

AGENDA

**Port Freeport
Port Commission
Regular Meeting
Thursday, October 24, 2024, 1:00 pm - 5:00 pm
In Person & Videoconference - Administration Building - 1100 Cherry Street - Freeport**

This meeting agenda with the agenda packet is posted online at www.portfreeport.com

The meeting will be conducted pursuant to Section 551.127 of the Texas Government Code titled "Videoconference Call." A quorum of the Port Commission, including the presiding officer, will be present at the Commissioner Meeting Room located at 1100 Cherry Street, Freeport, Texas. The public will be permitted to attend the meeting in person or by videoconference. The videoconference is available online as follows:

Join Zoom Meeting

<https://us02web.zoom.us/j/81902013181?pwd=IzLUpjD7yiP5Ky8nvdC2PNYrzAkfm.1>

Meeting ID: 819 0201 3181

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Meeting ID: 819 0201 3181

Find your local number: <https://us02web.zoom.us/u/keVMP95ny>

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Invocation.
3. Pledge of Allegiance: U.S. Flag & Texas Flag
4. Roll Call.
5. Safety Briefing.
6. Call to identify and discuss any conflicts of interest that may lead to a Commissioner abstaining from voting on any posted agenda item.
7. Public Comment. (Public comment on any matter not on this Agenda will be limited to 5 minutes per participant and can be completed in person or by videoconference)
8. Public Testimony. (Public testimony on any item on this Agenda will be limited to 5 minutes per agenda item to be addressed per participant and can be completed in person or by videoconference. The participant shall identify in advance the specific agenda item or items to be addressed)
9. Approval of minutes from the Regular Meeting held September 26, 2024.
10. Receive reports from Executive Staff on activities and matters related to administrative affairs, financial results, facility engineering matters, operations and vessel activity, port safety matters, port security matters, port tenant updates, USCOE, and other related port affairs.
 - A. Executive Director/CEO
 - B. Director of Engineering
 - C. Director of Operations
 - D. Director of Business & Economic Development
 - E. Chief Financial Officer

11. Receive report from Commissioners on matters related to Port Commission related meetings or conferences, Port presentations and other Port related matters.
12. Approval of Freeport LNG Development, LP and FLNG Liquefaction 4, LLC request for modification to tax abatement agreement.
13. Presentation of the Government Finance Officers Association Award of Financial Reporting Achievement for the FY 2023 Annual Comprehensive Financial Report.
14. Approval of Certified Tax Report 502C for the 2024 Tax Roll in compliance with Texas Property Tax Code 26.09(e).
15. Approval to pay legal bills submitted for the month of September 2024.
16. Approval of a Construction Contract with Harper Brothers Construction, LLC for the Velasco Terminal Backland, Area 5 (MIP 88) project, for an amount not to exceed \$18,508,603.35.
17. Approval of a Construction Contract with Rosehill Roofing and Restoration for the Hurricane Beryl Repairs project, for an amount not to exceed \$2,979,591.29.
18. Approval of the Inter-Agency Cooperation Contract between Port Freeport and Texas A&M University-Corpus Christi for maintenance of the NOAA PORTS sensors in the Freeport Ship Channel.
19. Approval of an Amendment to the Security Services Agreement between Port Freeport and Sunstates Security, LLC.
20. Approval to purchase new boom cables for gantry cranes 1 & 2, for an amount not to exceed \$77,640.00.
21. Approval of sponsorship level for the 2025 JOC TPM Conference being held in Long Beach, CA.
22. 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):
 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) for discussion regarding:
 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 Reports.
 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 of Real Property Matters) for discussion regarding:
 1. The potential lease, or value of real property located at Port Freeport, including but not limited to Parcel 1.
 2. The potential purchase, exchange, lease or value of real property located at Port Freeport, including but not limited to the real property located at and contiguous to Berths 1, 2, 5, 7 and 8.
 3. The potential exchange, lease, or value of real property located at Port Freeport, including but not limited to Parcels 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.
23. RECONVENE OPEN SESSION to review and consider the following:
24. Approval of a Second Amendment to the Lease Agreement between Port Freeport and NCWPCS MPL 25 - Year Sites Tower Holdings LLC, by CCATT, LLC.
25. Approval of a Second Amendment to the Terminal Use Agreement between Port Freeport and Cemex, Inc.
26. Adjourn.

The Port Commission does not anticipate going into a closed session under Chapter 551 of the Texas Government Code at this meeting for any other items on the agenda, however, if necessary, the Port Commission may go into a closed session as permitted by law regarding any item on the agenda.

With this posted notice, Port Commissioners have been provided certain background information on the above listed agenda items. Copies of this information can be obtained by the public at the Port Administrative offices at 1100 Cherry Street, Freeport, TX.



Phyllis Saathoff, Executive Director, CEO

PORT FREEPORT

Participation is welcomed without regard to race, color, religion, sex, age, national origin, disability or family status. In accordance with Title II of the Americans with Disabilities Act and Section 504 of the Rehabilitation Act, persons with disabilities needing reasonable accommodations to participate in this proceeding, or those requiring language assistance (free of charge) should contact the Executive Assistant no later than forty-eight (48) hours prior to the meeting, at (979) 233-2667, ext. 4326, email: bevers@portfreeport.com.

La participación es bienvenida sin distinción de raza, color, religión, sexo, edad, origen nacional, discapacidad o situación familiar. De acuerdo con el Título II de la Ley de Estadounidenses con Discapacidades y la Sección 504 de la Ley de Rehabilitación, las personas con discapacidades que necesiten adaptaciones razonables para participar en este procedimiento, o aquellas que requieran asistencia lingüística (sin cargo), deben comunicarse con el Asistente Ejecutivo a más tardar cuarenta -ocho (48) horas antes de la reunión, al (979) 233-2667, ext. 4326, correo electrónico: bevers@portfreeport.com.

Minutes of Port Commission Regular Meeting
September 26, 2024
In Person & Videoconference

A Regular Meeting of the Port Commission of Port Freeport was held September 26, 2024, beginning at 1:01 PM at the Administration Building, 1100 Cherry Street, Freeport, Texas.

This meeting agenda with the agenda packet is posted online at www.portfreeport.com

The meeting will be conducted pursuant to Section 551.127 of the Texas Government Code titled "Videoconference Call." A quorum of the Port Commission, including the presiding officer, will be present at the Commissioner Meeting Room located at 1100 Cherry Street, Freeport, Texas. The public will be permitted to attend the meeting in person or by videoconference.

Join Zoom Meeting

<https://us02web.zoom.us/j/84624598830?pwd=0lfCITXWkadUt3lCEHOeYd1ACqRbEY.1>

Meeting ID: 846 2459 8830

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Meeting ID: 846 2459 8830

Find your local number: <https://us02web.zoom.us/u/kdXA1kTI4I>

Commissioners present in person:

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

Staff Members Present:

Mr. 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. Chris Hogan, Director of Protective Services
Mr. Jason Miura, Director of Business & Economic Development
Mr. Brandon Robertson, Director of Information Technology
Mr. Jesse Hibbetts, Director of Operations
Ms. Missy Bevers, Executive Assistant
Ms. Amy O'Brien, Controller
Ms. Christine Lewis, Safety Coordinator
Mr. Cecil Booth, Project Engineer
Mr. Chas Gryseels, Engineering Specialist
Mr. Clinton Woodson, Sales Manager
Ms. Emily Henderson, Sales & Marketing Specialist
Ms. Tricia Vela, Public Affairs Assistant
Mr. Mary Campus, Controller

Also, present:

Mr. Mike Hayes, Texas Port Ministry
Mr. Santos Aluiso, ILA Local 30
Mr. James Nash, WGMA

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Invocation – Mr. Mike Hayes – Texas Port Ministry
3. Pledge of Allegiance – U.S. Flag and Texas Flag
4. Roll Call – Commissioner Singhanian noted that all Commissioners were present in the board room.
5. Safety Briefing – Ms. Christine Lewis noted that port staff reached 2085 days with no time loss incidents; however, that number started over due to a recent injury. She also provided tips for keeping safe while enjoying the outdoors.
6. Call to identify and discuss any conflicts of interest that may lead to a Commissioner abstaining from voting on any posted agenda item.

There were no conflicts noted by Commissioners.

7. Public Comment – There were no public comments.
8. Public Testimony – There was no public testimony.
9. Public Hearing to discuss the proposed Port Freeport Tax Abatement Guidelines and Criteria pursuant to Section 312.002 of the Texas Property Tax Code, to be effective September 26, 2024 – September 25, 2026.

Mr. Lowe explained that process for tax abatement guidelines noting the state statute allows for guidelines to cover a 2-year period. The Port's guidelines expired September 7, 2024; however, any application that would have been submitted prior to that date would have fallen under that set of guidelines. He also explained the Port's guidelines generally align with the County, with a few exceptions that may not be practical to the Port. With regard to the Port Commission adopting a zero tax rate, Mr. Lowe visited with the chairman of the Finance Committee who was in alignment that the Port keep the guidelines in place knowing there is an annual process involved for the encumbrance of funds to set the rate at zero every year. The Port Commission has the option to no longer adopt the guidelines in the future if they feel they are no longer needed. Likewise, they can re-adopt if something changes. Mr. Lowe then went over the following significant changes to the guidelines that were reviewed with the Finance Committee.

Section 2(h)(5) - Added a \$200 fee to cover the cost of the required newspaper ad should the creation of reinvestment zone be requested. Mr. Lowe noted the Port is not capable of creating a reinvestment zone and currently, can only be done by the County or a city. The County included this fee in their guidelines and Mr. Lowe's intent for the inclusion was to show the applicant that there's going to be a pass through, it would most likely be to the

County. There is a \$1000 limit on the fee that can be charged to an applicant for the tax abatement application and the County is confident the additional \$200 fee for the creation of a reinvestment zone is proper. He also noted that a legislative change would have to take place in order for the Port to be able to create an investment zone.

Section 2(h)(6) – Updated language to require the owner of the abatement application to give Brazoria County vendors and service providers priority. Mr. Lowe had no comments for this update.

Section 2(h)(6) – Updated the language to require the owner applicant to utilize E-Verify and provided further definition of E-Verify. Mr. Lowe noted that Commissioner Giesecke suggested additional language be added from the government code to give a clear definition of E-Verify. Additionally, the existing guidelines stated, “or other appropriate method” and the committee decided to just say “must use E-Verify.” If a change is made to a federal program, the guidelines will be amended to fall in line with what the language is at that time. Commissioner Giesecke clarified that Texas state law requires in the transportation code that all contractors and subcontractors for state highway projects use E-Verify and is defined in the government code.

Section 2(h)(7) – Added this section requiring owner applicant to file an economic impact plan with increased requirements for utilization of Brazoria County vendors and service providers, as well as local colleges, charitable organizations and associations with economic impact from the project. Mr. Lowe stated the committee agreed this addition was appropriate and strengthens the language surrounding the economic impact of utilizing a priority to Brazoria County vendors.

Mr. Lowe explained that the primary difference between the Port and County guidelines is the County utilizes a graduated scale which is present in their package. The port’s guideline language allows the Port Commission to grant an abatement on what percent it chooses. Two years ago, when the County adopted their guidelines, they put the table in. The Port did not adopt the table and is not adopting it now. The County will always be the lead, and the Port will always follow. However, if the County led with less than 100%, the Port would have the option to consider the same or something different. He added that each entity can grant what they want based on their own guidelines. The Port’s guidelines allow for either.

At this time, Mr. Lowe had no further updates or additions to the guidelines and recommends approval.

10. Discuss and consider the adoption, amendment, repeal or reauthorization of the Port Freeport Tax Abatement Guidelines and Criteria, to be effective September 26, 2024 - September 25, 2026.

A motion was made by Commissioner Giesecke to adopt the amendments to the tax abatement guidelines as presented. The motion was seconded by Commissioner Croft with all Commissioners voting in favor of the motion.

11. Approval of minutes from the following meetings....

August 15, 2024 Special Meeting
August 22, 2024 Regular Meeting
September 12, 2024 Special Meeting

A motion was made by Commissioner Kincannon to approve the minutes. The motion was seconded by Commissioner Fratila with all Commissioners voting in favor of the motion.

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

A. Executive Director/CEO

Ms. Saathoff reported the cargo operations results have been on a really good trend this fiscal year and will finish strong. Additionally, revenues were higher than anticipated this month and will contribute to finishing the fiscal year with record operating revenues. She noted this is very positive as the Port moves into the new budget year where staff anticipates exceeding 50 million in revenues and taking on the debt service payment for the general obligation bonds, in addition to the revenue bond payments. The Port also continues to see records with the number of RoRo ships and the number of automobiles handled. Staff estimates finishing out the fiscal year around 160,000 vehicle units handled, which was attributable to the startup of Volkswagen, who is preparing to officially have their grand opening October 2. With Del Monte on board, the Port is also surpassing prior year numbers with the number of containers handled and the amount of green fruit handled, noting that approximately 40 million bananas are moving through Port Freeport on a weekly basis. Steel continues to be moving and will also closeout strong with Tenaris moving 860,000 tons of steel which is another record as they continue to beat their prior year records. Ms. Saathoff shared some other things in the news including the expiring shipping alliance contracts which has caused some reshuffling, extensions, new alliances formed and MSC making the decision to go largely independent which will go into effect next year. Staff continues to watch and is hopeful it will present more opportunities for Port Freeport. With regard to the USMX master contract and the impacts of the strike by the International Longshoreman Association (ILA), Ms. Saathoff noted Port Freeport is not a USMX port and contracts are on a separate, more local basis and do not expire September 30. Business is expected to be normal at the port. Staff will continue to monitor the situation. Staff attended a quarterly executive governance meeting in Galveston September 4 and had the opportunity to meet the new commander for the Southwestern Division, Colonel Walter. Finally, Ms. Saathoff noted the new public affairs manager will begin September 28.

B. Director of Engineering

Mr. Hull reported that bids were not opened for Velasco Terminal Area 5 project. Staff issued an addendum which postponed the bid opening to October 7. He also reported the shoal has been cleared in the ship channel and the draft restriction was removed September 3. Mr. Hull shared current picture of the Expansion Area where a water line is being relocated for the Rider 37 Velasco Terminal Access project. He also reported on the National Waterways Conference noting a suggestion that was made to the committees and panels regarding possible reimbursement from the Corps for shoaling emergency maintenance because it is the obligation of the Corps to maintain these projects; however, the Corps was not receptive this. This could be a future suggestion for a WRDA law change where Congress would instruct the Corps to allow this maintenance and reimbursement. Mr. Hull reported the drainage study is in progress and on schedule with nothing new to report. Hurricane Beryl repairs are out for bid with staff receiving a number of inquiries.

C. Director of Operations

Mr. Hibbetts reported that August was a very good month as the third highest vessel calls of the year at 46, and 96 port wide. Tonnage is up for both steel and containers, while RoRo is up 45% year to date from this time last year. Rail car counts show over 20,000 cars have been exported by rail year to date and is driven primarily on the Port's new OEM customer. A recap of the month of what's been handled; 19 LNG vessels, 11 RoRo, 1 steel, 13 container vessels and 717 rail cars. Looking at the year to date, the Port is at 172 LNG vessels, 27 steel vessels, 134 RoRo vessels and 104 container vessels. He stated that September is already looking good and expects a good close out to the end of the year. Mr. Hibbetts shared pictures of recent project cargo vessel (BBC Manila) that imported two cold boxes. He also shared a picture of an old steam engine tractor that arrived by truck and will go out by vessel.

D. Director of Business & Economic Development

Mr. Miura reported attending the Automotive Logistics Global Conference in Detroit which was represented with OEM's, carriers and Tier 1 suppliers. He also introduced Clinton Woodson, who recently joined the Business Development team as sales manager. Mr. Woodson thanked the Commission and staff for the opportunity and shared some of his family history and ties to the community.

E. Chief Financial Officer

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

13. Approval of financial report presented for the period ending August 31, 2024.

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

14. Receive report from Commissioners on matters related to:

A. September 12 Finance Committee Meeting – Commissioner Giesecke reported the committee reviewed proposed changes to the tax abatement guidelines, discussed adding EBITDA to the financial report, proposed changes to the tariff and Freeport LNG tax abatement modification.

B. Port Commission related meetings or conferences, Port presentations and other Port related matters.

Commissioner Santos reported participating virtually for the Executive Governance Meeting with the Corps and attending the Transportation & Infrastructure Summit.

Commissioner Fratila also attended the Transportation & Infrastructure Summit as well as the Friends of the River Breakfast.

Commissioner Giesecke reported attending Freeport City Council Meeting, Lake Jackson Business Association, West Columbia Chamber Gala, Freeport LNG Reception (Gastech), JA Business Hall of Fame Banquet, Indo American Chamber Gala, Pearland Chamber Elected Officials Event as well as the Transportation & Infrastructure Summit.

Commissioner Kincannon reported attending the CAP Meeting, Special Board Meeting, National Waterways Conference and the Transportation & Infrastructure Summit.

Commissioner Croft reported attending the Alliance Board Meeting, CAP Meeting, Texas GulfLink Public Meeting, Sweeny Rotary Meeting and the Transportation & Infrastructure Summit.

Commissioner Singhanian reported attending the CAP Meeting, Executive Governance Meeting, Brazoria Chamber Event, JA Business Hall of Fame Banquet, National Waterways Conference and the Transportation & Infrastructure Summit.

15. Approval of payment to Comcast for relocation of communications line in the Expansion Area, for an amount not to exceed \$69,555.70.

Mr. Hull stated he is requesting payment in the amount of \$69,555.70 for Comcast to relocate their fiber and coax communications infrastructure outside of the Expansion Area. Mr. Hull shared a map indicating where the existing line is and where it will be relocated. Staff recommends approval.

A motion was made by Commissioner Giesecke to approve the relocation and payment as recommended by staff. The motion was seconded by Commissioner Fratila with all Commissioners voting in favor of the motion.

16. Approval and award of contract to Covenant K9 Detection for security K9 contract services.

Mr. Hogan stated the current K9 contract expires at the end of September. Staff sought bids for a 3-year contract to continue narcotics, weapons, explosive and currency detection at the port and would run from October 2024 - September 2027. He explained the contract is based off an average of 5 visits per month, 6 hour days, for a total of 360 hours for the year. Staff used an evaluated weighted measure on the proposals that were submitted, noting there were 7 interested parties with only two submitting bids, Covenant K9 Detection and Focus Service Group. He stated that Covenant scored a 72 while Focus scored a 70. While Focus did have a lower bid, they did not meet the 3-year requirement with only having two years of experience at a Maritime Transportation Security Act or U.S. Coast Guard regulated facility. Their work was also limited to gate only and did not have experience inside an operational area and no experience with ship, vessel, ship crew, etc. Focus also did not have the depth in their dogs (number of dogs), where if one gets sick and is out for a while, service can continue. They only had 4 in total with two narcotics, 1 explosive weapons and one currency. In comparison, Covenant has 14 dogs, 5 narcotics, 6 weapons/explosive dogs and 3 currency. Mr. Hogan noted that even though Covenant's bid was higher, it is still \$17,250 below what staff budgeted. With all factors in mind, staff requests approval of a contract with Covenant K9 totaling \$297,000 for a three-year period and granting the Executive Director/CEO authorization to sign the contract. This was discussed with the OSS Committee at length prior to the extension however the committee has not seen the bid numbers. Commissioner Santos concurred adding that the Port needs to continue with the service as they are needed at the gates as well as inside the Port.

A motion was made by Commissioner Santos to award contract to Covenant K9 in the amount of \$297,000 for three years as recommended by staff. The motion was seconded by Commissioner Fratila with all Commissioners voting in favor of the motion.

17. Approval of proposed adjustments to Port Freeport Tariff No. 005.

Mr. Miura stated that staff is recommending a 5% general rate adjustment to Port Freeport Tariff No 5. Staff discussed the rate adjustment with the Finance Committee and presented comments received from port partners, tenants and users and made some additional changes that we were recommended. Staff recommends approval of the proposed changes presented. Commissioner Giesecke asked Mr. Miura to describe the reaction among the port user community. Mr. Miura stated that the overall response was positive with everyone understanding with the exception of specific comments from one user which were addressed and discussed in committee. The adjustments will take effect October 1, 2024.

A motion was made by Commissioner Giesecke to approve the 2024 adjustments to Tariff No. 5. The motion was seconded by Commissioner Kincannon with all Commissioners voting in favor of the motion.

18. Adoption of a Resolution approving the acceptance of the Port's portion of proceeds received from high bidders on delinquent tax property held in trust by Brazoria County, Texas and authorizing the Chairman to join in conveyance to high bidders.

Mr. Lowe stated the four properties listed have no significance to the Port with three lying in the protected zone. Staff recommends approval.

A motion was made by Commissioner Giesecke to approve the resolution. The motion was seconded by Commissioner Fratila with all Commissioners voting in favor of the motion.

19. Discuss and consider the authorization of credit card issuance and credit limits for Port staff.

Mr. Lowe stated that in accordance with Port Policy 8.8, staff is seeking authorization to issue a credit card in amount of \$5,000 for Clinton Woodson, sales manager.

A motion was made by Commissioner Croft to approve the credit card issuance. The motion was seconded by Commissioner Santos 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) for discussion regarding:

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 Reports.
 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 lease, or value of real property located at Port Freeport, including but not limited to the Expansion Area.
 2. The potential purchase, exchange, lease, or value of real property located at Port Freeport, including but not limited to the real property located at and contiguous to Berths 1, 2, 5, 7 and 8.
 3. The potential exchange, lease, or value of real property located at Port Freeport, including but not limited to Parcels 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. RECONVENE OPEN SESSION:

22. Adjourn.

With no further business before the Commission, the meeting adjourned at 5:33 PM.

Ravi K. Singhanian, Chairman

Rob Giesecke, Vice Chairman

Barbara Fratila, Secretary

Kim Kincannon, Asst. Secretary

Dan Croft, Commissioner

Rudy Santos, Commissioner



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WWW.PORTFREEPORT.COM

MEMORANDUM

TO: Phyllis Saathoff, Executive Director/CEO

FROM: Amanda Veliz, Public Affairs Manager

DATE: October 24, 2024

SUBJECT: Public Affairs – October 2024

PUBLIC AFFAIRS

Communications and Media

Staff continues to post on social media port facts, press releases, safety awareness, hurricane preparedness, and other information pertinent to our community.

Freeport Harbor Channel Marine Traffic – The website is being maintained as a resource to the Freeport Harbor Channel community for information on marine traffic related to FHCIP dredging. Great Lakes Dredge and Dock Co. LLC (GLDD) was awarded the contract for Reaches 1, 2, and 4 by the United States Corps of Engineers on May 30th. A second mechanical dredge has been brought to Port Freeport. One mechanical dredge works in Reach 2, and the second works inside the jetties in Reach 1. A second maintenance dredging contract is scheduled to start in mid-October. The dredged material is being placed offshore in the EPA approved designated area in the Gulf of Mexico. Updates will be posted accordingly.

Freeport Harbor Channel Improvement Project – Staff continues to respond to public inquiries regarding Port Freeport and the Freeport Harbor Channel Improvement Project and maintain updated information on www.portfreeport.com and www.portfreeportbondelection.com.

Print and Social Media Monitoring – Staff continues to monitor publications, newspapers, agendas, and social media for matters pertaining to Port Freeport, its partners, and the harbor community.

Press Releases and News Postings – No press releases have been distributed since the September report. Press releases regarding the fiscal year vessel and tonnage records, the appointment of Amanda Veliz as Public Affairs Manager, and the GFOA Certificate of Accounting Excellence will be released in the coming weeks.

Social Media Postings – The following Facebook posts have been made or are scheduled for late September and October. Other posts of interest related to Port activities and events may be made.

September 25 - Reminder: Commission Meeting (p.m.)
September 26 - Golf 2024 - Thank you sponsor (a.m.)
September 26 - The Alliance – Transportation & Infrastructure Summit (p.m.)
September 27 - Recap: Commission Meeting (p.m.)
September 30 - Golf 2024 - Thank you sponsor (a.m.)
October 2 - Golf 2024 - Thank you sponsor (a.m.)
October 4 - Golf 2024 - Thank you sponsor (a.m.)
October 7 - Golf 2024 - Thank you sponsor (a.m.)
October 10 - Golf 2024 - Thank you sponsor (a.m.)
October 11 - Holiday - Columbus Day (a.m.)
October 15 - Golf 2024 - Thank you sponsor (a.m.)
October 17 - Golf 2024 - Thank you sponsor (a.m.)
October 21 - Golf 2024 - Thank you sponsor (a.m.)
October 23 - Reminder: Pilot Commission Meeting (p.m.)
October 23 - Reminder: Commission Meeting (p.m.)
October 24 - Golf 2024 - Thank you sponsor (a.m.)
October 25 - Recap: Commission Meeting (p.m.)
October 28 - Golf 2024 - Thank you sponsor (a.m.)
October 30 - Golf 2024 - Thank you sponsor (a.m.)
October 30 - Halloween Driving Safety Tips (a.m.)
October 31 - Halloween Holiday (a.m.)

Port/Community Events

Community Advisory Panel (C.A.P.) – This year’s last quarterly C.A.P. meeting is scheduled for December 3rd to be held at the Dow Academic Center at Brazosport College. Any new member appointments or changes should be emailed to Tricia Vela at vela@portfreeport.com.

Port Freeport Take-A-Child Fishing Tournament (TACFT) – **Save the dates:** May 8, 2025, Captain’s Dinner, and May 10, 2025, for the 25th Annual Take-A-Child Fishing Tournament.

Port Freeport Golf Tournament – Planning continues for the 13th Annual Port Freeport Golf Tournament, which benefits the Texas Port Ministry (TPM). The tournament will be held on **Monday, November 4, 2024**, at The Wilderness Golf Course in Lake Jackson, Texas, with a four-person team shotgun start format. Registration will begin at 7:00 a.m., and tee time is at 8:00 a.m.

Sponsorship and additional tournament information can be found online at <https://www.portfreeport.com/freeport-community/golf-tournament>. Currently, 36 teams have registered, and 73 sponsors have pledged over \$88,100, donated items for the silent auction, and offered discounted services.

The tournament flyer has been distributed to Port contacts, the Port Commissioners, and C.A.P. members. Public Affairs continues its marketing efforts through social media posts on Facebook, email campaigns, and direct contact with previous and potential sponsors. We appreciate all the support we receive throughout this fundraising effort.

The event was published in the sports section of The Facts on October 10th.

Port Presentations, Tours, and Meetings

September 26 - Brazoria County Transportation & Infrastructure Summit (Phyllis, speaker)

October 1 - TPM Board Members - Port Presentation and Tour

April 10, 2025 - Commerce Club Luncheon (*Rescheduled from 7/11/24*)

Community Events and Meetings - (Informational purpose only)

Weekly – Business Roundtable Virtual Meetings (speakers vary)

September 25 - ABC Membership Luncheon

September 25 - Angleton Chamber of Commerce 3rd Blossoming Reverie Women’s Conference

September 26 - Brazoria County Transportation & Infrastructure Summit

October 2 - VW Grand Opening

October 4 - Boys and Girl Club Annual Golf Tournament

October 5 - Roughneck Blowout

October 11 - October 19 - Brazoria County Fair

October 11 – Freeport Police Department – Annual Blue Santa Golf Outing

October 11 - Brazoria County Fair Ribbon Cutting/Opening

October 12 - Friends of the River (FOR) San Bernard - Rock The River

October 16 - Brazoria Chamber of Commerce - Meet & Mingle Breakfast

October 17 - Brazosport Chamber of Commerce State of the Community (*rescheduled from 10/2*)

October 21 - Matt Sebesta Charity Golf Tournament Benefit Actions, Inc.

October 24 - Angleton Chamber of Commerce Monthly Luncheon

Upcoming Community Events and Meetings - (Informational purpose only)

October 28 - Angleton Chamber of Commerce Annual Fall Golf Tournament (*rescheduled from 9/16/24*)

October 30 - The Alliance - Quarterly Membership Meeting

November 1 - Brazoria County Hispanic Chamber of Commerce - Annual Fall Golf Tournament

November 4 - Port Freeport Annual Golf Tournament, which benefits the Texas Port Ministry (TPM)

December 8 - Brazoria Chamber of Commerce Christmas in Brazoria

Strategic Initiatives Overview

This section of the report provides a high-level overview of our upcoming initiatives. As plans are further developed, detailed proposals and timelines will be shared and presented for review.

100-Year Anniversary Celebration – We are in the early planning stages for a year-long celebration of Port Freeport’s centennial, with the main event scheduled for December 2025. The celebration will

include community engagement, media outreach, and public relations efforts to enhance the port's visibility and strengthen relationships with our community, governmental officials, industry leaders, and media.

Crisis Management Communication Plans – We will develop proactive communication strategies for potential crises, such as severe storms, power outages, and work stoppages. The goal is to ensure swift, clear communication and effective outreach, improving our preparedness and response capabilities.

Community Engagement Plan – To strengthen relationships with the community, we are expanding outreach programs and increasing local government advocacy efforts. These initiatives will focus on transparency, enhancing public trust, and fostering greater engagement between the port and the community.


Efficiency & Innovation – We are exploring innovative tools and software to improve the department's efficiency, automate processes, and reduce costs. These efforts will focus on saving time in project management, streamlining communications, and providing data-driven insights to support our public affairs strategy.



1100 CHERRY ST. • FREEPORT, TX 77541
(979) 233-2667 • 1 (800) 362-5743 • FAX: (979) 373-0023
WWW.PORTFREEPORT.COM

MEMORANDUM

TO: Commissioners
Directors
Legal Counsel

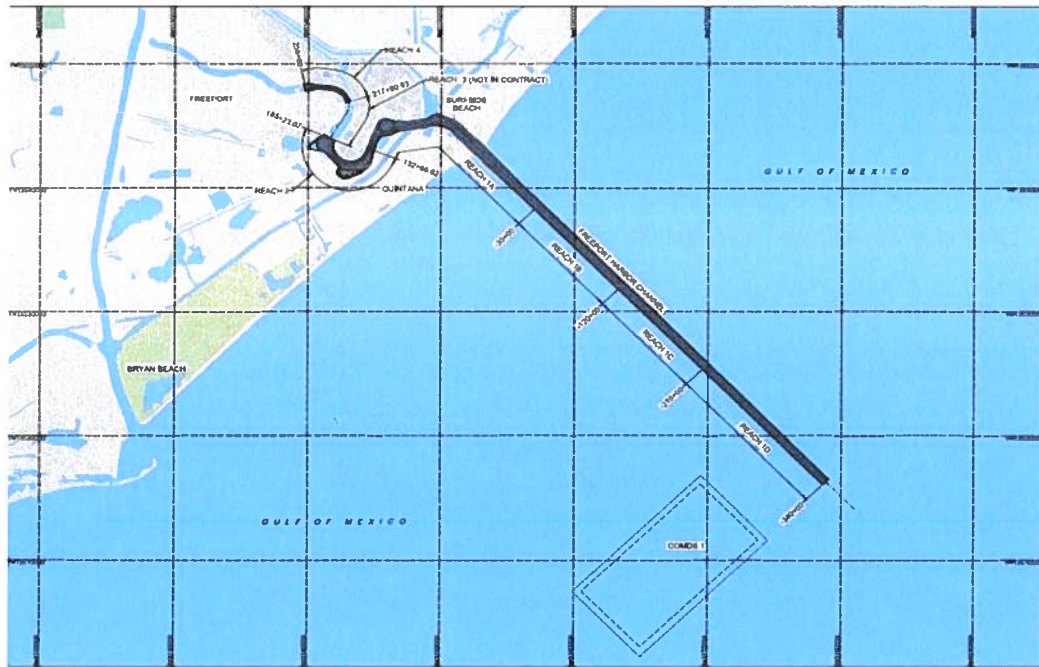
FROM: Jason Hull, P.E. 
Director of Engineering

DATE: October 15, 2024

SUBJECT: Departmental Report

PROJECTS

- 1. FHCIP Reaches 1, 2, and 4** – This project involves deepening the Freeport Ship Channel to various depths ranging from 26-ft to 56-ft depending on the Reach and is funded through Bond funds and Civil Works Budget Appropriation. The final contract is with Great Lakes Dredge & Dock for \$159,743,430. Anticipated completion is December 2025. The bucket dredge GL 58 is also working in Reach 1. Over the next several months, various dredges will come work, and leave as necessary, to complete the dredging. The annual maintenance SATOC contract with Great Lakes has now been completed for 2024. At this time, there is only the Dredge 58 in Freeport working on the deepening contract.



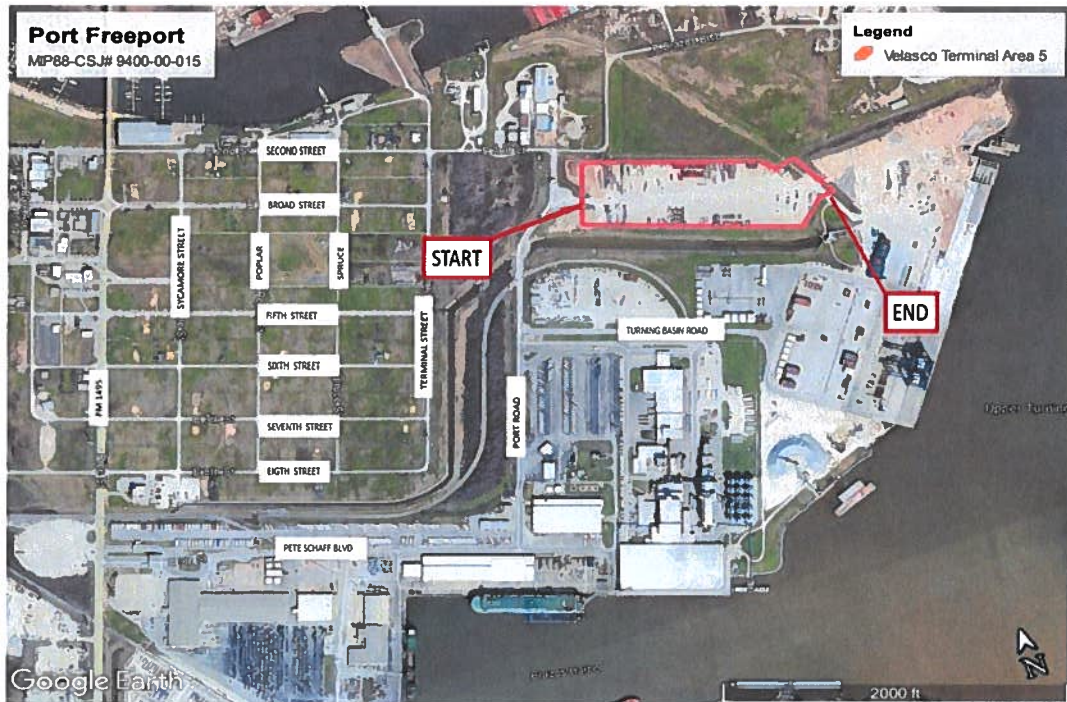
- 2. Gate 12** – This project involves constructing a new gate entrance into the Port off the old Terminal Street at Broad Street. This was awarded at the December 14th Commission meeting to Zachry Construction for \$2,929,297. This is funded with Port money. Construction has begun and it is anticipated to be finished in February 2025.



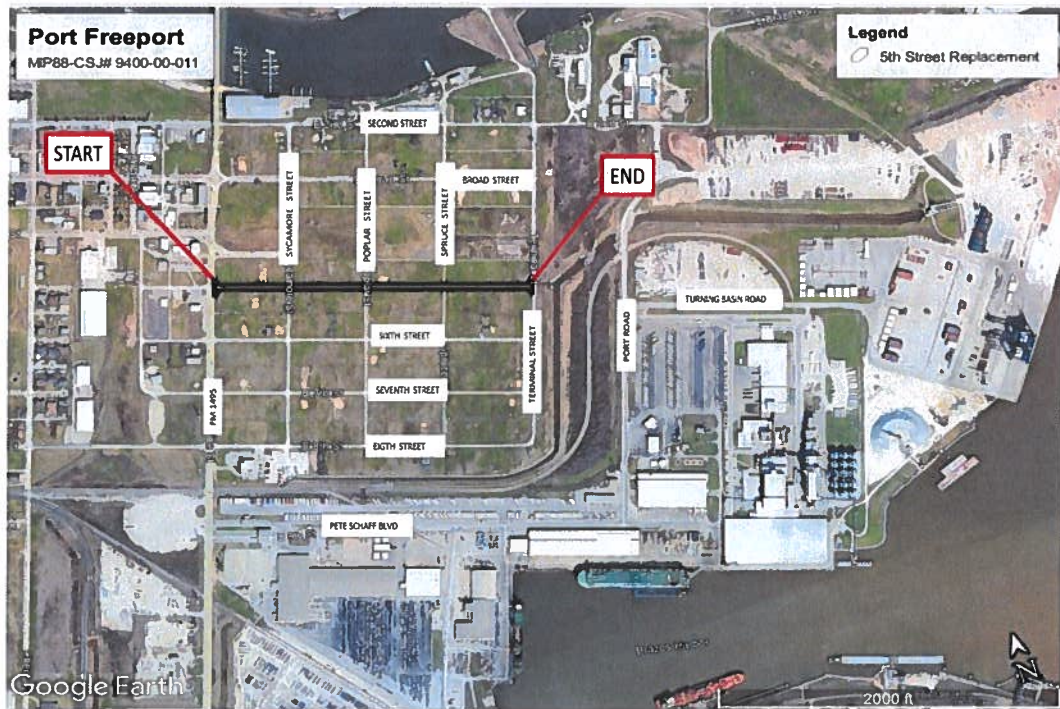
- 3. Velasco Terminal Rider 37** – This project involves reconstructing portions of 8th Street, Poplar Street, and Terminal Street. It also involves building a truck parking area at Terminal Street and 5th Street and a Jug-handle intersection to connect FM 1495 to 2nd Street. This is partially funded through a RIDER 37 program that will pay up to \$6,228,128. The Port will pay the remaining \$2,771,872. Work has begun and completion is expected in June 2025.



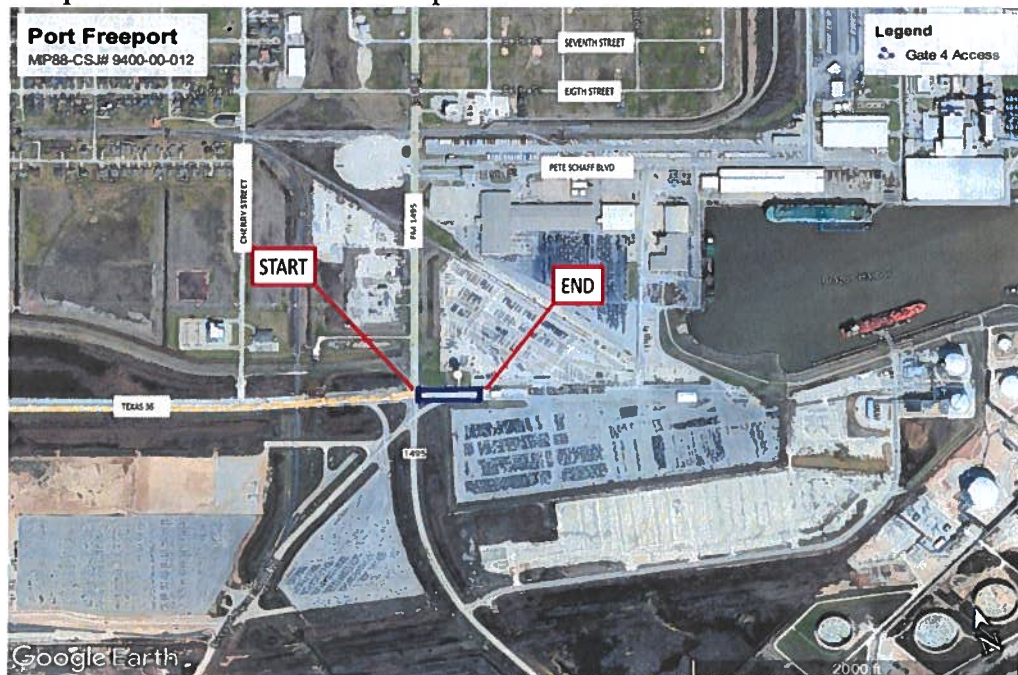
- 4. Velasco Terminal Area 5** – This project involves development of a container yard in Velasco Terminal. TxDOT will fund up to \$11,565,621. Bids were opened on Monday, October 7, 2024 at 9:00 AM. Harper Brothers Construction submitted the lowest bid at \$18,508,603.35. The budget for this project was \$20,500,000.00. A recommendation for award will be made at the October 24th Commission meeting.



- 5. East 5th Street** – This project involves rebuilding E. 5th Street in the expansion area to be suitable for truck traffic from FM 1495 to Terminal Street. TxDOT will fund up to \$3,802,189 which is 75% of the estimated costs. The Port will pay remainder of the project costs, which is estimated to be \$1,267,396. The Geotech sampling and surveying efforts have begun. Bidding is expected in the May 2025 timeframe. Project completion will be finished in September 2026.



- Gate 4 Access** – This project involves widening the access road to Gate 4 from FM 1495 to Gate 4. TxDOT will fund up to \$950,547 which is 75% of the estimated costs. The Port will pay remainder of the project costs, which is estimated to be \$316,849. The geotechnical and surveying efforts have begun. This project will be designed in-house. Bidding is expected in the May 2025 timeframe. Project completion will be finished in September 2026.



- Docks 1, 2, and 5 Sheet Pile Repairs 2024** – This project involves repairing corroded holes in the steel sheet pile at Docks 1, 2, and 5. The project was awarded to SWS / Saltwater Salvage for \$191,000.00 on 4/25/24. Contracts have now been signed and the contractor is working between vessel calls.



- Docks 1, 2, 3, 5 and 7 Cathodic Protection** – This project involves replacing depleted deep-well anode beds and replacing cabling & bonding to the submerged steel structure of the wharfs. The project, once completed, will protect the steel structure from corrosion and deterioration. The budget is \$6,000,000. Contracts have been signed for this project amounting to \$4,026,577. Work has begun.



9. **Yearly maintenance of NOAA PORTS sensors by TAMU-CC Texas A&M Corpus Christi** is the Port's contracted service provider of maintenance for the Port's NOAA PORTS sensors in the ship channel. Twice per year the sensors are removed and exchanged with backup sensors, the batteries recharged, and the sensors cleaned of marine growth (repaired if necessary) and bench tested, then placed on the shelf for re-deployment. Periodically, unscheduled service is needed, and that work is performed and invoiced to the port on a time & materials rate. Below is a summary of all work and cost for maintenance to date:

<u>Description</u>	<u>Date</u>	<u>Cost</u>
LB6	10/18/23	\$ 4,426.04
Surfside Marina	10/19/23	\$ 5,075.50
Surfside Marina	1/17/24	\$ 5,075.50
LB6	2/19/24	\$10,330.50
Surfside Marina	4/15/24	\$ 4,649.00
LB6	5/20/24	\$ 4,396.89
LB 6	7/18/24	\$ 4,828.42



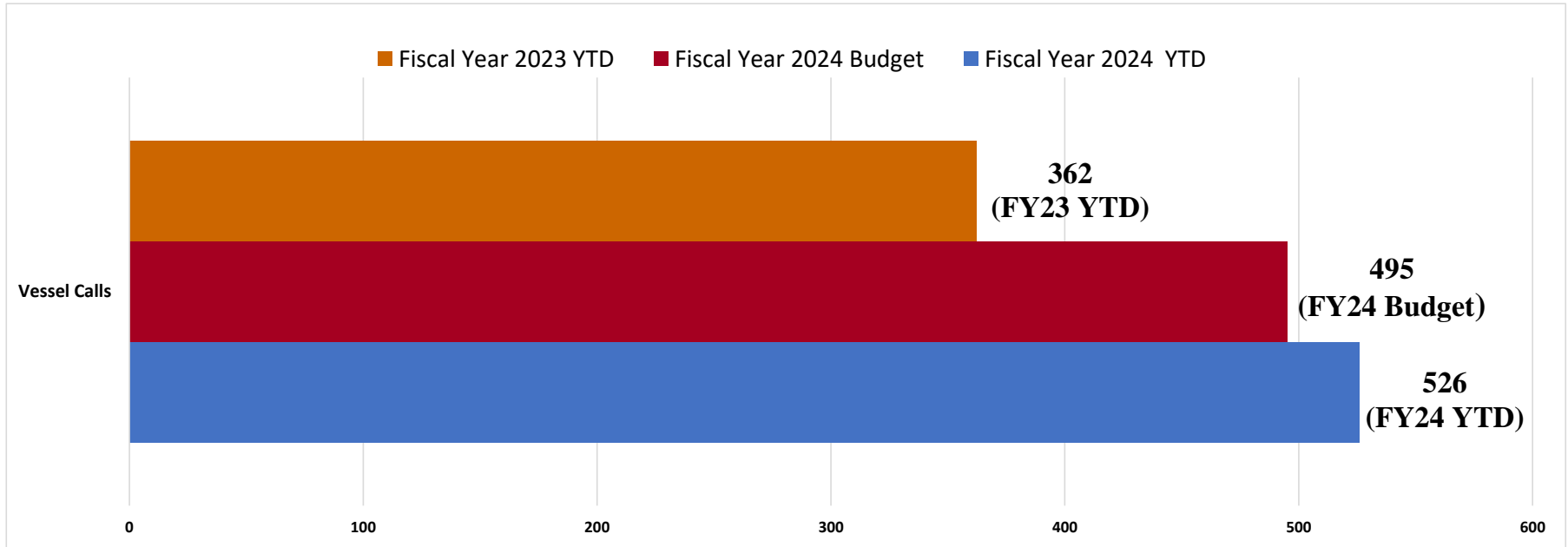
10. Hurricane Beryl Repairs – This project involves repairing several buildings that were damaged during Hurricane Beryl in July. Bids were opened on October 15, 2024 at 2:00 PM. We will analyze the bids and make a recommendation to the Port Commission on October 24th.





PORT FREEPORTSM

2024 YTD Vessel Calls

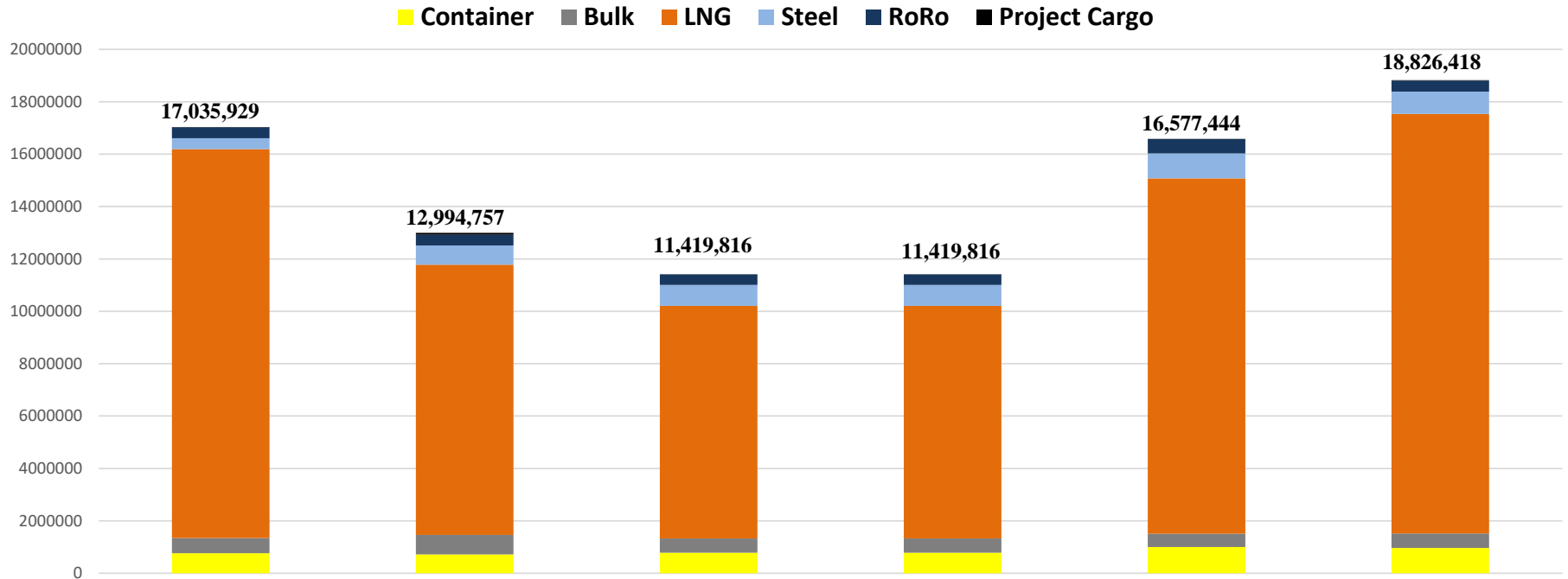


	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2023 YTD	Fiscal Year 2024 Budget	Fiscal Year 2024 YTD	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024
Vessel Calls	531	456	402	362	495	526	45	42	43	41	42	33	36	53	50	40	46	55
Lay Days	926	1195	1086	996	0	1458	81	78	102	149	110	138	150	139	167	126	94	124

September 2024: 55 Total Vessel Calls, 31 Vessels over Budget
 There were 110 Total Vessel Calls Portwide.



Total Tonnage by Fiscal Year



	Fiscal Year 2021 Total	Fiscal Year 2022 Total	Fiscal Year 2023 Total	Fiscal 2023 YTD	Fiscal 2024 YTD	Fiscal 2024 Budget
■ Container	768,773	720,369	784,513	784,513	1,004,603	967,246
■ Bulk	576,991	740,634	546,017	546,017	504,548	555,466
■ LNG	14,844,459	10,314,729	8,879,936	8,879,936	13,565,951	16,014,000
■ Steel	423,442	735,992	797,447	797,447	951,608	852,000
■ RoRo	411,441	415,071	400,811	400,811	546,014	419,706
■ Project Cargo	10,823	67,962	11,092	11,092	4,720	18,000
Total Import/Export	17,035,929	12,994,757	11,419,816	11,419,816	16,577,444	18,826,418

****YTD Tonnage is up 45% from this time last year.****
Record Tonnage in Several Categories

Rail Car Count FY 24

	Steel	Bulk	RoRo Arrivals		RoRo Departure		Total
			Loaded	Empty	Loaded	Empty	
October	52	228					280
November	16	160					176
December	12	233					245
January	10	226					236
February	6	201					207
March	33	82	91	8	32	29	275
April	0	256	130	167	281	6	840
May	0	161	92	341	440	0	1034
June	13	147	180	355	484	2	1181
July	5	141	104	385	347	1	983
August	0	46	152	83	429	7	717
September	62	139	125	349	381	2	1058
Total	209	2020	874	1688	2394	47	7232

RoRo	March	April	May	June	July	August	September	Total
Unloaded Vehicles	712	1120	1152	1880	1080	1550	1479	8973
Outgated Vehicles	316	2842	4403	5124	3501	4258	4592	25036

Railcars has increased due to New OEM customer

**PORT FREEPORT
OPERATIONS ACTIVITY SUMMARY**

SEPTEMBER 2024

A. MONTHLY ACTIVITY EXPLANATION

- * Total import/export activity for the month of September was better than expected.
- * LNG experienced (**19**) vessels this month.
- * Bulk Rice experienced (**1**) vessel this month.
- * Bulk Aggregate did not experience a vessel this month.
- * Total (**17**) RoRo vessels handled.
- * Steel experienced (**3**) vessels, (**15**) barges and (**62**) railcars this month.
- * Total of (**14**) Container vessel calls.
- * Total of (**1,058**) Rail cars this month.
- * Average vessel activity in 2023 was 34 per month. This month, we handled 55 vessels (19 LNG & 36 Inner Harbor).
- * *There were (**110**) Total Vessel arrivals Port wide.*

B. FISCAL YEAR ACTIVITY EXPLANATION

- * Total Tons for this year are better than expected. This is due to the increase in RoRo's, LNG, Steel & Container Vessels.
- * LNG has handled (**191**) vessels for export.
- * Steel has handled (**30**) vessels, (**147**) barges and (**209**) railcars.
- * Total (**151**) RoRo vessels handled.
- * YTD (**118**) Container vessel calls.
- * Bulk CO2 handled (**189**) railcars with **13,827** Tons Loaded.
- * Bulk Aggregate handled (**1,320**) railcars, discharging **151,801** Tons of Aggregate and (**1**) Vessel.
- * Bulk Rice handled (**511**) railcars.
- * RoRo has handled (**5,003**) railcars.
- * Total vessels handled this fiscal year is **526** compared to **402** last year (**191** LNG & **335** Inner Harbor).
- * *Total Port wide Vessels Fiscal Year-to-date (**1,164**)*
- * *Total Vehicles Handled Year-to-date (**162,239**)*
- * *Total Containers Handled (**58,440**)*
- * *Total Railcars Handled (**7,232**)*

C. INSIGHT TO ACTIVITY FOR OCTOBER 2024

- * LNG has scheduled (**18**) vessels.
- * Bulk Rice has scheduled (**0**) vessels.
- * Bulk Aggregate has scheduled (**0**) vessels and (**95**) Railcars for October.
- * Expecting to handle (**12**) RoRo vessels.
- * Steel has (**1**) vessels, (**18**) barges and (**0**) Railcars planned.
- * Expecting (**12**) Container vessels.

D. OPERATIONAL MEETINGS AND AGENDAS

- * OPTS, Safety, Security – Hosted TXDOT Meeting.
- * Ops, Safety, Security – Hosted Port Tenant Group meeting to discuss ILA Strike.
- * Safety – Christine Lewis – Hosted Port Staff Safety Training.
- * Security – Chris Hogan – Attended CAER Subcommittee, NWS/State/County/USCG calls. Joint Meeting with Area Maritime Security Plans, Central Texas Coastal Area Contingency Plan.
- * Security– Chris Hogan – Assisted Business Development/Ops in Meetings with Schlumberger.
- * Austin– Attended Freeport Harbor Coordination Group.
- * Jesse – Hannah – Austin – Conducted Interviews for Operations Maintenance Technician.
- * Don – Continue Working with PBA, ZPMC and ABB to Finalize the Design Specifications of the New STS Cranes.
- * Jesse– Attended Meetings with HEB, Oil States, Fracht and WGMA/ILA.
- * Operations & Maintenance Staff- Attended Monthly Safety Training.



1100 CHERRY ST. • FREEPORT, TX 77541
(979) 233-2667 • 1 (800) 362-5743 • FAX: (979) 373-0023
WWW.PORTFREEPORT.COM

TO: Port Commissioners
Executive Director/CEO

FROM: Rob Lowe

DATE: October 11, 2024

SUBJECT: FLNG Tax Abatement Modification

Freeport LNG Development, LP and FLNG Liquefaction 4, LLC have submitted a request for a second modification to the tax abatement agreement for Train 4. Per the attached letter, Freeport LNG estimated construction of Train 4 would begin in 2024, however due to commercialization issues, they are now anticipating beginning construction in 2029. As such, the agreement would be modified to begin in 2030 as opposed to the current 2025 start date. Sections 4.01, 4.02, 6.05 and 7.01 would be amended to include the new dates as shown in the draft modification. Brazoria County approved their modification on July 22, 2024.

PORT COMMISSION

RAVI K. SINGHANIA, CHAIRMAN; **ROB GIESECKE**, VICE CHAIRMAN; **BARBARA FRATILA**, SECRETARY; **KIM KINCANNON**, ASST. SECRETARY;
DAN CROFT, COMMISSIONER; **RUDY SANTOS**, COMMISSIONER; **PHYLLIS SAATHOFF**, EXECUTIVE DIRECTOR/CEO



August 14, 2024

Mr. Rob Lowe
Director of Administration/CFO
Port Freeport
110 Cherry Street
Freeport, Texas 77541

RE: Modification to Tax Abatement Agreement for Property Located in Brazoria County Reinvestment Zone No. 21.01 between Port Freeport and Freeport LNG Development, LP and FLNG Liquefaction, 4, LLC (the "Modified Abatement Agreement")

Dear Mr. Lowe,

Freeport LNG Development, LP on behalf of itself and FLNG Liquefaction, 4, LLC hereby respectfully requests the terms of the Abatement Agreement be modified in accordance with Section 13.01 by the Port Commission as set forth herein. Section 4.01 and Section 4.02 of the Modified Abatement Agreement currently state that "this Tax Abatement shall be effective January 1, 2025..." and "...the term of the Abatement under this Agreement shall commence January 1, 2025", respectively.

At the time of entering into this tax abatement agreement, Freeport LNG estimated that construction on the train 4 project would begin in 2024, or later. However, due to circumstances beyond our control, largely related to issues surrounding the commercialization of train 4, we may not commence construction on the Eligible Property, as described in Section 2.01c of the Modified Abatement Agreement, until 2029.

As a result of the construction delays mentioned above, no on-site capital investment will have been made in 2024 and Freeport LNG would receive zero benefits for the first tax year, 2025. Therefore, we respectfully request Port Freeport Commissioners to modify the Modified Abatement Agreement as necessary so that January 1, 2030 will be the new the effective date and the first year of the ten-year abatement period. Additionally, we request the following modifications, the corresponding and or related dates in Sections 4.01, 4.02, 4.04, 6.05, and 9.04 of the Abatement Agreement be increased by 5 years.

Freeport LNG Development, L.P.

333 Clay Street, Suite 5050 • Houston, Texas 77002-4173 • Phone: 713-980-2888 • Fax: 713-980-2903



In the event that on-site capital investment begins in a year prior to 2029, we understand that the Modified Tax Abatement Agreement will become effective the January 1 following the start of construction. As such, we request that the Section 4.02 be altered as follows:

Pursuant to the above-provisions and subject to Section 4.03 herein below, the term of the abatement under this Agreement shall commence January 1, 2030 and continue through December 31, 2039 unless construction commences prior to 2029. In such case, the term of the Agreement shall commence the January 1st after construction commences and continue for a period of ten years. The benefits of abatement shall continue throughout the last year in which abatement is applied as long as the property and property owner continue to qualify for abatement throughout the last year.

Please let us know if you have any questions or require any additional information.

Best Regards,

A handwritten signature in black ink that reads "Anne-Marie Suire". The signature is written in a cursive, flowing style.

Anne-Marie Suire, Head of Tax
Freeport LNG Development, L.P.
333 Clay Street, Suite 5050
Houston, TX 77002

Freeport LNG Development, L.P.

333 Clay Street, Suite 5050 • Houston, Texas 77002-4173 • Phone: 713-980-2888 • Fax: 713-980-2903

THE STATE OF TEXAS §
 §
COUNTY OF BRAZORIA §

**SECOND MODIFICATION TO
TAX ABATEMENT AGREEMENT WITH FREEPORT LNG DEVELOPMENT, LP
AND FLNG LIQUEFACTION 4, LLC FOR PROPERTY LOCATED IN
BRAZORIA COUNTY REINVESTMENT ZONE NO. 21-01**

This **Second Modification to Tax Abatement Agreement** (hereinafter referred to as the "Second Modification") is made and entered into by and between **PORT FREEPORT** ("Port") and **FREEPORT LNG DEVELOPMENT, LP**, a Limited Partnership authorized to do business in Texas, and **FLNG LIQUEFACTION 4, LLC**, ("Owner"), the owner of taxable real property in Brazoria County, Texas, located in the **BRAZORIA COUNTY REINVESTMENT ZONE NO. 21-01** ("Reinvestment Zone").

AUTHORIZATION

This Second Modification is authorized under Section 312.208 of the Texas Tax Code because (i) the provisions of this modification could have been included in the original Agreement and (ii) this modification has been entered into following the same procedure in which the application was approved and executed.

RECITALS

The Port and Owner hereby agree that the following statements are true and correct and constitute the basis upon which the Port and Owner have entered into this Second Modification.

1. The Port and Owner previously entered into a Tax Abatement Agreement (attached hereto as Exhibit "A") approved on January 13, 2022 (hereinafter referred to as the "Agreement"). Under the Agreement, Owner agreed to construct certain real property improvements on property in the County and located within the BRAZORIA COUNTY REINVESTMENT ZONE NO. 21-01 in return for certain real and personal property tax abatements granted to Owner by the Port. On September 22, 2022, Port approved a modification to Tax Abatement Agreement which delayed the commencement and completion deadlines (attached hereto as Exhibit "1").
2. The term of the abatement was to be effective January 1, 2025.
3. Owner has requested Port to modify the Agreement to permit Owner to delay the effective date of the Agreement to extend beyond January 1, 2025.
4. Because Owner has not begun the project and the abatement period will not extend beyond the ten years granted with the change in the effective date, the Port is willing to allow Owner to delay the effective date of the Agreement.

NOW THEREFORE, the Port and Owner, for and in consideration of the terms and conditions set forth herein, do hereby contract, covenant and agree as follows:

A. Section IV: VALUE AND TERM OF ABATEMENT is hereby modified to read as follows:

4.01 This Tax Abatement shall be effective January 1, 2030, or the January 1st after construction commences, whichever occurs first and shall continue for a period of ten (10) years, or one-half ($\frac{1}{2}$) the productive life of the improvements, whichever is less. Owner shall provide notice of construction commencement to the Port within 30 days of such commencement. One hundred percent (100%) of the value of New Eligible Properties shall be abated subject to Section 4.03 herein below.

4.02 Pursuant to the above-provisions and subject to Section 4.03 herein below, the term of abatement under this Agreement shall commence January 1, 2030 and continue through December 31, 2039 unless construction commences prior to 2029. In such case, the term of the Abatement shall commence the January 1st after construction commences and continue for a period of ten years. The benefits of abatement shall continue throughout the last year in which abatement is applied as long as the property and property owner continue to qualify for abatement throughout the last year.

4.03 If pursuant to the above Section 4.01, it is determined upon completion of improvements, or at any time thereafter (including after the term of abatement otherwise granted under this Agreement) that one-half ($\frac{1}{2}$) the productive life of improvements is less than the term of years of abatement under this Agreement, the term of abatement shall be reduced to one-half ($\frac{1}{2}$) the productive life of the improvements and Owner shall pay to the Port the full amount of taxes otherwise abated in each year in which the term of abatement exceeded one-half ($\frac{1}{2}$) of the actual productive life of the improvements. The amount of taxes for part of a year, if applicable, shall be determined by proration (by multiplying the amount of abated taxes for the entire year by a fraction, the denominator of which is 365 and the numerator of which is the number of days in excess of the term of abatement represented by one-half ($\frac{1}{2}$) of the actual productive life of the improvements). Any recapture hereunder shall be payable within sixty (60) days of written notice. Owner shall certify by statement to the Port and the Brazoria County Appraisal District the estimated productive life of improvements upon completion of the construction; provided, however Owner's estimate of productive life shall not control the operation of this subsection.

4.04 The payment obligation under Section 4.03 is a continuing obligation. Owner understands and agrees that this Agreement mandates that Owner's abated improvements be in active service and operation as part of a facility operating in a producing capacity for a period of twenty (20) years from the effective commencement date of this agreement in order for Owner to receive ten (10) full years of abatement that are not subject to the term reduction and recapture/payment obligation provisions of Section 4.03 of this Agreement.

B. Section 6.05 is hereby modified to read as follows:

6.05 The Owner estimates that construction of the improvements will begin on or before December 31, 2029.

C. Section 7.01 is hereby modified to read as follows:

7.01 During the abatement period covered by this Agreement, the Port may declare a default hereunder by the Owner if:

- (a) the Owner fails to commence construction of the new facility described in Section VI above, and the Application attached hereto as Exhibit A by December 31, 2029;
- (b) the Owner fails to construct the new facility described in Section VI above;
- (c) the Owner refuses or neglects to comply with any of the terms of this Agreement;
- (d) any representation made by the Owner in this Agreement is false or misleading in any material respect; or
- (e) the constructed facility fails to meet the economic qualifications of Section 2(h) of the Port Guidelines and Criteria. The economic qualifications of Section 2(h) therein expressly include the requirement that the level of employment stated in the Application for the property that is the subject of the Tax Abatement Agreement be maintained for the duration of the abatement period.

D. Section 9.04 is hereby modified to read as follows:

9.04 Owner has a continuing obligation for a period of twenty (20) years from the effective commencement date of this Agreement to report to the Port any plant closure or permanent cessation of production at the abated facility and to furnish to the Port upon request a written confirmation as to whether or not the abated improvements are in service as part of a producing facility or, if applicable, a statement of the beginning and ending dates of production from and/or the beginning and ending dates of operation of the abated facility improvements; or to provide other similar information necessary to determine the actual or estimated productive life of the abated improvements.

E. Except as otherwise specifically amended in this Second Modification, the Agreement shall remain in full force and effect.

F. This Second Modification contains the entire understanding and agreement between the Port and Owner, their assigns and successors in interest, as to the matters contained herein.

This Second Modification is executed by the parties in multiple originals, each having full force and effect, and the effective date of this agreement is the date of the countersignature of the Chairman of the Port Commission of Port Freeport.

[Signature Page Follows]

PORT FREEPORT

FREEPORT LNG DEVELOPMENT, LP

By: FREEPORT LNG-GP, LLC, its sole general partner

By: _____
RAVI SINGHANIA
CHAIRMAN

By: _____
NAME: _____
TITLE: _____

Date signed: _____

Date signed: _____

ATTEST:

FLNG LIQUEFACTION 4, LLC

By: _____
BARBARA FRATILA
SECRETARY

By: _____
NAME: _____
TITLE: _____

Date signed: _____

Date signed: _____



Government Finance Officers Association

Certificate of
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Presented to

**Port Freeport
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morill

Executive Director/CEO



1100 CHERRY ST. • FREEPORT, TX 77541
(979) 233-2667 • 1 (800) 362-5743 • FAX: (979) 373-0023
WWW.PORTFREEPORT.COM

MEMORANDUM

TO: Port Commissioners
Chief Executive Officer

FROM: Rob Lowe

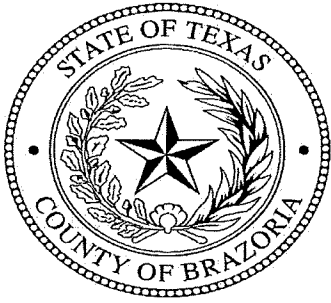
DATE: October 10, 2024

SUBJECT: Certified Tax Report 502C

In compliance with Property Tax Code 26.09(e), the Port Commission is required to approve the port's tax roll as provided by the Brazoria County Tax Assessor-Collector. Brazoria County provided the certified tax report 502C dated October 3, 2024 and it is being presented to the Port Commission in compliance with the stated code.

PORT COMMISSION

RAVI K. SINGHANIA, CHAIRMAN; **ROB GIESECKE**, VICE CHAIRMAN; **BARBARA FRATILA**, SECRETARY; **KIM KINCANNON**, ASST. SECRETARY;
DAN CROFT, COMMISSIONER; **RUDY SANTOS**, COMMISSIONER; **PHYLLIS SAATHOFF**, EXECUTIVE DIRECTOR/CEO



Brazoria County Tax Office

KRISTIN R. BULANEK
TAX ASSESSOR-COLLECTOR

111 E. Locust
Angleton, Texas 77515

979.864.1320
FAX 979.864.1346

October 3, 2024

Enclosed please find the Certified Tax Report for the 2024 Tax Roll. If you have any questions, please call Virginia Vazquez, Chief Deputy Accountant at (979) 864-1330.

In compliance with Property Tax Code 26.09(e), please place tax roll before governing body for approval.

Sincerely,

Kristin R. Bulanek CIA
Tax Assessor-Collector
Brazoria County

2024 TAX ROLL SUMMARY

41 - PORT FREEPORT

	Amount	Count
NUMBER OF ACCOUNTS		126,270
MARKET VALUES		
ROLLCODE: MINERAL		
Mineral	\$16,157,343	
ROLLCODE: MOBILE HOME		
Improvement	\$158,756,924	
Improvement Non-Home Site	\$3,644,418	
ROLLCODE: PERSONAL		
Personal	\$4,685,767,390	
ROLLCODE: REAL		
Agriculture	\$2,608,405,100	
Improvement	\$9,968,201,406	
Improvement Non-Home Site	\$25,720,001,280	
Land	\$2,939,110,741	
Land Ag Land	\$34,216,139	
Land Non-Home Site	\$2,689,903,322	
	TOTAL MARKET VALUE	
		\$48,824,164,063
DEFERRALS		
Ag	\$2,606,857,860	7,732
	TOTAL DEFERRALS	
		\$2,606,857,860
EXEMPTIONS		
23.231 Circuit Breaker Limitation	\$261,025,107	6,101
Absolute - CHDO	\$16,636,753	44
Absolute - Church	\$1,873,512	6
Cap Adjustment	\$1,193,618,488	23,323
Contract Abatement	\$11,663,540,530	94
Disabled	\$116,998,326	1,002
Disabled Veteran	\$12,040,969	1,347
DVHS	\$237,239,552	752
Economic Development	\$2,037,250	5
Freeport	\$744,889,244	52
Historic Site	\$329,370	4
Homestead	\$1,328,680,497	24,666
Low Income Housing	\$6,920,310	9
Miscellaneous	\$2,446,064,939	4,433
Nominal Value	\$938,856	22,092
Other Exemption	\$100	1
Over 65	\$2,278,841,322	12,917
Personal Use Vehicle	\$29,524,090	230
Pollution Control	\$2,184,398,890	69
Private Schools	\$12,434,900	3
Solar/Wind	\$594,617	32
Spouse First Responder	\$957,759	3
Surv Spouse DVHS	\$18,346,800	73
Surviving Spouse Disabled Person	\$0	6
Surviving Spouse Over 65	\$90,498,151	505
	TOTAL EXEMPTIONS	
		\$22,648,430,332

2024 TAX ROLL SUMMARY

41 - PORT FREEPORT

GRAND TOTAL FOR DEFERRALS AND EXEMPTIONS	\$25,255,288,192	
TOTAL MARKET VALUE	\$48,824,164,063	
TAXABLE VALUE	\$23,568,875,871	
TAX RATE	0	
ROLLCODE: MINERAL		
Levy	\$0.00	28,095
ROLLCODE: MOBILE HOME		
Levy	\$0.00	3,493
ROLLCODE: PERSONAL		
Levy	\$0.00	8,069
Rendition Penalty	\$0.00	1,305
ROLLCODE: REAL		
25.25(d)	\$0.00	1
LateAg	\$0.00	20
Levy	\$0.00	86,613
	TOTAL LEVY	\$0.00
LEVY LOST DUE TO FROZEN		\$0.00
OTHER LOST LEVY		\$0.00
TOTAL LOST LEVY		\$0.00

Calculation Analysis

	Calc Levy	- Tax Amount	=	Diff.	Market Value	Exemption	Taxable Value
Frozen	0.00	0.00		0.00	0	0	0
DV100 (Excl. Frozen)	0.00	0.00		0.00	271,884,828	237,239,552	34,645,276
Prorated (Excl. Frozen)	0.00	0.00		0.00	0	0	0
Other	0.00	0.00		0.00	48,552,279,235	25,018,048,640	23,534,230,595
Total	0.00	0.00		0.00	48,824,164,063	25,255,288,192	23,568,875,871
DV100 (Incl. Frozen)	0.00	0.00		0.00	0	0	0
Prorated (Incl. Frozen)	0.00	0.00		0.00	0	0	0

YEAR-TO-DATE SUMMARY PART C

Tax Year = 2024 and Month = 10/2/2024 and Tax Units = {multiple}

41 - PORT FREEPORT

CURRENT YEAR INFORMATION

Start Financial Year 10/01/2024 12

Start Value 48,824,164,063	Start Exemption 25,255,288,192	Start Taxable 23,568,875,871	Rate 0.000000	Calc Start Levy 0.00	Actual Start Levy 0.00	Start Frozen Loss 0.00	Start + Frozen 0.00
Adjusted Value 48,824,164,063	Adjusted Exemption 25,255,288,192	Adj Taxable 23,568,875,871	Rate 0.000000	Calc Adj Levy 0.00	Actual Current Levy 0.00	Adj Frozen Loss 0.00	Act Levy + Act Frozen 0.00
Start Value 48,824,164,063	Net Value Adj 0	Start Value + Net Value Adj 48,824,164,063			Actual Current Value 48,824,164,063	Other Loss 0.00	
Start Exemption 25,255,288,192	Net Exmp Adj 0	Start Exemp + Net Exmp Adj 25,255,288,192			Actual Current Exemption 25,255,288,192		

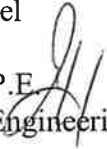
YEAR	NET START BALANCE	NET MTD ADJ	NET YTD ADJ	NET MTD PAID	NET YTD PAID	CALC BALANCE	REFUNDS DUE	COL %
						AS OF 10/02/2024		
2023	50,159.40	0.00	0.00	325.42	325.42	49,833.98	(3,427.99)	0.64
2022	31,642.80	0.00	0.00	61.50	61.50	31,581.30	(1,605.65)	0.19
2021	17,688.31	0.00	0.00	20.28	20.28	17,668.03	(27.88)	0.11
2020	8,985.09	0.00	0.00	26.79	26.79	8,958.30	0.00	0.29
2019	6,191.86	0.00	0.00	20.43	20.43	6,171.43	0.00	0.32
2018	4,685.76	0.00	0.00	17.73	17.73	4,668.03	0.00	0.37
2017	4,885.61	0.00	0.00	3.75	3.75	4,881.86	0.00	0.07
2016	4,406.84	0.00	0.00	0.00	0.00	4,406.84	0.00	0.00
2015	3,858.66	0.00	0.00	0.00	0.00	3,858.66	0.00	0.00
2014	3,042.34	0.00	0.00	0.00	0.00	3,042.34	0.00	0.00
2013	2,071.44	0.00	0.00	0.00	0.00	2,071.44	0.00	0.00
2012	3,940.56	0.00	0.00	0.00	0.00	3,940.56	0.00	0.00
2011	2,396.58	0.00	0.00	0.00	0.00	2,396.58	0.00	0.00
2010	1,540.78	0.00	0.00	0.00	0.00	1,540.78	0.00	0.00
2009	1,343.55	0.00	0.00	0.00	0.00	1,343.55	0.00	0.00
2008	1,561.82	0.00	0.00	0.00	0.00	1,561.82	0.00	0.00
2007	1,583.82	0.00	0.00	0.00	0.00	1,583.82	0.00	0.00
2006	1,636.86	0.00	0.00	0.81	0.81	1,636.05	0.00	0.04
2005	1,409.92	0.00	0.00	0.00	0.00	1,409.92	0.00	0.00
2004	1,486.60	0.00	0.00	1.55	1.55	1,485.05	0.00	0.10
2003 *	1,106.68	0.00	0.00	1.63	1.63	1,105.05	0.00	0.14
TOTAL	155,625.28	0.00	0.00	479.89	479.89	155,145.39	(5,061.52)	



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MEMORANDUM

TO: Commissioners
Directors
Legal Counsel

FROM: Jason Hull, P.E. 
Director of Engineering

DATE: October 8, 2024

SUBJECT: **Velasco Terminal Backland Development, Area 5 (MIP 88)**

Bids were received and opened for the **Velasco Terminal Backland Development, Area 5 (MIP 88)** project on October 7, 2024, at 9:00 A.M.

Three contractors submitted a bid as shown in the attached bid tabulation sheet. The contractor that submitted the lowest bid in addition to meeting all requirements of the specifications was Harper Brothers Construction, LLC.

Harper Brothers Construction, LLC is a reputable contractor based in Houston, Texas.

I recommend the Port move forward with this important project and award the contract to Harper Brothers Construction, LLC for an amount **not to exceed \$18,508,603.35**.

attachment

PORT COMMISSION

RAVI K. SINGHANIA, CHAIRMAN; ROB GIESECKE, VICE CHAIRMAN; BARBARA FRATILA, SECRETARY; KIM KINCANNON, ASST. SECRETARY;
DAN CROFT, COMMISSIONER; RUDY SANTOS, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO



BID TABULATION SHEET
VELASCO TERMINAL BACKLAND DEVELOPMENT, AREA 5 (MIP 88)
PROJECT NO. 24-01
BID OPENING: OCTOBER 7, 2024, 9:00 A.M.

Name	Amount	Bond/CC	Qualification Statement	Insurance Certificate	Days
Zachry	\$24,211,217.00	Y	Y		240
Harper Brothers Construction	\$18,508,603.35	Y	Y	Y	210
Satterfield & Pontikes Construction	\$19,753,327.07	Y	Y	Y	341


Signatures: Jason J. Hull
CC of R...



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MEMORANDUM

TO: Commissioners
Directors
Legal Counsel

FROM: Jason Hull, P.E. 
Director of Engineering

DATE: October 16, 2024

SUBJECT: **Hurricane Beryl Repairs**

Bids were received and opened for the **Hurricane Beryl Repairs** project on October 15, 2024 at 2:00 P.M.

Four contractors submitted a bid as shown in the attached bid tabulation sheet. The contractor that submitted the lowest bid in addition to meeting all requirements of the specifications was Rosehill Roofing and Restoration.

Rosehill Roofing and Restoration is a reputable contractor based in Cypress, Texas.

I recommend the Port move forward with this important project and award the contract to Rosehill Roofing and Restoration for an amount **not to exceed \$2,979,591.29**.

attachment

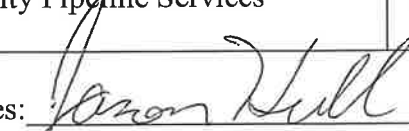
PORT COMMISSION

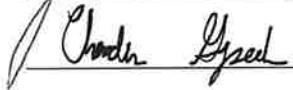


**BID TABULATION SHEET
HURRICANE BERYL REPAIRS
PROJECT NO. 24-10
BID OPENING: OCTOBER 15, 2024, 2:00 P.M.**

Name	Base Bid	Additive Alternate #1 Replacing undamaged translucent panels with metal siding	Additive Alternate #2 Replacing roof on Transit Shed 3 and repairing gutter	Total	Completion Date
Rosehill Roofing and Restoration	\$2,000,422.19	\$91,940.10	\$887,229.00	\$2,979,591.29	04/2025
Atlas Universal	\$5,245,000.00	\$285,000.00	\$1,780,000.00	\$7,310,000.00	10/2025
Frost Construction	\$3,050,000.00	\$240,000.00	\$900,000.00	\$4,190,000.00	04/2025
Integrity Pipeline Services	\$4,755,108.30	\$126,775.59	\$2,552,625.92	\$7,434,509.81	03/2026

Signatures:








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MEMORANDUM

TO: Commissioners
Directors
Legal Counsel

FROM: Jason Hull, P.E. 
Director of Engineering

DATE: October 8, 2024

SUBJECT: Annual maintenance of NOAA PORTS sensors by TAMU-CC

Attached is the annual maintenance contract with Texas A&M University Corpus Christi for the maintenance of the NOAA PORTS sensors in the Freeport Ship Channel. I recommend approval of the contract renewal to keep our sensors maintained.



PORT COMMISSION

**RAVI K. SINGHANIA, CHAIRMAN; ROB GIESECKE, VICE CHAIRMAN; BARBARA FRATILA, SECRETARY; KIM KINCANNON, ASST. SECRETARY;
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MEMORANDUM

TO: Board of Commissioners and Executive Director/CEO

FROM: Jesse Hibbetts, Director of Operations

DATE: October 24, 2024

SUBJECT: Request to Purchase Boom Cables for Gantry Cranes

Port Operations is requesting to purchase new boom cables for the Port's STS gantry cranes. The boom cables are recommended to be changed every 10 years and this will be the first time in doing so. Please find attached the two quotes that was received by preferred vendors for the ZPMC cranes.

Operations is requesting approval:

SLS Rigging, LLC for \$38,820.00 for Crane 1
SLS Rigging, LLC for \$38,820.00 for Crane 2

Total cost for both cranes \$77,640.00 which includes freight and pressure lube of the wire rope.

This maintenance project is included in this year's M&R budget FY2024/2025

PORT COMMISSION

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DAN CROFT, COMMISSIONER; RUDY SANTOS, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO



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TO: Executive Director/CEO
Port Freeport Commissioners
Legal Counsel

FROM: Director of Business & Economic Development

DATE: October 24, 2024

SUBJECT: JOC TPM 2025 – Sponsorship Consideration

JOC’s Transpacific Maritime Conference (“TPM”) will be held March 2-5, 2025, in Long Beach, CA. TPM is a global conference bringing together cargo owners/shippers/beneficial cargo owners (“BCOs”) with international logistics service providers including ocean carriers, ocean and air forwarders, third-party logistics, marine terminals, ports, truckers, railroads, banks and others. 2025 will mark the 25th anniversary for TPM and attendance is expected to be record attendance. The agenda is enclosed. Staff members planning to attend are Phyllis, Clinton and Jason M. Sponsorship opportunities for the event are available. If the Port Commission is interested in sponsoring the event, to have Port Freeport’s logo displayed on conference material to gain additional exposure for Velasco Container Terminal, then staff would recommend the Bronze Sponsorship as follows:

Bronze Sponsorship

\$37,485 which includes:

(1) Full conference pass + (4) discounted tickets @ \$1,715 each = \$6,860 additional
\$44,345 = 5 attendees, not including travel and accommodation expenses.

The next level of sponsorship available is Gold

Gold Sponsorship (includes booth)

\$76,710 which includes:

(3) Full conference passes + up to (6) discount tickets @ \$1,715 each = \$10,290 additional cost (if used)
\$87,000 = up to 9 attendees + 10’ x 10’ booth

If the Port Commission chooses the Gold option, then the port would need to send 2 additional staff members to have representation at the booth.

PORT COMMISSION

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