

These are the minutes of the regular meeting of the Port Authority Advisory Committee (the Committee) held on March 1, 2018 in Austin, Texas. The meeting was called to order at 9:05 a.m. by Chair Phyllis Saathoff with the following committee members present:

Port Authority Advisory Committee:

John LaRue	Port of Corpus Christi
Roger Guenther	Houston Port Authority
Chris Fisher	Port of Beaumont
Eduardo Campirano	Port of Brownsville
Larry Kelley	Port of Port Arthur
Jennifer Stastny	Port of Victoria
Phyllis Saathoff	Chair, Port Freeport
Michael Plank	Lt. Governor Appointee – Call In
Alan Ritter	Speaker of the House Appointee- Call In

A public notice of this meeting containing all items on the proposed agenda was filed in the Office of the Secretary of State at 11:56 a.m. February 06, 2018 as required by Government Code, Chapter 551, referred to as “The Open Meetings Act.”

ITEM 2. Introduction of committee members and TxDOT staff.

Phyllis Saathoff asked committee members, TxDOT and guests to introduce themselves.

ITEM 3. Approval of minutes of the January 4, 2018 meeting. (Action)

John LaRue made a motion that the meeting minutes be accepted with a second by Jennifer Stastny and the committee approved the minutes of the January 4, 2018 meeting by a vote of 7-0.

ITEM 4. Presentation and discussion on the Texas Port Mission Plan.

The Committee was given a brief updated on the status of the Port Mission Plan by TxDOT Maritime Staff. TxDOT Staff stated that outreach was in progress to the ports in regards to port connectivity and to clarify any information that was/will be provided in order to have a clear and concise representation in the Mission Plan.

ITEM 5. Approval of the 2020-2021 Port Capital Program project review process and Phase II application process. (Action)

Alisha Pena, TxDOT Maritime Program Coordinator, presented the recommended grading process for the 2020-2021 Port Capital Program (PCP). Unlike in past PCPs, the upcoming scoring criteria would allow the submitting port to choose which items they

would like the Committee to rate. The Committee would then score the respective application according to the options selected by the submitting ports. It was also clarified that no Committee member would be allowed to score their own projects should their port submit a PCP project(s). The Committee then discussed monetary matches and what the norm of these matches should be. It was agreed that a match of 25% port/75% State match will now be the norm for any and all program calls.

A motion was made by John LaRue to accept the new scoring process for the PCP and the monetary match with the stipulation that all program calls will consist of a 25/75 financial match. The motion was seconded by Larry Kelley and the motion passed 7-0 vote.

ITEM 6. Discussion and approval of the use of the remaining balance of Rider 45 funds. (Action)

The Committee was given an update on the Rider 45 program by Maritime Staff. A list of projects (see attached) was distributed to the Committee for fiscal year 2018 and 2019. All projects will be submitted to the Texas Transportation Commission for approval via Minute Order at the March 29, 2018 meeting. While Port Houston initially submitted two projects, only one project was accepted at this time. The Maritime Division will meet with the TxDOT Houston District Office to review the project and if the Houston District Office is in agreement, the project will be placed back on the list for approval by the Commission at a later date.

A motion was made by Larry Kelley and second by John LaRue to accept the Rider 45 lists for fiscal year 2018 and 2019, with the stipulation that Port Houston's second project be reserved until the TxDOT Houston District could thoroughly review the project. The vote passed 7-0.

A third call for projects for the remaining balance of the Rider 45 funds for fiscal year 2019 would be held at a later time.

ITEM 7. Select next meeting date and location. (Action)

The next meeting of the committee will be held on May 31, 2018 in Houston, Texas with the location to be determined at a later date.

ITEM 8. Public comment

There was no public comment

ITEM 9. Adjourn. (Action)

Phyllis Saathoff adjourned the meeting at 11:36 a.m.

APPROVED:

Phyllis Saathoff, Chair
Port Authority Advisory Committee

TEXAS TRANSPORTATION COMMISSION

VARIOUS Counties

MINUTE ORDER

Page 1 of 1

VARIOUS Districts

In 2017, the Texas Legislature required that, from any available source of revenue and/or balances in the fund, an amount not to exceed \$20,000,000 in each fiscal year of the 2018-2019 biennium shall be allocated to provide funding for public roadway projects selected by the Port Authority Advisory Committee and approved by the commission to improve connectivity to Texas ports, under the General Appropriations Act (SB 1, 85th Texas Legislature 2017), Rider 45, page VII-31.

Certain entities as set forth in Exhibit A have submitted requests to the Texas Department of Transportation (department) for state participation in the form of a grant of funds to pay a portion of the costs of construction of a public transportation project selected by the Port Authority Advisory Committee.

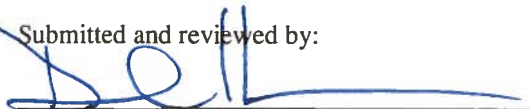
The Port Authority Advisory Committee has approved the projects listed in Exhibit A as proposed by each of the entities listed. Accordingly, the department recommends that the commission approve each project listed in Exhibit A and authorize the department to participate in each project in the form of a grant to each entity listed in Exhibit A up to the amount listed for each project from any available source of revenue and/or money from the fund other than the proceeds of obligations issued under the enabling act, to be used for construction of each project described in Exhibit A.

Article III, Section 49-k of the Texas constitution (constitutional provision) created the Texas Mobility Fund (fund) in the state treasury and provides that the fund shall be administered by the Texas Transportation Commission (commission) as a revolving fund to provide a method of financing the construction, reconstruction, acquisition, and expansion of state highways and to provide participation by the state in the payment of a portion of the costs of constructing and providing publicly-owned toll roads and other public transportation projects, in accordance with the procedures, standards and limitations established by law.

The Texas Legislature implemented the authority granted by this constitutional provision in Transportation Code, Chapter 201, Subchapter M (enabling act). Transportation Code §201.943 provides that the commission, by order, may issue obligations, including Texas Mobility Fund General Obligation Bonds, secured by and payable from a pledge of and lien on all or part of the money in the fund.

NOW, THEREFORE, IT IS DETERMINED AND ORDERED by the commission that each project listed in Exhibit A meets the eligibility requirements for state participation under the constitutional provision, and the commission approves each project and approves state participation in the form of a grant to each entity listed in Exhibit A up to the amount listed for each project from any available source of revenue and/or money in the fund other than the proceeds of obligations issued under the enabling act, to be used for construction of each of the projects listed in Exhibit A, and authorizes and directs the executive director of the department to take all actions necessary to effect the purposes of this minute order.

Submitted and reviewed by:



Director, Maritime Division

Recommended by:



Executive Director

115182 MAR 29 '18

Minute
Number

Date
Passed

Financial Assistance for Port Access Projects - Exhibit A

Fiscal Year 2018			
Port	Project Description	State Participation	Roadway Ownership/Grant Recipient
Beaumont	Construct bridge on Carroll Street to eliminate an at-grade rail crossing.	\$ 5,087,464	Port of Beaumont Navigation District of Jefferson County, Tx
Port Arthur Project 1	Improve Houston Street port entrance and 4 th Street rail crossing.	\$ 834,554	Port of Port Arthur Navigation District of Jefferson County
Port Arthur Project 2	Improve Lakeshore Road port entrance to develop turnaround for freight and passenger vehicles.	\$ 810,450	Port of Port Arthur Navigation District of Jefferson County
Palacios	Construct an extension of Richman Road to connect to Highway 35.	\$ 1,283,355	Matagorda County Navigation District #1, Port of Palacios
Harlingen	Strengthen Port Road and Cemetery Road, and expand the intersection of FM 106 and Port Road. Install queuing areas for idling trucks along the shoulders of FM 106, Cemetery Road and Port Road.	\$ 7,847,611	Port of Harlingen Authority
Victoria	Widen McCoy Road; rehabilitate and widen Bayer Road.	\$ 1,870,212	Victoria County
TOTAL - FY18		\$ 17,733,645	

Fiscal Year 2019			
Port	Project Description	State Participation	Roadway Ownership/Grant Recipient
Houston	Expand Port Road from four to six lanes.	\$ 9,675,000	Harris County
Corpus Christi	Improve intersections along Joe Fulton International Trade Corridor.	\$ 2,233,458	Port of Corpus Christi Authority
Corpus Christi Project 2	Construct a dedicated truck queuing lane on Joe Fulton International Trade Corridor.	\$ 1,931,108	Port of Corpus Christi Authority
Palacios Project 2	Rehabilitate East and West Holsworth Road, Treacy Road, Friery Drive, 11th Street and Shipyard Road.	\$ 756,700	Matagorda County Navigation District #1, Port of Palacios
TOTAL - FY19		\$ 14,596,266	

PAST PCP GUIDELINES

2017-2018	2015-2016
Project abides by Texas Transportation Code Chapter 55	Project abides by Texas Transportation Code Chapter 55
Each port may submit a maximum of four projects or studies which do not exceed a total grant amount of \$20 million for all projects	Each port may submit one high-priority project in the \$10 million range
Cost share requirements are 75 percent (state) and 25 percent (local)	Each project must undergo an economic, environmental, and engineer review
Projects will be evaluated and prioritized by the PAAC based on the following criteria: economic impact; operational impact; enhances connectivity; improves safe operation; project readiness; local match/other funds; other benefits	Large ports* share the cost of the project 50-50 with the State
	Smaller ports** share the cost of the project 75-25 with the State

* More than 1 million tons cargo/year

** Less than 1 million tons cargo/year

PORTS CAPITAL PROGRAM: OVERVIEW

PORTS CAPITAL PROGRAM (PCP)

The PCP is a two-year capital program that is developed prior to each legislative session by the Port Authority Advisory Committee (PAAC) and the Texas Department of Transportation (TxDOT) per the requirements of Chapter 55 of the Transportation Code. The PCP identifies the State's maritime needs by outlining capital projects and plans or studies that enhance international trade; promote cargo and cruise passenger movement; enhance security; increase maritime port revenues; provide economic benefit to the state; or connect maritime ports to another transportation mode.

APPLICANT ELIGIBILITY

All public maritime ports and navigation districts in Texas are eligible to apply for inclusion in the Ports Capital Program. Projects must further the PAAC Mission, Goals, and Strategies as defined in the Texas Ports Strategic Mission Plan.

ELIGIBLE PROJECTS

Plans or Studies

- Planning and feasibility studies; project development up to 20% of design engineering

Waterways

- Dredging or deepening of channels, turning basins, or harbors

Port Facilities (Inside the Gates)

- Transportation facilities inside port gates; wharves, docks, or any waterway facility that supports port operations; cranes or mechanized equipment for moving cargo or passengers; acquisition, enlargement, or extension of facilities; facilities that support port security; and environmental projects

Transportation Facilities

- Improvement of public roadways that will enhance connectivity to ports; rail projects that improve the performance of public roadways such as grade separation projects

FUNDING AVAILABLE

The PCP will be presented to the Legislature for funding consideration. The Legislature has previously provided funding for Port Access Improvements through Riders 48 and 45 using the Texas Mobility Fund.

PROGRAM GUIDELINES

PCP projects must meet the following guidelines:

- Project abides by the Texas Transportation Code Chapter 55
- Capital projects must be ready to let within the FY 2020-2021 biennium
- Studies and capital projects must be completed before the end of FY 2024
- Submissions have the support of the governing board
- An individual submission is limited to either a capital project or a study with up to 20% design; project can't include a funding request for both a study and construction funding
- Each capital project must undergo an economic, environmental, and engineering review
- Port shall provide a 25% project match

PORTS CAPITAL PROGRAM: OVERVIEW

PORTS CAPITAL PROGRAM DEVELOPMENT PROCESS

Project Applications follow a two-phase process:

- *Phase I-* Both capital projects and plans/studies will submit a PCP Phase I application. This phase will screen projects for initial eligibility per the criteria outlined in Chapter 55 of the Texas Transportation Code. TxDOT will review projects for eligibility. Plans/studies will only need to submit a Phase I Call for Projects application.
- *Phase II-* Capital projects that meet eligibility will need to submit a PCP Phase II application to provide additional information about the proposed project. This information will be used to assess project readiness.

PCP Development:

- *Project Scoring-* PAAC reviews final project applications and scores projects according to the Ports Capital Program Evaluation Criteria and Scoresheet.
- *Develop PCP Report*
- *Submit Final PCP to the State Legislature*

PROJECT SCORING

Applicant selects two of the following categories for their submission to be scored on, for a total of up to 10 points. Scoring categories include:

- Economic Impact (5 points)
- Operational Impact (5 points)
- Enhances Connectivity (5 points)
- Improves Safe and Secure Operations (5 points)
- Other Benefits (5 points)

PROJECT IMPLEMENTATION & OVERSIGHT

Should the PCP receive funding from the Texas State Legislature, there will be follow-up communication regarding project selection, implementation, and reporting requirements.

SEE ALSO

- Chapter 55 of the Texas Transportation Code
- 2017-2018 Texas Ports Strategic Mission Plan
- Texas Freight Mobility Plan 2017
- Project Evaluation Scoresheet
- PCP Phase I Application
- PCP Phase II Application

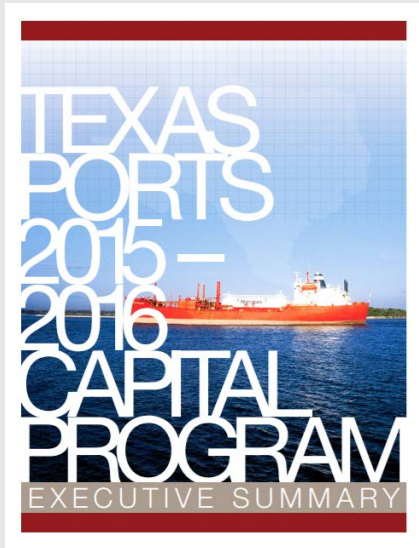
DRAFT PORTS CAPITAL PROGRAM GUIDELINES

Required Guidelines

Project abides by Texas Transportation Code Chapter 55
Capital projects must be ready to let within the FY 2020-2021 biennium
Studies and capital projects must be completed before end of FY 2024
Submissions have the support of the port's governing board
An individual submission is limited to either a capital project or a study with up to 20% design
Each capital project must undergo an economic, environmental, and engineering review

Optional Guidelines

Guideline	Y/N	Decision
Limit to number of submissions per port		
Limit to state funding requested per port		
Limit to state funding requested per project		
Cost match: flat rate		
Cost match: tiered based on size of port		
Other:		



PORT AUTHORITY ADVISORY COMMITTEE

Adoption of PCP Guidelines
& Scoring Criteria

- **Ports Mission Plan**
 - PMP Components
 - PMP Timeline
- **2017-2018 Ports Capital Program**
 - Program Guidelines
 - PCP Process
 - PCP Facts & Figures
- **2020-2021 Ports Capital Program**
 - PCP Timeline
 - Draft Program Guidelines
 - PCP Process
 - Phase I Submissions
 - **Action Items: Guidelines & Scoring**

Action Needed

- Adopt program guidelines for the 2020-2021 Texas Ports Capital Program
- Provide guidance on the PCP planning process
 - Phase II
 - Scoring criteria for submissions



Texas Ports Mission Plan (PMP)

Executive Summary

Ports Capital Program





Ports
Mission Plan

Connectivity Report

Ship Channel Report

Anticipated PMP Timeline

 Timescales

Task	Winter	Spring	Summer	Fall	Winter 2018/2019
Executive Summary					
2020-2021 PCP					
Connectivity Report					
Ship Channel Report					
Submit to Transportation Commission				10/25/18	
Submit to Governor, Lieutenant Governor, and Speaker of the House				12/1/18	
Start of 86 th Legislative Session					1/8/19

2017-2018 Ports Capital Program

2017-2018

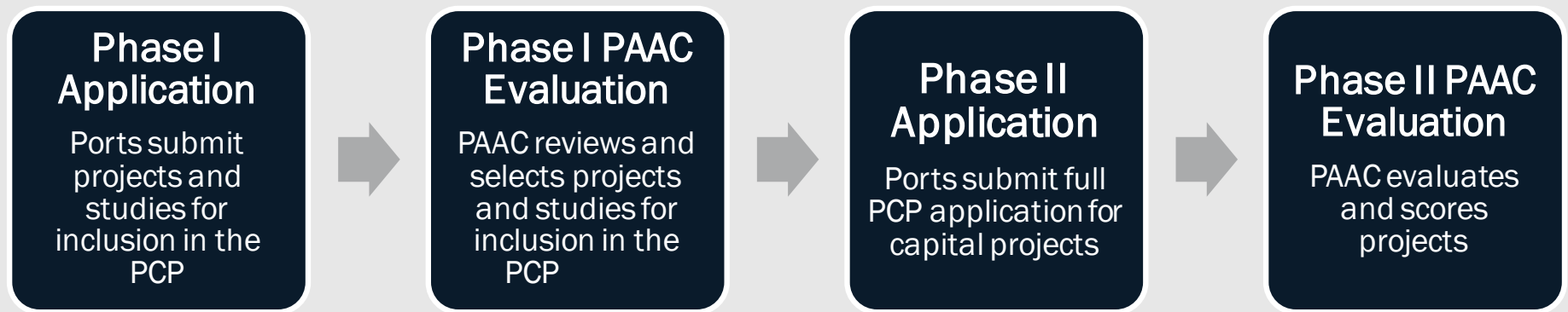
- Project abides by Texas Transportation Code Chapter 55
- Each port may submit a maximum of four projects or studies which do not exceed a total grant amount of \$20 million for all projects
- Cost share requirements are 75 percent (state) and 25 percent (local)
- Projects will be evaluated and prioritized by the PAAC based on the following criteria: economic impact; operational impact; enhances connectivity; improves safe operation; project readiness; local match/other funds; other benefits

2015-2016

- Project abides by Texas Transportation Code Chapter 55
- Each port may submit one high-priority project in the \$10 million range
- Each project must undergo an economic, environmental, and engineer review
- Large ports* share the cost of the project 50-50 with the State
- Smaller ports** share the cost of the project 75-25 with the State

* More than 1 million tons of cargo/year

** Less than 1 million tons of cargo/year



2017-2018 PCP Past Scoring Criteria

Scoring Criteria	Weight
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Economic Impact	3.0
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The proposed project results in an economic benefit to the State in terms of job creation, new business development or retention of existing business

Operational Impact	2.0
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The proposed project demonstrates a significant operational benefit in terms of cargo movement, reduction in vehicle wait times, improved access, or other efficiency factors

Enhances Connectivity	2.0
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The proposed project enhances connectivity to the State's multimodal transportation system

Improves Safe Operations	1.0
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The proposed project is specifically required to improve safe port operations

Project Readiness	2.0
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The proposed project is ready for construction

Local Match/Other Funding	1.0
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The project sponsor has the ability to provide matching funding requirements

Other Benefits	1.0
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The proposed project provides additional secondary benefits in terms of environmental sustainability, air quality, quality of life or other significant factors

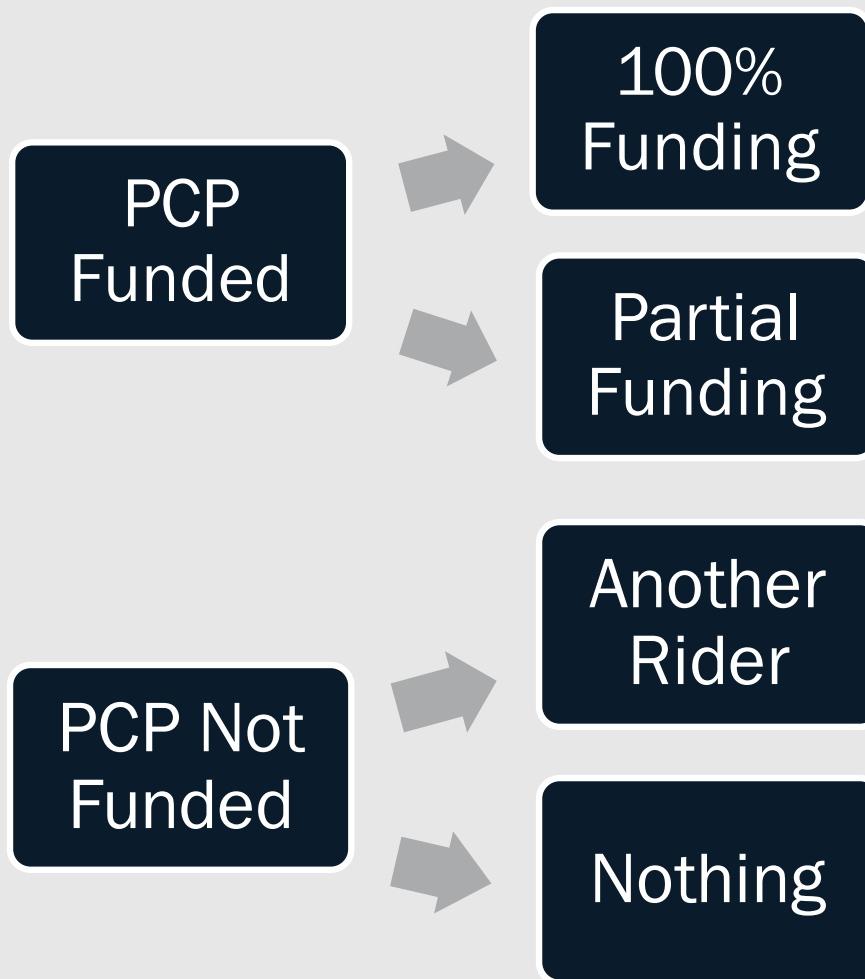
- PAAC members scored submissions on all categories
- PAAC members did not score submissions for their own ports
- Phase II application questions closely aligned with scoring categories, but not an exact match
- Saw wide variations in how a project scored overall as well as in subcategories (Project Readiness in particular)

2017-2018 PCP Facts

Phase I Submissions			Finalized Projects & Studies	
Participating Ports/ Navigation Districts	11		Participating Ports/ Navigation Districts	10
Submissions	22		Final List	20
Capital Projects	21		Capital Projects	19
Studies	1		Studies	1
Total Project Cost	\$222,977,988		Total Project Cost	\$217,215,436
State Funding Request	\$148,380,739		State Funding Request(LAR)	\$132,875,785
Port Match	\$74,597,749		Port Match	\$84,339,651

2020-2021 Ports Capital Program

Why the PCP?



Anticipated 2020-2021 PCP Timeline

Task	Date	PAAC	Ports	AECOM	TxDOT
Open Phase I					
Phase I Applications Due	1/26/18				
Review Phase I Applications for Eligibility	2/2/18				
PAAC Meeting: Adopt PCP Guidelines & Scoring	3/1/18				
Open Phase II	3/5/18*				
Phase II Applications Due	3/23/18*				
Review Phase II Applications	3/26/18 - 5/4/18*				
Score Applications	5/7/18 - 5/18/18*				
Develop PCP	5/21/18 - 8/1/18*				
Submit to Commission, Governor, Lieutenant Governor, and Speaker of the House	Fall 2018				

*Indicates anticipated dates



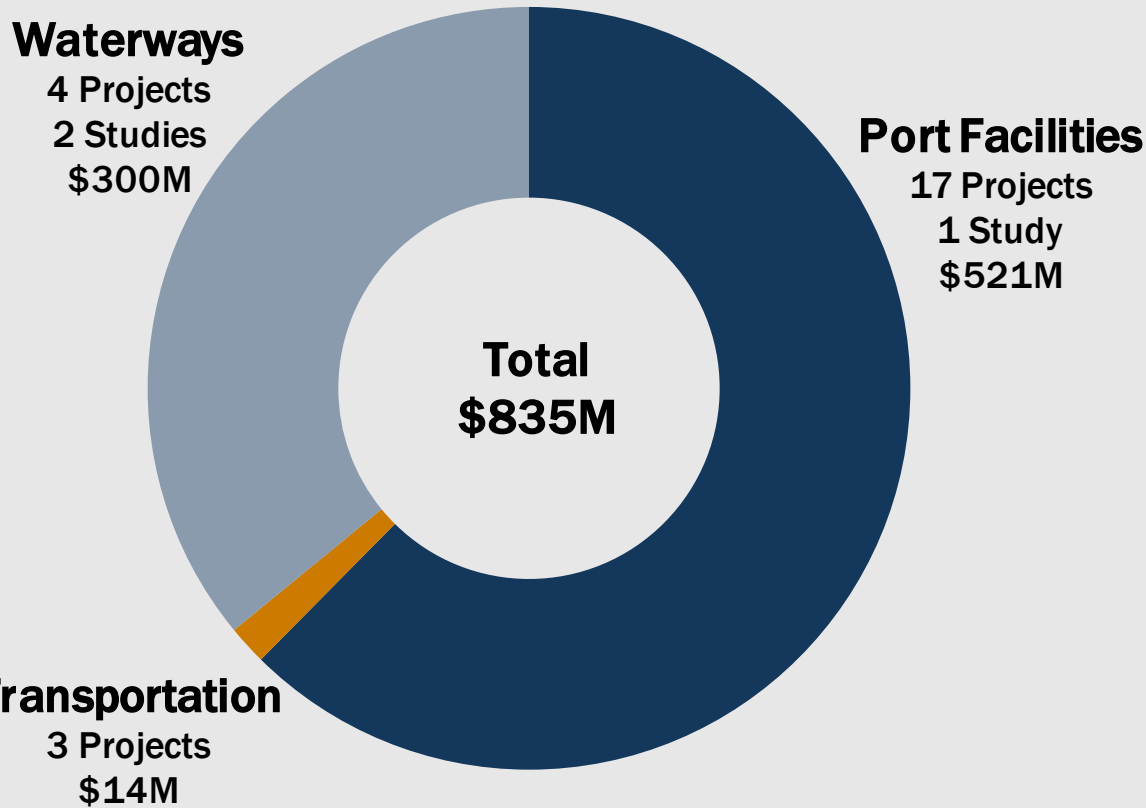
Indicates responsible party

Comparative PCP Figures

2020-2021 Phase I		2017-2018 Final List	
Participating Ports/ Navigation Districts	9	Participating Ports/ Navigation Districts	10
Submissions	27	Final List	20
Capital Projects	24	Capital Projects	19
Studies	3	Studies	1
Total Project Cost	\$1,604,979,931	Total Project Cost	\$217,215,436
State Funding Request	\$834,566,622	State Funding Request	\$132,875,785
Port Match	\$382,663,809	Port Match	\$84,339,651

2020-2021 Phase I Submissions

State Funding Requested by Project Type



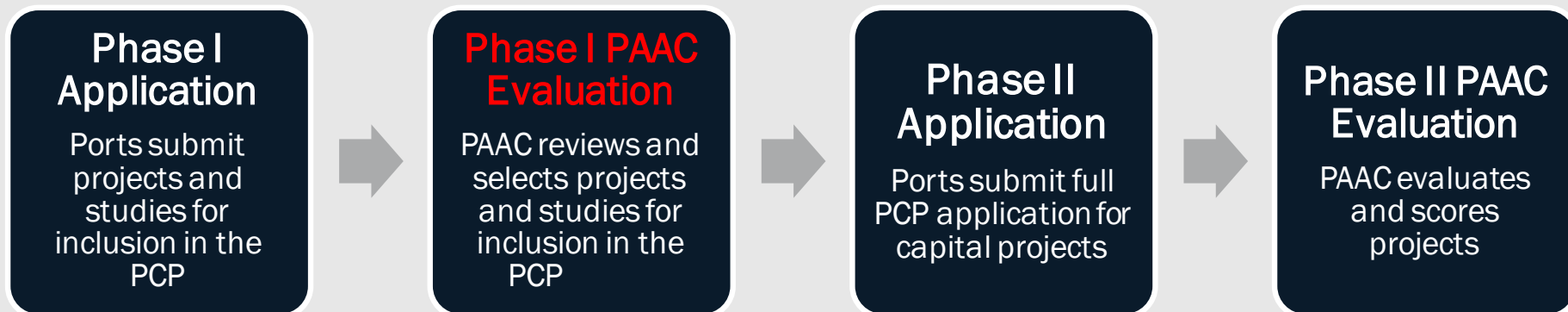
- 27 submissions including 24 capital projects and 3 studies
- Ports submitted 1-6 applications
- 8 submissions were repeats from the 2017-2018 PCP

2020-2021 PCP Guidelines

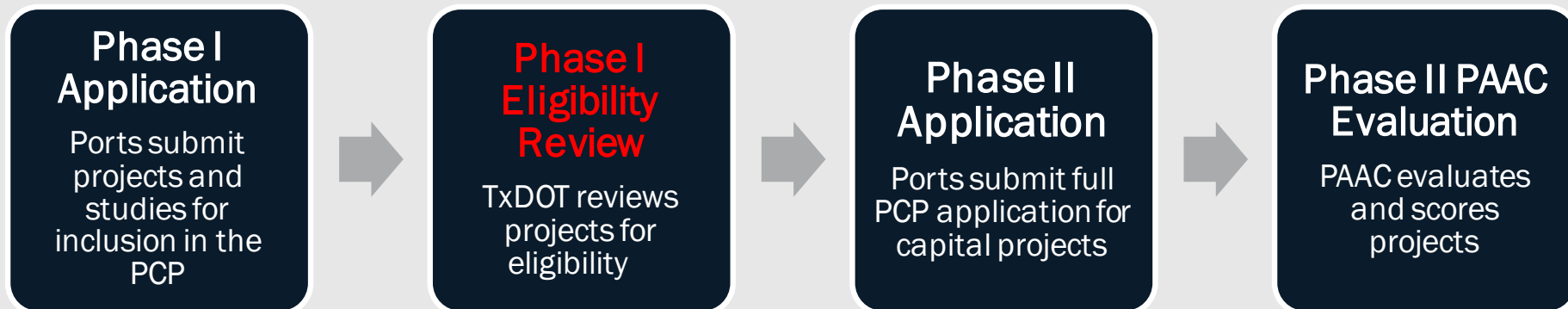
REQUIRED GUIDELINES	OPTIONAL GUIDELINES
<ul style="list-style-type: none">• Project abides by Texas Transportation Code Chapter 55• Capital projects must be ready to let within the FY 2020-2021 biennium• Studies and capital projects must be completed before end of FY 2024• Submissions have the support of the port's governing board• An individual submission is limited to either a capital project or a study with up to 20% design• Each capital project must undergo an economic, environmental, and engineering review	<ul style="list-style-type: none">• Cost match (flat cost match or tiered for small and large ports)• Limit to number of submissions• Limit to total funding requested per port or project

PCP Process Changes

2017-2018 PCP



2020-2021 PCP



Recommended Changes to Scoring

Scoring Criteria	Weight
Economic Impact <i>The proposed project results in an economic benefit to the State in terms of job creation, new business development or retention of existing business</i>	3.0
Operational Impact <i>The proposed project demonstrates a significant operational benefit in terms of cargo movement, reduction in vehicle wait times, improved access, or other efficiency factors</i>	2.0
Enhances Connectivity <i>The proposed project enhances connectivity to the State's multimodal transportation system</i>	2.0
Improves Safe Operations <i>The proposed project is specifically required to improve safe port operations</i>	1.0
Project Readiness <i>The proposed project is ready for construction</i>	2.0
Local Match/Other Funding <i>The project sponsor has the ability to provide matching funding requirements</i>	1.0
Other Benefits <i>The proposed project provides additional secondary benefits in terms of environmental sustainability, air quality, quality of life or other significant factors</i>	1.0

- Score projects on Economic Impact, Operational Impact, Enhances Connectivity, Improves Safe Operations, and Other Benefits.
- Remove Project Readiness and Local Match/Other Funding from scoring. These will become eligibility criteria in Phase II.
- Remove weights and let applicant select two project categories to be scored. This will allow for simple projects to compete with larger, complex projects.
- Let us know what worked and didn't work last time. We want the PAAC and PCP to be best set up for success.

Next Steps

- Revisit the PAAC Mission, Goals, Strategies, and Objectives– future PAAC meeting
- If eligible funding is appropriated, PAAC will discuss implementation guidelines for the PCP. Ex:
 - Spend down match before TxDOT funding
 - Project reporting

Questions?