

These are the minutes of the regular meeting of the Port Authority Advisory Committee (the committee) held on December 13, 2022, in Brownsville, Texas. The meeting was called to order at 9:00 a.m. by Chair Chris Fisher, with the following committee members present:

Port Authority Advisory Committee:

Chris Fisher	Chair, Port of Beaumont - In Person
Roger Guenther	Port of Houston - On Line
Ron Mills	Port of Mansfield - In Person
Sean Stibich	Port of Victoria - In Person
Sean Strawbridge	Port of Corpus Christi - Absent
Phyllis Saathoff	Port of Freeport - On Line
Rodger Rees	Port of Galveston - Absent
Vacant	Speaker of the House Appointee
Vacant	Lt. Governor Appointee

A public notice of this meeting containing all items on the proposed agenda was filed in the Office of the Secretary of State at 9:55 a.m. on December 01, 2022, as required by Government Code, Chapter 551, referred to as "The Open Meetings Act."

ITEM 2. Introduction of committee members and TxDOT staff

Mr. Chris Fisher, Chair, asked everyone to introduce themselves. All committee members are listed above; two members were absent, and two vacant positions.

ITEM 3. Opening Remarks

Item was not discussed.

ITEM 4. Approval of the September 13, 2022, meeting minutes. (Action)

Mr. Fisher stated Vice Chair needed to be updated in section 15.

Mr. Ron Mills made a motion to approve the meeting minutes, with a second by Mr. Sean Stibich. The committee approved the minutes from September 13, 2022, meeting by a vote of 5-0.

ITEM 5. Nomination and election of committee vice chairperson (Action)

Mr. Fisher opened the floor for nominations for the committee Vice Chair.

Mr. Mills nominated and made a motion for Mr. Sean Stibich, Port of Victoria, to serve as the committee Vice Chairperson, with a second by Ms. Phyllis Saathoff. The motion was carried with a vote of 5-0.

ITEM 6. Discussion and approval of the 2023 committee meeting dates (Action)

Ms. Kris Knoll, Maritime Division, compiled a list of typically scheduled port commission meetings to determine the best schedule for the 2023 PAAC meetings. Based on this research, the first and second Tuesdays of the month. Currently, the meetings are on the second Tuesdays in March, June, September, and December.

Mr. Fisher asked if the second Tuesday of the month worked for everyone.

Mr. Mills brought up concerns about Rodger Rees and Sean Strawbridge being unable to attend the current meeting. Ms. Knoll explained that the issue with the current meeting was special scheduling due to the December holidays.

Mr. Fisher proposed moving the meeting months to February, May, August, and November.

Mr. Roger Guenther favored the proposed schedule beginning in February and requested confirmation that each port's commission dates were considered. Ms. Knoll confirmed that the commission schedules were pulled from each port's website, and any ports that did not have a schedule posted were contacted

Mr. Ron Mills motioned to schedule the quarterly PAAC meetings on the second Tuesday beginning in February, with a second by Mr. Stibich. The motion was carried with a vote of 5-0.

ITEM 7. Discussion and approval of proposed Port Capital Investment Report Project.

Mr. GeirEilif Kalhagen, Maritime Division Director, proposes using all five scoring categories: economics, operations, connectivity, safety and security, and other impacts (secondary). The other impacts category would be used to look at the totality of the numbers and consider the effects on local communities, as impacts are felt differently depending on the community. The project scoring needs to capture the project's whole concept to disperse the funds where they will be more beneficial. It is recommended that the committee determine how to weigh each category.

Mr. Mills asked where the seven to nine scoring members would be derived.

Mr. Travis Milner, Maritime Planning and Strategy Section Director, explained that the intent was to provide options for the committee to use as a starting point. There is an opportunity to add or remove anyone from the list at any time.

Mr. Kalhagen recognized the desire to move away from consultants and engineers as scorers to be as fair as possible. Options for the scoring committee could be local institutions, such as the University of Houston, A&M Galveston, TTI, and Lamar University.

Mr. Walker Smith, Director of Port Harlingen, agrees with using higher learning institutions but requests that the committee be regionally diverse. Mr. Kalhagen reminded the committee that the options presented are a concept seeking input from the committee to modify. Additionally, there has not been any formal communication with the institutions to see the bandwidth for participation.

Ms. Phyllis Saathoff asked if the proposed scoring committee would be made up entirely of academia or if there would be other representation. She is uncomfortable with academia making decisions on spending money at ports when they do not operate ports nor directly involve the transportation sector.

Mr. Kalhagen offered other options, such as the Texas Economic Development group in the Governor's office and WGMA. This list is a catalyst for a conversation and is not intended to be a recommendation.

Mr. Guenther is uncomfortable with these larger groups and the focus on academia. Who would be weighing in on the evaluations? He would like to lean toward a smaller group to help with the scoring with recommendations of using the state economic board, TTI, and similar entities. WGMA does not have much to bring to the table on this issue. This process must be fair and without conflict. A potential addition to the scoring committee could be the appointed non-port members.

Mr. Fisher agreed with Mr. Guenther and would like to know if an entity such as TTI could provide a cost-benefit analysis of the projects and then be given a rating list. It would also be preferred that the scoring committee provide an informed recommendation to the committee for a final rating.

Mr. Kalhagen reassured that the Port Authority Advisory Committee would have the most significant impact in determining the percentage of the total economic impact. The committee will get the necessary information to pass a vote.

Mr. Smith noted a concern with connectivity being weighted high in the matrix as many projects may not have a connectivity component. Mr. Kalhagen explained that connectivity is not always viewed in the traditional sense and can be subjective. An increase in cargo increases the connectivity of products which is an increase in connectivity for imports and exports. The terms are used to align more with the Texas Transportation Commission language.

The committee agreed that the framework was appropriate with the use of at least five scorers. The committee asked the Maritime Division to come back with a more defined list based on the information that has been received. The understanding is that 25% is the minimum match and that the weighting category is open at any point before receiving scores for adjustments.

Mr. Fisher requested enough time for evaluation and not be presented at a meeting to decide.

Mr. Mills motioned to accept the framework discussed at this meeting and for it to be more fine-tuned by TxDOT, with a second by Mr. Stibich. The motion was carried with a vote of 5-0.

Please view presentation 7 for further information.

ITEM 8. Discussion and approval of proposed Ship Channel Improvement Revolving Fund project evaluation methodology recommendations (Action)

Mr. Kalhagen acknowledged the proposed rule changes that could open the funding beyond federally authorized projects. However, the current development is within the existing rules and can be revisited if circumstances change.

Mr. Mills asked for clarification on the Project Economics scoring category and doing a cost-benefit analysis with a weighting of 20%.

Mr. Milner explained that the weighting is similar to the previous discussion with the port capital. The percentages are a starting point and can be adjusted at any time. Mr. Milner also noted differences in individual project economics and secondary macroeconomic impacts, providing insight into local and national regions.

Mr. Fisher supports the consistency purposes of the project economics, recommending similar weighting as the port capital matrix.

Mr. Milner addressed an earlier question from Mr. Guenther regarding the Project Funding category. The item looks at how much of the non-federal match has been secured. An example would be if a port has secured 90% of the funding and is looking to close the remaining 10% gap. The category intends to incentivize projects with high economic benefits and low funding needs.

Ms. Saathoff motioned to accept the framework discussed at this meeting and for it to be more fine-tuned by TxDOT, with a second by Mr. Mills. The motion was carried with a vote of 5-0.

Please view presentation 8 for further information.

ITEM 9. Presentation of the statewide Long-Range Transportation Plan.

Mr. Casey Wells, Systems Planning Section Director for the Transportation Planning Division, provided an overview of TxDOT's long-range plan. The planning team is beginning work on the 2024 plan, which is branded Connecting Texas 2050. The focus will be on integrating statewide, corridor, and multimodal planning documents into the long-range plan.

Mr. Phillip Baker, AECOM, expanded on the Connecting Texas 2050 plan development with a focus on trends and condition analysis, scenario planning, needs assessment/priorities and corridors, and strategies and recommendations. Stakeholder engagement will occur throughout the development, looking for guidance and maritime perspective from the committee

Please view presentation 9 for further information

ITEM 10. Presentation on the operations of the Texas Economic Development Office.

Ms. Priscilla Duran, South Texas Regional Representative with the Office of Governor and Department of Economic Development and Tourism, provided an overview of the office, two divisions, and six departments.

The Texas Economic Development and Tourism Office's primary purpose is to positively impact the economic prosperity of Texas. The presentation highlighted two economic development departments:

- Business & Community Development
 - Business recruitment, expansion, and retention
 - Increasing Texas imports
 - Economic research
 - International trade
 - Marketing and promotion
- Economic Development & Finance
 - Texas Enterprise Fund
 - Spaceport Trust Fund
 - Texas Enterprise Zone Program
 - Product Development & Small Business Incubator Fund
 - Capital Access Program
 - Governor's University Research Initiative (GURI)
 - Events Trust Fund
 - Major Events Reimbursement Programs

The question was asked if something impacted the State of Texas, you would contact Joe Magruder

Please view presentation 10 for further information

ITEM 11. Update on the Texas Port Wayfinding project.

Ms. Johanna Guerrero, AECOM, presented an overview, stakeholder engagement, and timeline for the Texas Ports Wayfinding Plan. The plan consists of four main tasks: wayfinding sign location, environmental clearance, in-vehicle mapping option evaluation, and PS&E. The stakeholder engagement will include interviews with ports and partnering agencies to establish preferred truck routes and appropriate locations for signage, which should be completed by early spring 2023. Environmental studies should conclude in late spring, and the PS&E package should be delivered in September.

Please view presentation 11 for further information

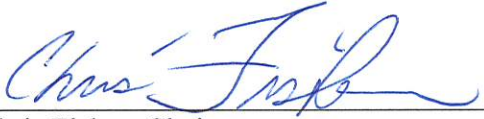
ITEM 12. Public Comment.

Mr. Kalhagen stated that the Texas Transportation Commission freight plan is being presented and will start a 30-day comment period. It is strongly recommended that all ports view the numbers that are associated with maritime.

Mr. Milner stated that two committee positions are expiring in February, and they are believed to go to Commission in February.

Mr. Chris Fisher adjourned the meeting, the meeting at 10:39 a.m.

APPROVED:

A handwritten signature in blue ink, appearing to read "Chris Fisher", written over a horizontal line.

Chris Fisher, Chair
Port Authority Advisory Committee