the top-ranked proposers: staff ranking - first, Yellowstone Landscape; second, Ambassador Services, LLC; and third, SMC Landscape Services.
Meeting	Apr 29, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 29, 2025 meeting: (a) approve staff's ranking of the most qualified vendors, based on the selection criteria, in the following order - first, Yellowstone Landscape; second, Ambassador Services, LLC; and third, SMC Landscape Services; (b) award a two-year contract to the top-ranked vendor for mowing services and landscape maintenance at Bayport Container Terminal and Turning Basin Terminal, in an amount not to exceed \$2,200,000; (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and (d) further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective MARITIME ECONOMIC DEVELOPMENT - CARGO Maximize Capacity and Regional Competitiveness

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Mike Gignac

Background:

By Minute No. 2022-0802-37, the Port Commission awarded a two-year contract to Yellowstone Landscape for mowing services and landscape maintenance for Turning Basin Terminal in the amount not to exceed \$900,000. Mowing services and landscape maintenance are defined as tractor and finish mowing and landscaping at several Port Authority locations. This contract has now expired and funds have been nearly depleted.

The Port Authority notified vendors regarding its request for competitive sealed proposals (CSP) for mowing services and landscape maintenance for Bayport Container Terminal and Turning Basin Terminal using the Port Authority's Buyspeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Nine vendors downloaded the project materials from Buyspeed.

Staff Evaluation/Justification:

On March 13, 2025, four CSP responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the selection criteria published in the CSP. Staff identified the following vendors, listed in order of ranking, as providing best value for the required services:

- Yellowstone Landscape
- Ambassador Services, LLC
- SMC Landscape Services

Following staff Executive Committee review, staff recommends that the Port Commission award a two-year contract to Yellowstone Landscape and act as otherwise described above.

L. MAINTENANCE

Subject	2. Award a two-year contract to MNI Diesel, LLC for the purchase of miscellaneous filters for terminal equipment at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$550,000.
Meeting	Apr 29, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 29, 2025 meeting, award a two-year contract to MNI Diesel, LLC for the purchase of miscellaneous filters for terminal equipment at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$550,000, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective MARITIME ECONOMIC DEVELOPMENT - CARGO Maximize Capacity and Regional Competitiveness

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute No. 2022-0802-41, the Port Commission awarded a two-year contract to Houston-Pasadena Apache Oil Company for the purchase of miscellaneous filters for terminal equipment at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in the amount not to exceed \$500,000. The current contract has expired with less than twenty percent of funds remaining.

Filters are essential for the proper maintenance of equipment, including one hundred and forty-seven rubber-tired gantry (RTG) cranes and over six hundred vehicles, forklifts, and landscaping equipment. Units may require one to seven filters for fuel, coolant water, air, engine, transmission, and hydraulic oils.

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

Staff Evaluation/Justification:

On March 20, 2025, three CSB responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the published selection criteria.

Following staff Executive Committee review, staff recommends that the Port Authority award a two-year contract to MNI Diesel, LLC, the responsible bidder submitting the lowest and best bid, for the purchase of miscellaneous filters for terminal equipment at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal.

L. MAINTENANCE

Subject	3. Award a two-year contract to Monument Chevrolet for the purchase of General Motors parts and related services for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal, using a Sourcewell cooperative purchase program contract, in an amount not to exceed \$600,000.
Meeting	Apr 29, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 29, 2025 meeting, award a two-year contract to Monument Chevrolet for the purchase of General Motors parts and related services for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal, using a Sourcewell cooperative purchase program contract, in an amount not to exceed \$600,000, determine that this procurement method provides the best value to the Port Authority, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective MARITIME ECONOMIC DEVELOPMENT - CARGO Maximize Capacity and Regional Competitiveness

Category:

Award, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Mike Gignac

Background:

By Minute No. 2022-0524-34, the Port Commission awarded a two-year contract to Monument Chevrolet for the purchase of General Motors parts and related services for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in the amount of \$300,000. Contract funds have been depleted.

Monument Chevrolet is the only General Motors (GM) dealership located near the Port Authority's maintenance shops and has partnered with GM to offer a Government Fleet Program through the Sourcewell cooperative purchase program. This allows for seamless warranty work, discounted parts, and related services.

In addition, this cooperative allows the Port Authority to enter the GM Government Fleet Program, which gives the Port Authority shops access to exclusive GM tools, software, tools and knowledge centers that are only available to GM shops. Furthermore, Port Authority shops gain access to instructor-led courses for electric vehicles, and Continuing Education Units for Port Authority mechanics by certified GM Technicians.

Staff Evaluation/Justification:

The Procurement Services Department has determined that procuring the two-year purchase agreement for General Motors parts and related services through a Sourcewell cooperative purchase program contract is the method that both satisfies competitive purchase requirements and provides the best value to the Port Authority.

The Maintenance Department has determined that the best availability, price, and contract term for the items needed are provided by Monument Chevrolet under the pricing schedule obtained from that vendor's contract with Sourcewell cooperative purchase program and is therefore recommending this purchase.

Accordingly, staff recommends that the Port Commission approve this best value determination and contract.

L. MAINTENANCE

Subject	4. Issue a purchase order to Tennant Company for the purchase of one Tennant S30 sweeper for Turning Basin Terminal, using Local Government Purchasing Cooperative's BuyBoard, a cooperative purchase program, in a total amount not to exceed \$97,000.
Meeting	Apr 29, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 29, 2025 meeting, issue a purchase order to Tennant Company for the purchase of one Tennant S30 Sweeper for Turning Basin Terminal, using Local Government Purchasing Cooperative's BuyBoard, a cooperative purchase program, in a total amount not to exceed \$97,000, determine that this procurement method provides the best value to the Port Authority, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	MARITIME ECONOMIC DEVELOPMENT Facilitate safe navigation and grow maritime commerce within the Houston Ship Channel complex.

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Mike Gignac

Background:

The Central Maintenance department, with recommendations from the Port Operations department, prepared specifications for the purchase of one sweeper for Turning Basin Terminal. This sweeper is smaller than others and would be able to get into smaller spaces for cleaning. This unit would be used daily for cleaning up wharves and the upper and lower-level roads.

Staff Evaluation/Justification:

The Procurement Services department has determined that procuring a Tennant S30 Sweeper through the BuyBoard program is the method that both satisfies competitive purchase requirements and provides the best value to the Port Authority.

The BuyBoard website lists many pre-approved equipment providers. Staff researched several such providers and determined that the Tennant S30 Sweeper is the model that best meets the Port Authority's requirements and that Tennant Company is the vendor with the best price for that model, and its pricing for the selected model was reviewed and approved by BuyBoard.

Staff recommends that the Port Commission approve this best value determination and issuance of a purchase order to Tennant Company for the purchase of one Tennant S30 Sweeper for Turning Basin Terminal.

M. OPERATIONS

Subject	1. Amend the Section 559 Reimbursable Services Agreement and Memorandum of Understanding with U.S. Customs and Border Protection in an amount not to exceed \$1,000,000 to cover a projected three years of reimbursement for overtime services.
Meeting	Apr 29, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 29, 2025 meeting, authorize amendment of the Section 559 Reimbursable Services Agreement and Memorandum of Understanding with U.S. Customs and Border Protection in an amount not to exceed \$1,000,000 to cover a projected three years of reimbursement for overtime services, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:
General

Department:
Operations

Staff Contact:
Jennifer Aksoy

Background:

U.S. Customs and Border Protection (CBP) mandates that all import containers exiting United States terminals have Radiation Portal Monitor (RPM) inspections performed by U.S. Customs and Border Protection (CBP). These inspections are carried out as containers exit Port Authority facilities during normal gate operating hours.

Port Authority customers routinely request container deliveries outside CBP's normal operating hours, and the Port Authority also occasionally requests that CBP provide services outside its normal operating hours to improve operational efficiencies. CBP funds a limited number of hours for these operations and allows the industry to fund additional hours through the Section 559 program.

By Minute No. 2014-1216-56, the Port Commission authorized the Port Authority to enter into a Section 559 Reimbursable Services Agreement (Agreement) and Memorandum of Understanding (MOU) that set forth the terms and conditions relating to the provision of services and reimbursement of CBP for the performance of these services. The Agreement has been standardized by CBP for national use, while the MOU includes operating parameters agreed upon by Port Authority staff and CBP's local port director and staff. CBP's services under the program may include not only additional RPM inspection services but also other container inspection services, such as agriculture and Vehicle and Cargo Inspection System inspections.

By Minute Nos. 2016-0322-40 and 2018-0416-27, the Port Commission approved two additional increases of \$150,000 for reimbursement of CBP overtime services, and by Minute Nos. 2018-1212-34 and 2021-0223-40, the Port Commission approved two additional increases of \$400,000. Finally, by Minute Nos. 2022-0426-34, the Port Commission approved additional increases of \$1,000,000 for reimbursement of CBP overtime services.

Staff Evaluation/Justification:

Because the Port Authority frequently receives requests from customers to extend the hours of RPM gate operations at the Port Authority's container handling facilities, amending the Agreement and the MOU would enable the Port Authority to provide additional CBP services needed by its customers and to obtain additional CBP services when needed for its operations. If the amendment of the agreement is approved by the Port Commission, the Port Authority would continue to pass through CBP's charges to customers requesting the additional services, and pay the costs itself when the services are for the Port Authority's direct benefit.

Based on the current usage rate to support the needs of industry partners, staff expect \$1,000,000 to cover the need for three years of CBP's man-hours available under the program.

Staff recommends the Port Commission approve these amendments.

N. PEOPLE

Subject	1. Ratify an amendment to the agreement with CARCO Group, Inc. dba Cisive for background check services for an additional amount not to exceed \$18,000 and further amend the agreement for an additional amount not to exceed \$25,000.
Meeting	Apr 29, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 29, 2025 meeting, ratify an amendment to the agreement with CARCO Group, Inc. dba Cisive for background check services for an additional amount not to exceed \$18,000 and further amend the agreement for an additional amount not to exceed \$25,000, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Human Resources

Staff Contact:

Jessica Shaver

Background:

The Port Authority entered into an agreement with CARCO Group, Inc. dba Cisive to perform background checks on applicants and employees for two years starting November 1, 2020, for an amount not to exceed \$45,000. That agreement was extended via amendment for an additional two years for an additional amount not to exceed \$45,000. In August 2024, the agreement was further amended for an additional amount not to exceed \$18,000, bringing the total not-to-exceed amount to \$108,000.

Staff anticipates needing an additional \$25,000 to cover background check services through June 2025, at which time staff anticipates it would have completed a procurement process to award a new contract for background check services.

Staff Evaluation/Justification:

CARCO Group, Inc. dba Cisive has performed its services under the agreement satisfactorily and staff recommends that the agreement be amended to continue to provide services.

In accordance with the change order guidelines set forth in the Port Authority Procurement Manual, because the aggregate amount of the contract has exceeded \$100,000, staff recommends the Port Commission ratify the amendment with CARCO Group, Inc. dba Cisive for an additional amount not to exceed \$18,000 and further amend the agreement for an additional amount not to exceed \$25,000.

O. SECURITY AND EMERGENCY OPERATIONS

Subject	1. Approve staff's ranking of vendors and award a three-year contract, with unilateral option for one additional two-year term, in an amount not to exceed \$24,785,531 for unarmed, uniformed security officer services to the top-ranked proposer: staff ranking – first, GardaWorld; second, Marksman Security Corporation; and third, Sunstates Security.
Meeting	Apr 29, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 29, 2025 meeting: (a) approve staff's ranking of most qualified vendors, based on selection criteria, in the following order - first, GardaWorld; second, Marksman Security Corporation; and third, Sunstates Security; (b) award a three-year contract, with unilateral option for one additional two-year term to GardaWorld for unarmed, uniformed security officer services in an amount not to exceed \$24,785,531; (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and (d) further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	MARITIME ECONOMIC DEVELOPMENT Facilitate safe navigation and grow maritime commerce within the Houston Ship Channel complex.

Category:

Awards, Amendments & Change Orders

Department:

Security

Staff Contact:

Jessica Thomas

Background:

By Minute No. 2020-0520-39, the Port Commission awarded the unarmed, uniformed security officer services contract in an amount not to exceed \$21,000,000 for three years, with the option for one additional two-year term to AlliedUniversal Security Services LLC. This contract expires July 31, 2025, and staff expects that at least 90 days will be required to transition service providers.

The Port Authority seeks a new contract to obtain unarmed, uniformed Security Officer services for all Port Authority terminals and gates to meet legally required mandates of the United States Coast Guard and the Maritime Transportation Security Act of 2002.

The Port Authority notified vendors regarding its request for proposals (RFP) using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Thirty-eight vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On February 26, 2025, nine RFP responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the selection criteria published in the RFP. Staff identified the following vendors, listed in order of ranking, as providing best value for the required services:

- GardaWorld
- Marksman Titan Security Group
- Sunstates Security

Following staff Executive Committee review, staff recommends that the Port Authority award a three-year contract, with the option for one additional two-year term, to GardaWorld and act as otherwise described above.

P. TECHNOLOGY

Subject	1. Issue a purchase order to CyberOne for purchase of the Next Generation (NXGEN) INFOSEC selected managed detection and response services, using the Texas Department of Information Resources cooperative purchase program, in an amount not to exceed \$1,551,000.
Meeting	Apr 29, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 29, 2025 meeting, issue a purchase order to CyberOne for purchase of the Next Generation (NXGEN) INFOSEC selected managed detection and response services, using the Texas Department of Information Resources cooperative purchase program, in an amount not to exceed \$1,551,000, determine that this procurement method provides the best value to the Port Authority, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

James O'Brien/Charles Thompson

Background:

As cyber threats continue to evolve in sophistication and frequency, ensuring robust cybersecurity defenses remains a top priority. The Port Authority has leveraged Managed Detection and Response (MDR) services to enhance its ability to detect, analyze, and respond to cyber threats in real time. MDR provides 24/7 monitoring, advanced threat intelligence, and rapid incident response, which are critical components of a resilient security strategy.

By continuing with MDR services, the Port Authority will obtain the following:

- MDR services aligned with the Information Technology (IT) Master Plan Alignment– NXGEN INFOSEC workstream.
- Proactive threat detection, identifying and mitigating risks before they escalate.
- Rapid incident response, minimizing potential damage through swift containment and remediation.
- Expert security operations, leveraging external cybersecurity expertise to supplement internal capabilities.
- Regulatory and compliance alignment meeting industry security standards and requirements.

Given the increasing complexity of cybersecurity threats and the need for continuous monitoring, continuing with MDR services is a strategic investment in protecting the organization's assets, operations, and reputation.

Accordingly, the Port Authority is seeking to obtain NXGEN INFOSEC MDR services through the Texas Department of Information Resources (DIR), a department of the State of Texas that offers cooperative purchasing programs that the Port Authority may use.

Staff Evaluation/Justification:

The Procurement Services department has determined that procuring NXGEN INFOSEC MDR services through the Texas DIR purchasing program is the method that both satisfies competitive purchase requirements and provides best value to the Port Authority.

The Information Technology department has determined that the best availability, price, and contract term for the item needed is provided by CyberOne under the pricing schedule obtained from that vendor's contract with DIR, and is therefore recommending this purchase.

Accordingly, staff recommends that the Port Commission approve this best value determination and contract.

P. TECHNOLOGY

Subject	2. Issue a purchase order to CyberOne for purchase of the Next Generation (NXGEN) INFOSEC selected security information and event management solution, using the Texas Department of Information Resources cooperative purchase program, in an amount not to exceed \$1,600,000.
Meeting	Apr 29, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 29, 2025 meeting, issue a purchase order to CyberOne for purchase of the Next Generation (NXGEN) INFOSEC selected security information and event management solution, using the Texas Department of Information Resources cooperative purchase program, in an amount not to exceed \$1,600,000, determine that this procurement method provides the best value to the Port Authority, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

James O'Brien/Charles Thompson

Background:

In today's rapidly evolving cybersecurity landscape, organizations must have real-time visibility into their environments to detect, investigate, and respond to threats effectively. Security Information and Event Management (SIEM) solutions have long played a critical role in aggregating and analyzing security events, enabling security teams to identify potential risks and mitigate incidents.

The Port Authority initially adopted a SIEM to centralize log management and improve security operations. While this solution provided foundational capabilities, its limitations in scalability, threat detection efficiency, and automation became evident. Challenges such as limited analytics and difficulty integrating with modern security tools limited the ability to gain deeper insights into security events. Additionally, as cyber threats grow more sophisticated, we need a solution that provides more advanced analytics, behavioral detection, and automation to accelerate threat response became more desirable.

Accordingly, staff has undertaken an initiative to evaluate and transition to a more robust, next-generation SIEM solution, to enhance threat visibility, reduce mean time to detect (MTTD) and respond (MTTR), and improve security operations through deeper analytics, machine learning-driven insights, and seamless integration with our security stack. The new solution would not only provide a more comprehensive view of security threats but also enable greater efficiency through automation and orchestration, empowering our security team to be more proactive in defending against evolving threats.

Accordingly, the Port Authority is now seeking to obtain Next Generation (NXGEN) INFOSEC, a SIEM solution, through the Texas Department of Information Resources (DIR), a department of the State of Texas that has cooperative purchasing programs that the Port Authority may use.

Staff Evaluation/Justification:

The Director of Procurement Services has determined that procuring a NXGEN INFOSEC SIEM solution through the Texas DIR purchasing program is the method that both satisfies competitive purchase requirements and provides best value to the Port Authority.

The Information Technology department has determined that the best availability, price, and contract term for the item needed is provided by CyberOne under the pricing schedule obtained from that vendor's contract with DIR, and is therefore recommending this purchase.

Accordingly, staff recommends that the Port Commission approve this best value determination and contract.

P. TECHNOLOGY

Subject	3. Approve a change order with TRESCOPE Inc., to perform additional work associated with implementation, consulting, and professional services in support of the Next Generation (NXGEN) Enterprise Resource Planning (ERP) project in an amount not to exceed \$136,030.
Meeting	Apr 29, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 29, 2025 meeting, approve a change order with TRESCOPE Inc., to perform additional work associated with implementation, consulting, and professional services in support of the Next Generation (NXGEN) Enterprise Resource Planning (ERP) project in an amount not to exceed \$136,030, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Charles Thompson

Background:

By Minute No. 2023-1212-46, the Port Commission awarded a \$4,070,000 contract to TRESCOPE Inc. for implementation, consulting, and professional services regarding Scope 1A and Scope 2 for the Port Authority's Next Generation (NXGEN) Enterprise Resource Planning (ERP) Project with the following scopes:

- Scope 1A Efforts
 - Configure and implement the IBM Tririga application to align with the business processes of the Real Estate department
- Scope 2 Efforts
 - Configure and implement the IBM Tririga application to align with the business processes of the Project and Construction Management Department and capital projects requirements.
 - Configure and implement the Maximo application to align with the business processes of multiple terminal maintenance departments.

This proposed change order addresses:

- Impacts resulting from the Port Authority's direction to prioritize company project resources toward the engagement of internal reorganization activities.

This is the first change order to TRESCOPE's contract, for a total change order value to date of \$136,030, which is 3.34% of the total contract value.

Staff Evaluation/Justification:

Staff has reviewed the proposal submitted by TRESCOPE Inc., and found it to be fair and reasonable and recommends that the Port Commission authorize this change order.

S. COMMERCIAL

Subject	1. Deliberate and take possible action to declare as surplus and authorize the sale of approximately 67.95 acres of land at Pelican Island for the construction of City of Galveston municipal office and infrastructure buildings on the terms discussed in Executive Session.
Meeting	Apr 29, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 29, 2025 meeting, deliberate and take possible action to declare as surplus and authorize the sale of approximately 67.95 acres of land at Pelican Island for the construction of City of Galveston municipal office and infrastructure buildings on the terms discussed in Executive Session, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Leases

Department:

Real Estate

Staff Contact:

Isaac W. Kyle/Jared Atabuatsi

Background:

The City of Galveston (the City) seeks to purchase an approximately 67.95-acre tract from the Port Authority, to construct municipal offices and infrastructure buildings.

Under Local Government Code Chapter 272.001(l) a political subdivision may donate or sell for less than fair market a designated parcel of land or an interest in real property to another political subdivision if: (1) the land or interest will be used by a political subdivision to which it is donated or sold in carrying out a purpose that benefits the public interest of the donating or selling political subdivision; (2) the donation or sale of the land or interest is made under terms that effect and maintain the public purpose for which the donation or sale is made; and (3) the title and right to possession of the land or interest revert to the donating or selling political subdivision if the acquiring political subdivision ceases to use the land or interest in carrying out the public purpose. In addition, the notice and bidding requirements provided by Subsection (a) do not apply to a donation or sale made under this subsection.

Staff Evaluation/Justification:

Staff recommends the Port Commission deliberate and take possible action as described above, on the terms discussed in the executive session.

T. EXECUTIVE

Subject	1. Deliberate and take possible action to authorize an interlocal agreement with the City of Galveston to provide advance funding totaling \$2 million and right-of-way property, to help satisfy Galveston's local sponsor obligations for the Pelican Island Bridge Project, and declare as surplus an approximately 13.78 acre Pelican Island parcel and authorize its conveyance in connection therewith.
Meeting	Apr 29, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	At its April 29, 2025 meeting the Port Commission deliberate and take possible action to authorize an interlocal agreement with the City of Galveston to provide advance funding totaling \$2 million and right-of-way property, to help satisfy Galveston's local sponsor obligations for the Pelican Island Bridge Project, and declare as surplus an approximately 13.78 acre Pelican Island parcel and authorize its conveyance in connection therewith, and further authorize the Chief Executive Officer 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 Texas Department of Transportation (TXDOT) is willing to construct a replacement bridge connecting to Pelican Island, provided that the City of Galveston acts as local sponsor under an Advanced Funding Agreement (AFA) and undertakes various responsibilities including (i) contribution of \$36.2 million for the project and (ii) acquisition of certain rights of way. The City of Galveston has informed Port Authority staff that it is unable to bear all the costs imposed on the local sponsor under the AFA.

To enable the project to move forward, Texas A&M University, the County of Galveston, Galveston County Navigation District No 1., and Trustees of Galveston Wharves have agreed or intend to agree to provide funding and other consideration to allow the City of Galveston to carry out the local sponsor obligations under the AFA.

The interlocal agreement provides that the Port Authority would contribute \$2 million to the City to help defray a portion of these costs, pursuant to terms more particularly described in the agreement.

The interlocal agreement further provides that PHA would convey to the City a 13.78 acre Pelican Island parcel, extending from the landing of the planned replacement Pelican Island Causeway to the present Seawolf Parkway, and which would be dedicated to construction and maintenance of a planned road for public use, as well as any utilities necessary to fulfill the public purpose of the planned road.

Staff believes that both parties are authorized under the Texas Government Code Section 791 (the Interlocal Cooperation Act) and Article III, Section 52(a) of the Texas Constitution to enter into an interlocal contract for such project.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve the interlocal agreement with the City of Galveston and the associated expenditure, and declare as surplus and approve the conveyance of the right of way property at Pelican Island as contemplated under the interlocal agreement.