

Minutes of Port Commission Meeting
October 23, 2025
In Person & Videoconference

A Regular Meeting of the Port Commission of Port Freeport was held October 23, 2025, beginning at 1:01 PM at the Administration Building, 1100 Cherry Street, Freeport, Texas.

Commissioners present in person:

Mr. Rob Giesecke, Chairman
Mr. Rudy Santos, Vice Chairman
Mr. Kim Kincannon, Secretary
Mr. Dan Croft, Asst. Secretary
Ms. Barbara Fratila, Commissioner
Mr. Ravi Singhania, Commissioner

Staff Members Present:

Mr. Grady Randle, Randle Law Firm
Ms. Phyllis Saathoff, Executive Director/CEO
Mr. Rob Lowe, Director of Administration/CFO
Mr. Jason Hull, Director of Engineering
Mr. Jason Miura, Director of Business & Economic Development
Mr. Chris Hogan, Director of Protective Services
Mr. Jesse Hibbetts, Director of Operations
Mr. Brandon Robertson, Director of IT
Ms. Missy Bevers, Executive Assistant
Ms. Amy O'Brien, Controller
Ms. Amanda Veliz, Public Affairs Manager
Mr. Chas Gryseels, Project Engineer
Mr. Clinton Woodson, Sales Manager
Ms. Ruby Dunn, Receptionist – virtual
Ms. Bailee Anderson, Accounting Analyst – virtual
Ms. Danielle Simonds, Accounting Specialist - virtual

Also, present:

Mr. Chris Moore, Texas Port Ministry
Mr. DJ Meagher – Woodbranch Group (virtual)
Mr. Andy Hall, Texas Navy Association
Mr. Chris Knepper, Texas Navy Association
Mr. Jim Perouty, Texas Navy Association
Mr. Will Bohlen, GHD
Ms. Melanie Oldham

Original Agenda Items Posted September 19, 2025:

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Invocation – Mr. Chris Moore – Texas Port Ministry
3. Pledge of Allegiance – U.S. Flag and Texas Flag

4. Roll Call – Commissioner Giesecke noted that all Commissioners were present in the Board Room.
5. Safety Briefing – Mr. Hibbetts provided safety reminders for the fall season.
6. Call to identify and discuss any conflicts of interest that may lead to a Commissioner abstaining from voting on any posted agenda item.

There were no conflicts noted.

7. Public Comment – Ms. Melanie Oldham addressed the Commission regarding the Volkswagen Tax Abatement.
8. Public Testimony – There was no public testimony.
9. Public Hearing to discuss the Assignment of Tax Abatement Agreement with Volkswagen Group of America, Inc. and PRP KDC Freeport Development, LLC for property located in City of Freeport Reinvestment Zone No. 2022-01.

Mr. Lowe noted that DJ Meagher with the Woodbranch Group joined the meeting virtually and is available for questions. Mr. Lowe stated that the Port Commission adopted a resolution on July 28, 2022, approving the application for tax abatement between Port Freeport and Volkswagen Group of America and PRP KDC, Freeport Development LLC for property located in the City of Freeport Reinvestment Zone #2022-1. In December 2024, Woodbranch bought the lease, and the Port Commission approved the assignment of the lease agreement by PRP KDC Freeport Development to Freeport TIC I, II and III. PRP KDC Freeport Development subsequently requested the assignment of its rights and obligations under the tax abatement agreement with Volkswagen Group of America and PRP KDC Freeport for property located in the City of Freeport Reinvestment Zone, No. 2022-01. The county's guidelines require an assignment of lease and the port's guidelines follow suit. The assignment of tax abatement allows the abatement to be applicable to the new lease owners as it was to the original lease owners. Everything in the abatement remains the same and it does not extend the term of the abatement.

At this time, Ms. Melanie Oldham commented about the abatement and Volkswagen stating that Volkswagen has been a good neighbor in providing jobs to the area and hopes they continue to support the City of Freeport any way they can.

Commissioner Giesecke commented that if you look at the tax abatement in terms of the output for the input and the foregone tax revenue, there hasn't been one in the history of Brazoria County that will get more jobs and more economic impact for the amount of tax revenue that's been given up.

10. Approval of the Assignment of Tax Abatement Agreement with Volkswagen Group of America, Inc. and PRP KDC Freeport Development, LLC for property located in City of Freeport Reinvestment Zone No. 2022-01.

Mr. Lowe stated that staff has reviewed the request and noted the port is in good standing with the current lease holders. Staff recommends approval of the assignment.

A motion was made by Commissioner Singhanian to approve the assignment of tax abatement agreement with Volkswagen Group of America, Inc. and PRP KDC Freeport Development, LLC for the property located in the City of Freeport Reinvestment Zone Number 2022-01. The motion was seconded by Commissioner Kincannon with all Commissioners present voting in favor of the motion.

Supplemental Agenda Items to be considered:

11. Presentation of Texas Navy Admiral's Commission to Phyllis Saathoff.

Mr. Andy Hall, Mr. Jim Perouty and Mr. Chris Knepper, who are a part of the local chapter of the Texas Navy Association, were in attendance to present an honorary Texas Navy Admiral's Commission to Ms. Saathoff. Mr. Hall stated that an honorary admiral in the Texas Navy is one of the highest honors that can be bestowed upon a civilian in the State of Texas. He went on to say that the commission recognizes leaders who have performed notable service in their communities to the state and that Texas Navy Admirals are drawn from all backgrounds including business, education, military, the arts and public service. He noted that under Ms. Saathoff's leadership, Port Freeport secured key federal approvals and funding to deepen the Freeport Harbor Channel to 56 feet, launched dredging in 2021, initiated development of the port's first container terminal, attracting new businesses and investment to the region and most recently, oversaw the arrival of two new super post panamax ship-to-shore cranes. Ms. Saathoff's leadership in the Texas maritime industry has also earned her recognition for advancing transportation and public service including the Russell H. Perry Award from the Texas Department of Transportation and induction into the Brazoria County Business Hall of Fame. In addition, she also serves in leadership roles with the Texas Ports Association, National Waterways Conference, American Association of Port Authorities and TxDOT's Port Authority Advisory Committee. Mr. Hall stated that Ms. Saathoff's achievements reflect Port Freeport's guiding principles of being anchored in service, propelled by people and accelerating opportunity across the Texas Gulf Coast and not only recognizes her individual service, but the broader contribution of Texas ports and maritime professionals whose work continues to chart a course for the state's economic success and viability. Mr. Perouty then swore Ms. Saathoff in as an honorary Texas Navy Admiral.

Ms. Saathoff thanked them for this honor and said that it has particular significance because of the connection between Texas history and the story of Port Freeport. Fort Velasco, situated at the mouth of the Brazos River, was a Mexican military fort established to enforce customs and immigration laws. It became the site of the Battle of Velasco in 1832, the first armed conflict of the Texas Revolution. That history resonates deeply with me because the same waters that witnessed those early struggles would later become the entrance channel for Port Freeport. On December 4, 1925, the voters of Brazoria County made the visionary decision to create the Brazos River Harbor Navigation District, now known as Port Freeport, to partner with the U.S. Army Corps of Engineers to divert the Brazos River. Their bold action provided a reliable port entrance, free from flooding and siltation, and sparked economic opportunity that continues to benefit our community, the State, and the nation. I am humbled to have worked for the Port and with my fellow colleagues, commissioners and this community for 30 years. This honor reflects our collective care and stewardship of the vital waterway that serves our community, fostering economic opportunity and prosperity.

12. Receive reports from Executive Staff on activities and matters related to administrative affairs, financial results, facility engineering matters, operations and vessel activity, safety matters, security matters, tenant updates, USCOE, and other related port affairs.

A. Executive Director/CEO

Ms. Saathoff reported the port closed out its fiscal year September 30 performing very well to the end with a record number of vessel arrivals of 616 in the inner harbor and 1305 vessels port wide. Ms. Saathoff added that with the completion of the Freeport Harbor Channel Improvement project, the new cranes in service and other infrastructure that has been added, the port is just getting started. Financial results will look good when accounting fully closes out the fiscal year with the port approaching the \$60 million mark for operating revenues and expenditures coming in at or below budget which will produce a healthy operating net income close to \$30 million. She added the port is in a good financial position to start the new fiscal year. Ms. Saathoff also reported that the commissioning of the cranes is going well and is on schedule with the cranes expected to be operational the week of November 17. Ms. Saathoff did note there have been questions regarding the security of the cranes, adding that technology installed on the cranes is being done post arrival by the IT team who has coordinated these efforts. With regard to federal matters, Ms. Saathoff stated the government shutdown is still ongoing with hopes of being resolved within the next several weeks; however, there is no guarantee. OMB announced they have identified some of the U.S. Army Corps of Engineers projects to be reevaluated with focus on the primary missions which is navigation, flood control and some of the hydro power, and not so much of the community or environmental projects. Ms. Saathoff stated there is about \$11 billion in projects that are being reviewed but feels very confident that the port's project will be fine since its nearing completion under the 4th and final contract of the project and all of the funding is there and has been obligated. Hearings were held earlier in the week for the nominees for Maritime Administration Administrator, the Assistant Secretary for the Commission on Ocean and Atmosphere as well as two vacancies on the Federal Maritime Commission. The nominees still have to go before the Senate to be confirmed and will need 51 votes. Freeport Harbor Channel Improvement Project is moving along. Great Lakes Dredge and Dock is continuing with their plan to have two large dredges working to completion on the project and Dredge 58 continuing its work. Ms. Saathoff reported that she and three other commissioners attended a successful annual convention in Quebec City. Ms. Saathoff expected to have one speaking part but ended up with other opportunities noting that she did speak on how the port handled the situation with the cranes and mitigated its risk with the customs bonded warehouse but made the decision to pay the tariff. She stated that on November 9, information will be heard by the Supreme Court on the legality of some of the tariffs that were assessed. Staff will continue to monitor. USTR put out a notice that they took final action and proposed other action on matters under Section 301. They did implement the 100% tariff on ship-to-shore cranes and container handling equipment, but grandfathered crane orders placed prior to April 17, 2025, but they must be delivered before April 18, 2027. Additionally, there is another proposal with an additional 150% tariff on certain container terminal operating equipment. This will not have an immediate impact to Port Freeport because it's a landlord port, but it could definitely impact some of the port's tenants in their operations. Ms. Veliz gave a brief update from the public affairs department noting they have seen excellent coverage and engagement recently with the press releases on the gantry cranes, the Chiquita Horizon and Ms. Saathoff's induction to the Business Hall of Fame. She also

shared some social media data and growth statistics stating the port has increased its followers by 42% with interactions up by 265% and noted the crane arrival video reached over 67,000 views. The port's annual golf tournament is a sold-out event with 81 sponsors and more than \$100,000 pledged. Planning also continues for the Centennial celebration on December 4. Ms. Saathoff also noted the recent Giants publication with Port Freeport featured in the issue for its Centennial and Commissioner Singhania being on the cover.

B. Director of Engineering

In addition to his written report, Mr. Hull shared a couple of updated pictures of the progress made on E. 5th Street and container yard 5 noting, he anticipates both projects to be completed by Thanksgiving. He also reported there has been some activity on the FM1495 project but has no official update. Regarding the offsite detention, there is an interlocal agreement on the agenda for approval. Once it's approved and signed, work will begin.

C. Director of Operations

Mr. Hibbetts gave an update on the cranes stating the OSHA certifications will be taking place next week, the elevators have been certified, and endurance testing will begin the first week of November. Staff still anticipates handover November 17 noting the commissioning process is about 75% completed. He also reported on statistics for September stating there were 50 ships for the month, and 110 total vessel calls port wide and 1305 for the fiscal year as previously reported. Tonnage for the year exceeded budget, just barely missing 21 million total tons for the year, 198,475 total vehicles handled in the port and 93,990 containers handled. Rail exceeded prior year with 12,510 cars, which is a record for the port. An insight for the month of October, the port anticipates 19 LNG, 19 Ro Ro, 14 containers and 2 steel ships. Mr. Hogan reported on the new alert notification system, Alert Media, which was recently rolled out. He stated that in addition to the regular notifications the system also adds threat intelligence noting you can receive text alerts ranging from criminal activity to the weather to the Amazon outage recently experienced. The system includes incident response which allows staff to load necessary documents during incidents. He stated that they also found there is two-way communication that allows subscribers to communicate directly with security if there are any questions about an alert. Additionally, Mr. Hogan stated that if you're in the port and see anything suspicious, you can use the app to send an alert immediately to security and they will see it in the system.

D. Director of Business & Economic Development

Mr. Miura gave a brief recap of the past couple weeks with travel and conferences noting the Breakbulk Americas Conference and customer reception were both executed exceptionally, and staff received numerous compliments on the new booth. He noted that customers were honored to be a part of the port's event and expressed they feel like true partners with the port as it continues to collaborate and grow the volume of cargo and ships. Breakbulk 2026 will be held September 22-24, 2026. Staff will be reviewing the budget with the finance committee in November making recommendation at the end of the month to begin securing spots for next year. Mr. Miura stated that staff also participated in the Global Produce and Floral show October 15-19 which attracted attendees from more than 50 countries, had 3,500 produce/floral buyers with nearly 1100 companies exhibiting. He stated it had the largest representation of global retailers and was very beneficial for the port to exhibit and will recommend participation next year. Mr. Miura also reported

that K Line will have a monthly service starting in Freeport at the end of November, which will be a Ro Ro vessel that runs the north-south trade route (between North & South America). This will be the first new service that K Line has started in many years.

E. Chief Financial Officer

Mr. Lowe stated that staff is still working to close out year-end financials but expects to present to the Commission at the November meeting. Commissioner Giesecke asked for an update on the surplus lots. Mr. Lowe stated that staff occasionally receives inquiries about the lots the port previously listed. Staff intends to remarket the lots in early Spring.

At this time, Ms. Saathoff brought up rescheduling the workshop. She stated that in order to have full participation, staff would like to move the workshop from November 6 to November 17 with a start time of 10:00 AM. The Port Commission agreed to the new date and time.

13. Receive reports from Commissioners on matters related to Port Commission-related meetings or conferences, Port presentations and other Port-related matters.

Commissioner Singhania reported attending a fundraiser for the Brazosport College Foundation, the Indo-American Gala, Transportation & Infrastructure Summit, Port Customer Reception at Breakbulk, Roundtable and the AAPA Annual Convention.

Commissioner Kincannon reported attending the Port Customer Reception, Personnel Committee meeting, BCCA meeting, Hall of Honor Induction for former athletes at West Columbia High School, and the Highway 36A Coalition meeting.

Commissioner Santos reported attending the Breakbulk Conference and Customer Reception, as well as the Transportation & Infrastructure Summit and BCCA meeting.

Commissioner Fratila also reported attending the Breakbulk Conference and Customer Reception, AAPA Annual Convention and Velasco Drainage District meeting.

Commissioner Croft reported attending many of the same events including the Customer Reception, Transportation & Infrastructure Summit and AAPA Annual Convention.

Commissioner Giesecke reported attending many of the same events as well as Lake Jackson Business Association and Freeport City Council meeting.

14. Consent Agenda.

- A. Approval of Minutes from the Regular Meeting held September 25, 2025.
- B. Approval of the Texas Port Association (TPA) dues for Fiscal Year 2025.
- C. Approval of legal bills submitted for the month of September 2025.

A motion was made by Commissioner Croft to approve the consent agenda. The motion was seconded by Commissioner Kincannon with all Commissioners present voting in favor of the motion.

15. Approval of a Professional Services Agreement with Pranger Group, Inc. for the Cross Dock 2 project, for an amount not to exceed \$1,258,000.00.

Mr. Hull stated that for the Cross Dock 2 project, staff received statements of qualification from four firms with Pranger Group being the most qualified firm to submit a fee proposal. Mr. Hull has reviewed the fee and found it to be quite good and highly recommends approval.

A motion was made by Commissioner Singhania to approve the PSA with Pranger Group, Inc. for design of Cross Dock 2 for an amount not to exceed \$1,258,000.00. The motion was seconded by Commissioner Croft with all Commissioners present voting in favor of the motion.

16. Approval of a Construction Contract with Tex-Con Construction Services for the Dole Yard 10" Sewer Line Replacement project, for an amount not to exceed \$128,904.00.

Mr. Hull stated that four contractors submitted bids for this project with the lowest bid meeting all the qualifications, was Tex-Con Construction Services out of Angleton. Tex-Con has done a number of projects for the port including the Gate 8 guard building expansion, utility work, water line repair work and concrete work inside the port. Their parent company is Noble Construction who did the HVAC work for the Emergency Operations Center. Mr. Hull recommends approval for \$128,904.

A motion was made by Commissioner to approve a contract with Tex-Con Construction Services for an amount not to exceed \$128,904.00 for the Dole Yard 10" Sewer Line Replacement. The motion was seconded by Commissioner Santos with all Commissioners present voting in favor of the motion.

17. Approval of an Interlocal Agreement with Velasco Drainage District for Construction of a Regional Detention Facility.

Mr. Hull stated this much anticipated agreement will allow the Velasco Drainage District (VDD) the ability to excavate a detention facility, for the port's benefit, on Parcel 17. VDD will keep the excavated materials if they are clean which the port believes to be clean. He noted there is a caveat in the agreement that states if the material is found to be hazardous, toxic, radioactive or objectionable in that sense (as far as CERCLA), the agreement is void. Mr. Hull stated that he has no reason to believe it is, it's just out of an abundance of caution and care that the attorney included the caveat in the agreement. Commissioner Fratila commented that VDD was very enthusiastic about getting the agreement in place and really wanted the material, adding that they were also happy to know this will benefit the port and some of the City of Freeport. Mr. Hull stated the agreement terminates in 10 years unless the project is completed prior to that or if there's contaminated material. The agreement covers all of Parcel 1. VDD can choose to build in phases as they need the material, but the work will continue until it's completed, or 10 years occurs. Mr. Hull also stated the agreement compensates for all of Parcel 1 in its entirety under the current drainage criteria and even if more stringent rules are adopted, there will still be enough for additional detention.

A motion was made by Commissioner Kincannon to approve the Interlocal Agreement with Velasco Drainage District for Construction of a Regional Detention Facility. The motion was seconded by Commissioner Singhania with all Commissioners present voting in favor of the motion.

18. Approval to purchase Network Equipment for Cranes 3 and 4, for an amount not to exceed \$31,760.89.

Mr. Robertson stated that with the arrival of the new cranes, there will be a few IT components that will need to be installed noting that nothing will be installed until the crane commissioning is complete in November. This approval will include all the switching and fiber patch cables, SFP's and power supplies needed which will connect the data center to the two new cranes and get them online. Mr. Robertson noted that an additional component for camera installation will be on next month's agenda. The project is in the capital budget for this year, and staff recommends approval to purchase network equipment for cranes 3 and 4 for an amount not to exceed \$31,760.89. Mr. Robertson stated that after all the crew members leave the cranes and they're commissioned, the cranes will be reviewed with the Coast Guard and other agencies to inspect them, adding that a pre-assessment was conducted prior to the crew coming in and everything was clean. Staff is monitoring everything and after everyone leaves, they will connect the cranes and review the data to make sure nothing pops out and they will report to the Commission.

A motion was made by Commissioner Santos to approve the purchase Network Equipment for Cranes 3 and 4, for an amount not to exceed \$31,760.89. The motion was seconded by Commissioner Croft with all Commissioners present voting in favor of the motion.

19. Approval of Policy 5.8 – Parental Leave.

Mr. Lowe stated that over the last few years, he's noticed a trend in recent years of companies increasing, improving, adding parental leave policies. Staff met with the Personnel Committee to discuss potentially expanding the port's sick policy. Mr. Lowe is bringing a separate policy for parental leave versus incorporating into an existing policy. He explained that the port's current maternity leave would be covered through the short-term disability program like any extended leaves at the port. Employees have the ability to use vacation/sick time and financially be compensated through short term disability. After discussing with the Personnel Committee, staff proposes a parental leave policy. He explained that within the policy under "use of parental leave," for employees who are pregnant with the child, maternity leave is covered under the port short-term disability coverage. The port would pay the difference in the employees' base pay for the approved short-term disability period up to 8 weeks. Coverage today includes 6 weeks for a natural birth, 8 weeks for a cesarean section. The port would supplement 60% pay back up to the employees 100% full pay. In addition, when the short-term disability period ends at either 6 weeks or 8 weeks, the port will provide an additional paid time off up to a combined total of 12 weeks. Regardless of the six weeks or eight weeks, the combined time is going to be 12 full weeks of fully compensated time for a birthing mother. All other employees who qualify for parental leave, spouses of birthing mothers or both parents for an adoption, would be granted 3 weeks of paid time off. Requirements are that an employee must be a full-time employee after completing one year of employment with the port, and the parental leave must be taken within a 24-week period of the birth of the child or the placement of the child. Mr. Lowe stated that he did a fair amount of research on this and feels it positions the port well between what other local governmental entities have in place as well as the private industry. Staff recommends approval as presented. Commissioner Kincannon commented that the members of the Personnel Committee agreed with staff to improve the port's benefits and felt it was a good deal.

A motion was made by Commissioner Singhania to approve the new policy 5.8 – Parental Leave as presented by staff. The motion was seconded by Commissioner Fratila with all Commissioners present voting in favor of the motion.

20. EXECUTIVE SESSION in accordance with Subchapter D of the Open Meetings Act, Texas Government Code Section 551.001, et. seq., to review and consider the following:

A. Under authority of Section 551.071 (Consultation with Attorney) for discussion regarding:

1. Consultation with attorney under Government Code Section 551.071(1) (to seek or receive attorney's advice on pending or contemplated litigation).
2. Consultation with attorney under Government Code Section 551.071(2) (to seek or receive attorney's advice on legal matters that are not related to litigation).

B. Under authority of Section 551.076 (Deliberation of Security Matters):

1. Discussion regarding issues related to the deployment, or specific occasions for implementation of security personnel or devices or security audit and services.

C. Under authority of Section 551.087 (Economic Development Negotiations or Incentives):

1. To discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations.
 - i. Business and Economic Development Report including potential offers of financial or other incentives to the business prospect.
2. To deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1).

D. Under authority of Section 551.072 (Deliberation Concerning Real Property Matters) for discussion regarding:

1. The potential purchase, exchange, lease, or value of real property located at Port Freeport, including but not limited to the real property located at and contiguous to Berths 1, 2, 3, 5, 7 and 8.
2. The potential lease or value of real property located at Port Freeport or adjacent to Port Freeport, including but not limited to Parcel 1.
3. The potential exchange, lease, or value of real property located at Port Freeport, including but not limited to Parcels 14, 19, 27, 34 and property on Quintana Island.

E. Under authority of Section 551.074 (Deliberation of Personnel Matters) for discussion regarding:

1. Deliberation regarding the appointment, employment, evaluation, reassignment, duties of a public officer or employee, including but not limited to: Executive Director/CEO.

21. RECONVENED OPEN SESSION:

22. Adjourn.

With no further business before the Commission, the meeting adjourned at 4:52 PM.