

## AGENDA

Port Freeport  
Finance Advisory Committee  
Special Meeting  
Thursday, March 24, 2022, 12:15 pm - 12:45 pm  
In Person & Videoconference - Administration Building - 1100 Cherry Street - Freeport

This meeting agenda with the agenda packet is posted online at [www.portfreeport.com](http://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 Finance Advisory Committee, 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.

Public comment will be available at the beginning of the meeting during the agenda item devoted to public comment. Public comment may be communicated in person or by videoconference, but in either event public comment will be limited to 5 minutes per participant and must be communicated verbally. Following public comment, the public will not be permitted to communicate with the Committee.

The videoconference is available online as follows:

Join Zoom Meeting

<https://us02web.zoom.us/j/89392013649?pwd=UGxLTFE3YUdtU2NHYXBUY2ZRM0IMUT09>

Meeting ID: 893 9201 3649

Passcode: 526321

Dial by your location

1 346 248 7799 US (Houston)

Meeting ID: 893 9201 3649

Find your local number: <https://us02web.zoom.us/j/89392013649>

1. Committee Members: Croft (Chairman), Pirtle, Giesecke
2. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
3. Roll Call.
4. Public Comment. (Public comment will be limited to 5 minutes per participant and can be completed in person or virtually)
5. Discussion regarding a proposal from Texas A&M Transportation Institute for Port Freeport Economic Impact Study, for an amount not to exceed \$66,500.00.
6. EXECUTIVE SESSION in accordance with Subchapter D of the Open Meetings Act, Texas Government Code Section 551.001, et. seq., to review and consider the following:
  - A Under authority of Section 551.072 (Deliberation of Real Property Matters) for discussion regarding:
    1. The potential exchange, lease, or value of real property located at Port Freeport, including but not limited to Parcel 14.
    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 and 7.
7. RECONVENE OPEN SESSION:
8. Adjourn.

***The Committee 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 Committee may go into a closed session as permitted by law regarding any item on the agenda.***



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Phyllis Saathoff, Executive Director/CEO

**PORT FREEPORT**

*In compliance with the Americans with Disabilities Act, the District will provide for reasonable accommodations for persons attending its functions. Requests should be received at least 24 hours in advance.*



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**TO:** Executive Director/CEO  
Port Commissioners  
Legal Counsel

**FROM:** Director of Business and Economic Development

**DATE:** March 24, 2022

**SUBJECT:** Texas A&M Transportation Institute (“TTI”) – Economic Impact Study (“EIS”)

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Enclosed please find a Statement of Work for a total cost of \$66,500.00 from TTI to perform an EIS for Port Freeport.

The last EIS was performed by TTI in 2019 and was based on the previous years’ data.

It is time to get a fresh look at Port Freeport’s Economic Impacts and this study will produce both statewide and nationwide impact data for our use.

Staff recommends engaging Texas A&M Transportation Institute to perform the statement of work for an Economic Impact Study as presented in an amount not to exceed \$66,500 and approving the Executive Director & CEO of Port Freeport to execute any agreement associated thereto.

[PORT COMMISSION](#)

JOHN HOSS, CHAIRMAN; RUDY SANTOS, VICE CHAIRMAN; DAN CROFT, SECRETARY; ROB GIESECKE, ASST. SECRETARY.  
RAVI K. SINGHANIA, COMMISSIONER; SHANE PIRTLE, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO

## STATEMENT OF WORK

### Study on the Economic Impact of Port Operations

#### Objective

The objective of this research is to estimate the total annual economic impact of the operation of Port Freeport. For the purposes of this study, facilities included in the analysis consist of those owned and operated by the Port as well as those leased to others (e.g., Freeport LNG, et al.) To the extent possible (pending data availability), facilities owned and operated by Dow, Phillips and BASF will be included in the study as well. The economic impacts to be estimated include primary and secondary effect of the port's operations on employment, income and tax revenues in addition to total economic impact across the county. For the purpose of this analysis the impact area will specifically include Brazoria and adjacent coastal counties. The statewide impact of the port will also be estimated.

#### Description of Research Process

##### Task 1. Data Acquisition

In order to perform the analysis described, TTI will construct an inquiry to be distributed by Port Freeport to the local port facilities both public and private. The survey will request the following data:

- Number of employees by location
- Total payroll by location
- Annual expenditures in the impact area by type (excluding payroll) by Port Freeport
- Characteristics of port activity (number of incoming and outgoing vessels, commodities that are moved through the port and their tonnage, length of vessel stay in port or queue, and mode cargo is shifted to or from at port)

##### Task 2. Data Analysis

###### *Task 2.1 Estimate Economic Impact*

Economic impacts will be analyzed at the county, state, and national level. IMPLAN, an input-output model that uses regional social accounting matrices to track the flow of goods and services in an economy, will be used to conduct an economic impact analysis of Port Freeport operations. To ensure consistency and accuracy, the IMPLAN results will be compared to outputs from an Input-Output economic model maintained at the Texas A&M Transportation Institute (TTI). Using both Input-Output Models enables researchers to conduct a more robust economic development impact evaluation and analysis of transportation investments.

Both models will use the employment, wage, and expenditure data provided by Port Freeport to calculate the direct and indirect impact of Port operations.

Wherever possible, the economic and tax impacts will be segregated between those associated with Port Freeport and those associated with private companies who utilize the port. An impact summary table similar to that shown below will be prepared for the sum of activities related to

port-owned facilities and those private entities utilizing the port. Economic impacts will be presented at the county, state, and national level.

*Table 1. Sample Results Table*

Impact Type	Employment	Labor Income (in \$Billions)	Total Value Added (in \$Billions)	Output (in \$Billions)
Direct effect	XX,XXX	\$X.X	\$XX.X	\$XX.X
Indirect effect	XX,XXX	\$X.X	\$X.X	\$XX.X
Induced effect	XX,XXX	\$X.X	\$X.X	\$X.X
Total effect	XX,XXX	\$X.X	\$XX.X	\$XX.X

*Task 2.2 Strategic Opportunities*

The research team will describe the developable land at the port and discuss potential future development activities. Future developments could include business opportunities as well as transportation growth and/or access in the area.

Task 3. Produce Draft Report

The TTI economic analysis team will meet with representatives of Port Freeport to discuss the preliminary results of the analysis. TTI will, wherever possible, incorporate the project sponsor's comments into the report.

It is anticipated that the organization of the report will take the following form with sections of the report devoted to each of the topics listed below:

- Executive Summary
- Introduction
  - Purpose of the Study
  - Texas Ports Overview
  - Port Freeport Overview and History
    - Discussion of modes including marine vessels, rail, pipelines, and truck
  - The Role of Texas Ports in the Supply Chain
- Methodology
- Results of the Analysis
  - Employment
  - Income
  - Economic Impact Economy Wide
  - Tax Effects
- Strategic Opportunities

Task 4. Produce Final Report

The TTI analysis team will provide a final report six months after the project has commenced. One unbound copy, 10 bound copies, and one electronic copy of the report will be provided.

**Schedule**

The final report shall be delivered no later than 6 months from date of contract.

**Cost**

The total cost of the project including labor, fringe benefits, travel, materials, supplies and overhead is \$66,500.