



Port of Corpus Christi

Regular Meeting

Tuesday, December 10, 2013 8:15 AM

Port of Corpus Christi
Regular Meeting
Tuesday, December 10, 2013 - 8:15 AM
the Congressman Solomon P. Ortiz International Center located at 402 Harbor Drive, Corpus
Christi, Texas

AGENDA

1. Call meeting to order; Pledge of Allegiance; Opening Prayer; and receive conflict of interest affidavits.
2. Approve the minutes of the November 12 and November 22, 2013 Commission meetings. 5
3. Receive comments from the public. **(Each speaker will be limited to three minutes)** 14
4. Introduce Andrew Smith, the new Resident Engineer for the Corpus Christi Area Office of the U.S. Army Corps of Engineers. 15
5. Receive Windstorm Insurance Reform presentation from Commissioner Charles Zahn. 16
6. Receive presentation of and approve PCCA's Strategic Plan 2014-2020. 17
7. Approve PCCA's Workers Compensation Insurance Provider for 2014. 121
8. Approve Renewal of the Port of Corpus Christi Health and Dental Benefits Plan for the Plan Year beginning January 1, 2014. 125
9. Approve PCCA's Employer Contribution Rates to the Texas County and District Retirement System Plan for 2014. 126
10. Approve PCCA's Assessment for 2014 Refinery Terminal Fire Company Capital and Operating Budget. 127
11. Approve Adjustment to PCCA Tariff 100-A, Item 300-B & Item 300-C, for Barges 132
12. Approve Producer Price Index Adjustment to the Wharfage and Dockage under PCCA Tariff 100-A and Wharfage, Dockage and Items 342, 344 and 346 under Bulk Terminal Tariff 1-A 133
13. Approve a Producer Price Index (PPI) adjustment to the PCCA's pipeline easement fees and dredge material placement area depletion fees. 134
14. Approve adjustment to PCCA Tariff 100-A, Item 301, Harbor Safety Fee. 138
15. Discuss and take action on the PCCA's proposed 2014 Annual Budget. 140
16. Approve the Second Reading of a Franchise granting WMH Corpus I, LLC, the right to access the Jewell Fulton Canal from its facilities in San Patricio County and related rights. 160
17. Approve a ninety (90) day extension to PCCA's existing contract with Amtex Security, Inc. for unarmed security guards. 176
18. Award contract and approve lease agreement based on bids received on October 30, 2013, for Lease of PCCA Parking Lots for Parking Lot Operations. 178
19. Approve a Lease Termination Agreement terminating PCCA's lease with Gulf States Bulk Terminal, LLC, on approximately 14.5 acres of PCCA land in the vicinity of the Bulk Terminal. 182

20. Professional Services Agreements. The Port Commissioners have been furnished with proposed Professional Services Agreements or Consulting Agreements with each of the following persons or entities for 2014, along with staff's recommendation with respect to each agreement, and these agreements will be approved by one vote, unless a Commissioner requests a separate vote on a particular agreement:	188
20. A. Thomas S. Moore	190
20. B. W.L. Bates	197
20. C. Mathiesen Maritime Services	202
20. D. Simon Hsing	204
20. E. Morehead Dotts & Rybak	207
20. F. Captain Joseph Harrington	211
20. G. Delisi Communications & Pathfinders Public Affairs	212
20. H. Cassidy & Associates Inc.	214
20. I. Borski Associates, LLC	218
20. J. Erben & Yarbrough	221
20. K. Berlanga Business Consultants	224
20. L. Welder Leshin, LLP	227
21. Approve a Resolution authorizing funding of the Port of Corpus Christi Promotion and Development Fund for 2014 and matters related thereto, and approve a contribution to the South Texas Military Facilities Task Force from the fund.	228
22. Development Services Agreements. The Port Commissioners have been furnished with proposed Development Services Agreements with each of the following organizations for 2014, along with staff's recommendation with respect to each agreement, and these agreements will be approved by one vote, unless a Commissioner requests a separate vote on a particular agreement:	231
22. A. Corpus Christi Regional Economic Development Corporation	232
22. B. San Patricio County Economic Development Corporation	240
22. C. Robstown Area Economic Development Corporation	248
22. D. Corpus Christi Chamber of Commerce	256
22. E. Corpus Christi Hispanic Chamber of Commerce	263
22. F. Coastal Bend Bays & Estuaries Program	271
23. Consent Agenda. The Port Commissioners have been furnished with supporting documentation and staff's recommendation for each of the following items. All Consent Agenda items will be approved, in accordance with the respective staff recommendations, by one vote without being discussed separately unless a Port Commissioner requests otherwise:	
23. A. Approve Easement with AEP Texas Central Company to provide temporary electrical service to voestalpine Texas Holdings, LLC lease premises on PCDCA's La Quinta Property.	275
23. B. Approve Fire Water Pipeline Easement with NuStar Energy, LP, for 12" pipeline to NuStar's new dock facility at the former PCCA Cargo Dock 12.	284

23. C. Approve Electric Substation Easement and Right-of-Way Agreement with AEP Texas Central Company for 10.445 acres on the PCCA's La Quinta Property.	299
23. D. Approve Access Road Easement and Right-of-Way Agreement with AEP Texas Central Company for access to AEP's substation easement.	310
23. E. Approve Transmission Lines Easement and Right-of-Way with AEP Texas Central Company to serve its substation to be located on PCCA's La Quinta Property.	321
23. F. Approve Amended and Restated Easement Agreement with Sherwin Alumina Company, LLC, for PCCA's access from SH 35 to its La Quinta Trade Gateway property via La Quinta Road.	333
23. G. Award contract to Affolter Contracting Company Inc., the lowest and best bidder based on bids received on November 13, 2013, for Savage Lane Railroad Drainage Improvements.	342
23. H. Increase contingency and approve Change Order No. 3 under PCCA's contract with J. Carroll Weaver Inc. for La Quinta Road and Rail project to add unpaved service access roads.	346
23. I. Approve Professional Service Purchase Order with Maverick Engineering Inc. for additional engineering services associated with Fire and Water line Rehabilitation at Inner Harbor Dock Facilities project.	351
23. J. Approve Professional Service Purchase Order with Sage Environmental Consulting, L.P. for environmental services supporting air permitting at the Bulk Terminal.	356
23. K. Approve purchase of KleinPort Property management Module.	357
24. Receive report from the Executive Director on upcoming community events, PCCA events and activities of the following PCCA departments during the preceding month: business development, community relations, government affairs, operations, engineering services, accounting, and human resources.	358
25. Receive comments from Port Commissioners on any of the agenda items for this meeting, the PCCA's activities during the preceding month, upcoming PCCA events, and suggestions for future agenda items.	392
26. The Commission will go into executive session pursuant to §551.074 of the Texas Government Code to deliberate the performance evaluation of the Executive Director and Managing Director. The Commission may award bonuses and salary increases to these employees in Open Session.	393
27. The Commission will go into executive session pursuant to §551.071 of the Texas Government Code to receive legal advice from PCCA counsel regarding Cause No. 2013-CCV-61800-3, <i>The Berry Co. vs. Martin Operating Partnership L.P., Martin Operating GP LLC, Martin Midstream Partners LP, Martin Resource Management Corporation, and The Port of Corpus Christi Authority</i> ; In the County Court at Law No. 3, Nueces County, Texas.	394
28. The Commission will go into executive session pursuant to §551.071 of the Texas Government Code to receive legal advice from PCCA counsel regarding settlement of a pending EEOC claim. The Commission may take action on an agreement resolving this matter in open session.	395
29. Adjourn.	

**OFFICIAL MINUTES OF PORT COMMISSION MEETING
NOVEMBER 12, 2013**

The Port Commissioners of the Port of Corpus Christi Authority met in regular session on Tuesday, November 12, 2013 at 9:00 a.m., at the Congressman Solomon P. Ortiz International Center, 402 Harbor Drive, Corpus Christi, Texas.

Present: Mr. Mike Carrell
Mr. Richard Borchard
Mr. Charles Zahn
Ms. Judy Hawley
Mr. Robert Kostelnik
Mr. Al Jones
Ms. Barbara Canales

Present: Mr. John P. LaRue
Mr. Frank Brogan
Mr. Tony Alejandro
Ms. Patricia Cardenas
Mr. Dennis DeVries
Mr. David Krams
Ms. Sandra Terrell-Davis
Mr. John Pasch
Mr. Tom Mylett
Mr. Darrin Aldrich
Ms. Audre Debler
Ms. Lynn Angerstein
Ms. Sherry DuBois
Mr. Tyler Fuhrken
Ms. Sarah Garza
Ms. Sonya Lopez
Mr. Dave Michaelson
Mr. Jacob Morales
Ms. Nelda Olivo
Ms. Maggie Turner
Mr. Bland Chamberland
Mr. Bennie Benavides
Ms. Teresa Betzold
Ms. Sofia Kinstley
Mr. Dan Koesema
Mr. Bert Perez
Ms. Liz Cantu
Ms. Peggy Mettlen
Mr. Jesse Samu

Others Present: Mr. Leo J. Welder, Jr.

Others Present:

Mr. Jonathon Shaddock
Mr. Jim Schuchardt
Dorado Oil
Ms. Susan Zimmermann
Cheniere
Ms. Nancy Allen
USO
Mr. Matt Pastl
Voestalpine Texas LLC
Capt. John Williams
Aransas/CC Pilots
Mr. Dale House
Mr. G McAtee
Wildcat
Mr. William Gaunt
CCI
Mr. Don Rodman
Rodman Co.
Ms. JoAnn Ehmann
Ingleside on the Bay
Ms. Becky McMillon
San Patricio EDC
Ms. Stacey Black
CH2M Hill
Mr. Scott Harris
LAN, Inc.
Mr. David Hinds
Mr. Josh Kalena
US Fence & Gate Inc.
Mr. Daniel Korus
Del Mar College
Mr. Robert Roth
Amtex Security
Mr. Foster Edwards
CC Chamber of Commerce
Mr. Rick DuPriest
W.L. Bates
Mr. Pete Perkins
City of Ingleside
Ms. Catherine Hodge
Ms. Karen Whitting
Ovations
Mr. Tom Moore
PCCA Consultant

Ms. Lillian Riojas
Valero
Mr. Fred Dotts
Mr. Mo Morehead
Ms. Nancy Zuniga
MDR
Mr. Mark Collette
Caller-Times
Mr. Harry G. Plomarity

I.

Chairman Carrell called the meeting to order and asked that any conflict of interest affidavits be submitted. None were submitted.

II.

On motion made by Mr. Zahn and seconded by Mr. Jones, the Commission approved the minutes of October 8, 2013, Commission meeting in the form presented to the meeting.

On motion made by Mr. Borchard and seconded by Ms. Canales, the Commission approved the minutes of October 21, 2013 Commission meeting in the form presented to the meeting.

III.

Chairman Carrell asked for comments from the public. No comments were received.

IV.

The Commission received a Windstorm Insurance Reform presentation from Mr. Zahn.

V.

The Commission received a report from the Corpus Christi Chamber of Commerce on services provided this year associated with their Development Services Agreement with the PCCA.

VI.

The Commission received a report from Ovations Food Services, L.P., regarding Congressman Solomon P. Ortiz International Center operations and performance in 2013 and projections for 2014.

VII.

On motion made by Mr. Zahn and seconded by Mr. Kostelnik, the Commission approved the First Reading of a Franchise granting WMH Corpus I, LLC, the right of access to the Jewell Fulton Canal from its property adjacent to the canal and related rights.

VIII.

On motion made by Mr. Borchard and seconded by Mr. Kostelnik, the Commission rejected the bid received from Sam Kane Beef Processors, Inc., on October 31, 2013, to purchase the surplus refrigeration system and equipment at PCCA's Refrigerated Warehouse.

IX.

On motion made by Ms. Hawley and seconded by Mr. Jones, the Commission approved the 3rd Quarter Financial Report for 2013 in the form presented to the meeting.

X.

On motion made by Ms. Hawley and seconded by Mr. Jones, the Commission approved the 3rd Quarter Investment Report for 2013 in the form presented to the meeting.

XI.

On motion made by Mr. Kostelnik and seconded by Mr. Borchard, all items on the Consent Agenda were approved, in accordance with the respective staff recommendations furnished to the Commission at the meeting, by one vote. These items were as follows:

- A.** Approve first amendment to lease agreement with Superior Weighting Products, LLC, to identify access to and from Rincon Road.
- B.** Approve an amendment to an existing easement with Flint Hills Resources Corpus Christi, LLC, for an effluent drainage ditch located on the north side of the Tule Lake Dredge Material Placement Area No. 6.
- C.** Approve first amendment of lease with voestalpine Texas Holding, LLC, to adjust shape and reduce size of the company's leased premises on the PCCA's La Quinta property.
- D.** Approve first amendment of lease with Corpus Christi Liquefaction, LLC, to adjust shape of 110-acre leased premises
- E.** Award contract to Purvis Industries, Ltd., the lowest and best bidder based on bids received on October 4, 2013, for the purchase of conveyor covers for Bulk Dock 2.
- F.** Award contract to U.S. Fence & Gate Inc., the lowest and best bidder based on bids received on October 29, 2013, for fencing at the Nueces River Rail Yard (Security Grant 11).

- G.** Award contract to CAS Companies, L.P., the lowest and best bidder based on bids received on October 30, 2013, for roadway and parking lot repairs.
- H.** Award contract to H&S Constructors, Inc., the lowest and best bidder based on bids received on October 30, 2013, for fire and waterline rehabilitation at the Inner Harbor dock facilities.
- I.** Award contract to H2O Construction Services, Inc., the lowest and best bidder based on bids received on October 30, 2013, for structural repairs at Oil Dock 11.
- J.** Award contract to Robles Service Group, the lowest and best bidder based on bids received on October 30, 2013, for lead abatement of the canopies at the Jimmy Storm Pavilion.
- K.** Approve a termination agreement with J.I. Hailey Inc., for the company's lease of 4.294 acres of PCCA property located on the north side of the Fulton Corridor near the Avery Point Turning Basin ("Hailey Property"), and authorize PCCA to enter into the Texas Commission on Environmental Quality's Voluntary Cleanup Program with J.I. Hailey Inc., for the environmental cleanup of the Hailey Property.
- L.** Approve a professional service purchase order with Arcadis U.S. Inc., for site assessment activities at the Hailey Property.

XII.

The Executive Director reported on the following during his report: WRDA; Strategic Planning Project; Free Trade Alliance; Break Bulk Conference; 2014 budget process; and Eagle Ford Shale Conference Review.

XIII.

Chairman Carrell asked for comments from Commissioners.

At 10:36 a.m., the Chairman announced that the Commission would go into executive session pursuant to §551.071, §551.072, and §551.076 of the Texas Government Code to deliberate agenda items 14, 15, 16, 17, and 18.

At 2:06 p.m. the Commission reconvened into open session.

XIV.

The following agenda item was for executive session only: Receive legal advice from PCCA counsel regarding Cause No. 2013-CCV-61800-3, *The Berry Co. vs. Martin Operating Partnership LP, Martin Operating GP LLC, Martin Midstream Partners LP, Martin Resource Management Corporation, and The Port of Corpus Christi Authority*; in the County Court at Law No. 3, Nueces County, Texas.

XV.

The following agenda item was deliberated in executive session only: Deliberate leasing or selling 254 acres of PCCA property on Harbor Island.

XVI.

The following agenda item was deliberated in executive session only: Deliberate an audit of PCCA's security made by CH2M Hill.

XVII.

The following agenda item was deliberated in executive session only: Receive legal advice from PCCA counsel regarding settlement of a pending EEOC claim.

XVIII.

The following agenda item was deliberated in executive session only: Receive legal advice from PCCA counsel regarding a settlement proposal from New Elk Coal Company to be released from its lease agreement with PCCA.

XIX.

There being no further business, the meeting adjourned at 2:06 p.m.

**OFFICIAL MINUTES OF SPECIAL PORT COMMISSION MEETING
BUDGET WORKSHOP
NOVEMBER 22, 2013**

The Port Commissioners of the Port of Corpus Christi Authority met in special session on Friday, November 22, 2013 at 8:00 a.m., in the Ruben Bonilla Center for Global Trade, 222 Power Street, Corpus Christi, Texas

Present: Mr. Mike Carrell
Mr. Richard Borchard
Mr. Charles Zahn
Ms. Judy Hawley
Mr. Robert Kostelnik
Mr. Al Jones
Ms. Barbara Canales

Present: Mr. John P. LaRue
Mr. Frank Brogan
Mr. Dennis DeVries
Mr. David Krams
Ms. Patricia Cardenas
Ms. Sandra Terrell-Davis
Mr. John Pasch
Mr. Ruben Medina
Ms. Peggy Mettlen
Mr. Paul Carangelo
Ms. Maggie Turner
Ms. Audre Debler
Ms. Sarah Garza
Ms. Sonya Lopez-Sosa
Mr. John Slubar
Mr. Dave Michaelson
Mr. Jacob Morales
Mr. Bert Perez
Ms. Sofia Kinstley
Mr. David Villarreal
Mr. Paul Kaup
Mr. Ray Harrison
Mr. Tom Mylett
Mr. Dan Kosema

Others Present: Mr. Leo J. Welder, Jr.
Welder Leshin LLP
Mr. Don Rodman
The Rodman Company

I.

Chairman Carrell called the meeting to order and asked that any conflict of interest affidavits be submitted. None were submitted.

II.

Chairman Carrell asked for comments from the public. No comments were received.

At 8:03 a.m., the Chairman announced that the Commission would go into executive session pursuant to §551.071, §551.072, and §551.076 of the Texas Government Code to deliberate agenda items 3, 4, and 5.

At 9:17 a.m. the Commission reconvened into open session.

III.

The Commission deliberated leasing or selling 254 acres of PCCA property on Harbor Island in executive session. In open session, on motion made by Mr. Kostelnik and seconded by Mr. Borchard, the Commission authorized Port staff and counsel to take whatever steps they deem necessary or appropriate to protect PCCA's rights and interests in Harbor Island.

IV.

The following agenda item was deliberated in executive session only: Receive legal advice from PCCA counsel regarding settlement of a pending EEOC claim.

V.

The Commission deliberated the deployment of security personnel or devices in executive session. In open session, on motion made by Mr. Zahn and seconded by Ms. Canales, the Commission approved the following security recommendations made by PCCA staff based on the CH2M Hill security report:

1. Maintain control and operation of the Port Security Program within the Port.
2. Eliminate the position of Deputy Police Chief.
3. Hire one additional supervisor to provide 24/7 coverage.
4. Fill the vacant positions needed to provide the recommended level of land and marine patrols.
5. Implement formal roll call at the beginning of each shift.
6. Increase training of security staff.
7. Revise personnel policies and procedures.
8. Review and revise pay scale to appropriate levels.
9. Ensure proper security documentation is prepared and exchanged.

10. Rotate assigned duty stations.
11. Investigate combining surveillance and communications systems.
12. Conduct more interagency training.
13. Interface more effectively with local industry and law enforcement agencies.
14. Identify and prioritize additional facility security improvements.

In addition, on motion made by Mr. Zahn and seconded by Ms. Canales, the Commission authorized a 50% reduction in PCCA's Harbor Safety Fee for 2014 and authorized PCCA staff to negotiate an agreement with CH2M Hill for assistance in implementing the foregoing security recommendations.

VI.

The Commission received staff's presentation of the proposed operating budget and capital expenditures budget for 2014.

VII.

There being no further business, the meeting adjourned.

AGENDA ITEM NO. 3

No Attachment

AGENDA ITEM NO. 4

No Attachment

AGENDA ITEM NO. 5

No Attachment

DATE: December 10, 2013

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 6

**Receive Presentation and Approve
Strategic Plan 2014-2020**

The need for an updated strategic plan for the Port of Corpus Christi has long been recognized but became particularly essential as the Eagle Ford shale oil and gas development began to have major impacts on our port. On June 20, 2013, the Port Commission approved several consultant contracts with key experts that enabled this effort to move forward. A strategic planning committee was established by the Chairman of the Port Commission, which consists of Commissioners Judy Hawley, Al Jones and Charles Zahn. Richard Stroot, a former employee of the Port and currently a consultant, was selected to serve as project manager of this effort because of his experience and knowledge of this port, its facilities and its customers. Don Rodman and Jim Shiner, local consultants, provided invaluable expertise in this effort.

Numerous meetings and presentations were conducted with major port customers, industry experts and local city and county officials to ensure that we understood their concerns and needs. Three of the most commonly identified concerns were an adequate water supply, electrical power capacity and workforce availability.

The final draft of the Strategic Plan 2014-2020 was completed on schedule and within budget (estimated at \$220,000). This final draft was extremely helpful in guiding the formulation of the Port's 2014 capital budget. It further provided a lengthy list of 94 specific recommendations for implementation and identified a time schedule, area of responsibility for each effort, and the expected outcome. Successful implementation of these recommendations will require significant staff time, and we have factored that into our budget proposal for 2014.

The Strategic Planning Committee and staff recommend approval of the PCCA's Strategic Plan 2014-2020.

LEAD CONTACT: Frank Brogan; 885-6133; frank@pocca.com

STRATEGIC PLAN 2014-2020



PORTCORPUSCHRISTI

Strategic Plan 2014-2020

December 10, 2013
Port of Corpus Christi Authority

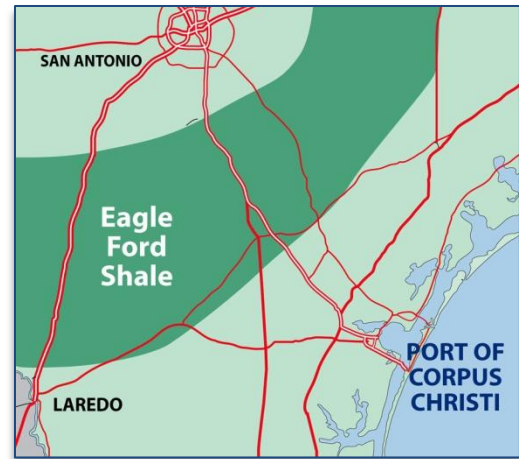
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Appendix 1 – EAI, Inc. Summary	



This Plan was prepared with assistance from a consultant team consisting of Rich Stroot, project manager and rail specialist; Jim Shiner, P.E., infrastructure and real estate assessment; Paul Rolniak and Joe Leto, EAI, Inc., energy industry forecasting; John Hoegemeier, transportation economist; Dave Hallberg, freight trends analysis; Roger Blum, cruise industry consultant; and Don Rodman, communications consultant.

1. Summary of Findings and Recommendations

The Port of Corpus Christi Authority and South Texas are faced with a period of fast-paced change, a dramatic shift in some cargo movements and a wave of new industrial development opportunities. This Strategic Plan was designed with input from numerous stakeholders including port industries, port tenants, facility customers, waterfront stakeholders and community representatives. The resulting plan looks at the Port Authority's capabilities, outlook and priorities while outlining a course for the future.



The Strategic Plan is keyed to achieving the PCCA's adopted mission which is to serve as a regional economic development catalyst while protecting and enhancing its existing industrial base. The Port Commission is committed to being proactive in preparing for near-term challenges and long-term opportunities.

This plan is aimed at guiding the path for future development and expansion given the many disruptive challenges and changes being presented to the PCCA by dynamic development of the nearby Eagle Ford Shale and the Permian Basin, the anticipated opening of a newly expanded Panama Canal, and new manufacturing and terminalling operations. Rapid changes are taking place at every corner of the industrial complex and along the waterfront of the Corpus Christi Ship Channel system in Nueces County and San Patricio County. Some caution on the part of the PCCA is emphasized in light of such a dynamic energy and business environment.

The planning team has assessed current PCCA assets and the strengths and opportunities facing PCCA and South Texas. Cargo and transportation trends were reviewed and commodity forecasts were developed. Finally, a dozen strategic objectives were identified along with more than 70 specific implementation initiatives or actions. Each initiative or action has been given a projected calendar year to begin and complete and a designated lead or leaders responsible to achieve an expected result or consequence.

Finally, strategic planning is an ongoing process that recognizes that the future is unpredictable. Sound planning generally generates actions and reactions that tend to upset the expectations on which previous versions of the plan were based. Special attention should be focused on crude oil prices and both regional and global energy markets. Today there are very strong marketplace pressures to make decisions related to dynamic energy production in Texas. These decisions are likely to have very long impacts on public assets at the Port of Corpus Christi.

SUMMARY OF FINDINGS

1. Keeping future options open is critical in light of the volatile nature of business cycles and disruptive events particularly those in a fast changing energy industry environment.
2. 99% of the waterborne commerce at the Port of Corpus Christi is in the form of bulk liquids and dry bulk materials. These commodities take maximum advantage of local transportation economics. This pattern is not projected to change in the five year planning horizon.
3. Tonnage totals drifted down from 2007 to 2012 as global markets absorbed a major recession, grain exports dropped in the wake of a prolonged Texas and upper Midwest drought, domestic crude oil began partially displacing imported crude, and the demand for gasoline and other refined products continued to decline in the U.S.
4. There was a sharp turnaround that started in 2012 and accelerated in 2013 as outbound crude and natural gas liquids (NGLs) crossing port docks surpassed imported crude oil volumes.
5. Outbound liquid cargo movements have placed very high demand on existing dock space and prompted action on development of several private oil docks and dock conversions.
6. Private companies are moving forward as quickly as practical with planning and permitting of billions of dollars in new or expanded industrial facilities that will generate new waterborne commerce and strengthen the local economy while enhancing the financial position of the Port Authority to continue addressing its economic mission.
7. Continued development of the Eagle Ford Shale and multiple shale plays in the Permian Basin will accelerate growth in South Texas for several more years assuming world oil prices do not drop below the cost of production for an extended period.
8. Total crude/condensate production from the Eagle Ford is at 1 million barrels per day and is forecast to exceed 1.8 million barrels per day by year 2021. There are multiple projections for petroleum movements through the port in 2014. PCCA has opted to use a conservative 15% rate of increase for planning purposes. Total port petroleum movements are expected to increase by an average of about 6% per year through 2022. Growth rates depend in part on how rapidly new private pipelines, tankage and dock capacity comes on line. Growth in tonnage and revenues may also be restricted by lack of available ships and barges.
9. Outbound crude movements are going to other U.S. ports and refineries within the marketplace driven by the federal prohibition of direct export of crude oil. The Jones Act controls movements between U.S. ports.
10. While there has been a significant increase in the number of vessel calls at Corpus Christi, recently developed bottlenecks appear to be opening and customers are adjusting. The addition of three new private oil docks within the Inner harbor in 2014 will further improve conditions. There is a demonstrated need for additional barge mooring areas and a desire by customers to have a public ship layberth added within the Inner Harbor.
11. The Bulk Materials Terminal (BMT) plays an important role in supporting local refineries – all of which produce petroleum coke which must be sent to market. The BMT also is a key transportation link in providing required inputs for South Texas oil and gas exploration and production. Tonnage of inbound commodities including barite and specialty crush-resistant sand used in the hydraulic fracturing process are expected to increase somewhat while outbound commodities are expected to remain at near current levels for the next few years.

Major infrastructure components at the Bulk Terminal are aging and investments in particulate management are needed. Revenues are adequate to support maintenance and required routine upgrades assuming terminal operations are treated as a stand-alone business enterprise. PCCA should in 2014 consider issuing a request for proposals that could lead to privatization of the terminal.

12. Agricultural exports through the two channel-side grain elevators and the bagging operations are closely tied to U.S. and foreign crop yields. Volumes moved through the port vary from year to year in the range of 2 million to 5 million tons. No change in this pattern is expected although ADM, the operator of the Corpus Christi Public Elevator, is diversifying into handling additional commodities.
13. The development of Caribbean transshipment hubs related to expansion of the Panama Canal and growth in trade with Central and South America will enhance the opportunity for additional break bulk and containerized cargo moving through Corpus Christi. This could provide the market conditions for development of a multi-purpose general cargo and container facility on 150 acres adjacent to the new San Patricio Turning Basin at La Quinta Terminal.
14. Break bulk cargoes moving across the PCCA's general cargo docks and private docks have made up less than 1% of port tonnage over the past two decades and future volumes are difficult to project. Movement of wind energy components are expected to rebound in 2014 to 2012 levels but this activity is subject to regulatory uncertainty. Opportunities exist for targeting additional cargoes that could efficiently move through the port's existing general cargo facilities.
15. The expanded Panama Canal will provide new cost efficiencies by accommodating larger Post Panamax size vessels. Corpus Christi will likely participate in these efficiencies with larger ships moving dry bulk commodities, exported liquefied natural gas and grain going to growing markets in the Pacific Basin.
16. Corpus Christi has a rail advantage not available at most Gulf of Mexico ports. The port's Inner Harbor is served by three Class I railroads that encompass systems covering all of the U.S. and Mexico. Rail capacity and operational flexibility in Nueces and San Patricio Counties are increasingly important factors for current and future port customers.
17. PCCA should continue to study the possibility of attracting a cruise ship operator but must recognize the high cost of infrastructure to adequately homeport such a service if a cruise line does show interest in this location.
18. Available land on navigable waters or with easy access to the channel system is becoming extremely limited and this limitation requires a more intense application of highest and best use criteria in decisions going forward.

KEY RECOMMENDATIONS

Top priority should be given to strategies which support bulk cargo movements. That means a fundamental strategy should be dredging and maintaining adequate deepwater channels and building and maintaining docks capable of handling large bulk carriers. Panama Canal expansion will make this even more important in future decades as world trade and the vessel fleet adjust to this new opportunity. Here are some of the key recommendations and programs outlined in the Strategic Plan.

SHIP CHANNEL

- Maintain the 45-foot ship channel and protect dredge material placement areas.
- Complete deepening of the La Quinta Channel extension (under contract).
- Evaluate widening of the Bay Reach of the ship channel (Port Aransas to Harbor Bridge).
- Evaluate moving forward with deepening the entire channel including the possible phased development to initially serve Harbor Island, Ingleside and La Quinta.

LAND USE AND INDUSTRIAL DEVELOPMENT

- Make strategic land purchases.
- Continue implementation of a highest and best use land management program.
- Facilitate regional efforts to deal with water supply, electric power and workforce constraints.

PETROLEUM HANDLING CAPABILITIES

- Provide and improve public facilities as dictated by demand and safety considerations.
- Support existing customers in ways that will increase their competitive position.

BULK MATERIALS TERMINAL

- Continue facility maintenance and upgrades to sustain service levels.
- Make environmental improvements to reduce air emissions and accommodate potential growth.
- Consider issuing a request for proposals to privatize the terminal.

DRY CARGO/BREAK BULK

- Pursue an anchor tenant for development of multi-purpose general cargo and container facilities at La Quinta Terminal; move forward with initial facility and dock design in 2014.
- Continue preservation of existing Inner Harbor break bulk handling facilities.

RAIL FACILITIES

- Continue implementation of the 2012 Rail Master Plan including construction of the Nueces River Rail Yard.
- Investigate options for providing multi-carrier rail services to the La Quinta Terminal and the Robstown Inland Port property.

BUILDINGS AND FACILITIES

- Develop a long-term Facilities Plan including offices, harbormaster operations, conference center, security and other PCCA buildings to ensure highest and best use of assets.
- Evaluate alternative uses for Cargo Dock 1 and 2 and surrounding property.

ENVIRONMENTAL STEWARDSHIP

- Enhance bay habitat by implementation of Channel Improvement Project components.
- Continue to implement the Environmental Management System to minimize environmental impacts of port-related operations.

2. Current Situation Overview

2.1. Background

Exploration and development activity in the Eagle Ford Shale play in South Texas began with a whisper in 2008. Oil production growth in the Eagle Ford started to accelerate in 2010 and has skyrocketed since. This has been the most positively disruptive event in the Corpus Christi Bay region in generations. The Eagle Ford Shale is considered by some to be the largest single economic development in the history of Texas and in 2013 ranked as the largest oil and natural gas development in the world based on capital invested. It is changing the economic landscape and the long-term fortunes of the Port of Corpus Christi and the Coastal Bend Region.



The impact of the South Texas energy bonanza on the Port of Corpus Christi Authority (PCCA) and its operations has been profound. Crude oil imports have declined while outbound shipments of Eagle Ford crude have risen sharply. Existing port industries are expanding and new port-related industries are working to permit and build plants that will take advantage of output from the Eagle Ford and other U.S. shale formations that have turned energy markets upside-down. Expanding industrial activity has resulted in there now being little uncommitted real estate available near the ship channel for new port-related development. The anticipated opening of a newly expanded Panama Canal and swings in global markets add to the Port Authority's planning challenges.

Faced with this sea of uncertainty Port Authority policymakers initiated a strategic planning process that builds on previous plans and years of ongoing capital improvement and business development planning.



Recognizing the importance of producing a strategic plan, the Port Authority and a consultant team have engaged in a process designed to accomplish the following:

- Evaluate the external environment and the forces of change that are likely to present opportunities or threaten existing businesses.
- Provide strategic direction to the Port Authority and a host of interconnected institutions in the counties of the Coastal Bend.
- Define and initiate appropriate implementation actions.
- Assist Port Authority policymakers in better assessing every potential investment, project and real estate decision they face.
- Monitor performance to guide the ongoing planning and program implementation process.

Strategic planning is an ongoing process that recognizes that the future is unpredictable. Sound strategic planning frequently generates new factors that tend to upset the expectations and assumptions that were integral to the previous version of the plan. Due to the volatile nature of

business cycles and disruptive events, the Port Authority’s strategic plan should be updated annually and evolve as a five-year capital planning guide.

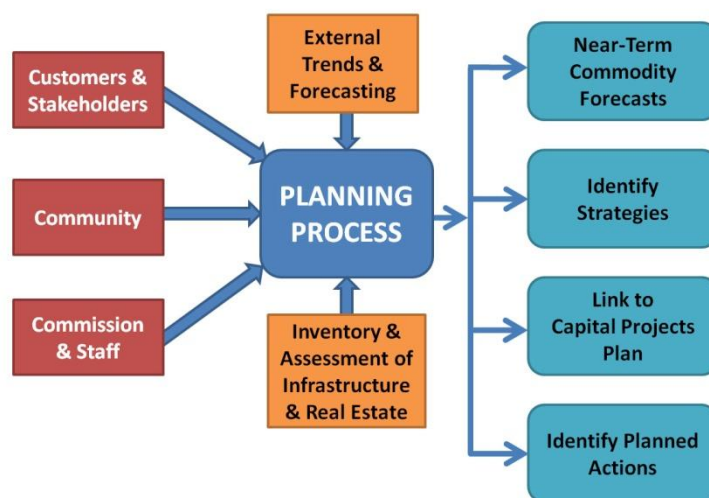
Keeping future options open is critical. It demands that management do what it can now to understand what those future options might be. Real estate decisions made today have much to do with the Port Authority’s options and opportunities in the future. For instance, planning for the highest and best use of property may require the authority to forgo a property lease or improvement that could block a much higher future use. By reserving key sites already owned by the Port Authority and by buying additional sites when appropriate, the Port Commission can act today to better ensure that the public interest will be served in the future.

2.2 The Planning Process

A strategic plan is a management tool used to improve the performance of an organization and outlines the organization’s direction and priorities.

The Port Authority undertook this strategic planning process as a cooperative effort involving the port management, members of the Port Commission and a small team of consultants, some of whom have decades of experience in local port-related activities.¹ The Port Commission Planning Committee included commissioners Judy Hawley, Charles Zahn and Al Jones.

PCCA Strategic Planning Process



The planning process included a comprehensive review of changes in the Port Authority’s operating environment over the past five years. Meetings were held with commission members to establish objectives for the planning effort. Port staff members were called upon to use their knowledge to look forward, set objectives and develop strategy recommendations.

The planning effort included a comprehensive outreach effort to include Port Authority customers, waterfront stakeholders and service providers, and community leaders. There were more than a dozen

¹ The consultant team consisted of Rich Stroot, project manager and rail specialist; Jim Shiner, P.E., infrastructure and real estate assessment; Paul Rolniak and Joe Leto, EAI, Inc., energy industry forecasting; John Hoegemeier, transportation economist; Dave Hallberg, freight trends analysis; Roger Blum, cruise industry consultant; and Don Rodman, communications consultant.

meetings with major industries, shippers, marine operators and companies that are in the process of permitting to build new facilities that will generate waterborne commerce. These discussions provided valuable insights regarding such topics as waterway operational issues, facility capacity constraints, potential congestion, regulatory uncertainties, Jones Act marketplace vessel shortages, competitive rail service, potential ship channel improvements and water supply concerns.

2.3. Mission Statement

As a public navigation district established by law, the Port Authority is a political subdivision of the State of Texas with district boundaries that include all of Nueces County and San Patricio County. The authority is governed by a seven member commission with three members appointed by Nueces County, one member by San Patricio County and three members by the Corpus Christi City Council.

Without a consensus on what role the Port Authority should play in the community it is difficult to establish well understood, realistic objectives. A clear definition of the Port Authority's purpose and mission are the foundation for setting priorities, making plans and assigning work. A mission statement provides criteria against which to judge actions and serves as a declaration of common purpose that can be understood by those who are part of the organization and others who have an interest in its success. The following is the Port Commission's long-standing mission statement:



It is the mission of the Port of Corpus Christi Authority to serve as a regional economic development catalyst while protecting and enhancing its existing industrial base and simultaneously working to diversify its international maritime cargo business.

In pursuit of this mission, the Authority shall be guided by the following basic principles:

- The Port Authority shall conduct its affairs in a positive, open, and cooperative manner;
- The Port Authority shall operate in a fiscally responsible manner;
- The Port Authority shall be a positive and proactive force in the protection of the region's marine and water related resources;
- The Port Authority shall be committed to serving its customers – present and future.

It is helpful in this context to define who the Port Authority's customers are. Several categories exist including [1] shippers who can move cargo through one of several ports, [2] industries which have made large investments in South Texas and are tied to docks on the Corpus Christi Ship Channel system, [3] PCCA property leaseholders and users of port-owned terminals and rail lines, and [4] the residents of South Texas who look to the Port Authority to provide leadership in delivering the public infrastructure that will encourage economic activity and sustain the region's quality of life.

PERSPECTIVE ON THE MISSION

Because the Port Authority and the port industrial complex are such important forces in this region, the authority's economic development mission helps chart the destiny of the entire community. Since 1926 when the first commercial business was attracted to Corpus Christi by the newly opened ship channel, the Port Authority has been the single most important medium for converting community resources into career jobs and into investments that remain productive for generations. Economic development is the mission and serving commercial shippers with adequate channels and docks is part of how the mission is accomplished. Economic development means attracting industrial and commercial activity, private capital and waterborne cargo shipments that will create employment opportunities, sustain and upgrade existing jobs, bring new basic dollars to the area, and broaden the tax base that supports all public services.

The core function of the Port Authority is to act in concert with the U.S. Army Corps of Engineers to provide and regularly maintain the deepwater ship channels and shallow-draft waterways that are essential to waterborne commerce. That includes the authority's duty to provide adequate dredge material placement areas to assure that channels can be maintained on schedule and expanded as the demands of world commerce require. Without these channels traversing our shallow bays there would be no Port of Corpus Christi and much of the billions of dollars of private investment in industrial activity in the Bay Area would never have been drawn here.



LIMITATIONS ON PORT AUTHORITY ACTIVITIES

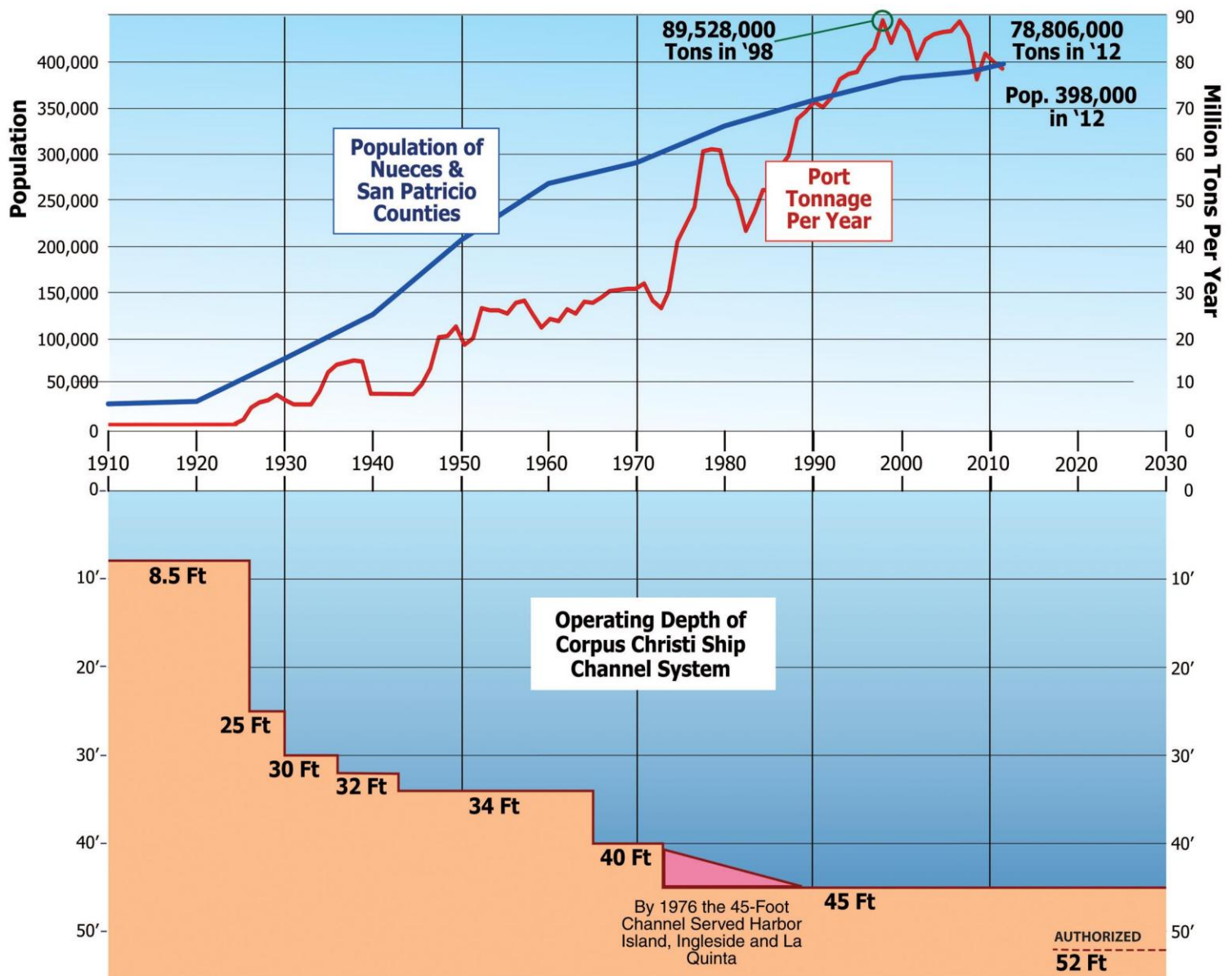
The Texas Constitution and state law places specific constraints on the kind of activities a navigation district (port authority) can pursue. The Port of Corpus Christi Authority is permitted to participate in operation or development of ports and waterways and any facility that is necessary or useful in the development and utilization of a waterway project. The law specifically allows participation in development of wharves and docks, warehouses, grain elevators, storage facilities, port-related railroads and bridges, cargo handling facilities and other facilities useful to navigation-related commerce in the port and on the waterways. The PCCA is authorized by the Legislature to acquire land and has the power of condemnation of property for development of port facilities or necessary for development of port-related businesses. By definition the Port Authority is constrained by state law from undertaking or participating in projects that are not related to the port and associated commerce.

2.4. A History of Addressing the Mission

The Port of Corpus Christi is a *place* – a piece of geography that includes an industrial complex sprawling across the landscape from east to west for more than 30 miles. The Port of Corpus Christi Authority, led by the seven-member Port Commission, is an *institution* charged by the local community to lead and make decisions for the very long term well-being of the region. Together these elements represent a remarkable partnership between the federal government, South Texas residents, the State of Texas and private industry.

A brief overview of past events and trends will be presented in this section. Analysis of past success and current conditions often provides the opportunity to "rediscover" sound strategies and to understand the basis for the kind of success that has been achieved by the Port Authority over a period of several decades.

Historical Trends and Correlations



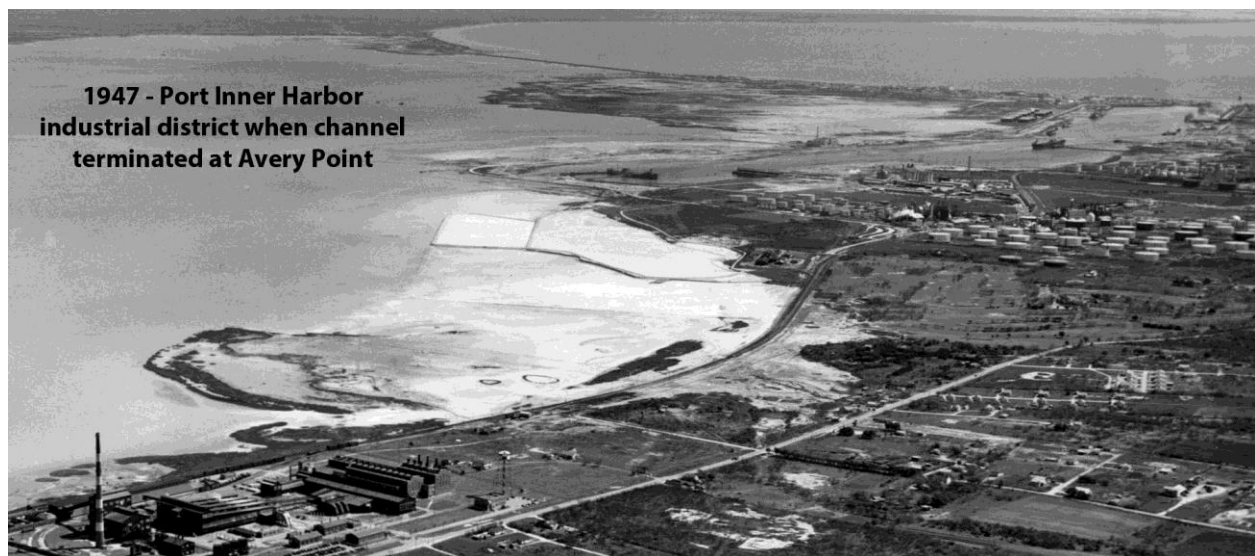
A HISTORICAL LOOK

The U.S. Congress first recognized Corpus Christi as a port in 1852. For the following 75 years the mission of the individuals leading Corpus Christi was to turn those words into a reality that could make their city THE port for South Texas and Northern Mexico.

Before the channel was dredged and the Inner Harbor was opened in 1926, the region's economy was based almost entirely on agriculture and a small seasonal visitor industry. Natural gas had been discovered at White Point in 1913 but oil had not yet been found in the region nearby.

From the beginning the mission of the Navigation District (now Port Authority) was about inducing growth and strengthening the economic foundations under the struggling community. Before the voters of Nueces County created the Navigation District and provided tax bond funding for facilities in 1922, there was community consensus that the mission of the port would be primarily to get South Texas farm produce to market. The transportation advantages offered by the port would allow more Coastal Bend land to be converted to profitable row crops.

Secondarily it was felt that the port would serve as a gateway to and from Northern Mexico and that it would be of strategic value to the military establishment in Central Texas. It was hoped that all this would create more employment in the transportation services industry. There is no indication that attracting heavy industry was seen as a central part of the mission before 1930.



BECOMING AN INDUSTRIAL PORT

Once large oil fields were discovered – literally within sight of the new port's Inner Harbor – the community's mission for its Navigation District was quickly revised. Services to agriculture were adequate. Now it was apparent that local resources, including very low cost natural gas, could be combined with the powerful pull of deepwater channels to attract heavy industry that would be permanently located in the community. That meant a new level of economic stability impossible in an agriculture port impacted by bad weather and world markets. These permanent industries would require land and their employees would need housing and all the services of the retail community.

One of the goals from the outset was to make the Port Authority financially self-sufficient. In 1930, the port leadership (including new Chairman Richard King, port attorney Russell Savage, State Rep. W.E.

Pope and Port Director L.M. Adams) implemented a channel extension plan which would help make that possible. Pope won passage of a law allowing navigation districts to buy submerged state land at a cost of \$1 per acre. The Port Authority then acquired submerged land along the shoreline of Nueces Bay where the channel extension would be dredged and conveyed the submerged land between the channel and the shoreline to the upland property owners. The conveyances were subject to deed covenants running with the land requiring the landowner to apply for a franchise for any business wanting to use the channel and to pay the Port Authority half the published wharfage rate on cargo moving over privately-owned docks constructed on the submerged land.

During the 1930s and 1940s it became increasingly understood that general cargo growth would be limited by the lack of population and consumer markets in the port's hinterland which extends to the north, northwest and southwest. Railroads and trucking became increasingly competitive in handling farm produce that was originally seen as potential cargo. Conversely, heavy industry and crude oil shippers needed efficient water transportation for moving bulk cargoes. That meant that if the Port Authority was to achieve the mission of promoting community growth it had to set objectives which focused on pursuit of the deeper and wider channels needed by bulk carriers.

Corpus Christi consistently led other Gulf ports in water depth for decades, partly because port leadership was so aggressive and partly because of the relatively short distance to deep water outside the jetties at Port Aransas. The 45-foot project at Corpus Christi was authorized by Congress in 1968, construction started in 1972 and the last section was completed in 1989. Today most of the major Gulf ports have 45 feet of water and New Orleans and South Louisiana terminals have more than 50 feet. Leadership in pursuing deep water has continued with the full permitting and 2007 congressional authorization of deepening the entire Corpus Christi Ship Channel system to a depth of 52 feet.

Much of the local port activity before 1970 was tied directly to local raw materials and production. In that decade the Corpus Christi Bay Area evolved as an industrial "processing station" not as tied to local raw materials. Bauxite, ores and then imported crude oil were brought here by ship, processed and the products shipped out by ship or barge. This was possible because of deep water efficiencies, excellent building sites and a "can do" local community attitude. Today Eagle Ford Shale oil and gas are providing a new source of nearby production inputs.

A new era in port development began in 1950 with the construction of the branch ship channel along the north shore of Corpus Christi Bay to Reynolds Metals. Dredging La Quinta Channel expanded the port's horizon, extending its operations to the north side of Corpus Christi Bay. It encouraged the Port Authority to see itself as a seaport with several distinct divisions — the Inner Harbor, Rincon Point, La Quinta, Ingleside Point and Harbor Island. The 1950s were a pivotal period as the Port Authority stretched to accommodate new economic activity. The Public Grain Elevator, the Bulk Materials Dock 1 and the Harbor Bridge were all built during that decade. The elimination of the narrow Bascule Bridge in 1959 cleared the way for a new generation of larger ships to call at the Inner Harbor. PCCA built the shallow draft Rincon Industrial Park in 1968 with barge access by way of a 12-foot canal that connects to the ship channel east of the Harbor Bridge.

Between 1923 and 1985 the taxpayers of Nueces County were called on to approve and pay off only \$5.3 million in tax bonds to acquire port land and build facilities. While a tax of up to 10 cents per \$100 property value assessment is authorized by law, no tax for maintenance and operations has ever been collected. The Port Authority has always paid for operations out of operating revenues.

PASS-THROUGH CARGO

The percentage of total cargo that is moved through the Port of Corpus Christi from a distant origin to a distant destination has historically been small. These "pass-through" or transient cargo shipments reached their peak in the 1970s with large overseas shipments of Midwest grain and inbound shipments of ores and cement headed into Mexico.

Since 1950 there have been continuing efforts to generate additional pass-through cargos although marketing efforts were generally conservative. Capital projects were the primary tool of choice. These included construction of the Public Grain Elevator in 1952, improved rail connections in the late 1950s, the Bulk Materials Dock in 1959, bagging operations in the late 1960s and Cargo Docks 14 & 15 and the stationary crane in 1967. Additionally, cargo docks were refurbished and shed improvements were made during the 1970s. During the 1980s the port added Bulk Materials Dock 2 and modified the Grain Elevator to serve larger ships.

A broader marketing effort to generate more general cargo began in the 1980s. On the capital improvement side, the planning and construction of Cargo Dock 8 as a multi-purpose facility was completed and supporting yards were subsequently built on both the north and south sides of the area just west of the Harbor Bridge. Since 2001 these facilities have seen waves of cargo come and go including military equipment and wind energy components.



EVOLVING MISSION

While there has been an evolving nature to the MISSION of the Port Authority over the past 90 years, there have been several central themes – growth, stability, attention to existing stakeholders and conservative financial management. Overall the mission has been defined as achieving growth by providing leadership in all facets of community and industrial development that are linked to waterborne commerce. The mission has consistently been converted to goals and objectives which have – with few exceptions – been achieved. The Port Authority's efforts to provide deep channels, adequate docks, cargo handling facilities and other infrastructure components have attracted billions of dollars in private capital, built the tax base of all local taxing authorities and created employment opportunities for thousands of South Texans over several generations.

2.5. Assessment of Current Standing

The Port of Corpus Christi is one of the busiest U. S. ports in terms of tonnage and has been for the past forty years. It is recognized as a leader in providing the deep channels needed for efficient handling of bulk petroleum, chemicals, minerals and grain.

GEOGRAPHY

The port serves a hinterland extending north and westward to include parts of the Midwestern States, Colorado, New Mexico, much of Texas and the northern half of Mexico. The port includes four deepsea divisions — Harbor Island, Ingleside Point, La Quinta and the Inner Harbor. Shallow draft facilities are available at Rincon Point, Jewell Fulton Canal, the Aransas Channel and on the Intracoastal Waterway north of Ingleside Point. Landside facilities at La Quinta, Ingleside Point and on the Intracoastal are in San Patricio County. A small portion of Harbor Island and the ship channel at Port Aransas are in Aransas County. All other port geography is in Nueces County.



SHIP CHANNEL AND DMPAs

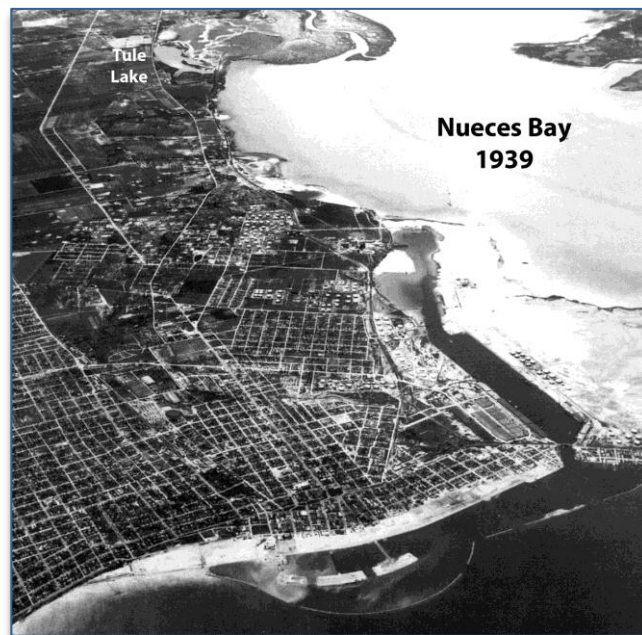
The federal deepwater channel totals 36.5 miles in length. The entire channel has been deepened to 45 feet except the La Quinta extension which will be at 45 feet by the end of 2014. A comprehensive 50-year plan is in place for management of dredge material from the federal channel system and the PCCA is required to maintain an updated 25-year plan for placement of material generated by channel maintenance dredging.

The material management plan includes two dozen dredge material placement areas (DMPA) including unconfined placement areas in the Gulf of Mexico and in the open water crossing of Corpus Christi Bay. Sites include upland confined areas, all of which are on property either owned by the Port Authority or the Texas General Land Office. The Army Corps of Engineers has navigational servitude and both term and perpetual easements on these sites.



On the Inner Harbor almost all of the land on the north side of the channel was created through the beneficial use of dredge material from the original channel construction, channel deepening, subsequent levee construction and maintenance dredging.

Several former DMPAs have been retired and converted for potential development or alternate use. These include areas on PCCA and private property on the north side of the Inner Harbor west of the Bulk Terminal and sites in the vicinity of Port Aransas. If at some point in the future the Port Authority determines that additional DMPA areas should be converted for development it will require getting the consent of the Corps of Engineers to release the government's easement. It will also likely require replacement of any lost material placement capacity with a new DMPA site. The port staff has concluded that South Shore DMPA Cell A and Cell B on the north side of the Inner Harbor across from Avery Point should be held in reserve as contingency capacity.



The Port Authority owns hundreds of acres of submerged land along the southern edge of Nueces Bay. Some have suggested the Authority evaluate the possibility of utilizing a portion of this acreage for future beneficial use of dredge material or as a site for environmental enhancement projects that could provide mitigation offsets to future public or private impacts on natural resource habitat.

In 2008 the Tule Lake Lift Bridge across the ship channel was removed because of age, mechanical condition and the inability to accomplish repairs without stopping channel traffic for an unacceptable length of time. Foundations and fenders of the bridge towers were left in place and remain as a

restriction on channel efficiency and as a navigational safety concern. Plans have been drawn for removal of the foundations and such a project is expected to move forward in 2015 or 2016.

In 1990 the U.S. Congress authorized the Corps of Engineers to begin investigating deepening the Corpus Christi Ship Channel beyond 45 feet. A feasibility study was started in 1997 and several years were spent involving many stakeholders in selecting the best alternative for the Channel Improvement Project (CIP). A final environmental impact statement was published in 2003 and all environmental clearances and permits for the channel widening and deepening were obtained. In 2007 the Congress officially authorized the 52-foot project which included extending La Quinta Channel, widening the channel across Corpus Christi bay to a bottom width of 530 feet, adding barge shelves on both sides of the channel across Corpus Christi Bay to increase separation between ships and barges, and extending the entrance channel in the Gulf by 10,000 feet to deeper water. It also includes constructing ecosystem restoration features to protect wetlands and sea grass areas.

The first element of the Channel Improvement Project was a 126-acre DMPA at La Quinta Terminal that was constructed in 2009 and marked the official conversion of the CIP into an “active” federal project. Dredging of the 1.4-mile La Quinta Channel extension under a Project Partnership Agreement with the Corps of Engineers started in 2011 and was completed in 2013. The federal government put up \$58.5 million and the port authority provided \$15 million in local matching funds. After completing a study and receiving approval from the USACE to assume the maintenance of a further improved channel, the PCCA awarded a \$6.1 million contract in 2013 to deepen the extension from an operating depth of 39 feet to an operating depth of 45 feet, matching the rest of the channel system.

Demand for deeper water at Gulf of Mexico ports will increase with the 2015 opening of the Panama Canal expansion which will have a tropical freshwater draft of 50 feet.

DOCKS AND TERMINALS

The Authority owns 11 liquid bulk cargo docks, two bulk materials docks, general cargo docks, layberth areas, two bagging facilities, the grain elevator, cotton warehouses and a conference center. The grain elevator, cotton warehouses and some layberth areas are leased to single customers. Refineries, chemical manufacturers, terminalling operators and fabricators operate private docks on the Inner Harbor.

Private industry operates all active docks at the three outer harbor divisions. In the outer harbor the Port Authority owns land (mostly submerged) all along the federal waterways, dredge material placement areas and a significant part of Harbor Island.

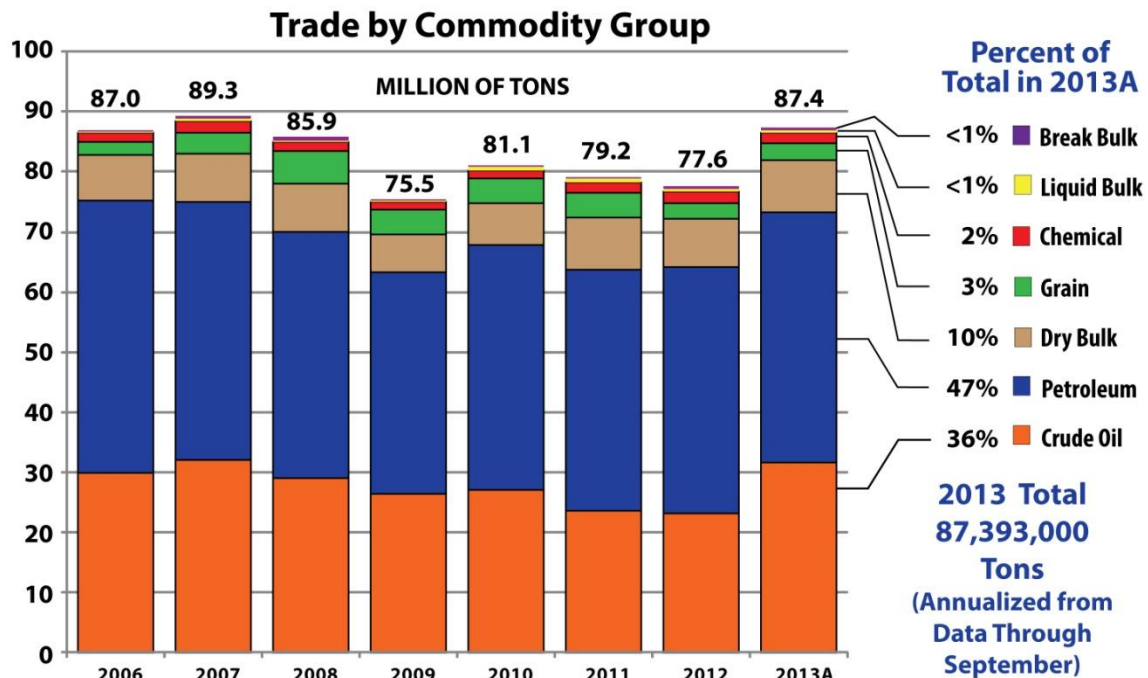
The Inner Harbor and Rincon Industrial Park are both served by all modes of surface transportation. The Port Authority owns 43 miles of railroad tracks which are operated under contract to serve Inner Harbor terminals and connect the Union Pacific, the BNSF Railroad and the Kansas City Southern Railroad.

TONNAGE BY COMMODITY GROUP

Annual cargo movements started at less than one million tons in 1927, showed a steady upward trend until the early 1970s and then started a sharp upward trend as crude oil imports grew. A tonnage drop off with the oil price bust of the mid-1980s was followed by a steady climb through the rest of the 1980s and 1990s, hitting an all-time high of 89.5 million tons in 1998. Tonnage dropped back after the shock of

the 2001 Terror Attacks then recovered until the 2007 recession. Tonnage slid more than 10% before showing a strong recovery in 2013 as Eagle Ford Shale impacts continued to build.

From 2007 to 2011 grain shipments were well above historic levels but fell back in 2012 and 2013 due to drought. Dry bulk tonnage has remained relatively flat in recent years.



REVENUES

The Port Authority has eight primary ways it can earn revenue to pay for operations and fund part of the cost of new facilities and channel maintenance. They are:

[1] Wharfage — A charge against cargos moved either across one of the Authority-owned docks or under a franchise agreement.

[2] Dockage — A charge against a vessel for time spent at an Authority-owned dock or lay area.

[3] Security Fees — A surcharge fee to support security operations.

[3] Freight Handling — A charge for using Authority equipment and personnel to move cargo on or off a vessel at the bulk materials docks or the general cargo docks.

[4] Building and Land Rentals - Payments from short-term and long-term easement and leaseholders on Authority property.

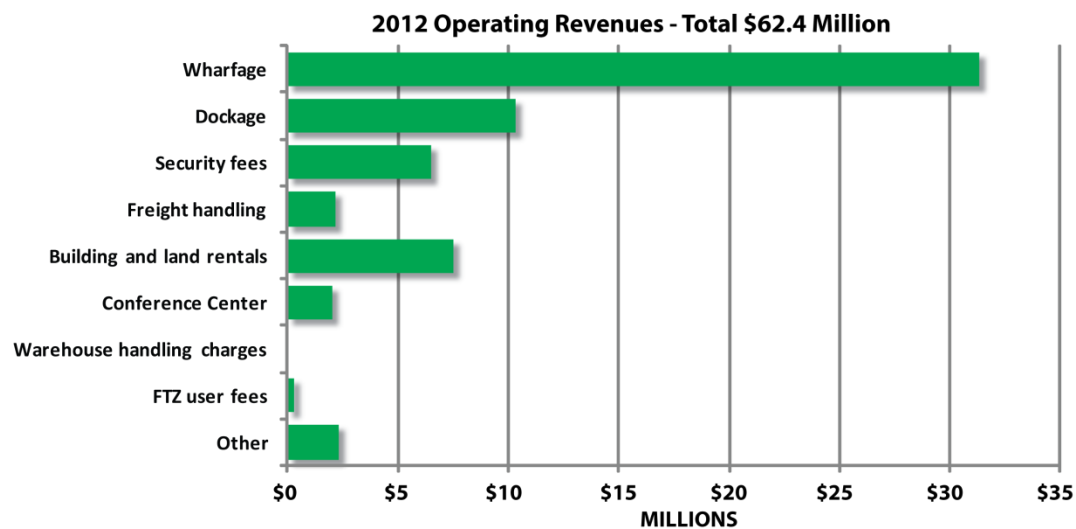
[5] Conference Center Services — Ortiz Center operating revenues.

[6] Warehouse handling charges — Fees for use of cargo sheds and marshaling areas.

[7] Foreign-Trade Zone — Fees for administrative services, and indirectly through increases in other revenue categories.

[8] Investment Income — Interest earnings from net income which are invested until it is expended.

[9] Dredge Material Placement Area depletion and use fees.



Revenues must be earned in a very competitive transportation marketplace. The Port Authority must compete for cargoes against other ports and other modes of transportation. When the cargo is either destined for or being produced by one of the industries in the port community, it is likely it will move through the port. But inland barges, railroads, pipelines and trucking lines compete for some of this business. This competition forces the system to be relatively efficient. When a cargo is coming from or destined for a point well inland from Corpus Christi, the competition becomes even more intense, with a greater number of potential players. Rail rates become a decisive factor, as do highway connections, port charges, labor rates, speed of turnaround, availability of facilities and overall quality of service.

STATUS OF AUTHORITY FACILITIES

The Port Authority has general cargo docks, liquid bulk cargo docks, bulk materials docks and four improved cargo marshalling yards. All are operated for hire on a first-come, first-serve basis. The general cargo docks include three covered transit sheds, two open docks and one special public use facility (Cargo Docks 1 and 2).

This strategic planning effort did not include an inspection and assessment of each of these facilities to evaluate their capabilities and potential to serve present and future shipping. The Port Authority has an ongoing maintenance program that covers all facilities. Much of this infrastructure is aging and requires frequent maintenance cycles. PCCA is developing a phased approach to replacing oil docks, Bulk Dock 1 and other facilities, some of which are more than 50 years old.

CURRENT PROJECTS

The Port Authority has an active capital improvement program. Significant recent projects include:

[1] The Authority has awarded a contract for deepening of the La Quinta Ship Channel Extension from an operating depth of 39 feet to an operating depth of 45 feet.

[2] An access road is being built and pipelines are being relocated on the La Quinta Terminal property to better serve a 473-acre lease to Austrian steelmaker, voestalpine Texas, and other future tenants.

- [3] The Nueces River Rail Yard project Phase 1 is under construction.
- [4] A barge-depth oil dock located at the west end of the Viola Turning Basin (Oil Dock 5).
- [5] All elements of the Fulton Corridor road project have been completed.
- [6] Fire and safety improvements at Avery Point - Oil Docks 3, 4, 7 and 11.
- [7] Bulk Dock 1 fender replacement and structural repairs.
- [8] Security enhancements along the entire ship channel system.

2.6. Stakeholder Input

As a public agency the Port Authority must work to accomplish its mission within the context of local community concerns and constraints. Success is less likely if community leaders and port stakeholders do not agree with the goals and objectives of the Authority or have mistaken perceptions about the Authority and its capabilities.

The development process for this Strategic Plan included input from industry, vessel operators and community stakeholders. Stakeholder comments made it clear that the mission of the Port Authority is well understood in the community and among customers. There were several comments specifically applauding the port staff for the assistance they provide customers and prospects in working through the project permitting and development process.

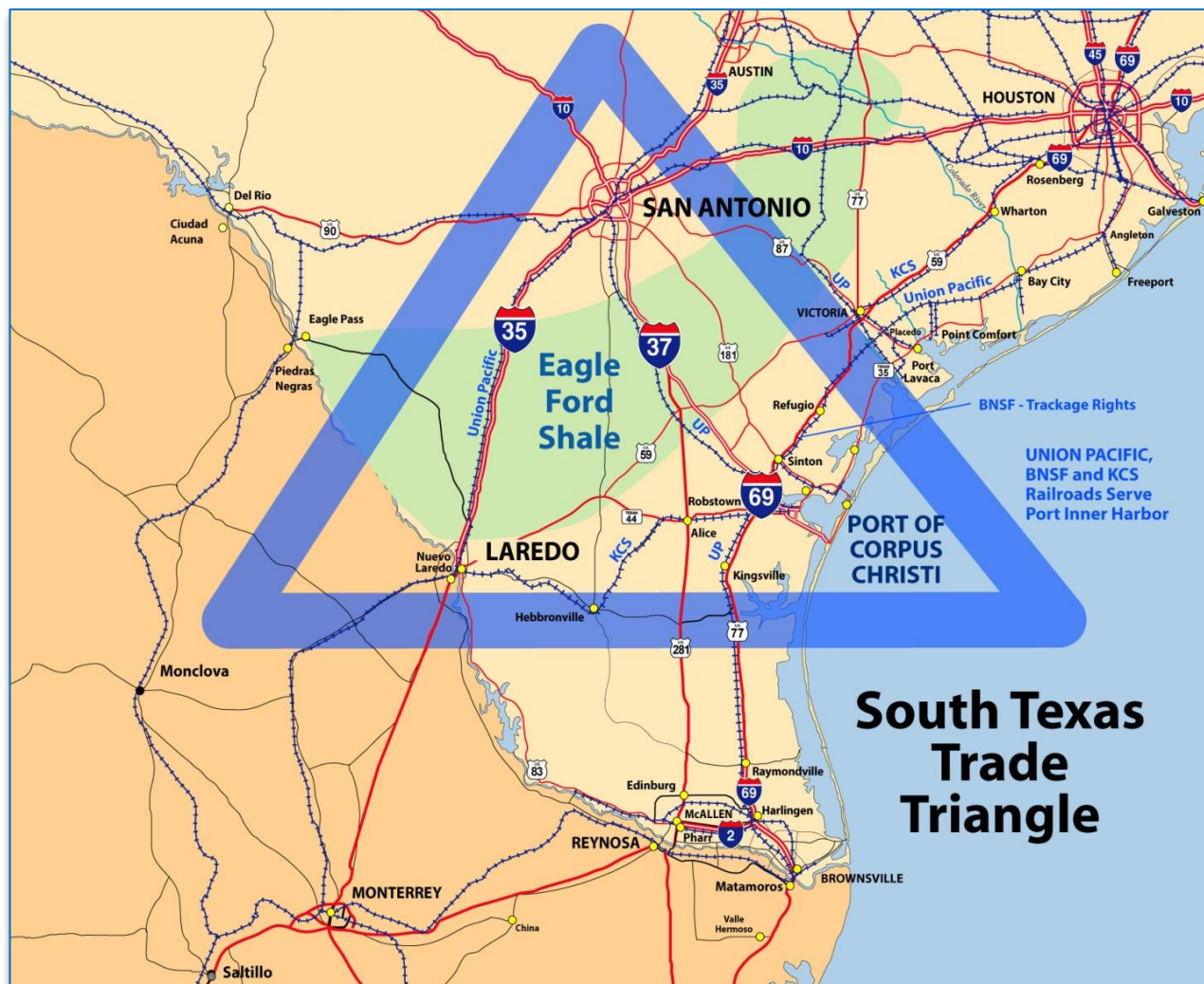
There were at least a dozen concerns raised in these conversations including:

- Regional water supply reliability
- Electric power capacity and distribution
- Skilled workforce availability
- Availability of adequate housing for the large number of construction personnel who will be building new plants
- A shortage of near-channel industrial property options
- Dock availability and vessel delays
- One-way and daylight only channel restrictions on certain ships
- Lack of multi-carrier rail service in much of the area near the ship channel
- Forced delays in maintenance dredging at some docks
- Timely access to dredge material placement sites
- Concern about maintaining the region's air quality attainment status
- Regulatory constraints including Jones Act vessel limitations
- Marketplace risks in a rapidly evolving U.S. and global energy market
- Concern about sending messages to the market that local port capacity is constrained
- A desire that PCCA help local industries stay competitive in the marketplace

2.7. Regional Strengths, Weaknesses, Opportunities and Threats

The Port of Corpus Christi is a key economic driver of the growing economy of South Texas. The port complex includes an expanding industrial base, a large and growing petroleum extraction and petroleum refining industry, major commodity chemical manufacturers, trade between the U.S. and Mexico and waterborne international trade. The port supports approximately 66,500 direct, indirect, induced and related users' jobs. In 2011, marine cargo activity at the public and private terminals generated approximately \$13.1 billion in economic activity in Texas consisting of direct business revenue received by the firms associated with the port and through marine services and transportation services to handle the cargo.²

A rapidly growing petroleum industry due to the development of the Eagle Ford Shale discovery, the associated activity that Eagle Ford will generate through hydraulic fracking and new industrial development in Corpus Christi will drive marine cargo growth through the port in the coming years. With these powerful growth drivers in the South Texas region, coupled with the growth in trade between the U.S. and Mexico and a national initiative to drive national growth through exports, the Port of Corpus Christi is well positioned to capture growing marine and related revenues over the next decade.



² The Local and Regional Impacts Of The Port of Corpus Christi. Martin & Associates, September 25, 2012.

THE REGIONAL MARKET

The Corpus Christi Ship Channel system and the surrounding port district are a critical resource for Texas, a state which is growing rapidly, both economically and by population. The drivers of the Texas economy include, but are not limited to, energy, international trade, a large and growing manufacturing base, agriculture, Federal activity such as the military facilities and defense contracting. With a predictable regulatory climate and pro-growth economic policies, Texas will continue to be one of the healthier business environments in the U.S. The port will benefit not only from the overall growth in Texas but will grow at a faster rate than Texas overall as a result of some of the unique economic drivers in its geographic region.

The Port of Corpus Christi is located geographically at the eastern edge of South Texas. The region served by the seaport is a geographic triangle bounded on the north by San Antonio and on the west by Laredo. Corpus Christi is the regions connection to world markets via the seaport. The area is served by three interstate highways, three of North America's Class I rail carriers and the marine transportation assets at Corpus Christi. For purposes of this analysis, the South Texas region consists of the following Texas counties: Aransas, Atascosa, Bee, Bexar, Duval, Frio, Goliad, Jim Wells, Kleberg, LaSalle, Live Oak, McMullen, Nueces, Refugio, San Patricio and Webb.

The South Texas Alliance for Regional Trade (START) is a cooperative effort among three Texas ports to strengthen the region's response to logistics and transportation needs. The alliance includes Port San Antonio, Port Corpus Christi and Port Laredo which together have long-standing business relationships.

Economic activity for the START region of South Texas is driven by a broadly based economy including manufacturing, agriculture, trade and commerce – both domestic and international – energy production, the military, tourism and construction. The economy and the population of the entire region are growing rapidly although population growth is concentrated in just three counties – Nueces, Bexar and Webb. With significant growth coming due to oil and natural gas exploration and production and increases in manufacturing, both GDP and population for the region are expected to grow at an accelerating rate.

San Antonio is a growing hub for Eagle Ford shale activity. Growth is being generated through energy extraction and by the materials used in the hydraulic fracturing extraction process. Other significant drivers to growth in San Antonio (the seventh largest city in the U.S.) include aerospace, tourism, the military and international trade, especially to and from Mexico.

Laredo is the largest hub for trade between the U.S. and Mexico. Roughly 45% of land trade between Mexico and the U.S. takes place at the Port of Laredo, estimated at \$215 billion in 2011.

Part of Corpus Christi's economic activity is driven by the growth in energy extraction from the Eagle Ford Shale formation and distribution of the materials used in the hydraulic fracking process of the Eagle Ford. Corpus Christi has a broad based and growing manufacturing sector and is an active player in international trade.

Corpus Christi, Laredo and San Antonio all have "ports." Laredo is a port of entry. San Antonio has established an "inland" port at the former Kelly Air Force Base. All have infrastructure expansions either completed or underway to facilitate and support general economic growth, energy extraction, international trade and/or to support new plants and production facilities. Infrastructure development

follows growth in trade and other economic activity, and the Corpus Christi region is seeing expansion of infrastructure to facilitate overall transportation in support of growth.

The South Texas region is already home to a large and broad based general economy. With significant new economic growth, heavily driven by petroleum extraction and its related spinoff activities, growth in U.S./Mexico and international trade in general and a growing manufacturing sector, especially in Corpus Christi, the South Texas region is in for a sustained period of growth.

Other direct and indirect benefits to the region of continued growth include residential and commercial construction, highway expansions, commercial air traffic growth and multiple other spinoffs to support growth in economic activity and the population to serve that growth. When layered on top of the existing growth in the region's economy, South Texas is in a sustainable growth mode for the coming decade.

PORT SPECIFIC STRENGTHS

As a major public economic entity of South Texas, the Port Authority is a key strategic enabler to the region's growth. The port has multiple strengths. By its very deep-water nature, the port has access via high capacity vessels to multiple links in domestic and global trade. That allows South Texas industry efficient access to markets worldwide for cargoes ranging from gasoline to corn. The port's somewhat diverse cargo base gives the Port Authority a relatively balanced revenue base acting to partially mitigate normal business cycles.

The port district complex has broad capabilities for handling key cargo types, particularly crude oil, natural gas liquids and petroleum products that fits perfectly with the types of cargo coming on stream with Eagle Ford development.

The port has similar ability to handle dry bulk cargoes. This capability fits perfectly with the growth in dry bulk inputs for hydraulic fracturing. Efficient access to global and domestic producing markets for dry bulk commodities coupled with existing infrastructure to move cargo from the docks to interior consumption points are a key strength of the Port of Corpus Christi. Dry bulk cargo capacity and global market access are also key attractions for multiple industries that rely on bulk cargo for production inputs or outputs.



Efficient global market access is an essential requirement for chemical manufacturers. The Corpus Christi area is currently home to a broad based chemical industry that trades cargo globally. That has been true since Celanese Chemical was drawn in 1945 to its site west of Bishop in Nueces County. A key driver for this industry to invest in the Corpus Christi area is cost effective access to markets by rail, highway, pipeline or water transportation. The industry infrastructure already in place is another key enabler for chemical plant expansions. Petroleum products are essential raw materials in chemical manufacturing. As additional low cost feedstock becomes available in the region the existing

infrastructure and experience in handling chemical products could be strong attractants for additional expansion.

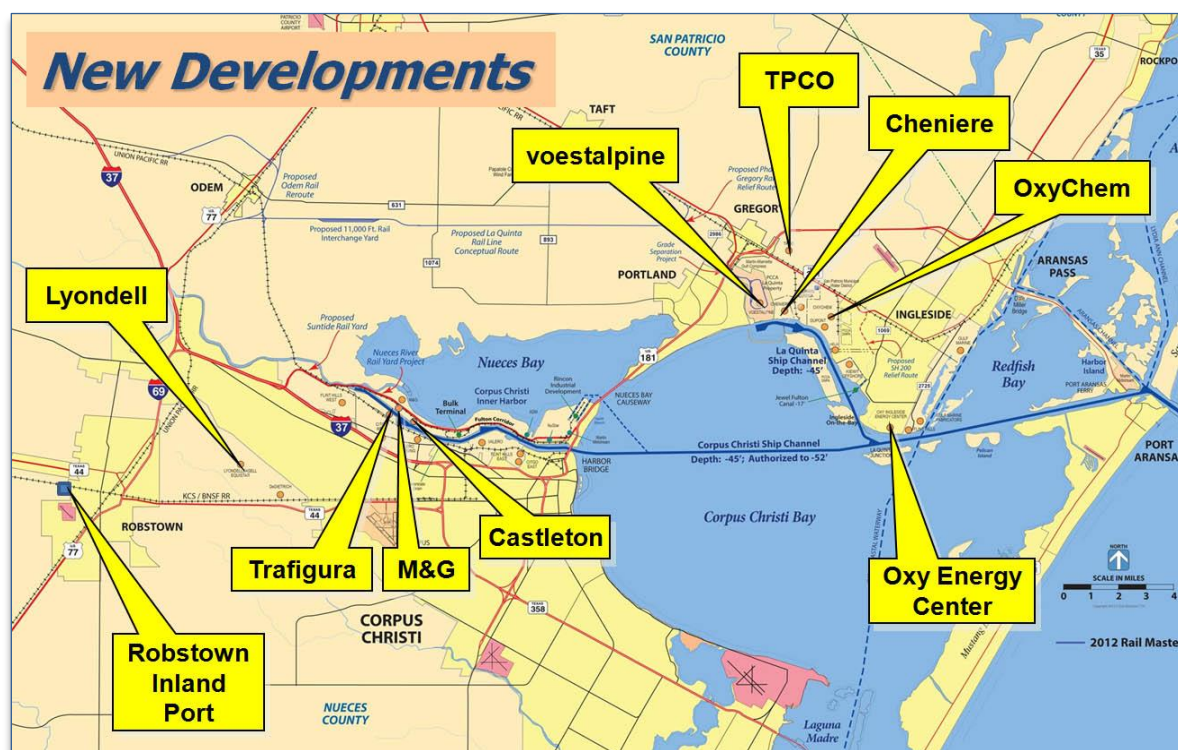
A final and essential strength for the community is the Port Authority itself. Long established in the area, the Authority enjoys broad political and local support from regional stakeholders. Port industries and operations provide high-wage employment to the community. Activity on the waterfront provides excellent employment opportunities and growth in port-related jobs should follow the projected increase in waterborne commerce. Access to multiple interstate highways, a robust warehouse network and access to a competitive rail networks facilitate the inland movement of cargo to markets throughout North America. Lastly, a crucial strength of the Port Authority is its stable financial condition, the result of thoughtful stewardship by management and policymakers. The Port Authority has cash available that could allow it to capitalize on growth opportunities.

PORT GROWTH OPPORTUNITIES

The Port of Corpus Christi is currently dealing with growth opportunities and challenges imposed by the booming South Texas energy industry and new manufacturing facilities drawn to a source of low cost natural gas and feedstocks.

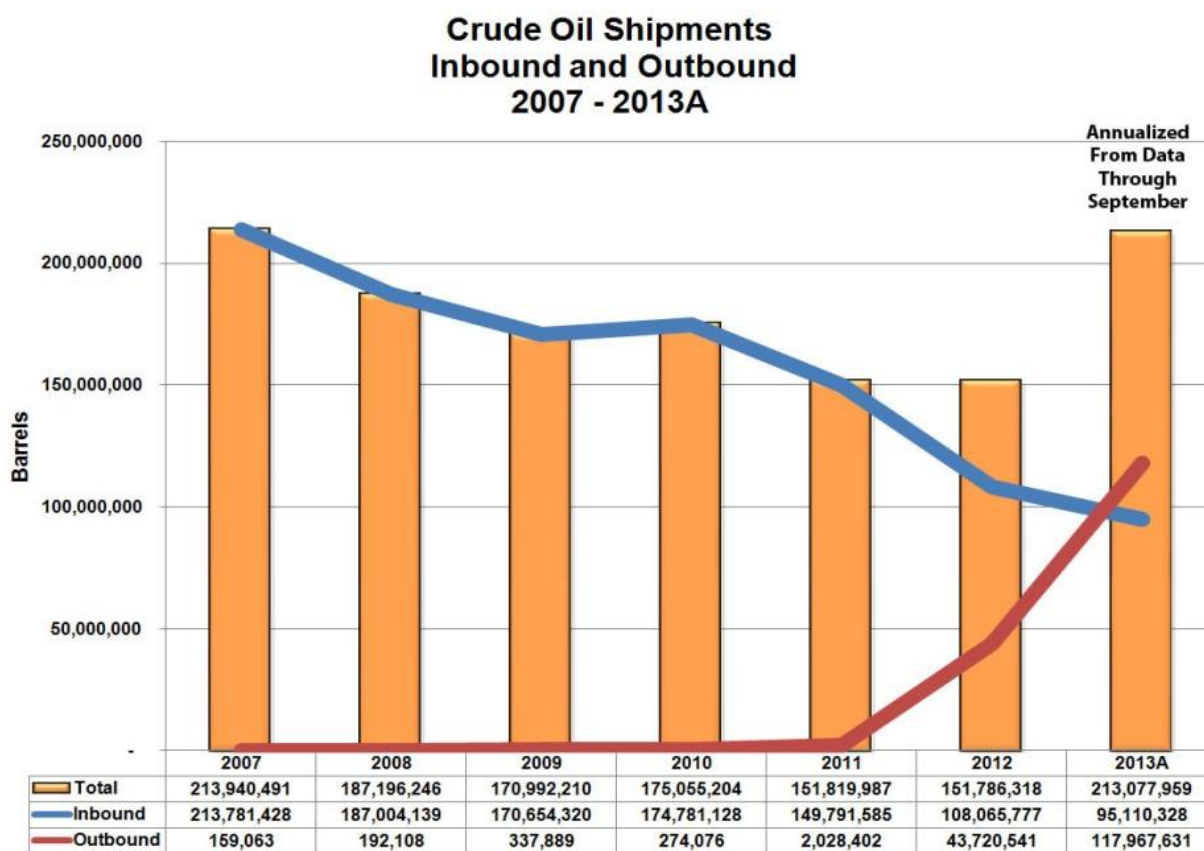
Contributing to this set of opportunities is the expansion of existing port-related manufacturers, new crude pipelines and terminals, the extended La Quinta Ship Channel, an attractive business climate and access to established efficient transportation networks. Port related growth is creating new training and employment opportunities for South Texans who seek to improve their employment and income potential. As new industries come on line with investments in plants and equipment, it will create a cycle of additional jobs, income and associated investment.

Growth in marine cargo volume is in part a function of how quickly new manufacturing facilities can be brought into operation. New or expanded industrial developments have been announced by TPCO



America, Cheniere Energy, voestalpine Texas, M&G Resins USA, OxyChem, LyondellBasell, Castleton Commodities and Trafigura Terminals. Tank and terminal operations are being expanded by Martin Midstream, NuStar, Plains Pipeline and others.

Eagle Ford production is a new global source of crude oil, natural gas and gas liquids. At one point production from the formation was expected to reach 850,000 barrels per day (b/d) by 2015, peaking at 871,000 b/d by 2020. By mid-2013, Eagle Ford production had surpassed the 800,000 b/d level. A significant portion of that production is moving to Corpus Christi area refineries which have been modifying facilities in order to process more light South Texas crude. This has resulted in a change in petroleum products moving across the docks. In 2010, approximately 500,000 barrels per day of imported crude oil moved into Corpus Christi area refineries. Since then there has been a stunning reversal. By mid-2013, foreign imported crude volumes had dropped to approximately 250,000 b/d while outbound crude had jumped to approximately 580,000 b/d. (Chart data through Sept. 2013).



The Eagle Ford represents significant potential for growth in water shipments of crude and petroleum products. Gasoline and diesel fuel produced by the Corpus Christi area refineries, already a significant source of cargo volume, could grow in the future as shifts in the gasoline market take place amid reduced demand for gasoline in the U.S. Gasoline will likely be pulled onto the water due to refinery shutdowns and shifting demand levels. With additional sources of crude coming online in North America, the domestic markets that utilize the Eagle Ford crude type could become saturated, representing additional outbound cargo opportunities. In addition to crude oil, Eagle Ford is also producing natural gas, natural gas liquids and condensates -- all primary feedstocks for the production of chemicals. The Corpus Christi area is currently home to a significant chemical production complex. Access to this abundant and cost effective source of raw materials may attract additional or expanded chemical manufacturing to the area, resulting in additional waterborne commerce.

The hydraulic fracturing process is a further potential source of growth for port district volumes. Located not far from the Eagle Ford, the port is well positioned to capture shipments of specialty sands, barites and various other bulk products used in the oilfield drilling and production process. These bulk commodities, both domestic and imported, represent opportunity for growth. Drilling and line pipe are also heavily utilized in the petroleum production and transportation process. Inbound pipe shipments have been moved over the docks in 2013 and more are anticipated in the future.

Industrial development project investments are the most tangible signs of opportunity being realized. Projects now in the works include:

TPCO America is in the process of building a 500,000 ton per year pipe production facility at Gregory. The first phase of the complex is expected to be in operation in 2014 and will take existing pipe and remanufacture it. The second phase will be a steel making operation. This facility will consume raw steel as its feedstock, a material that more than likely will pass over the port's docks. In addition to the raw materials consumed in the production process, plant production will go to both domestic and export markets. A pipe production facility can drive other industry to locate nearby including pipe coating, specialty pipe processing facilities and transport operations.

M&G Resins has purchased property and is permitting a plastics production facility that is expected to produce 1.2 million tons a year of PTA (purified terephthalic acid) and 1 million tons per year of PET (polyethylene terephthalate). M&G will be a major rail customer of the Port Authority and will ship an estimated 14,000 railcars of product annually. Production is expected to be consumed in the U.S. and Mexico. A primary reason M&G picked the property near the Viola Turning Basin is that the facility will have access to three major railroad carriers. The Port Authority is developing plans to build a barge dock to serve the \$1 billion plastics complex but M&G is expected to generate limited waterborne traffic. A production facility of this size could attract other manufacturers that could produce additional waterborne commerce. With access to a growing market, it is possible that M&G's production could attract extruders for production of beverage containers or other packaging types, facilities to add further value to the raw plastic material such as coloring of material or firms that package the plastic product from bulk into smaller unit sizes.

voestalpine Texas, a 100% subsidiary of the leading international steel-making and processing group **voestalpine AG** headquartered in Austria, is in the process of permitting a 2 million ton per year hot briquetted iron production facility on La Quinta Channel. voestalpine has leased 485 acres of the Port Authority-owned La Quinta Trade Gateway property and plans to construct a deepsea bulk handling dock. The channel extension is being deepened to 45 feet to serve this and other future docks. The natural gas based facility will convert pre-processed iron oxide pellets into highly metalized iron in the form of Hot Briquetted Iron (HBI). HBI is comparable to the highest quality scrap or pig iron and is therefore an excellent feed material for high quality steelmaking. In contrast to coke-based blast furnaces, the direct reduction plant will use only natural gas as the reducing agent, making it much more environmentally friendly. About half of the plant's production is expected to go to the company's steel mills in Europe. The other half will go into international markets. A preliminary agreement is in place to sell several hundred thousand tons per year to a steel mill in Monclova, Mexico, a cargo that may move by rail or ship. A facility like voestalpine has the potential to attract other industry that would add value to the steel production plus suppliers for the production process and byproducts for movement out for further processing elsewhere.

LyondellBasell, a worldwide chemical manufacturer, has announced an expansion of its Corpus Christi ethylene production facilities and plans to install two natural gas liquids (NGL) fractionation units which will produce ethane, propane, butanes and natural gasoline from Eagle Ford shale NGLs.

OxyChem has entered into a joint venture with Mexichem to build an ethylene cracker at OxyChem's facility located on La Quinta Channel. OxyChem and Mexichem have entered into a long-term strategic supply relationship in which essentially all of the ethylene produced from the cracker will be consumed by OxyChem in the manufacture of vinyl chloride monomer (VCM) utilizing its existing VCM capacity. VCM will be exported over OxyChem's docks to Mexichem for the production of polyvinyl chloride (PVC resin) and PVC piping systems.

In 2012, Occidental Petroleum Corporation acquired the former Naval Station Ingleside from the Port Authority. The property, which includes approximately 915 acres of channel-front property, a pier and wharf, is now known as the Oxy Ingleside Energy Center. Occidental has announced plans to construct a propane export facility and is considering opportunities to move additional products through the facility. Development of this property could provide significant opportunities for growth in waterborne commerce.

Flint Hills Resources also purchased a portion of the NSI property and has constructed a new ship dock as a companion to one that has been at the location for decades. These facilities have efficient pipeline links to the company's refinery in Corpus Christi and to South Texas oil and gas fields. The docks and terminal tankage are used for moving both inbound and outbound liquid bulk cargoes.

A major potential contributor to future port tonnage is the liquefied natural gas (LNG) export facility being permitted by **Cheniere Energy** on a site the company owns just west of Sherwin Alumina on the La Quinta Channel extension. More than \$50 million has already been invested in engineering and other project development activities for the \$10 billion facility. Permitting continues with a final decision on construction expected at the end of 2014. At full build-out it would have three LNG production trains and two ship berths. This export facility will help to sustain production of natural gas in South Texas and support thousands of jobs in gas production, processing and transmission.

Eagle Ford Shale production of a growing volume of crude oil and natural gas liquids has spurred the development of a diverse set of port terminalling operations on the Inner Harbor:

- **Trafigura Terminals** continues to expand pipeline, tankage and dock capacity on the Inner Harbor for moving outbound crude oil. The company is also working on development of a natural gas condensate splitter on its property near the Tule Lake Turning Basin.
- **Castleton Commodities** is in the midst of permitting a facility on 80 acres west of the Bulk Terminal. It would include tankage, a natural gas condensate splitter and at least one deepsea dock.
- **Martin Midstream** continues to expand its crude oil and terminalling operations north of the Corpus Christi Turning Basin. Martin is using existing public oil docks and has completed conversion of Cargo Dock 10 for use as an oil dock.
- **NuStar** operates a large tankage and terminalling operation near the Corpus Christi Turning Basin. It is in the process of replacing the aging Cargo Dock 12 with a new single-user deepsea oil dock.

- **Plains Pipeline, LP**, has established a tankage terminal and contracted with the Port Authority which allowed the upgrading of Oil Dock 5 as a barge dock just west of the Viola Turning Basin.

As Eagle Ford production volumes grow and as export or domestic markets react to this new stream of petroleum products, there likely will be additional firms that construct new facilities near the ship channel. The economic activity generated by all of these firms represents a significant potential for additional waterborne commerce, improved job opportunities and broad regional economic growth.

The energy exploration and production industry itself should attract multiple spin-off businesses that could generate additional cargo movements. Potential spin-off industries could include pipe distribution, additional pipeline construction activity, machinery dealers, and facilities to process raw materials that are used in the hydraulic fracturing process. Additionally, as further development of offshore oil and gas resources expand, there will likely be Western Gulf demand for additional onshore support facilities and for fabrication of offshore equipment, an industry with a long history in the Corpus Christi area.

To support the addition of new plants and facilities and added petroleum production, the South Texas region will see growth in other industries to support this economic activity. New or expanded warehousing activity and other parts of the logistics supply chain will see growth. Residential and commercial construction and other infrastructure related activity will see growth as the economy and population grow. Retail and wholesale trade volumes and employment opportunities will benefit.

Wind energy equipment has been an active source of waterborne commerce at Corpus Christi in recent years. The port has seen wind energy components moving both as imports and exports. This activity is highly dependent on government regulations and subsidies in the U.S. and in other countries. If a favorable regulatory environment remains in place the port should continue to be an attractive location for moving and marshalling this equipment.

THREATS TO THE PORT AND THE PORT AUTHORITY

Major growth in energy development and additional manufacturing plants that take advantage of water transportation and lower energy input costs represent major economic opportunities for the area. Achieving the projected growth, however, is not without risk to Port Authority throughput and revenues. The pipeline industry is in a significant expansion mode to transport crude oil, natural gas and gas liquids out of the region. New and future potential pipelines are a serious competitive threat to the movement of cargo volume via ships and barges.

ENERGY MARKETS - An added threat to increased port volume could be energy markets themselves. Those markets are global in nature with complex supply chains and pricing mechanisms that respond to supply and demand. Significant new quantities of petroleum are coming on line in North America. Those new oil and natural gas sources are changing pricing in multiple markets and causing refiners and chemical producers to change long-standing supply chains and production processes. It is possible that market forces outside the control of the Port Authority could shift some potential volume away from the port to other destinations.

REGULATORY CONSTRAINTS INCLUDING THE JONES ACT – The Jones Act of 1920 requires that when goods are moved between U.S. ports they must be carried on vessels that are U.S. built, owned, operated and crewed. Working in the Jones Act marketplace can result in costs that are far higher than

if such restrictions did not apply. In recent decades there has been little need to move petroleum between U.S. ports and therefore there are only a relatively small number of vessels currently available for this purpose.

The American maritime industry suffers from a lack of capacity of these Jones Act vessels. With supply constricted and demand growing, vessels will go to their highest profit use which may not necessarily be to and from Corpus Christi. The supply/demand imbalance could lead to even higher shipping rates, a real competitive threat to waterborne commerce. Vessel capacity issues could be an impediment to capturing the growth in petroleum products and related domestic materials used in the petroleum extraction process. With the world gradually recovering from recession and cargo volumes increasing, seaports in North America are experiencing a new level of congestion. That congestion leads to higher cost because of delays. Delays further contribute to vessel supply shortages. Therefore, vessel and port constraints both represent threats to waterborne commerce.

Other regulatory constraints also have an impact. Federal law prohibits the direct export of U.S. produced crude oil and wellhead condensate. At least a minimal amount of processing is required to clear this hurdle. Changing gasoline formulas, decreases in fuel consumption in the U.S., clean air regulations, fuel taxes and multiple other governmental regulatory issues could impact future volume of petroleum products moving through the port. As mentioned, any withdrawal or modification of regulatory subsidies will impact wind energy equipment shipments.

OTHER CONSTRAINTS - The Port of Corpus Christi faces other challenging constraints on industrial development. These include water supply reliability and electric power distribution and future power generation capacity.

Labor shortages, particularly workers with specialized skills, have been identified by port customers as a major constraint on their ability to be competitive and successfully move forward with new projects. It will be necessary to mobilize and train more residents of South Texas for technical and semi-technical work. It will also be necessary to attract and hold high quality labor from other markets.

The Port Authority faces other potential threats that may impact the ability to efficiently handle projected increases in vessel calls and tonnage. One of those potential threats is the inability to fund infrastructure upgrades to match growth. To safely and efficiently move projected future volumes and take into account larger ships and the gradual increase in the size of ships, the Port Authority may need to implement all or part of the Channel Improvement Project which includes channel widening and authorized deepening to an operating depth of 52 feet. It is impossible to know how large the ships sailing the world's oceans will be decades from now. History indicates that vessels will continue to increase in size. New, large vessels are typically deployed on the world's longest and largest trade routes. The "smaller" vessels on the service are forced to re-deploy to the next most efficient service for that vessel size. This cascading continues until the most marginal vessels in the fleet are forced to be scrapped. Cascading typically increases average vessel size for each trade service, placing demands on ports like Corpus Christi to support larger capacity vessels with higher bridges and deeper channels. U.S. ports will need to make bridge and channel upgrades to take advantage of post-Panamax vessel opportunities and for larger vessels resulting from cascading over the next few decades.

Some of the Port Authority's cargo handling facilities are threatened by the public desire to see them converted to non-industrial use. Some PCCA facilities on both the north and south sides of the Inner

Harbor will be eliminated by the Harbor Bridge Replacement, assuming the locally preferred route alternative is selected in the ongoing environmental review process.

Leisure time, cultural and visitor attraction facilities have encroached on cargo handling areas on the west side of the existing Harbor Bridge during the past 25 years. It is possible that this trend toward public use areas near the waterfront will continue in the decades to come. This threat will present the Port Authority with difficult decisions about how much break bulk and general cargo capacity the port will have and where it will be located.

Lastly, with continued growth there will be new questions as to whether the highway and rail infrastructure in the two-county port complex is adequate to efficiently accommodate the potential business available.

OPPORTUNITIES ASSESSMENT SUMMARY

Corpus Christi and the South Texas region are in the process of significant growth now and for at least the next decade. Energy industry and manufacturing sector growth in the area represent large, dramatic and positive changes in overall future waterborne commerce on the Corpus Christi Ship Channel. Growth in South Texas and Texas in general are additional pluses due to the port's attractive location, deep water, cargo handling capabilities and community acceptance.

Growth potential for the port district is not limited to the petroleum industry. A growing manufacturing base and the diversity of cargo point to a strong future for the Port of Corpus Christi. While there are threats to potential growth, most of those threats can be mitigated through advance planning and careful asset management. Accomplishing the Port Authority's mission year after year will depend on working closely with customers and potential customers to find solutions that help keep their operations competitive in the marketplace and that reflect a long-term view of financial, community and natural resource stewardship.

2.8. Panama Canal Impacts

The Post-Panamax Era in world trade will arrive in 2015. Numerous studies have been commissioned and speculation continues about just how completion of the Panama Canal expansion project will impact ports located on the Gulf Coast and the Atlantic Seaboard. Trade patterns will change but because there are so many variables it is difficult to predict just how the marketplace will respond to the changes that will be introduced by the new canal capacity. It will certainly provide an alternative to U.S. and Mexico West Coast ports. It will be a time saving option for bulk carrier voyages that would otherwise use the Suez Canal or go around the Cape of Good Hope.

An early assumption was that the wider and deeper canal would create a dramatic shift of container traffic from West Coast ports to Gulf and Atlantic ports. Although some shifting is certain, the investments in existing supply chain infrastructure along with market pricing adjustments could temper possible cargo diversions. The canal will, however, result in significant growth in bulk exports from Gulf Coast ports using bigger ships.

PANAMA CANAL EXPANSION PROJECT

The Panama Canal Authority is working toward completion in 2015 of a project which will add a third set of locks with greater dimensions than the existing two sets of locks. The updated canal will be able to accommodate vessels up to 1,200 feet in length with a beam of 160 feet and a draft of 50 feet. The existing locks are limited to 965 feet by 106 feet by 40 feet respectively. As a result, the opening of the larger locks and deeper waterways will allow post-Panamax container vessels of up to 12,000 TEU (twenty-foot equivalent units) capacities to use the canal. That compared to a current maximum ship size carrying about 4,400 TEUs. The economics of the use of the larger vessels may encourage some steamship lines to use the all water route via the canal.



One of the main drivers in expanding the canal was the perceived near term limit of the capacity of the existing canal system. Wait times were an issue during the peak shipping surge years of 2004 and 2005. And projections indicated that the capacity of the current canal could be reached in about 2015. It is believed that the expansion project will provide sufficient capacity for existing traffic flows for the foreseeable future.

The expansion project will provide the opportunity to accommodate larger container and bulk vessels. The major emphasis in impact studies has been on the increased vessel sizes able to use the third set of locks. A second and often overlooked impact is the overall increase in throughput and the expanded tonnage it will be possible to carry through the larger dimensions. This will allow an increase in the number of vessels that can transit between Gulf ports and point in the Pacific Basin.

Concentrating on changes associated with vessel voyage impacts overlooks the actual shifts in supply chain strategies of various shippers. Simply stated many of the projected changes cannot occur without associated upstream and downstream changes to the supply chain strategies of major shippers. If the rerouted voyages would negatively impact the associated supply chain strategies or require substantial shifts of displacement of existing supply chain infrastructure, major shippers may simply stay with their existing routings and upstream and downstream infrastructure as the efficiencies and cost savings associated with larger vessels may not be greater than the costs of relocating or shifting the supply chain infrastructure.

The major impacts under study appear to be concentrated on Asian import containers bound for the U.S. However there are two major factors which could seriously diminish the growth of post-Panamax container traffic into U.S. Gulf ports. The first is the existing West Coast import model which allows a substantial number of the international 40-foot containers which arrive at the West Coast to be cross docked into larger 53-foot containers and moved east via the U.S. rail system. This practice allows the quick turn of international containers. It also allows a substantial portion of the tonnage to terminate in the major West Coast consumption markets while making available the ability to repackage multiple

commodities into truckload lots destined for specific storage or distribution centers, greatly enhances the efficiency of the retail supply chain.

Any discussion of trade impacts to Gulf Coast ports should not be limited to direct container traffic. Liner services could be consolidated at Caribbean ports for transshipment in smaller vessels to Gulf Coast and East Coast ports.



A factor in the container market is the recent growth of Caribbean regional “megaports.” These facilities increase the efficiencies of East Coast and Gulf Coast container moves by consolidating large volumes at the megaports and providing feeder services to multiple Gulf Coast and East Coast container terminals. This practice also allows for the integration of Latin American markets into the megaport distribution system furthering economies of scale associated with this concept. The megaports provide a quicker turn of container ships which is appealing to steamship companies. The economies of scale combined with quick vessel turns can more than compensate for the additional costs associated with the handling and short-term storage of the containers at these new megaports.

BULK SHIPPING

Bulk shipping is likely to be the major growth area for deepwater Gulf ports as a result of the Panama Canal expansion. Prospects for this growth have been highlighted by the sustained movements of bulk shipping through the canal post-recession while container services declined.

These bulk trades could also be impacted by the development of petroleum related export facilities in the Gulf, especially for LNG and LPG. Much of the Panama Canal literature was written prior to the growth of U.S. shale oil and natural gas production. This dramatic shift in energy availability has led to

the prospect of dramatic growth in export markets such as LNG and LPG, and has given rise to expanded industries such as petrochemicals which prosper with low cost energy sources.

The export of grain through U.S. Gulf ports will benefit from the ability to utilize post-Panamax size vessels in serving Asian markets. Existing Panamax vessels could be replaced by Capesize vessels which will decrease transportation costs per bushel. This will make Gulf ports competitive with Pacific Northwest ports for upper Midwest grain traffic which is presently subject to high rail rates to those ports.

MARKET AND TRADE TRENDS

Shifts in global production associated with the canal will impact movements through Gulf Coast ports. The growth of low cost natural gas supplies in the Gulf Coast region has made the siting of new energy intensive facilities in the region more likely. This is confirmed by recent selection of sites on the Texas Coast for new plastics, primary metals and chemical plants. The expanded canal provides the ability to both move a sufficient number of vessels and transit larger ships with the associated economies of scale.

Impacts could result from either diversion or creation of new markets. Diversion is simply the shift of port calls from West Coast ports to Gulf or East Coast ports as a result of the canal expansion. New markets may be created by providing an entirely new efficient supply chain option which gives rise to the creation of new industries over time.

CONCLUSIONS

- The expanded canal provides the opportunity for movement of larger container vessels which will reduce costs and will compete with rail bridge traffic. However, the heavy investment existing supply chain infrastructure, consumption points in the Western U.S., Caribbean megaports, and market based pricing to maintain existing rail bridge volumes will temper the use of mega-ships calling at Gulf Coast ports.
- The introduction of low cost energy has led to the development of new facilities which will produce bulk goods such as plastics and processed iron which could take advantage of a larger canal.
- Increased energy exports will be able to utilize the widened canal and load Very Large Gas Carriers (VLGCs) and full sized LNG tankers which make Gulf energy exports to Asia even more competitive compared to current market pricing.
- The expanded canal offers the opportunity to utilize larger grain vessels can serve Asia and could provide a low cost alternative to Pacific Northwest ports for rail dependent grain shipments originating in the upper Midwest.
- The additional set of locks means the canal will have the capacity to pass a greater number of ships of all sizes each day. This is a very important change in world trade debottlenecking.
- The Corpus Christi Ship Channel currently handles post-Panamax vessels and it is permitted and authorized to -52 feet, a depth greater than the expanded canal at -50 feet.

3. External Trends Impacting Decisions

3.1 Energy Movement Outlook

Development of the Eagle Ford Shale in South Texas has dramatically accelerated petroleum-related cargo movements on the Corpus Christi Ship Channel. Because of the many impacts of this fast moving disruptive force, the PCCA employed the services of EAI, Inc. (Energy Analysts International), a national energy industry consulting firm. EAI has developed outlooks for crude oil, condensate and refined products movements through the Port of Corpus Christi based on oil patch production and a look at transportation infrastructure, refining capabilities, market hubs and global supply. EAI's full summary report – “Energy Movement Outlook” – is included as **APPENDIX 1** of this Strategic Plan.

EAI's team has decades of experience in energy industry trends, economics, resources, refining and logistics. They employ a comprehensive set of models and data to support their analysis and outlooks.

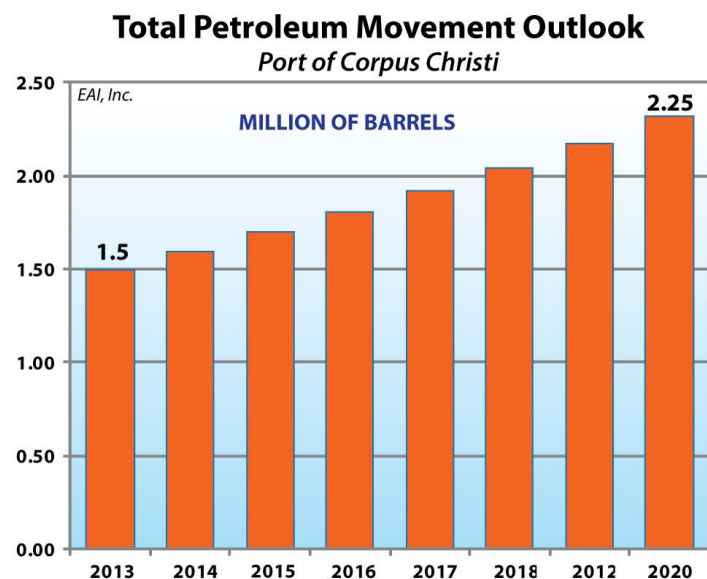
Total petroleum movements across the docks at Corpus Christi are forecast to increase from 1.5 million barrels per day in July 2013 to 2.25 million barrels per day in year 2020. That is a compounded average growth rate of 6.4% -- a jump of approximately 50% during the next seven years. This total represents both inbound imported crude oil and outbound Texas light crude, condensate and all finished refined products such as gasoline and diesel.

CRUDE OIL AND CONDENSATE

Imported crude shipments declined 15% in the year ending in July 2013. Area refineries have replaced almost all light and medium crudes previously imported with Texas light crude. Since early 2012 outbound shipments of Texas crude and condensate have increased from near zero to more than 385,000 barrels per day.

This activity is being driven by three factors:

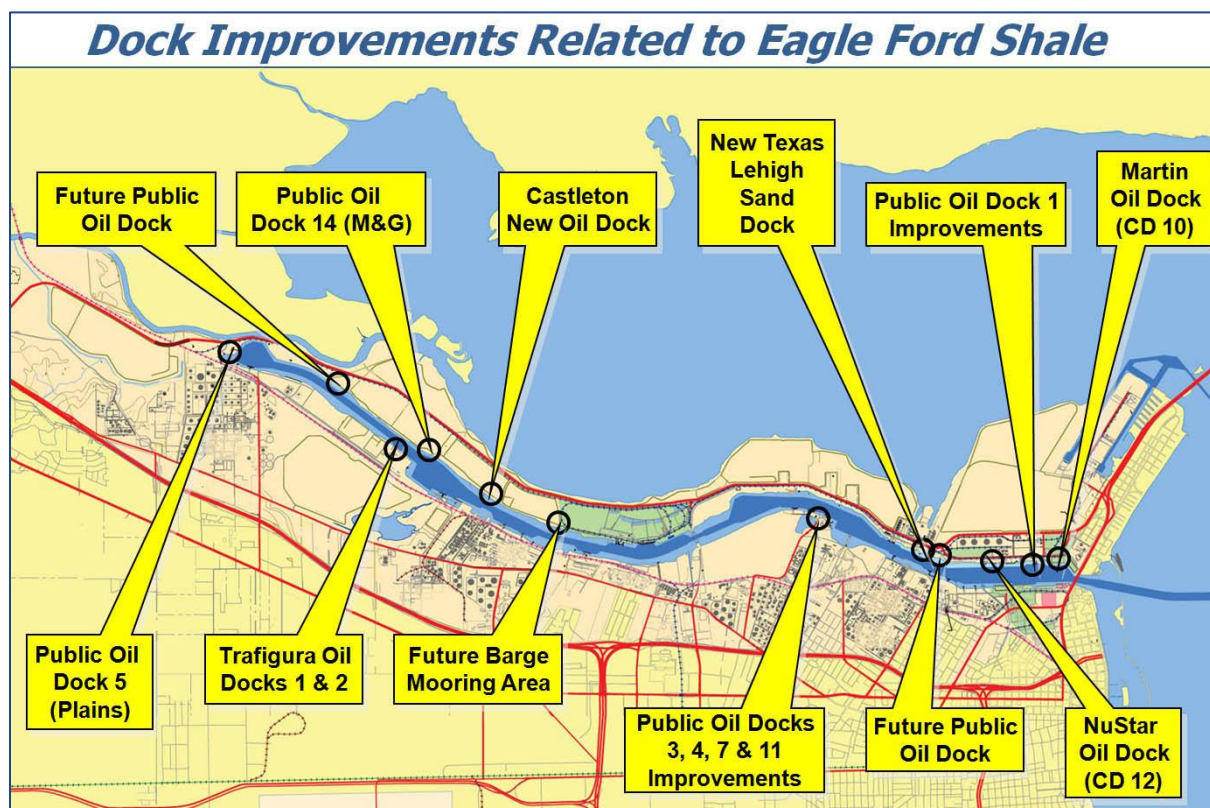
- Rapid growth in Eagle Ford production.
- Local refinery saturation with Eagle Ford crude.
- A market for Texas light crude in the Gulf Coast refinery hubs east of Baytown.



EAI found that pipeline capacity from the Eagle Ford headed toward Houston is currently being underutilized because a combination of capacity bottlenecks including refinery access and saturation in the Houston area market. Shipments through Corpus Christi will increase and as the Gulf Coast refinery market is saturated more of the Texas crude will go by marine vessel to East Coast refineries which are set up to run light crudes. East Coast markets, however, are a primary outlet for Bakken Shale crude moving via rail which will present growing competition.

REFINED PRODUCTS

EAI examined the outlook for the overall Corpus Christi-San Antonio-Austin-Waco-Dallas-Fort Worth Corridor to determine likely demand for gasoline and other light refined products. Gasoline demand in the U.S. and in the Corpus Christi to DFW corridor is forecast to decline due to mandated improvements in motor vehicle fleet fuel efficiency among other factors. This has encouraged the trend to export greater amounts of refined products to foreign destinations. Exports of light products and intermediates are expected to grow longer term (post 2017) with increases in refinery output, contributions from planned splitter units at Corpus Christi and accelerated decline of domestic hydrocarbon based gasoline. In the shorter term exports are expected to recover in 2014 to 2012 levels (they were down in 2013) and undergo moderate decline in the 2014 to 2017 timeframe due to some domestic demand recovery for gasoline and distillate products.



OIL DOCK DEMAND

A projected 50% increase in waterborne petroleum movements at Corpus Christi over the next few years has prompted a significant wave of new oil dock planning and construction. Plans for several new oil/bulk liquid docks were being pursued with urgency by private companies and by the Port Authority in late 2013. Among these are multiple docks planned by Trafigura Terminals, the NuStar dock at the

former Cargo Dock 12, Martin's temporary facility at Cargo Dock 10, Public Oil Dock 14 adjacent to the M&G plant site, a Castleton Commodities dock, and a potential deepsea public oil dock near Viola Turning Basin.

NATURAL GAS, NGL AND LNG OUTLOOK

Natural gas and associated natural gas liquids (NGLs) production has increased rapidly in the Eagle Ford and in West Texas. The EAI base case outlook is for an increase in Eagle Ford natural gas production from 3.3 billion cubic feet per day (cf/d) in 2013 to approximately 6 billion cf/d in 2020. In a high case this could ramp up to 9 billion cubic feet per day if unconstrained by demand and infrastructure. As the system or market for handling NGLs becomes saturated more of these commodities will be exported. The recent increases in propane exports out of the U.S. Gulf Coast are a result of this trend.

The abundance of natural gas in the U.S. and particularly in Texas, coupled with higher value of gas in foreign markets, is driving the effort to build facilities that can produce liquefied natural gas (LNG) for export. The proposed Cheniere facility on the La Quinta Channel is seeking needed federal approvals and is well positioned to be a player in this market. EAI concludes that it is likely this facility will win both a federal operating license and a license to export to non-Free Trade Agreement countries.



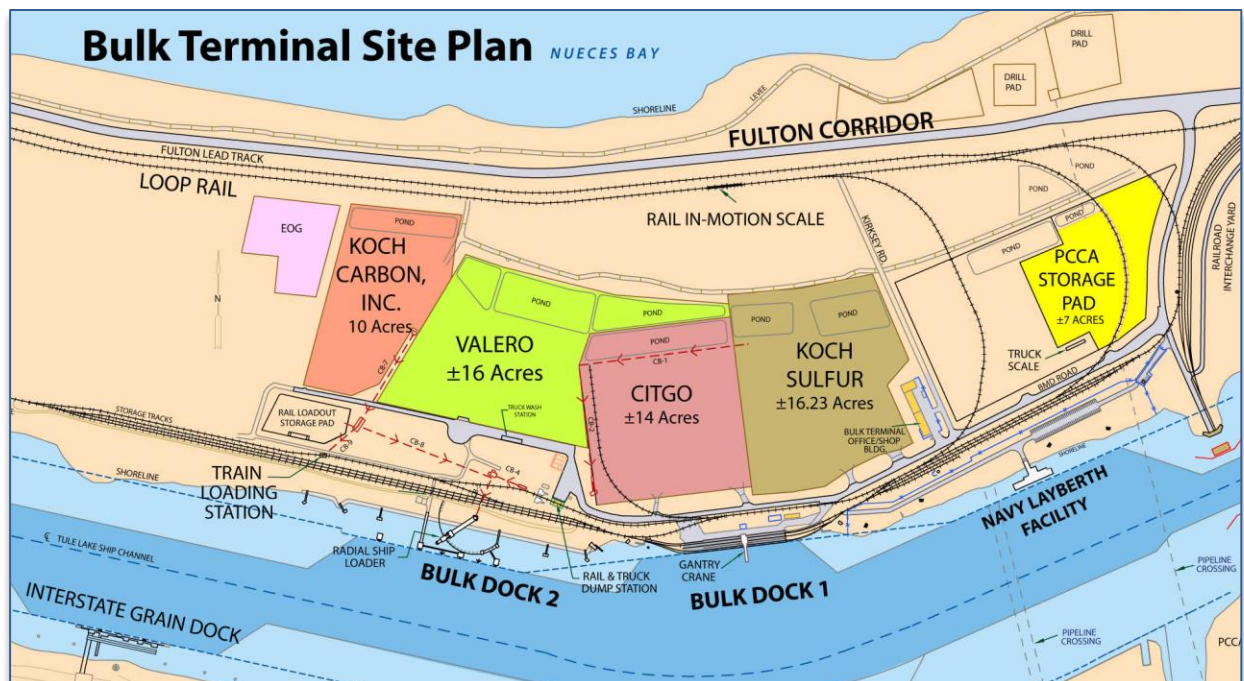


Bulk Materials Terminal

3.2. Bulk Terminal Forecast

The Port Authority's Bulk Terminal was first put in service in 1959 when bond funds were used to build Bulk Dock 1 and install the traveling unloading crane. Commodity holding pads were developed over the decades to accommodate an evolving list of bulk cargo handled. Bulk Dock 2 which is used to move outbound bulk commodities was put in service in 1985 with a conveyor system and rail lines designed to more efficiently move materials on and off the site. A loop rail track was added to the terminal in 1998. The terminal plays an important role in supporting local industry and care should be taken to maintain required capacity and service.

In 2006 the basic mooring and dredging components for the future Bulk Dock 3 were built. This facility is leased as a long-term layberth for Navy LMSR vessels.



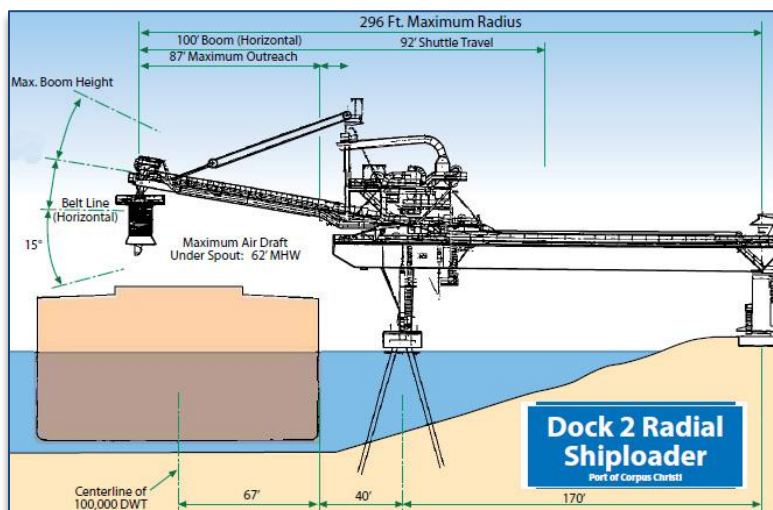
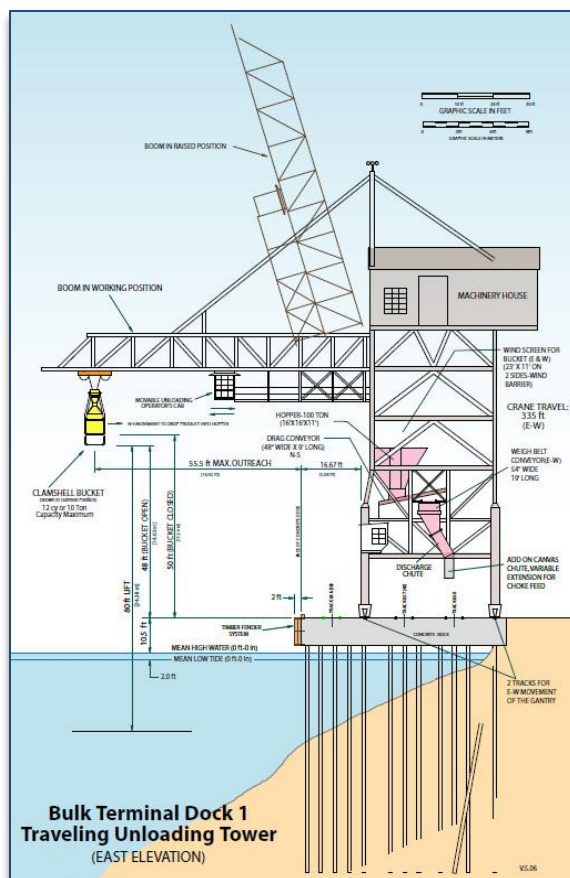
The facility includes leased pads where local oil refiners stockpile materials prior to shipment outbound by water or by rail. This activity is a vital part of the logistics chain for these customers.

Bulk Terminal stockpiles and material handling equipment span many acres and create environmental challenges. PCCA has worked to modify the site in ways that have reduced pollutants in storm water runoff dramatically. Overall operations have been modified to keep air emissions within permit limits.

Bulk Dock 1 is used to unload inbound commodities such as barite, iron ore-related slags, specialty sand, rutile sand, bauxite and grain products. The **Bulk Dock 2** shiploader is used to handle outbound commodities such as petroleum coke, sulfur and some coal. Bulk Dock 2 has 45 feet of water depth at the dock while the older Bulk Dock 1 is limited to 34 feet of water at the dock face.

In recent years the primary role of Bulk Dock 1 has been to unload imported barite, coming primarily from Asia, which is an important weighting ingredient in oil and gas drilling fluids. In the recent past barite volumes were in the range of 300,000 to 400,000 tons per year. With the expansion of Eagle Ford Shale and Permian Basin drilling program the demand has more than doubled barite tonnage in 2013 with ships commonly waiting in line for time at the dock. One component of this growth is the availability of lower quality barite which must be blended with higher quality material to meet required specifications. With a total of three barite grinding plants operating near the Inner Harbor and a proposed fourth, the current forecast is that barite shipments could grow to 800,000 to 1 million tons per year. Shipments of furnace slag, rutile sand and grain products over Bulk Dock 1 are anticipated to continue but not necessarily increase.

The estimated sustainable capacity of Bulk Dock 1 is just less than 2 million tons per year. The 55-year-old traveling gantry crane has been maintained and upgraded with various components added. It was declared to be near the end of its service life 20 years ago. The Port Authority should continue to monitor the cranes remaining service life. It is considered likely that additional barge unloading capacity will be needed at the terminal in the future. The Authority should continue the planning process for completing Bulk Dock 3 which would accommodate deeper draft ships, faster unload times and a more efficient operations.

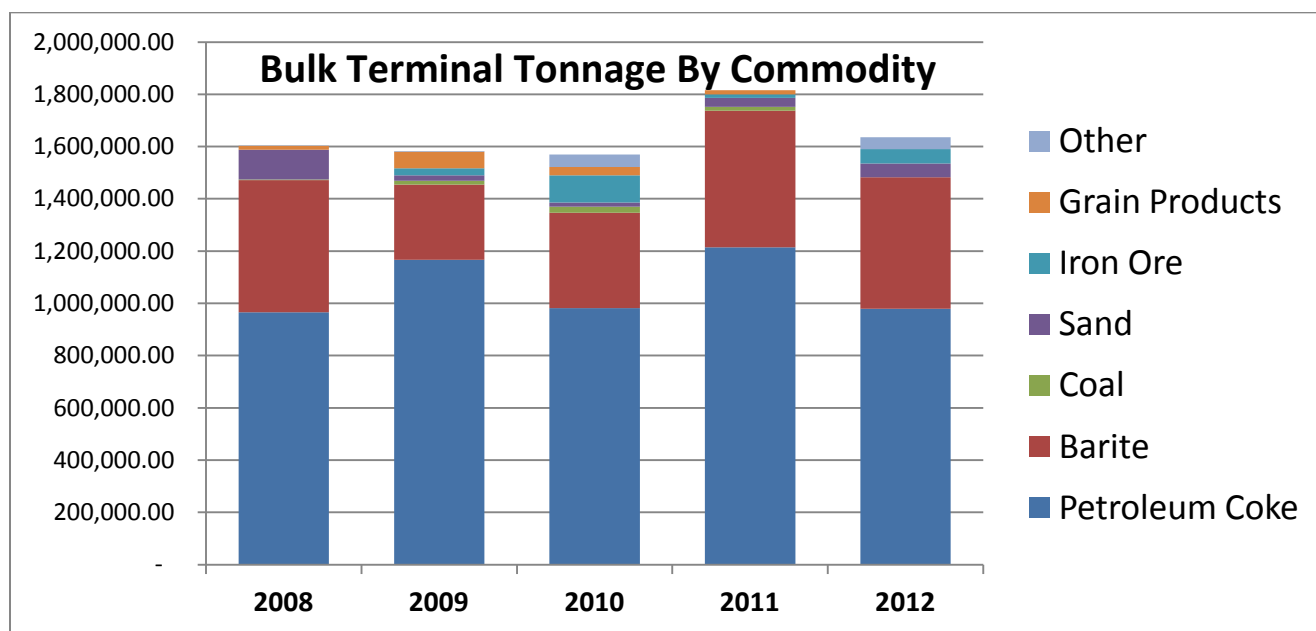


EXPORT COAL - Over the past four years interest in exporting coal at the Bulk Terminal has gone from no interest to a high of 40 million tons per year and then back to seriously diminished interest. Currently the export coal market has shrunk substantially. The domestic market has seen older coal fired power plants closed with some being refitted to burn natural gas. Wind and solar power driven by regulatory incentives have created additional pressure on coal. The enthusiasm for export terminals among coal producers has diminished. At the peak there were 185 million tons per year of new export capacity planned, mostly on the West Coast but also on the Gulf Coast. There are only three projects in the Pacific Northwest still being pursued. Together they would total about 45 million tons per year of export capacity. In the Gulf there are a handful of projects moving forward with backing from coal producing companies. Discussions with a variety of coal producers, railroad representatives and brokers leads to the conclusion that for the next two years it appears that the coal export market will not shift significantly up or down.

PETROLEUM COKE - The core business of Bulk Dock 2 is the export of petroleum coke. Additional coke shipments go from the Bulk Terminal by rail to cement kilns in Mexico. With the ongoing shift of Corpus Christi area refineries to lighter Texas crude oil, the export volume of coke at Bulk Dock 2 has declined from a high of 1.25 million tons in 2011 to a current forecast of 850,000 tons in 2013. Assuming no further change in refinery crude runs and pet coke production, volume at Bulk Dock 2 over the next five years is likely to remain at about 850,000 tons per year. Approximately 250,000 tons a year are being exported to Mexico by rail through the terminal's outbound cargo handling equipment.

Local refineries also produce sulfur as a result of crude oil processing. Some 35,000 to 50,000 tons per year of sulfur is shipped outbound from the Bulk Terminal.

Combining the increase in imports of barite with the decrease of petroleum coke handled, the total tonnage at the Bulk Terminal looks favorable for the next five years with total volume at approximately 2 million tons moving over the docks and 250,000 tons moving out by rail.



BULK TERMINAL SUMMARY

As a standalone operation, the Bulk Terminal has a viable future and investments for operational improvements should be considered to reduce cost. While the Bulk Terminal meets existing air quality permit standards, additional efforts to manage particulate emissions should be considered to facilitate growth opportunities.

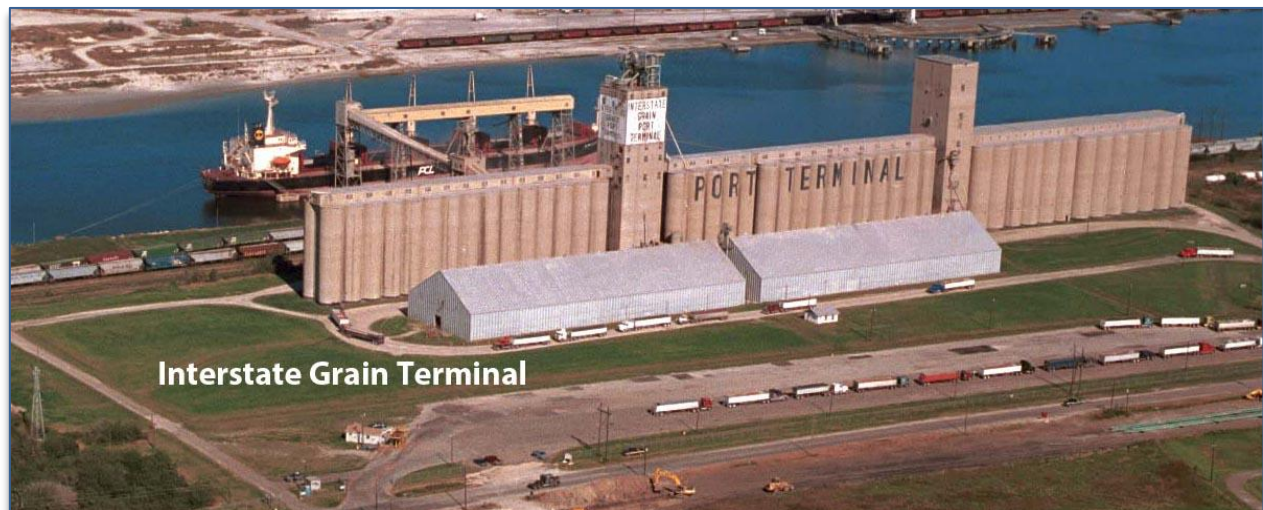
The Port Authority should continue to monitor cargo volumes at Bulk Dock 1 and evaluate development of Bulk Dock 3 as a way to deliver expanded and faster unload times.

The Port Authority should continue to explore export opportunities, monitoring export demand to determine the best time to potentially lease the Bulk Material Terminal to a private operator. In the alternative, PCCA should consider investing as needed to support expected business levels, improve the efficiencies of rail to stockpile transfers, and evaluate expansion of the conveyor system to eliminate double truck haul moves.

3.3. Agricultural Exports Forecast

There are two large privately-operated grain export terminals located at the Port of Corpus Christi Inner Harbor. The Corpus Christi Public Elevator built in 1952 is owned by the Port Authority and has been under long-term lease to Archer Daniels Midland Co. (ADM) since early 2000. The Interstate Grain Corp. elevator on the south side of the Tule Lake Channel has been in service since 1961. Both terminals have 45 feet of water at dockside and can load Panamax size vessels with a maximum cargo of approximately 70,000 tons. Both elevators are configured for efficient grain export and are not designed or equipped to import any products.

The majority of U.S. grain exports through Gulf of Mexico port flow via the Center Gulf or the Mississippi River area. Major export terminals can unload arriving barges and trains which improves their competitive position. The size of the U.S. grain crop in any given year is the driver that determines how much volume will flow to various ports for export. During smaller crop years Corpus Christi will only see a few months of product movement, normally right at new crop harvest time in South Texas. In bumper crop years the Corpus Christi elevators sometimes see steady movements for nine months during the year. Corpus Christi is seen in the industry as a “swing” port of reserve capacity that is used as an outlet when the more competitive Gulf Coast elevators are running at full capacity.



The Interstate Grain Corp. facility is capable of unloading 110-railcar shuttle trains. The elevator is served by the BNSF and Union Pacific railroads. Interstate’s primary commodity export is wheat destined to Nigeria. Since Interstate is located beside the Union Pacific mainline, it is served direct by the railroad delivering the trains with no assistance from the Port Authority railroad (CCTR). The Port Authority collects half wharfage tariff on cargo at the Interstate dock.

Since leasing the Public Elevator, ADM has invested heavily to improve the facility’s inbound truck and rail unloading capacity. They have also improved dock and shiploading facilities. ADM uses this terminal primarily for exporting soybeans to Asia. They can unload up to three 110-railcar shuttle trains per day. ADM is located on Port Authority owned rail track allowing the Authority to earn revenue from rail shipments. Under terms of the facility lease ADM is treated as a private dock operator and pays half wharfage on grain exports.

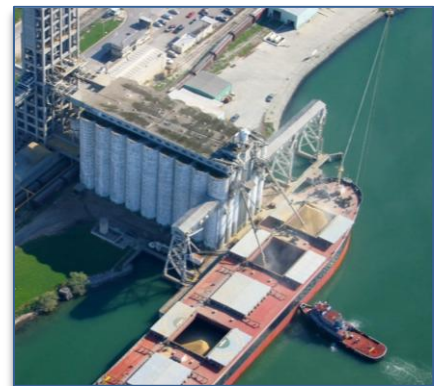


One of the areas of ADM investment has been in increased track for car storage. ADM has also added a rail unloading pit for sand and distillers dried grain to help diversify their business portfolio. BNSF is the primary delivering railroad for ADM because BNSF is the primary rail carrier in those states producing a significant portion of the U.S. soybean crop.

With the construction of the Nueces River Rail Yard Phase I and II, the Port Authority will be adequately positioned to support all the traffic that ADM would or could move to export. There are no indications that the Authority will be required to invest significant capital to directly support the grain export business in the future.

There is a small market at Corpus Christi for delivery of inbound distillers dried grain (DDG), a by-product of ethanol production used for cattle feed. This commodity moves by barge to a location on Rincon Channel and is trucked to Odem for distribution by Planters Coop. Due to an extremely small corn crop in 2012 there have also been some corn imports by ship to Bulk Dock 1 with the grain unloaded to truck using the gantry crane.

The current and forecast grain export business, including the needs of South Texas grain producers, is well served by existing infrastructure and the expanded rail flexibility that will be achieved with completion of the Nueces River Rail Yard.



3.4. Break Bulk Cargo Forecast

The Corpus Christi community originally built their seaport to handle general cargo, in particular South Texas cotton and other agricultural products. The Port Authority has consistently pursued general cargo over the past 65 years but geography and rail connections have always limited the success of this effort. Containerization revolutionized general cargo transportation worldwide in the 1970s and 1980s but Corpus Christi was unable to participate in this profound shift. Container traffic in Texas is driven by demand in the Houston and Dallas-Fort Worth markets and the Port of Houston has developed facilities well-suited to serve this trade.

Today the Port of Corpus Christi is not served by a regular shipping line and has no steady stream of break bulk or general cargo. Rather, cargo moved over the general cargo docks comes in the form of intermittent “project” cargo such as pipe, wind turbine components, military equipment and bagged minerals.

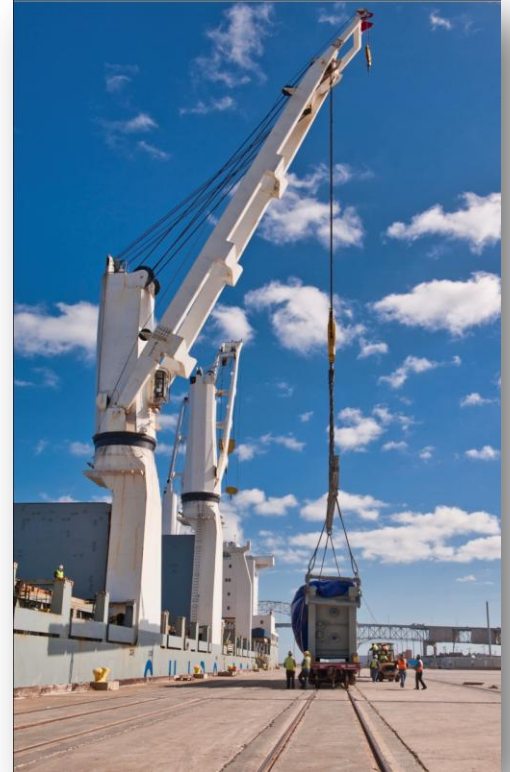
The Port Authority maintains Cargo Docks 8, 9, 14 and 15 with three on-dock transit sheds plus more than 120 acres of open storage areas. Cargo Dock 8 is a high strength open dock designed for all types of cargo including heavy lift items.

Break bulk cargo volumes over the past 15 years have been as high as 256,000 tons in 2008 and as low as 18,800 tons in 2001 with an average of approximately 150,000 tons per year.

Break bulk cargoes moving across the general cargo docks and private docks have made up less than 1% of port tonnage each year over the past two decades. Movement of wind energy components are expected to rebound in 2014 to 2012 levels with an estimated 68 vessel calls and \$2.75 million in revenues. The inbound portion of this activity, however, is subject to future regulatory uncertainty and tax incentives. The export market for wind components is growing as U.S. production of this equipment ramps up.

Opportunities exist for targeting additional cargoes that could efficiently move through the port’s existing general cargo facilities. Without commitments to consistently move cargo over these docks it is difficult to produce a meaningful forecast of likely activity in the next three years. Based on business development information it is reasonable to project that volumes will average in the range of 200,000 tons per year.

The development of Caribbean transshipment hubs related to the expansion of the Panama Canal and growth in trade with Central and South America will enhance the opportunity for additional break bulk and containerized cargo moving through Corpus Christi in the next few years. This could provide the market conditions for development of a multi-purpose general cargo and container facility on 150 acres adjacent to the new San Patricio Turning Basin at La Quinta Terminal.



3.5. Cruise Line Homeport Potential

The cruise industry is still going strong and growing in North America, as well as the rest of the world. According to the Cruise Lines International Association in 2012 a total of 10.1 million passengers cruised from U.S. ports. This is approximately 2.5% growth over the previous year. Growth rates at U.S. ports have slowed in recent years at the same time that passenger counts have increased in other parts of the world.

The three ports of embarkation on the Gulf of Mexico are Galveston, New Orleans and Tampa which together accounted for 15.6% of the 2012 U.S. passenger embarkations.

In 2012, Galveston was the only cruise port in Texas, embarking 604,000 passengers, or 6% of U.S. passenger embarkations. Cruise activity in Texas accounted for \$1.24 billion in direct spending which generated 16,342 jobs paying \$944 million in income.

The most popular destination in the world for cruising is still the Caribbean with 37.3% of 2013 worldwide cruises deployed to this region. Cruises sailing from ports in the Gulf of Mexico primarily call in western Caribbean ports such as Cozumel and Costa Maya, Mexico, Belize, Honduras, Grand Cayman and Jamaica.

TODAY'S CRUISE FLEET

The main cruise lines sailing regularly from U.S. ports are Carnival Cruise Lines, Royal Caribbean Cruise Line, Norwegian Cruise Lines, Princess Cruises, Holland America Cruises and Celebrity Cruises. Each of these lines has been building new ships with the average size of these new cruise ships continually increasing. Almost all ships for these lines are either Panamax (the largest vessel that can fit through the current Panama Canal) or post-Panamax. Almost all future deliveries of new vessels for these companies will be post-Panamax.

These larger vessels not only make economic sense, with greater economies of scale, but they also give the lines the opportunity to add more exciting features to their vessels.

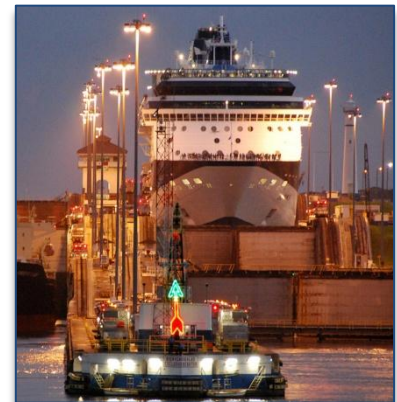
On the other hand, these larger vessels are more restricted in the ports they can enter. The largest of these vessels are more than 1,100 feet in length with an air draft of 236 feet. Some ports do not have turning basins to accommodate these large ships while other ports have height restrictions, such as bridges or power lines that these vessels cannot pass under. Even the smaller Panamax vessels have air drafts of about 170 feet. The Corpus Christi Harbor Bridge has vertical clearance of 138 feet.

DEPLOYMENT

Cruise Lines base their deployment decisions on two main factors – the potential profitability of the homeport and the nautical/physical aspects of the port.

Potential Profitability

There are many factors that a cruise line considers when determining the potential profitability of a homeport. The first is how convenient the port is to large population bases in their target markets. This



could mean a convenient drive market, significant existing airlift capacity or a combination of the two. Airlift is the number of available airline passenger seats in a given market.

For the drive market, they would examine the size of the population within a few hours drive of the port, as well as the income levels of that population. Different cruise lines target different demographics, so they would look at how many people live in this drive range with an annual income over \$50,000, \$75,000 or even over \$100,000. They would then compare this population to the next closest potential homeport. Naturally, there will be overlaps, so if there are more people in this target market in another homeport, the cruise line would lean toward the other port.

Airlift is also extremely important. If the port under consideration does not have significant airlift then it would need to have a substantial population base at the right income levels to make this primarily a drive destination.

Naturally, if the port has a great population with the right demographics within an easy drive, as well as significant airlift, it will pass the first test for convenience.

Once this is determined, the cruise line will look at potential itineraries and cruise lengths from the candidate port. The cruise line not only needs a convenient homeport, it also needs to offer attractive itineraries. The cruise length is important because some lines focus on shorter cruises (seven days or less), and others offer longer cruises. If it is not possible to offer an interesting itinerary within the target length of the cruise then homeporting for the potential port will not move forward.



Other factors are also vital in the profitability question such as fuel consumption on the potential itineraries, costs of goods and services in the port, and direct port charges including pilotage.

Nautical and Physical Aspects of the Port

As mentioned above, today's generation of cruise ships is much larger than in the past. If the vessel cannot safely enter the port, then obviously the ships will not homeport there. Some ports may have the option of enlarging their channels or turning basins, and raising overhead obstructions, but this may be prohibitively expensive.

Homeport vessels also need an adequate terminal to embark and disembark their guests. Cruise lines are very concerned about guest comfort so there needs to be enough space under air-conditioning for plenty of security and check-in lines. For debarkation, there should be a separate area for luggage, as well as space dedicated to the needs of Homeland Security. Guests embark and disembark cruise vessels from a high deck, so an enclosed, movable air-conditioned gangway is also needed.

Parking is another very important consideration and potential profit center for the host port. Adequate space needs to be dedicated close to the cruise terminal for guest parking.

On the designated cruise ship dock space is needed for provisioning, as well as staging of the many trucks that will deliver provisions during a rapid ship turnaround.

Corpus Christi

To put all of this in the perspective of Corpus Christi, the first issue is the air draft restriction entering the port. Unless the Harbor Bridge is raised, or another location found for a cruise terminal (possibly at the City Barge Dock), then this will be a non-starter for the cruise industry.

If the air draft restriction can be overcome, then the next step would be to convince the cruise lines that there is a lucrative market in the Corpus Christi area. It would be natural for them to compare Corpus Christi to Galveston/Houston. For the drive market, the argument can be made that if both ports had homeport sailings, the San Antonio market would find Corpus Christi more convenient, but the Dallas market would find Galveston/Houston more convenient. Overall, Galveston/Houston has a better drive market.

Next would be the airlift comparison. It would be very difficult to compete with Houston and its two high capacity airports. It is easy to fly non-stop to Houston from most of North America and Europe. Corpus Christi flights are limited to connections through Dallas or Houston. This leaves Corpus Christi as primarily a drive market, as opposed to Galveston/Houston that has an excellent drive and air markets.

Even with the competition from Galveston/Houston, it may be possible to convince a cruise line that the drive market in Corpus Christi is lucrative enough to be worthwhile. The cruise lines would then look at itinerary options, which would be very similar to the itineraries now offered from Galveston. It is farther to sail from Corpus Christi on these itineraries, so this will increase the cruise lines' operating costs.

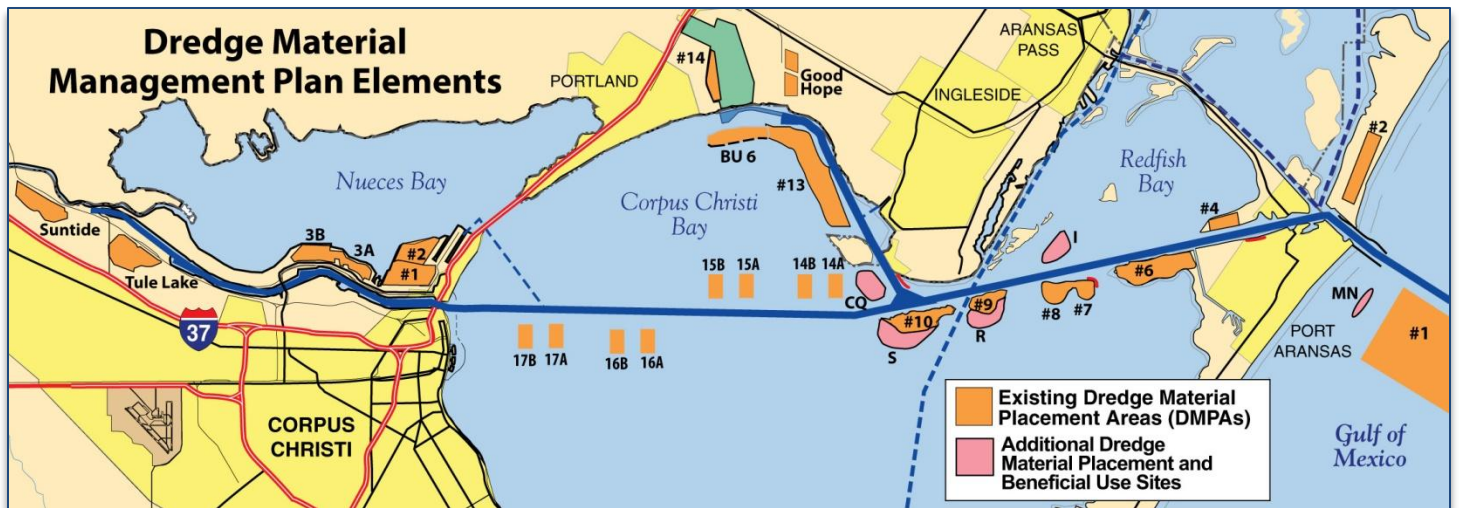
Another consideration is the terminal facilities. Some ports have practiced the "Field of Dreams" approach – if you build it, they will come. For the most part, this does not work. Most cruise line itineraries are confirmed 18 to 24 months in advance, so a long-term agreement with a cruise line is the best approach before investing in a terminal. Even some ports with agreements have found themselves with an empty terminal once the agreement expired and the cruise line pulled out.

Cruise lines can drive hard bargains with ports including large marketing incentives, discounts on port fees, and even a share of parking revenues. The Port of Houston is an example of a port that invested heavily in a terminal but then had no cruise business. They have had to pay a substantial marketing fee, as well as foregoing most of their revenues to attract a cruise line. The Alabama Cruise Terminal is an example of a port that had a short-term contract with a cruise line, then the cruise line pulled out when the contract expired, leaving the City of Mobile paying down a large bond debt used to finance the facility.

In general, there are significant economic benefits in having cruise ships use Corpus Christi as a homeport but there are also financial risks in investing in a cruise terminal and infrastructure without long-term guarantees. Cruise lines consider their vessels to be movable assets and they will move them to markets where they will make the most profit.

4. Supporting Strategies

4.1. Channels, Basins and DMPAs



Navigational safety is an equally important part of serving the port community. Aids to navigation should be reevaluated to see if changes are needed for safety and efficient channel utilization. Complete removal of the Tule Lake Life Bridge tower foundations, fenders and approach ramps will also improve safe navigation and channel efficiency.

Significant changes in the world vessel fleet will gradually follow the opening of the expanded Panama Canal. The PCCA should continue to review channel capacity and the future vessel fleet to assess long-term channel improvement requirements.



4.2. Rail Assessment and Objectives

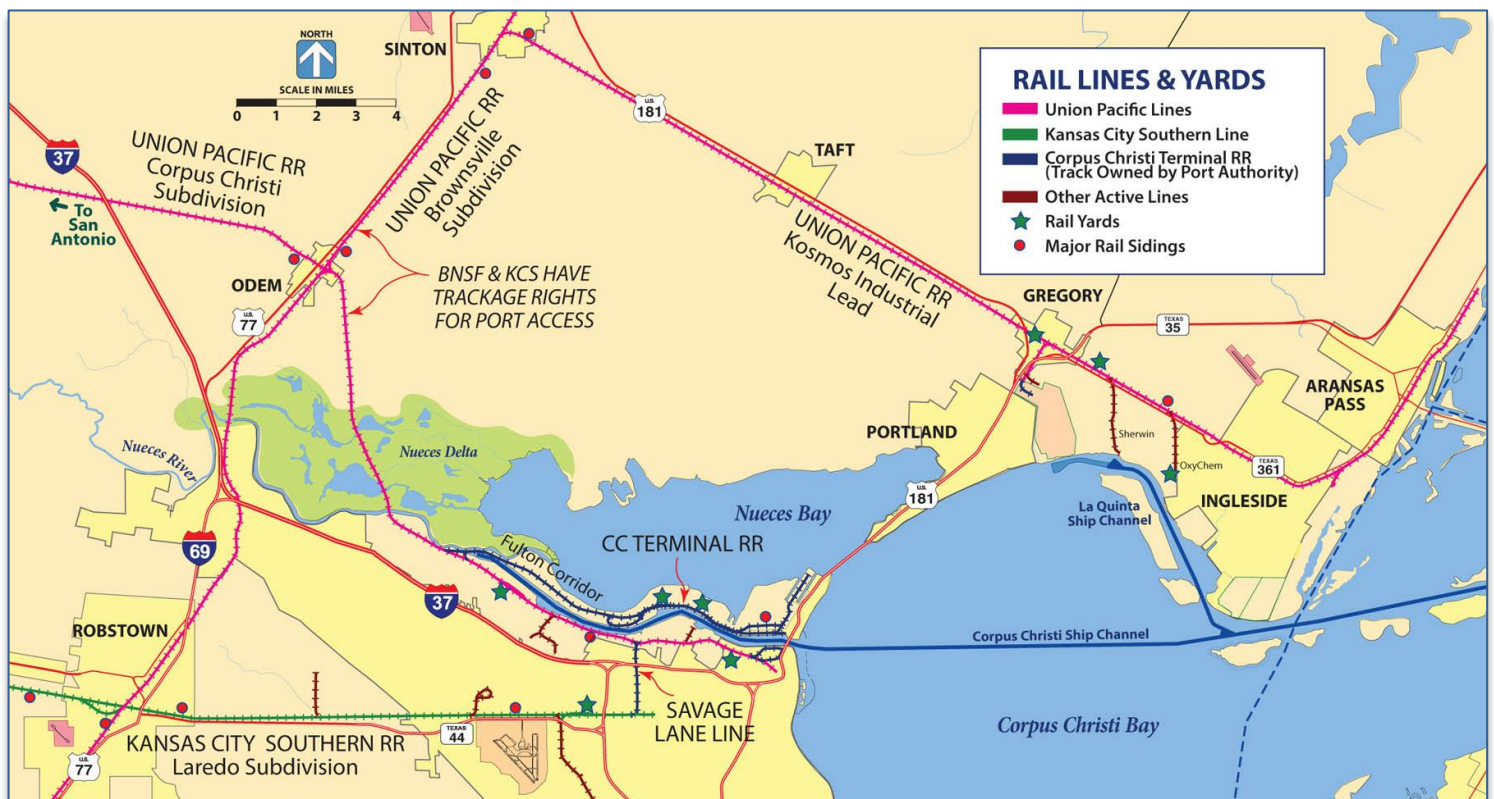
RAIL SYSTEM DEVELOPMENT

Railroads have been a vital part of the Coastal Bend economy since the first train arrived in 1876, particularly in the period before paved highways. The “Tex-Mex” line, completed from Corpus Christi to Laredo in that year, is now part of the Kansas City Southern Railway (KCS) system.

By 1886 a rail line was complete from San Antonio to Beeville to Sinton and Aransas Pass with a branch line from Gregory and Portland across Nueces Bay to Corpus Christi. This line later became part of the Southern Pacific Railroad (SP). Most of this 150 mile line has been abandoned and removed with the exception of the important Kosmos Industrial Lead which connects Sinton, Ingleside and Aransas Pass. A spur line from Aransas Pass to oil and cargo docks on Harbor Island was completed in 1912 but saw business diminish after the opening of the Port of Corpus Christi in 1926. It was later converted to automobile traffic and then abandoned.

The Gulf Coast line from Brownsville to Robstown and on to Houston was completed in 1907. It later became the part of the Missouri Pacific Railroad (MoPac) and is now the Union Pacific mainline in South Texas.

The San Antonio, Uvalde and Gulf Railway (known as the Sausage) from San Antonio to George West to Odem and then across the Nueces Delta to Corpus Christi was completed in 1914. It was the most direct way into Corpus Christi and it remains the key rail gateway to the Port of Corpus Christi Inner Harbor. It became part of the MoPac and is still active as part of the Union Pacific.



When the Harbor Bridge was built in the late 1950s an agreement was reached granting Southern Pacific the right to use the MoPac line from Sinton to Odem to Corpus Christi. This allowed the SP line from Portland to Corpus Christi to be abandoned and later removed completely.

The Union Pacific Railroad (UP) merged with MoPac in 1982 and took over the Southern Pacific in 1996. The result was that Union Pacific owns all of the track in the Coastal Bend except the KCS line from Corpus Christi to Laredo. As a condition of the 1996 Union Pacific/Southern Pacific merger, both Burlington Northern Santa Fe (BNSF) and KCS/Tex-Mex were granted operating rights over certain Union Pacific rail lines. BNSF was granted rights over the entire line between Houston and Brownsville including the Corpus Christi Subdivision accessing the port from Odem. KCS was granted rights from Victoria to Corpus Christi and Robstown. From Victoria to Rosenberg the KCS now runs on track it rebuilt on a former SP right of way.

The PCCA owns the Corpus Christi Terminal Railroad (CCTR) which includes 43 miles of track in the vicinity of the Inner Harbor including the Savage Lane Line which runs under Interstate 37 and connects to the KCS. The Corpus Christi Railway Association (CCRA) operates an interchange yard serving all three railroads. The CCTR is operated under contract by Rail Link Inc., a Genesee & Wyoming Inc. company which provides similar local rail service and switching at 36 seaports in North America. Construction was started in 2013 on the Nueces River Rail Yard which will add 12 miles of track to the port-owned system.

During the latter half of the 20th century limited cargo volumes made it difficult for the railroads to provide service in the Coastal Bend. As trucking took over much of the U.S. goods movement in the 1960s and 1970s rail service in Nueces and San Patricio Counties became focused on delivering grain from North Texas and the Midwest, and on shipping out production from Reynolds Metals and area chemical plants.

PORT RAILWAY ASSOCIATION

The three Class I railroads – Union Pacific, BNSF and KCS – and PCCA make up the membership of the Corpus Christi Railway Association. This organization was formed as a result of a dispute between the rival railroads in 1928 over which one would serve the new port's Inner Harbor public docks. The Interstate Commerce Commission ruled that the Port of Corpus Christi would be served by all three railroads. A contract was developed and the association of railroads was formed in 1929. The association then assumed responsibility for resolving disputes, coordinating operations and overseeing maintenance and capital investments in the port-side railroad. Each of the four parties has one vote. The organization meets on a regular schedule with the Port Authority serving as administrator. A positive working relationship has evolved over the years resulting in better operations, coordination and growth in car counts.

CURRENT CONDITIONS

Although there have been significant changes and mergers in the industry over the past century, in recent years rail transportation has assumed an ever increasing role in the long-term growth of the Coastal Bend and port-related trade. The three Class I railroads – Union Pacific, BNSF and KCS – and the Port Authority have been making investments to better serve this growing demand. It is important to stress that the Inner Harbor is the only location in the Corpus Christi region that is served by all three competing railroads. That means that the most desirable location for new rail centric industrial development and transit cargo handling is in the competitive rail zone that includes all of

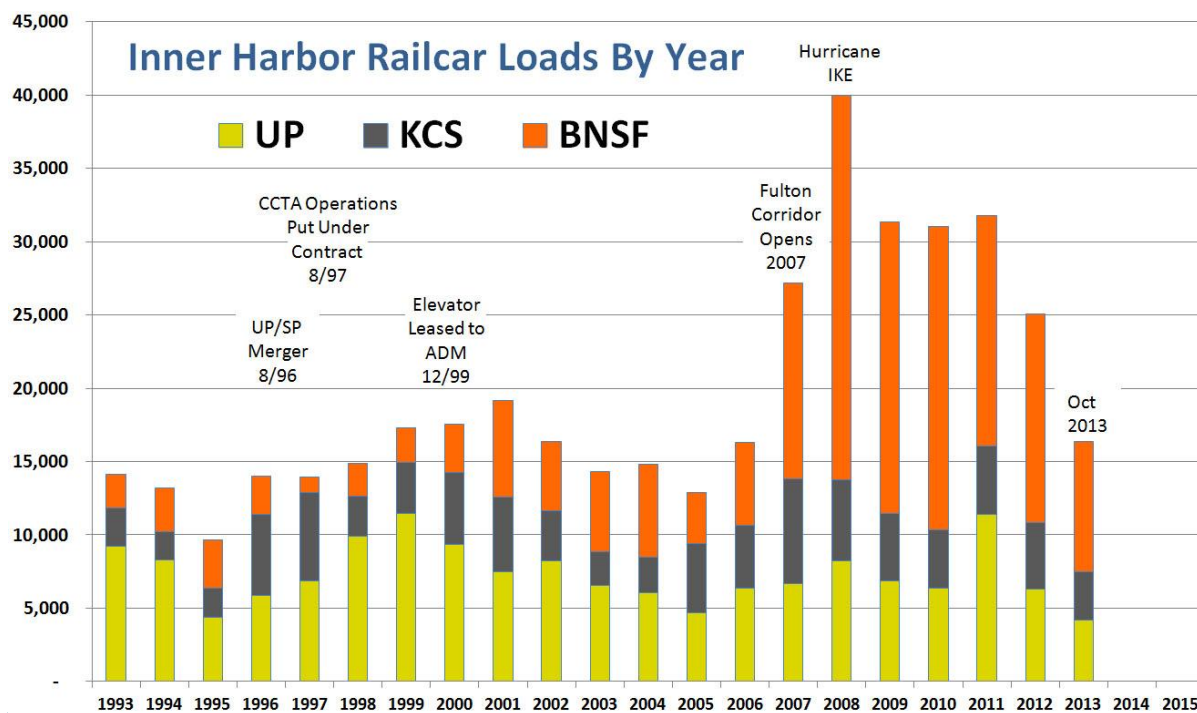
the north side of the Inner Harbor and 1.6 miles of PCCA loop track in the Southside General Cargo Terminal. All other areas of Nueces and San Patricio Counties are served by a single railroad and in most cases that is the Union Pacific.

Today commodities moving by rail in the Inner Harbor district include wheat, corn and soybeans from the Midwest delivered to the two export grain elevators. Some locally produced petroleum coke is exported to Mexico by rail. Imported wind energy components have moved by rail to the Pacific Northwest and Great Plains states. More recently, domestically produced wind components are arriving by rail for export to world markets. Flint Hills Resources, Citgo Refining, Valero Refining and Equistar all have active UP sidings for moving petroleum and chemicals by rail. In support of Eagle Ford Shale production, specialty sand from Illinois and Wisconsin is railed to Corpus Christi and then trucked to oil patch destinations across Texas.



The Union Pacific Kosmos Industrial Lead in San Patricio County serves industries along La Quinta Ship Channel. Commodities moving by rail on this line include crushed limestone, alumina hydrate, alumina, lime, chlorine, vinyl chloride, refrigerants, other specialty chemicals and steel. It serves Sherwin Alumina, OxyChem and DuPont and will serve TPCO America's pipe manufacturing plant once it is operational. Kiewit Offshore Services is not on the line but has used it to deliver steel on cars spotted in Ingleside.

The rail volume on the PCCA's Inner Harbor tracks was consistently averaging about 15,000 carloads per year from 1993 through 2006. The Joe Fulton International Trade Corridor road and rail line went into service in 2007 resulting in a significant increase in flexibility and capacity for the CCTR.



A major source of rail delays was eliminated in 2008 with removal of the Tule Lake Lift Bridge which carried both rail and vehicular traffic. Trains coming from Odem can now go directly to customers such as the ADM Public Elevator, the Bulk Materials Terminal and the North Bank Yard. This increased efficiency on the north side of the channel allowed customers to plan more effectively for commodity movements and sharpened competition among the rail carriers.

CCTR traffic jumped from 16,000 carloads in 2006 to 27,000 in 2007. When Hurricane Ike shut down terminals in Galveston for a time in 2008 the annual total jumped to almost 40,000 carloads. The Fulton Corridor has also allowed Corpus Christi to fulfill its role as a military deployment port with greater efficiency.

Rail movements of silica sand ultimately bound for Eagle Ford Shale drilling sites added significantly to CCTR traffic and congestion in 2010 and 2011. This specialty sand does not move in unit trains which complicates the process of spotting the cars for unloading in the port area.

As the traffic mix changed, PCCA embarked on development of a Rail Master Plan to identify and catalog all potential expansion projects. It was completed in 2012 and serves as a guide to ensure rights of way are preserved for the future projects.

The Rail Master Plan identified a new main interchange yard at the west end of the Inner Harbor as its number one

priority. Known as the Nueces River Rail Yard, it is being built in two phases. To help finance Phase 1 the Port Authority and the railroads negotiated a public-private partnership. The \$18 million project is being financed with \$10 million coming from a federal TIGER grant, \$4 million from the Port Authority and \$4 million to be paid by the railroads through a per car surcharge. The yard is being developed in cooperation with M&G Resins which plans a plastics manufacturing complex on adjacent property and will be a significant rail shipper. Working in conjunction with the Texas Department of Transportation (TxDOT), the Port Authority secured additional funding to expand the Nueces River Rail Yard to include eight 8,000-foot unit train length tracks.

INNER HARBOR RAIL PROJECTION

Once completed the rail capacity on the north side of the channel will be adequate to serve current traffic and will have significant capacity for future growth. The port rail system could be handling an estimated 50,000 carloads per year by 2016. Three areas of potential future rail traffic growth include:

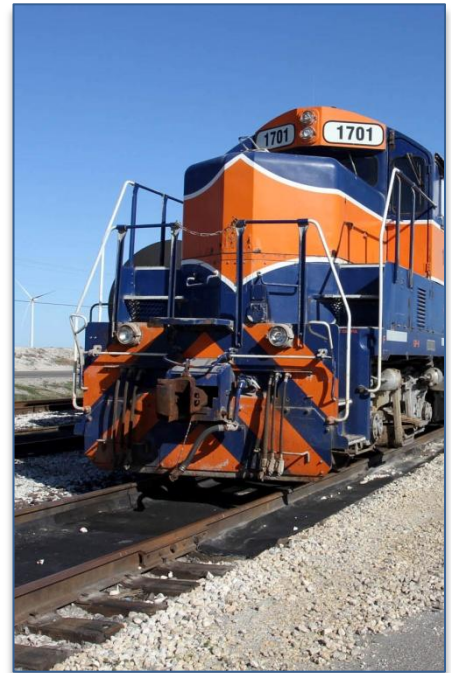


- 1) M&G Resins - 15,000 carloads per year starting in 2016.
- 2) Grain shipments, assuming continued improvement in crop production, should generate an additional 5,000 carloads in 2014.
- 3) voestalpine and TPCO America will be manufacturing product by 2016 that can potentially be trucked to the Inner Harbor for transloading to rail, adding up to 5,000 carloads per year.

THREE CLASS I RAILROADS

Beaumont, a port serving a substantially different market, is the only other Gulf port served by three Class I railroads. Having three Class I carriers on the Inner Harbor was instrumental in M&G's decision to make a \$1 billion investment at Corpus Christi. When voestalpine was conducting its site selection the company did not have rail service as a priority criteria. Subsequent to making the decision of build at the La Quinta Terminal property the company decided that rail service will be important to their business plan going forward. This may include receiving iron ore pellets from the Great Lakes region or shipping HBI to steel mills in Mexico, Mississippi, Alabama and Arkansas. TPCO America has indicated that it will eventually be receiving rail shipments of scrap metal for its mini mill. Rail may also be used to ship out a portion of the plant's future seamless steel pipe products.

The value of having three Class I railroads has been an integral part of the region's economic development asset presentation in recent years. The three railroads provide direct service throughout the U.S., Mexico and Canada. The challenge going forward for the Port Authority is to maintain the option of three railroad access for new developments including the PCCA's La Quinta Terminal property.



LA QUINTA RAIL SERVICE

La Quinta currently does not have efficient rail access and will require substantial capital investment to address this situation. The initial step proposed in the Rail Master Plan is to provide an alternative route that avoids going through the middle of Gregory. A highway overpass on U.S. Highway 181 at the La Quinta entrance that smoothly handles both truck and rail traffic has been part of TxDOT's plans for more than a decade and will have to be built as part of the relief route project. The San Patricio Rural Rail District is assisting the Port Authority in planning this project.

The La Quinta property will initially be served by the Union Pacific from its Kosmos Industrial Lead running through Gregory. No other railroad company has access to La Quinta at this time. Gaining access to the BNSF or KCS will require that materials be trucked to and from the Inner Harbor for transloading to rail. Discussions have begun with both TPCO and voestalpine about the logistics and requirements involved in such a trucking operation. Although not the most efficient move, this is a common practice throughout North America. Corpus Christi refineries truck 1.5 million tons of petroleum coke from their plants around the channel to the Bulk Materials Terminal for export via ship or movement by rail to Mexico.



The 2012 Rail Master Plan includes a conceptual route for extending a new rail line from La Quinta due west to a point near Odem. This would allow BNSF to serve all users of the La Quinta Terminal. Such a project will require a lengthy regulatory approval process plus right of way acquisition and rail line construction.

The Rail Master Plan offers expansion concepts that will require further analysis and review. This process should continue as part of a process of providing the backbone infrastructure that must be in place to serve the needs of potential waterborne commerce shippers who will be considering a location in Nueces or San Patricio Counties over the next several decades.

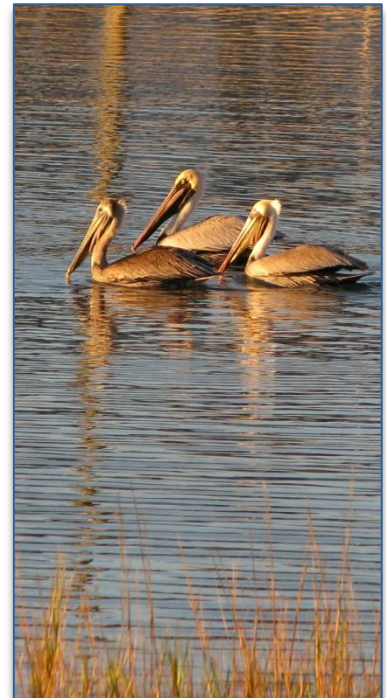
It is anticipated that construction of Phase I & II of Nueces River Rail Yard will support Inner Harbor rail traffic growth through 2020. Attention should be focused on completion of other Inner Harbor rail projects identified in the Rail Master Plan. These include extension of North Bank yard tracks, improved access to Rincon Industrial Park, and further analysis of an East End Turnaround Loop track north of Cargo Docks 9 and 10. Bulk Terminal trackage should also be upgraded to continue to handle rail traffic efficiently at that location.

4.3. Support Strategies

ENVIRONMENTAL STEWARDSHIP

Federal laws and regulations enacted since the 1960s resulted in major changes in the way the nation's port authorities conducted all aspects of their planning and operations compared to earlier years when there was less understanding or regard for natural resource values.

By the 1960s, the Port of Corpus Christi was well ahead of the nation's environmental awakening. The Corpus Christi area had been a significant sport fishing, hunting and tourist destination since the 1890s. There was a strong nature and wildlife conservation movement that was fostered by the owners of very large ranch properties in South Texas. This was instrumental in establishment of the Aransas Wildlife Refuge (1939), Padre Island National Seashore 1962, and Mustang Island State Park (1972). Two men were among those who helped maintain a Coastal Bend focus on conservation and preservation. The first was Ed Harte, publisher of the Corpus Christi Caller-Times who spent 20 years on the board of the National Audubon Society included serving as president from 1974 to 1979. The other was M. Harvey Weil, legal counsel to the Port Commission for four decades and a life-long supporter of conservation, wildlife protection and marine science.



The Port of Corpus Christi and its industrial customers have had an excellent environmental record over the years. To assure quick response, the cooperative Corpus Christi Area Oil Spill Control Association was formed in 1967 by 21 private companies and 14 governmental agencies including the Port Authority. In 1973 the port was recognized as the cleanest industrial port in America at the time. For decades the Port Authority has worked with the Audubon Society to manage Pelican Island, a PCCA-owned rookery island in Corpus Christi Bay. It is a significant nesting site for a wide variety of protected or threatened colonial water birds. With the help of the Texas General Land Office the PCCA has recently constructed extensive breakwaters to reduce shoreline erosion on the island.

Today there is a sophisticated regulatory regime in place that is integral to all operations around the port waterfront. Virtually all dredging, major construction and facility upgrades are subject to an extensive planning and permitting process which includes close coordination with natural resource agencies, groups such as the Corpus Christi Bays and Estuaries Program, university research program representatives and other stakeholders. New projects often require mitigation projects to offset wetland impacts, a process that has created opportunities for creative habitat improvement or restoration actions

Implementation of the Corpus Christi Channel Improvement Project, authorized by Congress in 2007 and documented in the extensive 2003 environmental impact statement (EIS), is being implemented over time following the specific steps and beneficial use components which were developed through more than five years of extensive stakeholder participation. These steps, such as a seagrass protection breakwater at Ingleside Cove and newly created shallow water habitat near La Quinta Channel, will continue to produce increased bay habitat productivity and new areas where wildlife has the opportunity to prosper.

ENVIRONMENTAL MANAGEMENT PROGRAM – Members of the general public frequently do not differentiate between the Port Authority and the industries that line the ship channel. To some limited degree the public expects the Port Authority to be responsible for the actions of carriers and shippers when it comes to water transportation safety and environmental stewardship. The specific roles of the Coast Guard, the Harbor Pilots and various incident responders such as the Oil Spill Control Association are less known.

Taking a proactive role in environmental stewardship was a major strategy included in a 1992 PCCA planning document. In the following years the commission and staff pursued that goal. In 2004 an Environmental Management System (EMS) was implemented in cooperation with the American Association of Port Authorities, the U.S. Environmental Protection Agency and Global Environmental and Technology Foundation. By 2007 the Port Authority had achieved ISO 14001 certification for its environmental management program. The result is an enhanced culture of environmental awareness among PCCA employees, port customers, service providers and tenants operating on PCCA-owned property. A single framework has been created which incorporates several longstanding natural resource protection programs.

Among the PCCA's initiatives is a tenant audit program consisting of an annual review of the operations of each lessee or user of port facilities. The intent is to work cooperatively with the customer to confirm they have training and procedures in place to prevent violation of environmental rules.

The Bulk Materials Terminal is the largest facility directly operated by the Port Authority. Operating activity on leased pads and technology for moving cargo at the terminal remain little changed from the 1970s. The PCCA has begun initiatives to address dust emissions and greater storm water control at the facility. This includes plans for covering all conveyor systems and consideration of covered storage for commodity stockpiles.

As part of a multi-faceted conservation program, the Port Authority has committed to reducing water and electric power consumption at PCCA facilities, reusing or recycling waste streams generated by PCCA, reusing dredge material in ways beneficial to the ecosystem, improving storm water runoff, and reducing air emissions.

SECURITY AND SAFETY

Into the 1970s many Inner Harbor facilities were unfenced and the public could often be found in the evening fishing from general cargo docks. As liability, safety and theft concerns increased, fencing went up, gatehouses were added and the number of security personnel increased. Security efforts intensified after 2001. Over the years the PCCA has spent more than \$50 million in grant and local funds for a wide variety of security improvements including camera surveillance systems, additional fencing and lighting. The PCCA spends more than \$9 million a year on security efforts including waterside patrols, landside patrols and security monitoring.

With PCCA property and operations stretching from Harbor Island to La Quinta and the Inner Harbor, there is a continuing need to maintain strong relationships with city, county, state and federal law enforcement and regulatory agencies with security and policing resources and jurisdiction in Nueces and San Patricio Counties. Maintaining collaborative relationships with these agencies allows all involved to maximize resources.

An independent review of all security efforts was initiated in mid-2013. The goal is to evaluate and adjust total security infrastructure, staffing and resource levels as appropriate.

The Port Authority has initiated a renewed effort to provide a safe work environment and eliminate on the job accidents and injuries. This includes providing safety training and highlighting the Port Commission's dedication to safety and creation of a safety culture.



FINANCE AND ADMINISTRATION

Citizens and community leaders in Nueces and San Patricio Counties look to the Port Authority to maintain the port's role as the most important driving force in the economic stability and growth of the Coastal Bend region. To accomplish its adopted Mission and meet community expectations the Port Authority must make wise decisions for the present and for generations in the future. That requires the appointment of Port Commission members who are practical, financially conservative and at the same time visionary. It requires a management team dedicated to meeting the needs of existing customers and to achieving community economic development goals.

A review of the strategic actions in the Strategic Plan leads to the conclusion that incremental staff additions are needed in 2014 to deal with the workload associated with the changing marketplace, new industrial customers, potential prospects, planning and new initiatives. Additionally, there is a recognized need to further develop plans for managerial staff succession looking out over the 2020 planning horizon. Training and development of staff should be a part of the overall staff reevaluation initiative.

TARIFFS - The shifting nature of commercial activity in the port district has prompted a rethinking of the PCCA's revenue sources including rents, dockage and wharfage. Increasingly activities are taking place at port-side facilities that do not result in waterborne commerce. Recent lease agreements are recognizing this and imposing PCCA tariffs on certain pipeline, rail and truck movements in addition to the traditional fees associated with moving cargo on the port's waterways.

The Port Authority has identified projects that will require very large financial commitments. It is important to build reserves in anticipation of these capital projects and to pursue outside sources of funding including partnerships and grant funds. Multi-party participation in development of the Nueces River Rail Yard is an excellent template for some future infrastructure funding.

Over the years the PCCA staff has developed a set of financial models for evaluating return on investment and return on assets for capital project investments, lease agreements and partnership development agreements. These tools should continue to be refined and applied in a manner that recognizes potential risk and provides an adequate foundation for decision making.

PLANNING – A successful organization needs an ongoing planning process. Marketplace developments and the needs of major port user industries should be continuously monitored. Plans should be reviewed and regularly revised using a systematic process calendar that includes evaluation of results, revision of forecasts, an update of strategic plan actions and development of capital improvement programs and budgets. Operating metrics should be developed that can be instrumental in financial

evaluation of future capital investment. Metrics might include such items as ship wait times in the Gulf anchorage and the extent of barge stacking in line for dock assignment. The planning process should be driven by top management and have acceptance by key external stakeholders.

REGIONAL COOPERATION

Providing the region with a reliable water supply to meet growing needs and increasing the efficiency and safety of roadways accessing the port district are critical to accomplishment of the Port Authority's stated economic development and business retention mission.

WATER SUPPLY – A major rainfall event in October 2013 helped push regional water supplies in storage to more than 60% (including Lake Texana). This brought relief from a three year slide in available water, a reflection of sustained drought conditions. In 2013 regional drought management plans were revised and there was a renewed focus on expanding and further diversifying the region's water supply which currently comes exclusively from Lake Corpus Christi, Choke Canyon Reservoir and Lake Texana.

Long-term reliable water supplies are pivotal in many industrial investment decisions, both for new facilities and expansion of existing port industries. This was no less true 50 years ago than it is today. Previous generations of PCCA leadership have been actively involved in regional water supply planning. They took very active roles in guiding the development of Wesley Seale Dam in the 1950s and the decision to build a second reservoir in the Nueces Basin at Choke Canyon in the 1970s.

The Port Authority took an even greater role during development of the Mary Rhodes Pipeline in the 1990s. To get that project done in the shortest possible time a special joint effort was organized by the City of Corpus Christi, the Nueces River Authority, the Port of Corpus Christi Authority and the Lavaca-Navidad River Authority (LNRA) in cooperation with wholesale water customers. The Nueces River Authority issued the revenue bonds to fund the project and awarded the construction contracts. The Port Authority entered into a project management contract and the PCCA engineering staff took on the role of manager for planning, permitting, land acquisition, engineering and construction of all project components except the primary pump station which was handled by the LNRA. The \$120 million project was done in record time and under budget.

With water supplies again stressed by new demand and extended drought intervals in the current decade, the Coastal Bend is actively pursuing new water supplies from diverse sources with the goal of creating enhanced reliability. The Port Commission has committed to help facilitate the efforts of a coalition of regional parties to increase water supplies available to industry and Coastal Bend communities.

HIGHWAY CONNECTIVITY – Roadways that directly provide access to the ship channel, adjacent industrial employers, and intermodal terminals are indispensable to Coastal Bend shippers that must get freight to and from the port area or workers to and from industrial facilities adjacent to the ship channel. Equally important are the inter-regional highways that provide connectivity to points in the port's hinterland.

The public port and its industrial customers in Nueces and San Patricio Counties are served by a modern regional highway system including Interstate 37, US 181, Interstate 69/US 77, State Highway 361, State Highway 35 and State Highway 44. US 77, US 281 and US 59 are being upgraded to interstate highway standard and, as sections are completed, they are being designated as I-69. This route runs from the Lower Rio Grande Valley to Corpus Christi then to Houston and on into East Texas. Interstate 37 connects Corpus Christi to San Antonio, I-10 running east and west, and the I-35 corridor heading to Central and North Texas.

The Texas Department of Transportation has been a strong partner with the Port Authority for decades starting with the construction of the Harbor Bridge and removal of the Bascule Bridge bottleneck in the 1950s. I-37 was built during the 1960s and 1970s creating excellent access to the south side of the Inner Harbor. The Nueces Bay Causeway was reconstructed and widened in the 1980s and the US 181/SH 35 freeway through Portland and Gregory was completed in the 1990s. The Fulton Corridor, which dramatically improved north side access to the entire length of the Inner Harbor when completed in 2012, was a joint project with federal, state and Port Authority funding.



Most recently TxDOT has completed an overpass and other improvements on SH 35 to improve access to the TPCO America plant site at Gregory.

Building a rail relief route around the east side of Gregory and eventually extending a new rail line to Odem will require construction of a US 181 highway overpass project allowing rail tracks to run under the roadway and providing turn-around lanes so that trucks can efficiently move in and out of the La Quinta Terminal property. This project is already included in the Corpus Christi Metropolitan Planning Organization's (MPO) long-range plan and TxDOT has done schematic design work. The average daily traffic count on US 181 at this location in 2012 was 41,000, equal to the volume on Interstate 37 over Port Avenue in Corpus Christi.

Another freight-related highway project that has been advanced involves creating a new interstate highway loop serving port-related facilities in both San Patricio and Nueces Counties. US 77 through the region is being upgraded to be Interstate 69. The proposed loop route would start at US 77/I-69 northeast of Sinton and follow US 181 to Corpus Christi's North Beach where it would cross the proposed Harbor Bridge Replacement. The route would then run west concurrently with I-37, then south on SH 358 and finally west on SH 44 to a connection with I-69 in Robstown. Some sections are already at interstate standard and there are active upgrades underway on Highway 44 west of Corpus Christi International Airport. Once all upgrades are made the complete loop would be designated as an interstate segment with a number such as I-669. Parts of this plan are included in the MPO long-range plan but the entire concept has yet to be added.

While highway and local street access to most ship channel related facilities is good there is a serious capacity problem at Ingleside. All truck traffic and more than 7,000 commuters travel through the city streets of Ingleside daily going to Kiewit Offshore Services, Gulf Marine Fabricators, Flint Hills terminal and the future operations at Oxy Energy Center. Environmental clearance is underway on a new right-of-way relief route on the west side of Ingleside that will be called SH 200. Funding has not been identified.

Coming construction projects at TPCO America, voestalpine, OxyChem, Cheniere and other sites and new permanent employment at these sites will stress the existing highway capacity in the eastern half of San Patricio County. Truck traffic supporting Eagle Ford Shale development has increased dramatically with materials heading west and crude oil and natural gas condensate moving east to port terminals. This is causing congestion, safety concerns and accelerated roadway damage. Close coordination among governmental agencies and rail lines facing these challenges will be essential. The Port Authority should continue to be a strong advocate for expanding and filling gaps in the regional highway system that supports freight movements and worker access to port-related jobsites, particularly in eastern San Patricio County.

Providing connecting freight corridors between ports of entry at Laredo and in the Rio Grande Valley and Texas seaports, including Corpus Christi, has been a core purpose being addressed by Interstate 69 route upgrades in South Texas. The SH 44/US 59 freight route between the Port of Laredo and the Port of Corpus Christi should be added to the congressionally designated I-69 system in Texas.

Making progress on conversion of US 77/US 59 to I-69, upgrades to SH 44 and US 181, and maintenance of I-37 are all important to freight movement connectivity to markets and production centers in Texas and Northern Mexico. The Port Authority should continue its tradition of strong leadership for improvement to those roadways that will expedite goods movement traffic flow in and out the Corpus Christi area by truck.

HARBOR BRIDGE REPLACEMENT – Unless unexpectedly sidetracked, a routing decision on the Harbor Bridge Replacement Project will be made at the end of 2014 and construction could begin under a design-build contract sometime in 2016. The current cost estimate for the project is more than \$700 million. In all the local community has pledged \$100 million toward the project and \$600 million in State and Federal funds have been approved. The Port Authority has pledged \$15 million toward the project plus contribution of millions of dollars worth of necessary right-of-way over land owned and controlled by the PCCA.

The Port Commission, the MPO, Nueces County and the Corpus Christi City Council have all passed resolutions voicing their support for the bridge alignment known as the **Red Route**. Starting on North Beach it would bend away from the existing bridge alignment crossing the ship channel at the site of Cargo Dock 10 and continuing in a southwesterly direction to make a direct elevated link to the Crosstown Expressway (SH 286). The bridge is expected to have a vertical clearance of 205 feet compared to 138 feet at the existing bridge. The new clearance would match the 205 feet under the Bridge of the Americas on the Panama Canal.

The average daily traffic count on the existing Harbor Bridge is 51,000 vehicles and the count on I-37 just east of the Crosstown Expressway interchange is 61,000. These volumes have been growing in recent years and are expected to increase as industrial growth in San Patricio County continues.

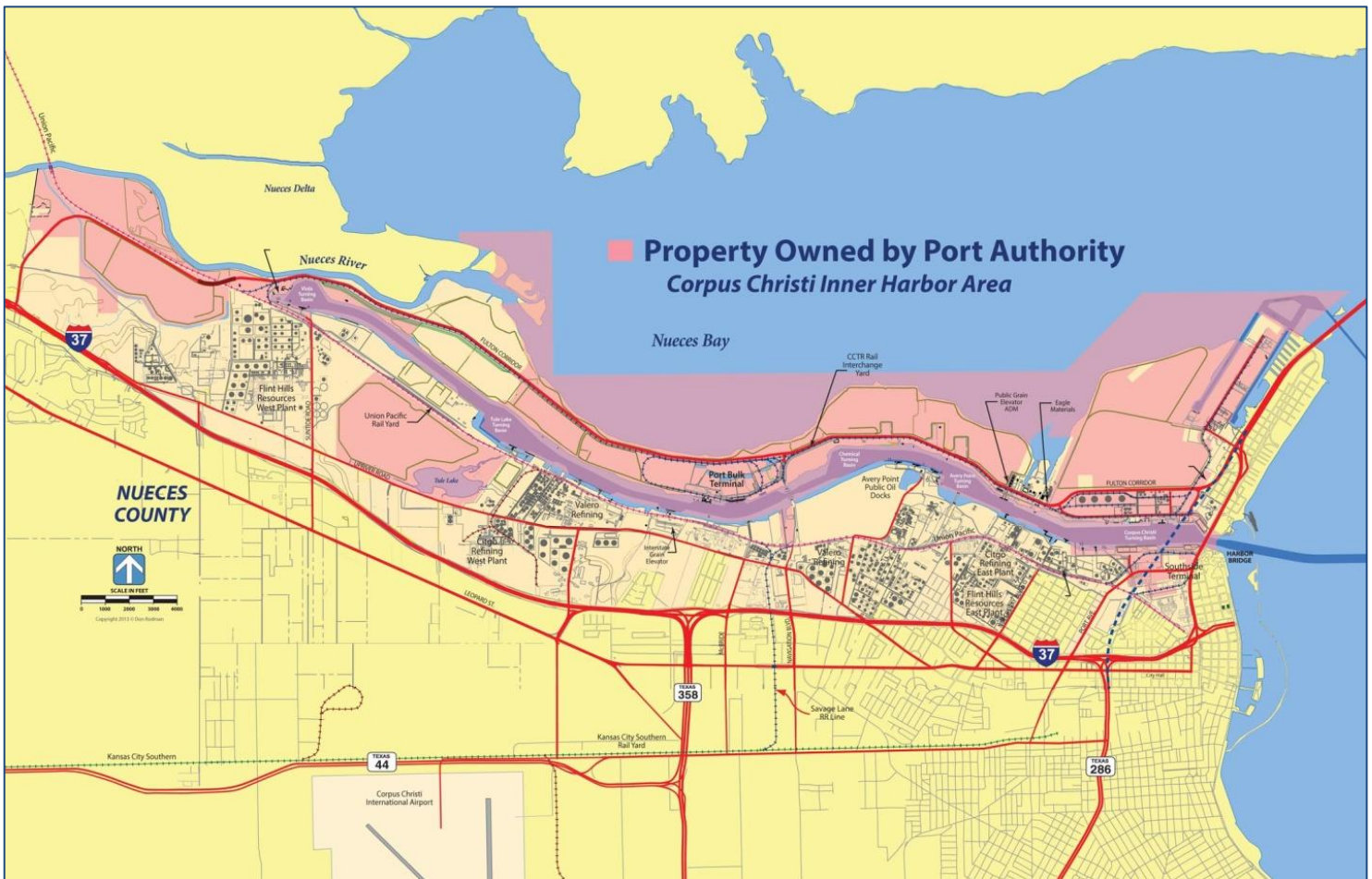
Bridge replacement will change some access points to port-related facilities and will require some realignments and modifications of truck traffic routes at both ends of the new longer span. Once the final bridge route is determined the Port Authority plans to complete an assessment of impacts on port-related commerce, land use and land access corridors.



Removal of the existing Harbor Bridge will create a new landscape on both sides of the channel adjacent to zones where the community has made major investments over the past 40 years including the American Bank Center, museums, a baseball stadium, the Texas State Aquarium and the USS Lexington Museum. The area on the south side of the channel has been designated by the City of Corpus Christi as the SEA District (Sports, Entertainment and Arts) and the MPO has discussed the concept of in the future turning much of the existing Harbor Bridge right-of-way into a parkway to better move entertainment and sports event traffic in and out of the area.

Port Authority assets in this area should be protected from encroachment that could reduce their productive use in supporting waterborne commerce. These assets include the Cargo Dock 8 complex, the Al Speight Yard, the vital rail turnaround loop and the conference center complex with supporting parking.

5. Real Estate Management & Opportunities



5.1. Port-Owned Property

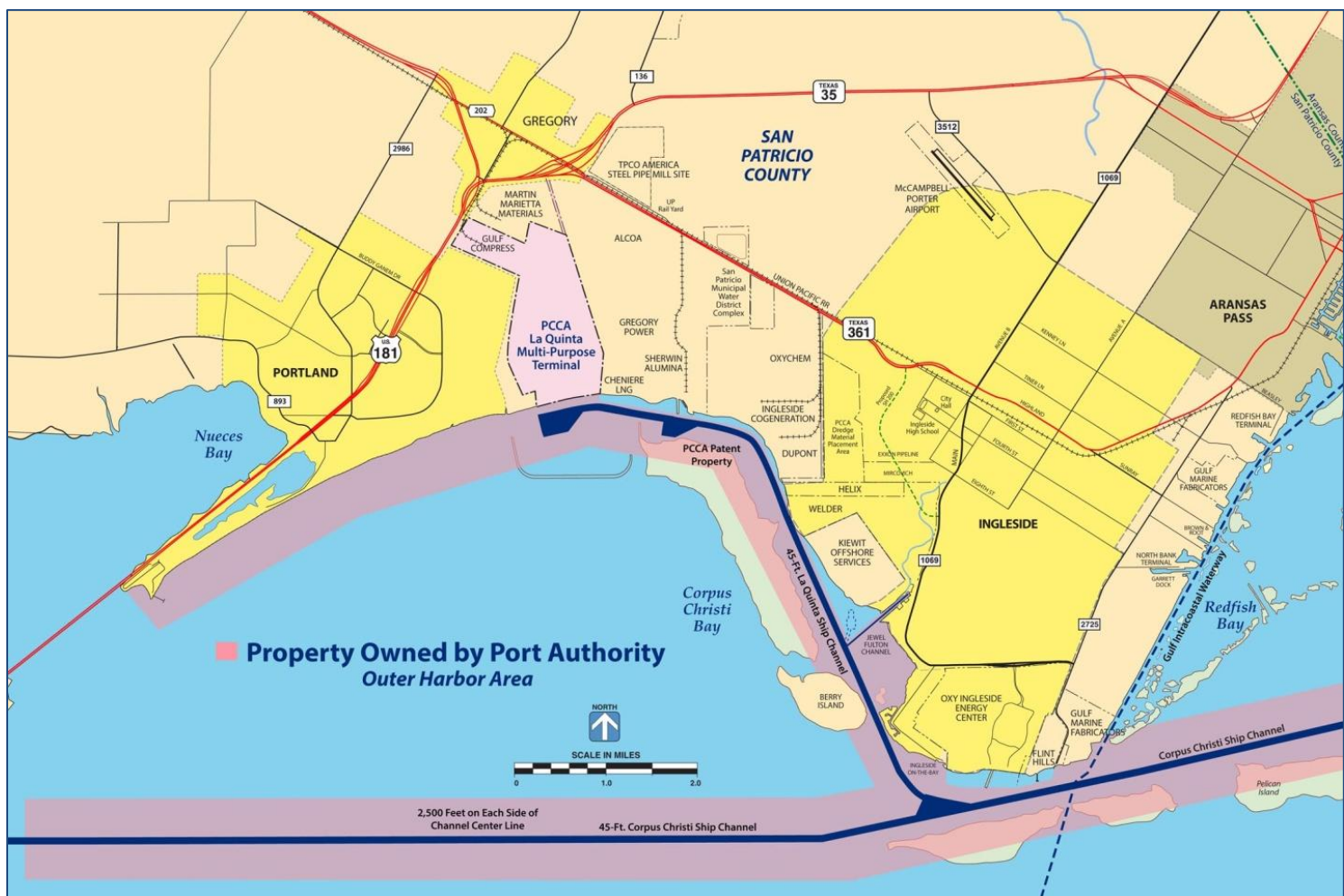
Port Authority land holdings provide a base for port infrastructure, operations and revenue generation. Virtually all of the ship channel sits on land owned by the Authority and the same is true for thousands of acres assigned in perpetuity as designated Dredge Material Placement Areas (DMPAs). While the Port Authority holds title to more than 20,000 acres of real estate, about 90% of this is submerged or in permanent use as DMPAs. A good deal of the remaining land is either developed or otherwise committed.

From 1930 until 1960 the PCCA purchased submerged land from the State of Texas (fee simple less minerals) as necessary to extend channels and provide for channel expansion. Acquisition of private property holdings began in the 1960s with a site for the Power Street offices and acreage for the Rincon Industrial Park. Acquisitions in the 1980s included the Sun Terminal at Ingleside Point (1985), the McGloin Tract for the Suntide DMPA (1987), and properties associated with the establishment of Naval Station Ingleside.

Purchases in the 1990s included the Tule Lake DMPA site (1991), DMPA 1 and 2 acreage west of North Beach (1991), the Al Speight Yard property (1992), the Turner Tract on Port Ave. (1992), right-of-way for the Fulton Corridor (1992) and the administrative office Annex Building on Shoreline (1995).

In 1996 the PCCA traded the Sun Terminal property to Flint Hills Resources for 250 acres of Harbor Island tank farm property previously owned by Exxon and Petrofina. The intent was to guide future Harbor Island development and to establish the ability to collect future user fees through franchise agreements. Private developments at Ingleside Point and Harbor Island predated the PCCA's ownership of adjacent submerged land and the port's franchise arrangements did not apply before these property transactions.

LA QUINTA - A milestone real estate purchase came in 1998 when the PCCA had the opportunity to acquire the 1,114-acre La Quinta property from El Paso Natural Gas. This allowed planning to accelerate on extension of La Quinta Ship Channel and presented the opportunity for the Port Authority to investigate potential land uses. The PCCA was subsequently able to relocate the Gulf Compress cotton warehouses there and to hold the remaining property until the market was ready for it to be developed in a way that produces high level returns for the community and for the Port Authority. Today 117 acres is being utilized as a DMPA for the channel extension and will serve as a future vegetated buffer zone between terminal facilities and Portland. Approximately 150 acres at the La Quinta waterfront is reserved for a future multi-purpose cargo and container handling facility. In 2013 voestalpine entered into a 50-year lease covering 475 acres that will return PCCA substantial base rent plus fees on all cargo moved by ship or rail. It will also increase the tax base in San Patricio County and will provide high wage employment with a leading international steel manufacturer.





FULTON CORRIDOR – Prior to completion of the Joe Fulton Corridor Phase 1 highway and railroad in 2007 there were hundreds of acres of land on the north side of the Inner Harbor with no access except by four-wheel-drive vehicle. Much of this land had been used for dredge material placement in the past and a good deal of it was originally part of Nueces Bay before the adjacent channel was dredged in the 1950s. A total of about 400 acres of this property historically owned by the Driscoll Foundation was acquired by M&G Resins USA in 2012. The company’s plastics plant and the PCCA’s Nueces River Rail Yard will occupy about 200 acres of the site. M&G also owns a 242 acre development site to the north between the Fulton Corridor and the Nueces River. Between M&G and the Bulk Materials Terminal the Port Authority owns approximately 170 acres that is divided into three sections:

- The center 80 acres is leased to Quintana/Castleton which has proposed a condensate splitter development.
- Just east of M&G is a 32 acre tract available for port-related development.
- To the east of Quintana/Castleton is 56.5 acres with 1,900 feet of channel frontage. This property can be used by the PCCA to expand the Bulk Terminal loop track and to create a longer continuous section of shoreline for a proposed barge mooring area.

Two miles west of the Viola Turning Basin the PCCA owns about 240 acres on the north side of the Fulton Corridor near the Nueces River. Some of this property has wetlands and restricted access. An area of about 50 acres west of the highway is currently suitable as a possible industrial development site. Other areas could potentially be developed with mitigation.

Phase 2 of the Fulton Corridor greatly improved the quality of access to north side properties between the Harbor Bridge and the Bulk Terminal. Much of this property is owned by the Port Authority

including a tract of about 50 acres permitted for multiple ship docks just east of the site of the former Tule Lake Lift Bridge. The notable exceptions to blanket PCCA ownership on the north side are the Nueces Bay Power Station, Texas Lehigh and U.S. Coast Guard properties.

OUTER HARBOR – The PCCA’s largest developable upland real estate holdings east of the Harbor Bridge are the La Quinta property, most of which is now under lease, and two tracts on Harbor Island – the 250-acre Exxon/Petrofina property and former DMPA #4 which includes about 100 upland acres fronting on the ship channel. The Authority also owns the 225-acre upland Good Hope DMPA adjacent to OxyChem inside the Ingleside city limits. It can provide the PCCA with dredge material flexibility for decades to come. This property is served by utilities, is near a major highway and connects to the ship channel. At some point in the future it may be appropriate to convert this valuable property to some higher land use.

FEW LARGE DEVELOPMENT SITES AVAILABLE – In early 2010 there were several large tracts of channel-front property available for sale or lease including the Driscoll Foundation property, PCCA property on the Fulton Corridor, the La Quinta property, the 500-acre Welder property at Ingleside, the former Naval Station Ingleside property and adjacent land, and the Harbor Island parcels. That situation has changed dramatically. By mid-2013 there were no waterfront sites on the market larger than 60 acres except for the Harbor Island properties which have limited access to regional infrastructure. There are some undeveloped large-tract properties on or near the ship channel but they are owned by industrial companies likely to retain them for their own use or the use of a partner. Inside the City of Ingleside there are other large tracts that do not have channel frontage but may be suitable for port-related development.

5.2. Opportunities to Acquire Property

In providing for sustainable and long-term port-related growth, PCCA planning strategies will need to include acquisition of additional real estate and development of the infrastructure required to meet the needs of current and future customers. The La Quinta and Fulton Corridor investments are each models for how the PCCA can employ long-term planning in a way that helps guide private investment for the benefit of the entire region.

The implementation of some of the strategies recommended in this plan will require that the PCCA make the best possible use of existing land holdings and make strategic property acquisitions that will serve as the foundation for initiatives in the 2014-2020 planning horizon and well beyond. Purchase of some smaller properties may be necessary to improve the usefulness and flexibility of tracts already owned by PCCA. It may be that the highest and best use of an existing property can only be achieved by combining it with all or part of a property that is privately held.

REMOTE SITES - Some industrial manufacturers need access to one or more docks on the deepwater ship channel but their plant can be located some miles away. A local example is the LyondellBasell Equistar chemical plant located east of Robstown. The complex is connected to port docks by pipeline.

The Port Authority should identify for purchase a select few undeveloped remote sites that meet a well defined set of criteria and closely evaluate their potential to serve as this type of industrial site in the decades ahead. At the same time utility corridors connecting the properties to the ship channel should be identified and preserved. Finally these assets should be protected from encroachment from

incompatible land uses in the years prior to their maturity as port and inland transportation development sites.



The SH 44 corridor from North Padre Island Drive (SH 358) to a point about five miles west of Robstown has excellent highway access, is served by the Kansas City Southern railroad and has direct rail access via the Savage Lane Line to the port Inner Harbor. This zone in Nueces County is definitely an area where remote sites meeting the selection criteria could be identified. All of this area is either inside the city limits or in the extra-territorial jurisdiction of either the City of Corpus Christi or the City of Robstown, and thus subject to land use zoning controls to deal with compatible use and encroachment issues.

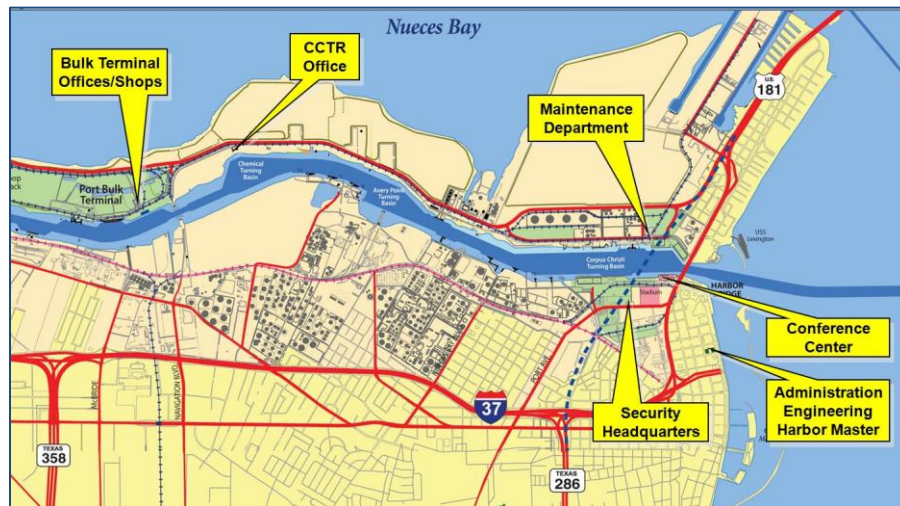
The Robstown Improvement Development Corp. (RIDC) has acquired a 122-acre site in central Nueces County and is developing the Robstown Inland Port trade and logistics center concept. The PCCA is assisting the RIDC in assessing opportunities, planning for the future and making the most of this potential rail related transportation asset. Depending on what kind of commercial or industrial activity is attracted to the facility there may be opportunities for connecting it to the ship channel and waterborne commerce which PCCA may be able to help facilitate.

For the past two decades the City of Robstown has been encouraging development of an industrial zone along US 77 and the Union Pacific Railroad on the south side of the city. Water supply infrastructure is available in this corridor either from the city or from the South Texas Water Authority which has a 42-inch potable water line running parallel to the railroad.

A recommended strategy in this plan is evaluation and implementation of a railroad build out from the La Quinta property northeast of Portland to a connection with the Union Pacific rail line near Odem. This San Patricio County route travels through more than 40 square miles of open farmland parallel to major water supply lines owned by the San Patricio Municipal Water District. The PCCA Rail Master Plan includes a conceptual plan for a major rail yard on this route. It is also possible that a special new heavy haul road could be built alongside the rail line to make it possible to move overweight loads to and from the proposed multi-purpose docks at La Quinta Terminal. The central and western part of this route has seen no development pressure except for wind turbines. The rail build out concept opens the possibility that the Port Authority should evaluate acquiring a block of property on the proposed route and protect it for port-related industrial use at some point in the future. The property has high elevations. There are multiple existing pipeline fairways running through this area and under Nueces Bay to and from the Inner Harbor area.

5.3. Facilities and Buildings

It is important that the PCCA provide its personnel and operations with workplaces that are efficient, safe, meet current regulatory standards and provide flexibility to accommodate growth and future technology. The PCCA should apply the highest and best use standard to each of the properties and operating facilities used in the course of doing the organization's business.



The Port Authority owns an assortment of scattered facilities utilizing property that may now or soon will have higher and better use potential. Administration, engineering, operations, security, maintenance and rail operations are in facilities that were put in place as needs developed over a period of several decades.

The Maintenance Department is located on property with channel access and could be relocated to a site of less value. Consolidating all maintenance activities and equipment storage in a single location should be evaluated. Enclosed equipment protection should also be given close consideration.

ADMINISTRATIVE OFFICES – The PCCA administrative offices are currently located in two separate buildings on 2.2 acres of very valuable Shoreline Boulevard property between Interstate 37 and the American Bank Center convention and entertainment complex. The two buildings were built in the 1960s and contain approximately 37,000 square feet of office space. The buildings contain a number of deficiencies and will not meet the needs of the Port Authority in the future.

The existing buildings are in fair to poor condition and need extensive repair or renovation. Despite numerous repair efforts, the buildings suffer from continued wall and roof leaks. Mold has been an issue over the years. Many of the major building systems such as fire escape and ADA accessibility do not meet current code requirements while other systems such as mechanical and electrical are outdated and inefficient. Major maintenance has



been delayed for a number of years while other higher priority PCCA infrastructure issues were addressed.

The PCCA's major administrative functions (Executive Staff, Harbormaster's Office, Operations, Business Development, Engineering, Finance, Communications, Governmental Affairs and Human Resources) are spread out between two buildings causing inefficiencies in daily functions. Security is located in a third offsite location creating further inefficiencies. The existing buildings lack room for expansion and would require a major addition to meet the needs for the next five to ten years. Total space requirements are currently 43,400 square feet (including security) and are expected to increase to 55,000 square feet in five years and 64,000 square feet in 10 years.

The Port Authority should consider construction of a new office building that could provide room for growth and increase operational efficiency. A prime location for a new building would be at or adjacent to the Ortiz Center at the entrance to the Inner Harbor. With the planned removal of the existing Harbor Bridge, this location would provide a signature location for Port Authority offices. The right-of-way for the bridge at the edge of the channel is Port Authority property. A new multi-story office building that would meet the 10 year needs of the Port Authority is estimated to cost \$18 million. A portion of this cost could be reduced by the sale of the existing 2.2 acres of Shoreline Blvd. property.

CONFERENCE CENTER – The Ortiz Center and adjacent Storm Pavilion include a variety of venues for events including the Nueces Room which is the primary location for meetings of the Port Commission. The building is a conversion of sections of what had previously been historic Cargo Docks 1 and 2 and the Harbormaster's Office. The 44,000 square foot finished out portion of the center is underutilized and does not provide a net return to the Port Authority. Further the Ortiz Center competes directly with nearby city-owned and private hotel facilities. The west end of the center includes a 15,000 square foot non-air conditioned section of the Dock 2 transit shed building that remains unused.

The Port Authority should evaluate how the conference center property can be put to the highest and best use going forward. One option for consideration is the viability of fully privatizing the facility. Alternately the building could be used as a location for consolidating scattered PCCA personnel and operations in a single location.

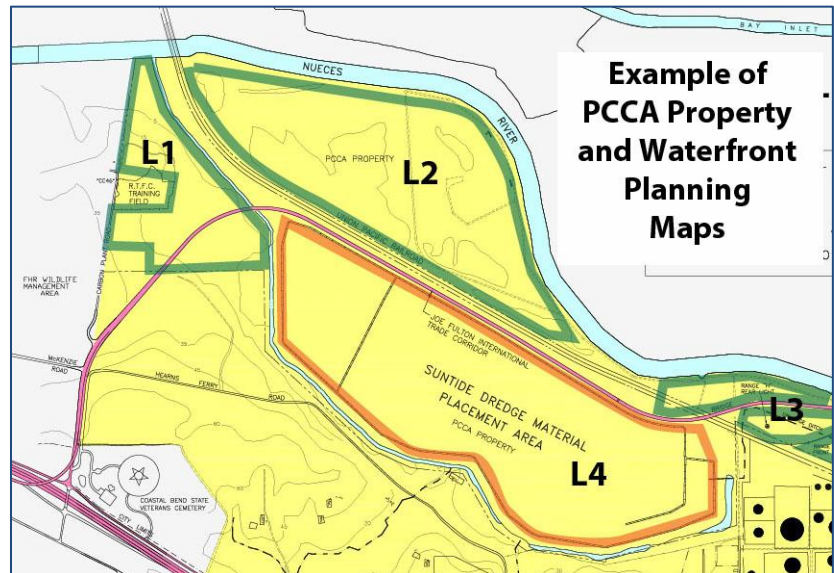
To adequately meet the anticipated demand and the need for operational consolidations the Port Authority should develop a long-term Facilities Plan during 2014.



5.4. Guiding Future Use of PCCA Property

As part of this planning process a staff review and examination of all waterfront properties was conducted with a particular focus on channel-front property owned by the Port Authority. This work is being captured in a **Property Planning Guide**. It will be a set of general planning maps and tables that can be regularly updated and used by PCCA staff at the initial stage of planning projects, evaluating proposed leases and assessing highest and best use options. The adjacent map is an example of how PCCA-owned properties are identified in the planning guide.

The shoreline and properties were divided into useful segments and mapped. Each area was explored with staff to determine current conditions and to determine whether the shoreline was suitable



for future dock or mooring area development. Areas with adequate dimensions and without navigational restrictions were further evaluated to see how many and what type of docks might fit in the available frontage and be served by nearby land areas. The intention is not to suggest that all the docks identified would ever be built, only that planners should be aware of the possible optimal use of the waterfront. This will potentially prevent construction that could later block additional projects or result in assets having to be abandoned or removed to create space for a future highest and best use opportunity. Work on the guide recognized that decisions made in the present will have consequences that will persist for decades into the future.

The Property Planning Guide will include property descriptions, a current assessment of possible future uses and known restrictions that would likely limit future development options.

Facilities Guide



General Information	Public General Cargo Facilities	Public Oil Docks	Other Port Facilities	Inner Harbor Private Docks	La Quinta Channel & Ingleside Point	Harbor Island & GIWW
Location Map	Southside Terminal	Oil Dock 1	Inner Harbor Rail Yards	Citgo Docks	La Quinta Terminal	Gulf Jetty Channel
Inner Harbor Map	Cargo Dock 8	Oil Dock 2	Bulk Terminal Overall	Flint Hills Docks	Gulf Compress	Harbor Island Property
North Bay Map	Cargo Dock 14	Oil Dock 3	Bulk Terminal Dock 1	Valero Docks	NSI Marine Terminal	PCCA Dock & Terminal
Harbor Bridge	Cargo Dock 15	Oil Dock 4	Bulk Terminal Dock 2	Texas Lehigh	NSI Property	Martin Midstream
Tule Bridge Fenders	Speight Rail Terminal	Oil Dock 6	Navy LMSR Layberth	Sunbelt	PCCA Ingleside Property	McDermott Property
Joe Fulton Corridor	Cargo Dock 9	Oil Dock 7	Barge Mooring (North)	Bludworth Shipyard	Gulf Marine - South	Brown & Root
Dale Miller Bridge	Cargo Dock 10	Oil Dock 8	Barge Mooring (Viola)	Heldenfels	Koch Terminal	Gulf Marine - North
JFK GIWW Bridge	Ro-Ro Dock	Oil Dock 9	ADM Grain Elevator	Interstate Grain	Jewell Fulton Canal	North Bank Terminal
Rail & Road System	Northside Cargo Yard	Oil Dock 10	CB Cold Storage	Bay Barge Dock	Navy EMR Property	Brown & Root Ingleside
General Data	Cargo Dock 12	Oil Dock 11	Rincon Industrial Park	Texas Dock & Rail	Kiewit Offshore	Redfish Bay Terminal
Port Offices	North Bank Yard	Oil Dock 12	Dock One & Two	LyondellBasell	Helix Dock	Gulf Copper
	Transfer Facility		Ortiz Center	Vulcan Dock	OxyChem Docks	
	Buildings 26 & 27		Bayfront Multi-Use Area		Sherwin Alumina	

Also being updated is the interactive **Port Facilities Guide** which is used by port customers and PCCA staff as a daily reference guide. It includes photos and detailed site drawings of each existing PCCA-owned facility and an aerial photographic catalogue of private docks and key infrastructure related to marine operations. That includes specific information such as dock heights and deck load ratings along with items such as bridge clearance dimensions over area waterways.

RESISTING ENCROACHMENT

By its very nature most of the activity that takes place in the port district and at PCCA facilities is industrial. In most cases this involves continuous round-the-clock operations that generate noise and require lighting for security and operational safety. This is as true on PCCA properties as it is in the private industrial zones that make up the Inner Harbor and the La Quinta Channel waterfront. Along the entire length of the ship channel system it will be increasingly important for the Port Authority to work closely with communities and other landowners to minimize the encroachment of new land uses that are not compatible with the continuous industrial activities supported by the ship channel. The same thing can be said for developing potential industrial areas along the SH 44-KCS Railroad corridor and the conceptual La Quinta rail corridor in San Patricio County.

Encroachment near the Corpus Christi bayfront is also an issue. Starting in the 1970s cultural, entertainment and visitor attractions began appearing in the vicinity of decades-old port operations. This initially included the Bayfront Auditorium, the Corpus Christi Museum and the Harbor Playhouse. A comfortable co-existence developed as more and more public venues were established at the edge of the port's operational area.

Eventually aging cotton warehouses that originally had a reason to be next to the harbor were relocated and replaced with a minor league baseball stadium. Passing ships, moving trains and the lights of evening cargo loading instantly became part of the charm of the ballpark experience. All proving that

some activities are very compatible with the workings of an active seaport. Yet it is important to emphasize that Port Authority assets in this area should be protected from encroachment by incompatible land uses that could reduce their productivity in supporting waterborne commerce, industry and employment.

HIGHEST AND BEST USE

Participants in the Strategic Plan development process agreed across the board that the PCCA should intensify efforts to see that public assets near the ship channel are put to the highest and best use for the long-term benefit of the community. Stakeholders also appeared to agree with the conclusion that the Port Authority must be willing to say “no” to some proposals brought to the PCCA staff and commissioners by prospective tenants.

While highest and best use is a subjective standard, it is possible to develop a checklist of general criteria associated with the PCCA’s mission, financial responsibilities and environmental protection goals. These criteria can be used in dealing with prospective tenants in a way that provides ample latitude to negotiate lease or easement terms. Great care should be taken to avoid marginal commitments that could block or constrain future prime uses. Any proposed leases involving a relatively high risk of site contamination or public health and safety impacts should be avoided.

Another component of this decision-making process is the fact that existing frontage on the 45-foot deep ship channel is essentially an irreplaceable asset. It will be extremely difficult to ever create more such channel frontage in the Corpus Christi region.

One criteria for evaluating highest and best use of properties and channel frontage should always be whether the use generates high value waterborne commerce or is a vital support activity to such waterborne commerce. High value may not always be a function of the price per pound of the commodity as in the case of barite or frac sand which are essential inputs to South Texas oil and natural gas extraction.

Easements for pipelines, dredging, utilities and access within the port area are vital to the Port Authority, port customers and unknown future industrial and shipping prospects. The Property Planning Guide will attempt to identify for protection easement corridors leading to remote sites miles from the ship channel. In most cases it may be possible to follow existing pipeline or utility fairways. Formal procedures should be strengthened to ensure that none of the existing easements or potential corridor pathways are compromised.

Part of the highest and best use equation is the fact that to follow this management strategy it is necessary to forgo potential revenues, perhaps for many years, in order to allow a property or channel location to be utilized for what is finally deemed an appropriate best use.

6. Strategic Objectives and Actions

Through a collaborative process participants in the planning process for Strategic Plan 2014-2020 developed a set of operational and management objectives. Further work identified specific initiatives or actions needed to address those items in the planning horizon. Finally a matrix defining action responsibility and schedules was developed and appears in a table in Section 7 – Implementation.

1. Channels and Basins

Strategic Objective – Implement strategies to ensure that the Port of Corpus Christi Authority is a strong partner with the federal government and port industries in providing adequate and well maintained deepwater channels and shallow-draft waterways necessary to fully serve existing and potential waterborne commerce in Nueces and San Patricio Counties.

Initiatives/Actions:

- 1.1. Take all necessary steps to expedite regular maintenance of the federal ship channel and preserve the full 45-foot channel operating depth.
- 1.2. Follow the Channel Improvement Project's extensive dredge material management plan for all channels, basins and PCCA mooring areas; evaluate additional opportunities for adding future DMPA capacity not included in the CIP plan.
- 1.3. Continue allowing PCCA franchise customers access to Dredge Material Placement Areas (DMPAs), where practical and in accordance with Corps of Engineers restrictions, to support private investment in the community.
- 1.4. Continue protection, preservation and enhancement of DMPAs, dredge pipeline easements and vehicular access to placement areas.
- 1.5. Review channel capacity and future vessel fleet to assess long-term channel improvement requirements; included impact of various new docks being built or planned for completion in 2014.
- 1.6. Evaluate the decision to move forward with the -52-foot deepening and widening of the Corpus Christi Ship Channel and La Quinta Channel system to accommodate larger bulk cargo vessels including those that will be able to transit the expanded Panama Canal.
- 1.7. Consider third-party modeling of the benefits of widening parts of the channel at the current depth including potential barge shelves; pursue federal assumption of maintenance agreement for Bay Reach widening.
- 1.8. Complete deepening of La Quinta Channel extension to -45 feet.
- 1.9. Complete removal of Tule Lake Lift Bridge tower foundations which are an impediment to channel efficiency and safe navigation.
- 1.10. Improve safety and traffic efficiency by widening the Tule Lake Channel.
- 1.11. Evaluate improved aids to navigation as a way to enhance channel capacity and efficiency.
- 1.12. Pursue natural resource enhancement and mitigation projects as required to support channel and mooring area projects.

2. Land Use and Industrial Development

A. Strategic Objective – Make the highest and best use of property and facilities owned by the Port Authority and make timely property acquisitions that will help the PCCA continue to achieve its mission in future decades.

Initiatives/Actions:

- 2.1. Enhance the Port Authority's long-term future viability by selective purchases of real estate that can be served by the port's ship channels including properties on the waterfront and at somewhat remote locations including Western Nueces County and San Patricio County.
- 2.2. Evaluate options to repeat in the future the success of the Joe Fulton Corridor by purchase and development of property to expand the reach of the La Quinta Terminal.
- 2.3. Identify and preserve utility corridors that connect remote properties to the ship channel.
- 2.4. Maximize PCCA income from real estate assets while continuing to implement a "highest and best use" land management program.
- 2.5. Evaluate private lease requests in terms of proper asset utilization, minimizing risk and the strength of the potential tenant to be a good partner in accomplishing the Authority's mission.
- 2.6. Avoid sale of PCCA owned property.
- 2.7. Continue development of La Quinta Terminal infrastructure to support current and future tenants to include communications effort to inform potential partners that channel will be at 45 feet.
- 2.8. Initiate Rincon Industrial Park infrastructure improvements including upgrades on Canal B and design work on possible road and rail improvements.
- 2.9. Develop and implement a plan in coordination with the Texas Department of Transportation to widen the Rincon Channel opening in the Nueces Bay Causeway.
- 2.10. Make drainage and driveway access improvements around the Inner Harbor as needed and in coordination with Nueces River Rail Yard and other rail system upgrades.
- 2.11. Update and maintain PCCA Facilities Guide and develop property "highest and best use" guide utilizing site identification and recommendations from this planning process.

B. Strategic Objective – Provide leadership in facilitating the development of regional water supplies, electric power, workforce, highways and rail facilities that will support existing port-related industries and create opportunities for private investments that generate waterborne commerce.

Initiatives/Actions:

- 2.12. Facilitate efforts of a coalition of regional parties to increase water supplies available to industry and communities in the Coastal Bend by developing additional diversified water sources.
- 2.13. Facilitate and support efforts to extend electric power distribution systems needed by industry and to provide additional power generating capacity as it is needed.
- 2.14. Support port stakeholders and community in the success of programs to expand the locally available skilled workforce.
- 2.15. Implement a program to assess the impacts of the Harbor Bridge Replacement on port-related commerce, land use and land access corridors.

- 2.16. Continue support of efforts to expand and fill gaps on the regional highway system supporting freight movements and worker access to port-related jobsites, particularly in eastern San Patricio County.

3. Private Facilities

Strategic Objective – Continue to provide support and the transportation infrastructure needed for the owners of private docks covered by franchise agreements in order to help these customers remain competitive in their industry. Work to help create an environment in which these major employers can grow and make new investments in the community. There are 36 private docks.

Initiatives/Actions:

- 3.1. Protect the existing 45-foot deep channel which includes attention to preserving dredge material placement areas – the single highest priority for private dock operators.
- 3.2. Strive to ensure that this continues to be a competitive location for refining, petrochemical and chemical processors.
- 3.3. Provide professional staff assistance to new industrial customers planning and permitting private dock facilities.
- 3.4. Promote the growth and sustainability of new and existing private dry bulk facilities and fabrication yards.
- 3.5. Consider widening channel Bay Reach to reduce traffic restrictions.
- 3.6. Assure the continuation and incremental growth of port traffic support capabilities including harbor pilots, tug units and adequate power, line handling and spill control.
- 3.7. Continue to provide and enhance Foreign Trade Zone services.

4. Public Oil Docks

Strategic Objective – Provide public oil dock customers with safe, modern facilities of adequate capacity to meet marketplace demand; protect and enhance the transportation efficiencies and competitive position of industrial customers moving cargo across these docks.

Initiatives/Actions:

- 4.1. Develop new deepsea and barge depth public oil docks as needed and with throughput commitments from customers.
- 4.2. Provide a new 45-foot depth public oil dock in the vicinity of Viola Basin.
- 4.3. Select sites, design and permit public oil docks in advance of need in order to be able to respond quickly to possible future market demand.
- 4.4. Identify and preserve PCCA-owned sites for future oil and bulk liquids docks and for pipeline corridors leading to the channel.
- 4.5. Develop additional capacity for barge mooring and fleeting in the Inner Harbor with planning assistance from harbor stakeholders.
- 4.6. Conduct further analysis of the costs and benefits of potential investments in additional ship lay berth capacity.
- 4.7. Continually monitor the development and utilization rates of pipelines leading out of the Eagle Ford Shale and Permian Basin production plays and away from Corpus Christi – facilities that could impact dock demand.

5. Bulk Materials Terminal

Strategic Objective – Provide a public terminal for dry bulk imports and exports that supports local industry and offers capacity for possible new customers; maintain adequate service levels while reducing environmental impacts of operations.

Initiatives/Actions:

- 5.1. Continue adequate maintenance and facility upgrades in order to sustain service levels and provide dependable unloading and loading capabilities to and from ships and barges.
- 5.2. Seek air permits for future Bulk Dock 3 that would reduce development time if it becomes apparent that conditions warrant moving forward.
- 5.3. Develop an engineering analysis of the Bulk Dock 1 Traveling Unloading Tower to determine remaining service life and the cost-benefit of further gantry crane upgrades.
- 5.4. Once permitted, make environmental improvements to reduce fugitive dust including covering all conveyor systems and adding other particulate management systems as necessary.
- 5.5. Consider development of covered storage to reduce air emissions.
- 5.6. Consider issuing a request for proposals (RFP) in 2014 that would lead to a private operator leasing the facility on a long-term basis and making major capital improvements that would result in a substantial increase in waterborne commerce and PCCA revenue. Regularly review export markets to evaluate opportunities.
- 5.7. Preserve property that would allow the future expansion of the rail loop and potential new cargo processing areas including major coal export facilities should such a need develop.

6. Dry Cargo Docks/Break Bulk

Strategic Objective – Provide and maintain docks, transit warehousing and intermodal cargo storage yards to support the movement of break bulk cargo, military deployments and heavy lift projects.

Initiatives/Actions:

- 6.1. Continue active preservation measures on Inner Harbor break bulk handling facilities.
- 6.2. Begin planning for use of 10 acres of property connected to Cargo Dock 9 (Martin property). This property is in the Harbor Bridge Replacement project potential impact zone.
- 6.3. Protect Cargo Docks 8, 14 and 15 and Southside Terminal rail facilities from further encroachment by non-industrial land uses; carefully consider investments in locations that are likely to be converted to non-industrial use once the Harbor Bridge Replacement project and bridge removal project are complete.
- 6.4. Conduct a study of the impact of the Harbor Bridge Replacement on all break bulk cargo handling capabilities.
- 6.5. Work to identify an anchor tenant for multi-purpose container, break bulk and general cargo facilities on waterfront acreage reserved in the PCCA's La Quinta property.
- 6.6. Preserve a block of waterfront property adjacent to the Chemical Turning Basin on the Inner Harbor adequate for a multi-purpose general cargo facility served by all three railroads should future market demand justify such a facility.

7. Grain Elevators and Leased PCCA-Owned Facilities

Strategic Objective – Provide port-owned and privately operated facilities that give South Texas agricultural producers an opportunity to competitively participate in global trade.

Initiatives/Actions:

- 7.1. Promote and participate in providing adequate channels, highways and rail facilities that will enhance the commercial viability of the Corpus Christi Public Elevator, Gulf Compress cotton warehouse and agricultural product bagging facilities (all leased from PCCA by private operators) and privately owned Interstate Grain.
- 7.2. Work with grain elevator operators to ensure they are served by adequate rail capacity going forward.
- 7.3. PCCA's trade development team should support operators of leased PCCA-owned facilities and others in growing waterborne commerce.

8. Rail Infrastructure

Strategic Objective – Work with partners to achieve modern multi-carrier rail service to areas of Nueces County and San Patricio County with potential for generating waterborne commerce and substantial private industrial investment.

Initiatives/Actions:

- 8.1. Continue implementation of PCCA's 2012 Rail Master Plan.
- 8.2. Proceed with construction of Nueces River Rail Yard Phase II to provide additional capacity for unit train movements, car storage and train assembly.
- 8.3. Continue to work with the port area rail system stakeholders to modernize, expand capacity and establish new working relationships.
- 8.4. Investigate the feasibility of providing multi-carrier rail service to PCCA tenants and future customers at the La Quinta Terminal property.
- 8.5. Facilitate the investigation of possible addition of multi-carrier rail service to the Robstown Inland Port property.
- 8.6. Work with TxDOT and the railroads to identify resources for replacing two major bridges and upgrading numerous smaller structures which restrict the dimensional and load capacity for all rail traffic on the Union Pacific line between Houston and Corpus Christi.
- 8.7. Collaborate with other stakeholders to address the delays on the shared Union Pacific mainline track from Bloomington to Corpus Christi and Robstown.
- 8.8. Support Odem, Sinton and San Patricio County in pursuing options to reduce grade crossing delays in those cities.

9. Buildings and Facilities

Strategic Objective – Provide PCCA personnel and operations workplaces that are safe, energy efficient, meet current regulatory standards and provide room and flexibility to accommodate growth and changes in technology while applying “highest and best use” criteria to PCCA-owned properties.

Initiatives/Actions:

- 9.1. Develop a long-term PCCA Facilities Plan including administrative offices, harbormaster operations, conference center, maintenance, Bulk Terminal offices and shops, and the security center.
- 9.2. Apply highest and best use criteria to all facilities and properties not directly involved in maritime operations.
- 9.3. Evaluate consolidation of all PCCA maintenance activities at one location.
- 9.4. Review Bulk Terminal buildings to determine if this property should be converted to leasable acreage.
- 9.5. Evaluate alternative uses for the conference center property including potential consolidation of all administrative, operations and security activities.
- 9.6. Continue to study cruise line service at Corpus Christi while recognizing it would require major infrastructure investments.

10. Environmental Stewardship

Strategic Objective – The Port Authority will diligently uphold a 50-year tradition of being a positive and proactive force in the protection of the region’s marine, water related and air quality resources. PCCA will continue to implement management practices through PCCA’s Environmental Management System that promote regulatory compliance and pollution prevention through a strategy of continual improvement and teamwork.

Initiatives/Actions:

- 10.1. Implement the federally permitted Corpus Christi Channel Improvement Project following the specific steps and beneficial use components which were developed through extensive stakeholder participation and which will result in increased bay habitat productivity and new opportunities for wildlife to prosper.
- 10.2. Continue collaborative environmental preservation, restoration and public education efforts in cooperation with state and federal resource agencies, the Corpus Christi Bays and Estuaries Program, conservation organizations, area university scientists and port-related industries.
- 10.3. Continue providing resources to allow for minimizing environmental impacts of port-related operations and development including audits of customers.
- 10.4. Reduce dust and other air emissions from Port Authority operations through policy changes and use of alternative technologies.
- 10.5. Move forward with conservation programs to reduce water and electric power consumption at PCCA facilities.
- 10.6. Implement plans to convert some sites to low maintenance landscaping.

11. Safety and Security

A. Strategic Objective – Maintain a high level of safety training and awareness in PCCA’s workforce. Ensure that the port district and surrounding areas are properly protected.

Initiatives/Actions:

- 11.1. Provide a safe work environment for all employees.
- 11.2. Provide safety training including specialized training for certain employee categories.
- 11.3. Create a strong safety culture and reduce workplace lost-time injuries to zero.
- 11.4. Evaluate and adjust total security infrastructure, staffing and resource levels to ensure compliance with regulatory requirements and customer needs.
- 11.5. Develop site, design, acquire permits and provide new dock for firefighting barge.
- 11.6. Continue security upgrades at critical locations as required and dependent on security assessment.
- 11.7. Maintain strong collaborative relationships with city, county, state and federal law enforcement and regulatory agencies with resources and jurisdiction in the areas surrounding the ship channels in Nueces and San Patricio counties.
- 11.8. Maintain updated emergency management and hurricane preparation plans.

12. Finance and Administration

Strategic Objective – Maintain Port Authority financial strength, flexibility and management depth in order to implement strategic and policy priorities.

Initiatives/Actions:

- 12.1. Conduct an evaluation of tariffs and lease agreement provisions to determine appropriateness in light of most recent market demand for real estate assets and use of dock capacity, including imposing tariffs on cargo that moves on or off of port properties by pipeline or rail.
- 12.2. Continue to refine and expand utilization of financial return on investment and return on assets models to evaluate PCCA capital project investments and on public-private development partnership agreements.
- 12.3. Pursue outside sources of funding including partnerships and grants for which the PCCA is eligible.
- 12.4. Continue staff development to ensure that leadership and appropriate staff are in place to meet current and future work effort requirements.
- 12.5. Make the Port Authority a great place to work through adequate facilities, empowerment and strong internal communications.
- 12.6. Continue being proactive in legislative and regulatory affairs.
- 12.7. Develop a plan for executive and managerial staff succession recognizing that some present members of the staff will be retiring in the next few years.
- 12.8. Incremental staff additions are needed in 2014 to deal with the workload associated with the changing marketplace, new industrial customers, potential prospects, new initiatives and planning.
- 12.9. Follow a systematic process calendar to annually review results, revise forecasts, update strategic plan actions and develop a capital improvement program and budget for the next year that reflects the revised plan.

7. Implementation by Category

(See Following Table)

Action #	INITIATIVE or ACTION	Begin	Finish	Lead Responsibility	Expected Results/ Consequences
Channels and Basins					
1.1	Coordinate with the Corps of Engineers to consistently maintain 45' channel operating depth	2014	2020	Engineering	Help ensure that port industries have best possible transportation economics
1.2	Utilize the Channel Improvement Project's dredge material management plan	2014	2020	Engineering	Support core PCCA mission
1.3	Continue franchise customer access to DMPAs recognizing COE restrictions	2014	2020	Managing Director, Engineering	Support operations of port users who contribute to PCCA revenues
1.4	Enhancement, protection of DMPAs	2014	2020	Engineering	Being prepared for future public and private dredging projects
1.5	Review channel capacity; review impacts of new docks in Q4-2014	2016	2016	Managing Director, Engineering	Determine if there is a channel capacity restriction that is impacting dock and waterway efficiency
1.6	Move forward on elements of Channel Improvement Project	2014	2020	Commission, Staff	Make decision to take action on widening and deepening reaches of the channel
1.7	Consider third-party modeling of benefits of widening channel Bay Reach	2014	2016	Engineering	Determine if new conditions justify channel widening with local funding
1.8	Complete La Quinta deepening to minus 45' (underway)	2014	2014	Engineering	Create transportation efficiencies for new industrial channel users
1.9	Removal of Tule Lake Life Bridge tower foundations	2014	2016	Engineering	Improve channel efficiency and safety
1.10	Widen Tule Lake Channel; review permit	2016	2017	Engineering	Improve channel efficiency and safety
1.11	Evaluate adequacy of aids to navigation	2015	2016	Director of Operations	Potentially eliminate daylight only restrictions and enhance safety
1.12	Pursue environmental enhancement and mitigation projects as required	2014	2020	Engineering	Support mooring area and other project permitting

Action #	INITIATIVE or ACTION	Begin	Finish	Lead Responsibility	Expected Results/ Consequences
Land Use and Industrial Development					
2.1	Selective real estate purchases	2014	2020	Commission, Executive Director	Provide PCCA managed assets available for development in future years
2.2	Evaluate options for major corridor or development site opportunity	2014	2014	Commission, Staff	Seek opportunity to replicate Fulton Corridor or La Quinta success
2.3	Preserve corridors to remote properties	2014	2020	Commission, Staff	Preserve the viability of non-waterfront or remote sites
2.4	Maximize income from real estate assets	2014	2020	Managing Director	A modified revenue stream adjusted to changing trade patterns
2.5	Set high minimum standards for land lease holders	2014	2020	Managing Director, Real Estate Mgr	Achieve higher asset utilization while lowering risk
2.6	Avoid sale of PCCA owned property	2014	2020	Commission, Staff	Property held for highest use in future
2.7	Develop La Quinta Terminal infrastructure and support elements	2014	2020	Engineering	Enhance value of asset
2.8	Initiate Rincon improvements including rail	2015	2017	Engineering	Maintain viability of asset
2.9	Plan for Rincon Canal bridge widening	2014	2018	Managing Director, Engineering	Improved barge access to PCCA Rincon property
2.10	Various drainage and driveway improvements as needed	2014	2020	Engineering	Provide better property utilization
2.11	Update Facilities Guide and build database from identified potential waterfront sites	2014	2015	Engineering	Provide information tools to guide internal decisions
2.12	Facilitate regional water supply expansion efforts	2014	2020	Commission, Executive Staff	Address core mission of supporting strength of existing port industries
2.13	Facilitate electric power distribution and generation	2014	2020	Commission, Executive Staff	Accomplish objective of supporting port-related industry and trade
2.14	Encourage workforce development	2014	2020	Commission, Staff	Support customers and industrial development efforts
2.15	Assess impacts of Harbor Bridge Replacement	2014	2016	Engineering	Identify options for future action
2.16	Support efforts to expand highway system serving freight movement and access to port industries	2014	2020	Commission, Staff	Help insure that local industry and port terminals have best possible transportation economics
Private Facilities					
3.1	Maintain 45' channel; provide adequate DMPAs	2014	2020	Engineering	Help ensure that local industry has best possible transportation economics
3.2	Help keep port industries competitive	2014	2020	Commission, Staff	Maintain waterborne commerce and PCCA revenue base
3.3	Provide assistance to new industrial customers	2014	2020	Engineering	Increase success in attracting major private investment and added waterborne commerce to port area
3.4	Support growth of private dry bulk and fabrication capabilities	2014	2020	Executive Staff Business Dev.	Increased waterborne commerce, revenue and community employment
3.5	Widen channel Bay Reach	2014	2020	Engineering	End certain vessel traffic restrictions
3.6	Assure adequate harbor activity support services	2014	2020	Executive Staff	Services such as tug power and pilots will be in place when needed to take care of additional freight movements
3.7	Continue full FTZ services	2014	2020	Operations Dir.	Enhanced competitive position for port-related industries and shippers

Action #	INITIATIVE or ACTION	Begin	Finish	Lead Responsibility	Expected Results/ Consequences
Public Oil Docks					
4.1	Develop new oil docks as needed	2014	2020	Engineering	Serve growing petroleum traffic and capture revenue stream
4.2	Build new 45' oil dock at Viola if users make commitments	2014	2020	Engineering	Contingent on user commitments
4.3	Advance permitting for oil docks	2014	2020	Engineering	Permits in hand allow for rapid response to new customers or market changes
4.4	Identify and preserve sites for future docks	2014	2020	Engineering	Avoid actions which will compromise most suitable dock locations
4.5	Develop additional barge mooring capacity in Inner Harbor, assuming permits approved	2014	2015	Engineering	Assist industry and improve dock utilization
4.6	Conduct analysis of additional lay berth capacity	2014	2014	Engineering, Operations	Assist industry and improve dock utilization
4.7	Monitor pipeline activity that could reduce demand for oil dock capacity	2014	2020	Executive Staff, Engineering	Identify threats as early as possible
Bulk Materials Terminal					
5.1	Continue maintenance and upgrades	2014	2020	Engineering Operations	Maintain service levels to meet customer demand
5.2	Seek air permits for BMD 3	2014	2015	Engineering	Will be ready to move forward if conditions warrant
5.3	Develop analysis of Traveling Unloading Tower	2014	2016	Engineering	Estimate remaining service life and cost-benefit of upgrades
5.4	Make dust control improvements; new permit required	2014	2015	Engineering	Maximize particulate management
5.5	Consider adding covered storage	2014	2015	Engineering	Maximize particulate management
5.6	Consider issuing RFP for BMT privatization	2014	2015	Executive Staff	Find an operator willing to make major investments and capable of directing significant cargo through the terminal
5.7	Preserve property for future BMT loop rail and operations expansion	2014	2020	Executive Staff	Keep open the possibility of a major future expansion of the terminal
Dry Cargo Docks/Break Bulk					
6.1	Continue preservation of Inner Harbor general cargo facilities	2014	2020	Engineering, Business Dev.	Maintain readiness for project cargoes suited to facilities
6.2	Planning for use of Martin property; in new bridge impact zone	2014	2017	Engineering	Possible expansion of Northside break bulk capacity
6.3	Protect Southside facilities from encroachment whenever possible	2014	2020	Executive Staff Engineering	Maintain existing cargo handling capabilities.
6.4	Study impact of Harbor Bridge Replacement on general cargo facilities	2015	2016	Engineering, Operations	Identify options for future action
6.5	Seek anchor tenant for La Quinta multi-purpose container facility	2014	2020	Executive Staff Business Dev.	Gain an anchor tenant willing to make major investments and capable of generating cargo through the terminal
6.6	Preserve property at west end of Chemical Basin for future general cargo uses	2014	2020	Executive Staff, Real Estate	Preserves future options for adapting to evolution in land use near bayfront
Grain Elevators and Leased PCCA-Owned Facilities					
7.1	Participate in providing infrastructure that will enhance the commercial success of leased assets	2014	2020	Executive Staff, Business Dev.	Increase waterborne commerce and PCCA revenues
7.2	Ensure adequate rail service for elevators	2014	2020	Executive Staff, Engineering	Improved throughput, cargo volumes and revenues
7.3	Staff support in marketing leased facilities	2014	2020	Executive Staff, Business Dev.	Increase waterborne commerce, revenue and support local economy

Action #	INITIATIVE or ACTION	Begin	Finish	Lead Responsibility	Expected Results/ Consequences
Rail Infrastructure					
8.1	Implementation of 2012 Rail Master Plan	2014	2020	Engineering	Improve Inner Harbor rail connectivity
8.2	Construction of Nueces River Rail Yard Phase II	2014	2017	Engineering	Provides additional capacity and new site for interchange yard
8.3	Work with stakeholders on upgrades	2014	2020	Operations, Engineering	Modernize system and increase efficient use of rail assets
8.4	Investigate multi-carrier rail service for La Quinta Terminal property	2014	2017	Executive Staff	Increased economic viability for shippers from La Quinta site
8.5	Assist investigate possible multi-carrier service to Robstown Inland Port property	2014	2015	Executive Staff	Potential benefit to waterborne commerce from additional industrial activity at Robstown
8.6	Lead effort to get upgrades to UP Angleton Subdivision	2014	2020	Executive Staff	Increased efficiency in moving rail cargoes in and out of South Texas
8.7	Collaborate on reducing delays between Bloomington and Corpus Christi area	2014	2020	Executive Staff	Increased efficiency for Port of Corpus Christi shippers
8.8	Support Odem and Sinton in pursuing reductions in grade crossing delays	2014	2020	Executive Staff	Reduced community impacts from rail traffic
Buildings and Facilities					
9.1	Develop Facilities Plan	2014	2014	Executive Director, All Departments	Provide long-term direction for accommodating workplace needs
9.2	Apply highest and best use to all non-maritime facilities	2014	2020	Executive Staff, All Departments	Create opportunities for higher use and/or revenue potential
9.3	Consider consolidating all maintenance activities	2014	2014	Operations	Improved operational efficiency
9.4	Assess converting BMT buildings to leasable property	2014	2014	Operations	Create more leasable property near docks at BMT
9.5	Evaluate alternative uses for conference center	2014	2015	Executive Staff	Information for sound decision on future use of asset
9.6	Continue to study cruise line service	2014	2020	Executive Staff	Sound decision criteria to apply if a cruise line indicates interest.
Environmental Stewardship					
10.1	Follow habitat creation and beneficial use components in approved Channel Improvement Project permit	2014	2020	Engineering	Produce substantial shallow water habitat and net gains in bay productivity
10.2	Continue collaborative efforts in cooperation with other natural resource stakeholders	2014	2020	Engineering, Executive Staff	Build on established relationships to achieve regional environmental protection, restoration and enhancement goals
10.1	Continue programs that minimize impacts and promote compliance	2014	2020	Engineering	Maintain PCCA's 50-year reputation for strong environmental stewardship
10.2	Reduce dust and air emissions	2014	2020	Engineering	Meet or exceed standards to reduce impacts on surrounding operations and community
10.3	Continue conservation programs	2014	2020	Engineering, Operations	Reduced water and electric power consumption
10.4	Conversion to low maintenance landscaping	2014	2020	Engineering, Operations	Reduce costs and some storm water impacts
10.5	Communicate environmental performance	2014	2020	Environmental, Communications	Greater community awareness of PCCA initiatives

Action #	INITIATIVE or ACTION	Begin	Finish	Lead Responsibility	Expected Results/ Consequences
Safety and Security					
11.1	Provide safe work environment	2014	2020	Operations, Engineering	Reduced injuries and higher morale
11.2	Safety training for personnel	2014	2020	Operations	Improved staff awareness and skills
11.3	Create workplace safety culture	2014	2020	Executive Staff, All Departments	Reduce injuries and accidents
11.4	Evaluate total security infrastructure and staffing (underway)	2013	2014	Executive Staff, Operations	Provide options to ensure compliance
11.5	Provide new dock for firefighting barge; permit needed	2015	2020	Engineering	Barge needs permanent location with suitable infrastructure
11.6	Security upgrades at critical locations as required and dependent on security assessment	2014	2020	Engineering	Provide backup systems
11.7	Maintain relationships with other agencies with jurisdiction	2014	2020	Executive Staff, Operations	Enhanced coordination and reduced duplication of effort in port area
11.8	Maintain emergency plans	2014	2020	Operations, Engineering	Be ready to implement plans for orderly response

Finance and Administration					
12.1	Evaluate tariffs and leases in light of changing market demands and limited available properties and docks	2014	2020	Executive Staff, Operations, Real Estate Management	Identify opportunities to modernize tariffs and leases to get fair value for PCCA assets
12.2	Refine and expand ROI models used on projects and assets	2014	2014	Finance	Provide Executive Staff with enhanced tools for evaluating capital projects, maintenance projects and asset leases
12.3	Pursue outside funding and grants	2014	2020	All Departments	Identify opportunities for federal, state and other funding
12.4	Continue staff development	2014	2020	All Departments	Greater staff skills and capabilities
12.5	Make PCCA a great place to work	2014	2020	All Departments	High personnel motivation and engagement in tasks at hand
12.6	Proactive legislative and regulatory affairs	2014	2020	Executive Staff, Legislative Affairs	Protect PCCA's ability to accomplish Mission
12.7	Staff succession planning	2014	2020	Commission, Executive Staff	Planning for future professional staffing
12.8	Make incremental staff additions in 2014	2014	2014	Executive Staff	Provide adequate management and professional staffing to deal with changing marketplace, new customers, prospects and initiatives
12.9	Annually update Strategic Plan and link with capital improvement program and budget	2014	2020	Managing Director	Make strategic planning part of the continuing business planning process

ENERGY MOVEMENT OUTLOOK
OUTLOOK, STRATEGY AND OPPORTUNITIES
PORT OF CORPUS CHRISTI

November 21, 2013

ENERGY MOVEMENT OUTLOOK

PORT OF CORPUS CHRISTI: ENERGY MOVEMENT OUTLOOK

INBOUND AND OUTBOUND: ENERGY/PETROLEUM COMMODITIES

- **Overall Approach:** EAI, Inc. developed outlooks for crude oil, condensate and refined product movements through the Port of Corpus Christi based on an integrated analysis of resource production, refining and flows within the Corpus Christi - Southwest Texas area as well as the interaction with other U.S. and global supply and market hubs for the same commodities. In this process, EAI, Inc. develops and forecasts the outlook for components of the commodity network balances.

EAI, Inc. also addressed, at a lesser level of detail, trends in natural gas and natural gas liquids (NGL) production and the potential for increasing movements of both commodities through the Port of Corpus Christi. This latter area of focus also included a look at LNG projects and the potential for these to occur in Corpus Christi versus other Gulf Coast markets. An itemized summary of EAI, Inc.'s assessment of each commodity group and the potential business to be realized by the Port of Corpus Christi is provided below:

- **Inbound Crude Movements:** EAI, Inc. profiled the refineries operating in the Corpus Christi through Three Rivers area to assess refining capability and crude slate trends including existing facilities and planned projects that might shift a particular refiner's crude slate. Most of the inbound crude traffic is dependent on continued use and imports of heavy and medium sour crude by some of the refiners that are designed to run these crude grades. Almost all of the light crude grades imported into Corpus Christi have been displaced by local Eagle Ford crude streams.
- **Outbound Crude Movements:** U.S. law does not allow, with some exceptions Canada, export of crude oil or condensate to another country. Refined products like gasoline, diesel fuel, and naphtha can all be exported legally. In this report, when crude or condensate is said to be exported, it means that these commodities are moving outbound from one U.S. region (Eagle Ford, Corpus Christi) to another region in the U.S. (Houston, Eastern Seaboard). Outbound crude movements through the Port of Corpus Christi were tracked and forecast on the basis of EAI, Inc.'s latest Eagle Ford crude and condensate production forecast, an assessment of future local crude runs on the part of the Corpus Christi-Three Rivers refiners and the net crude and condensate available for export to other U.S. refining markets. The net crude available for export includes three primary disposition paths including:
 - 1) Movement east on the Enterprise or Kinder Morgan Pipelines that transport both crude and condensate to the Houston-Pasadena and Sweeny refinery markets. In the Houston-Pasadena area, crude can be moved on other pipelines to other refinery centers or on outbound via marine facilities through the Houston Ship Channel.
 - 2) Movement through the Port of Corpus Christi including both crude and condensate. Pipeline capacity existing and planned from the Eagle Ford to Corpus Christi exceeds the capacity to go east to Houston and Sweeny. There is also capacity to move crude into Victoria via truck or rail and expanding barge capability to move Eagle Ford crude to Gulf Coast refinery markets. This volume would debit the total net (net of refinery runs locally and east bound pipeline movements) volume that is available to move through the Port of Corpus Christi.
 - 3) There is potential that some of the condensate that is produced in the Eagle Ford will be processed through splitter units. The output from these splitter units consists

ENERGY MOVEMENT OUTLOOK

generally of NGL's, light and heavy naphtha streams, distillate and gas oils. These can be exported to foreign markets. Some of the output from the splitters could also be run by local refineries. This is the case for Flint Hills and Valero that are installing additional capacity to run more Eagle Ford crude and condensate.

- **Refined Product Exports:** Drawing on its Regional Downstream Business Analysis and Outlook studies and modeling capabilities around refinery centers, terminal centers and logistical routes connecting these production and market centers, EAI, Inc. examined the outlook for the overall Corpus Christi-San Antonio-Austin-Waco-Dallas-Ft. Worth (CC-SAA-DFW Corridor) Corridor to determine future light product balance outlooks. This analysis addresses total gasoline, ethanol blended into gasoline, distillate and jet fuel. EAI, Inc. provided an outlook for light product demand for the corridor along with likely supply sources including the Corpus Christi – Three Rivers refineries and supply sourced from refinery hubs located outside this corridor. An assessment of likely future ethanol penetration of the gasoline market was also conducted for the CC-SAA-DFW market corridor. Total light product supply for the corridor less local refining output and anticipated future supply from outside the CC-SAA-DFW corridor was computed for each forecast year to determine the net available product for export. The local Corpus Christi refinery run levels were increased to reflect some expansion and assumed that these plants would continue to increase their exports to foreign markets.
- **Other Commodities and Facilities:** EAI, Inc. also developed an assessment of the natural gas, NGL plant, LNG project and splitter project activity that could influence port traffic. This included an assessment of likely natural gas and liquid natural gas (LNG) production in the Eagle Ford and the likelihood these products would be transported through the Port of Corpus Christi. Condensate splitter projects were also researched by the EAI, Inc. study team to determine likely project activity in the vicinity of the Port and how this would impact condensate supply and the disposition of splitter output.
- **EAI, Inc. Study Products and Resource Support:** This work draws on EAI, Inc.'s latest North American Crude Study, Gulf Coast Deep Dive Crude Study and integration with EAI, Inc.'s assessment of crude supply, logistics and refining in the Eagle Ford production area. The interactions between these areas currently and over the defined forecast period were developed with focus on key drivers for movements of energy commodities through the Port of Corpus Christi. EAI, Inc. employs its proprietary Supply, Transportation and Refining System (STARS) model integrating resources, markets and economic drivers to assess likely logistical patterns. EAI, Inc. supports the model process with its Energy Information Base covering physical assets, resources, pricing, and market data and how the business components are integrated. EAI, Inc.'s Energy Information Base draws on federal data, state and local information resources, purchased vendor data as well as proprietary EAI, Inc. data bases developed and maintained internally.

INBOUND AND OUTBOUND: CRUDE OIL AND CONDENSATE

- ❑ **PCCA Movement Trends:** Inbound crude movements have declined from 480,000 b/d in 2010 to 268,000 b/d in July of 2013. Almost all light sweet, light sour and lighter medium sour crudes have been backed out of the Corpus Christi-Three Rivers refinery market. Over this same timeframe, outbound movements of crude and condensate have increased from negligible levels prior to 2012 to over 385,000 b/d in July of 2013. Most of these outbound movements have been to short haul markets in the Eastern and Western Gulf Coast refining centers.

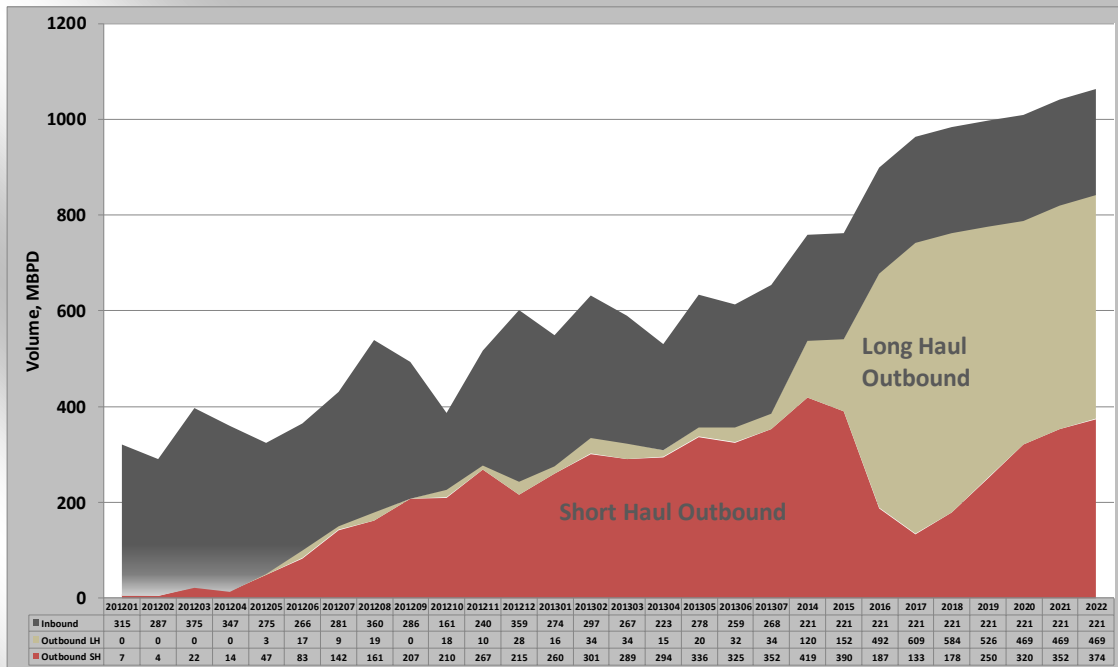
ENERGY MOVEMENT OUTLOOK

- ❑ **Key PCCA Business Drivers and Outlooks:** There are a number of key drivers and dynamics impacting the Port of Corpus Christi and the movement of crude and condensate including the following must influential factors:
 - **Rapid Production Growth:** Eagle Ford crude and condensate production has been and is forecast to undergo rapid growth averaging approximately 40,000 b/d per month over the January through July period in 2013. Eagle Ford production is now over 1,000,000 b/d (including crude and condensate).
 - **Local Refinery Saturation:** Refineries operating in the Corpus Christi and Three Rivers areas are nearing saturation regarding their ability to absorb increasing volumes of Eagle Ford crude and condensate without significant refinery modifications. Both Valero and Flint Hills have projects underway to increase their ability to run Eagle Ford crude with on-stream times estimated to occur in early 2015. The modifications will result in both increasing EF crude runs but also some displacement of intermediate feedstocks with light Eagle Ford crude.
 - **Gulf Coast Refinery Market:** With the local refining market nearly saturated with Eagle Ford light crude, most of the incremental production has been moving to the Gulf Coast refining market including Texas and Louisiana at 169,000 and 182,000 b/d respectively in July 2013. The Eastern Gulf Coast refinery market is a major market outlet for Light Louisiana Sweet, LLS, like crudes (light = low viscosity, sweet = low sulfur content) as well as for light streams to blend with offshore medium sour and other heavier crudes. With the Texas to Louisiana pipeline conductivity and capacity limited, Eagle Ford crude movements on pipeline tend to “dead-end” in the Houston-Pasadena area and Corpus Christi marine movements fill-in the Louisiana refinery market gap.
- ❑ **Pipeline Capabilities:** Total transportation capacity in operation for moving Eagle Ford crude/condensate to /through Corpus Christi and Houston is 1,890,000 b/d. This capacity includes 650,000 b/d east to Houston-Pasadena and 1,240,000 b/d to/through Corpus Christi. The Enterprise-Plains and Magellan projects recently added 450,000 b/d (first half of this year, 2013) of capacity to Corpus Christi.
- ❑ **Take-Away Capacity and Logistics:** Total crude take-away capacity is likely to reach between 2,200,000 and 2,400,000 b/d by 2014. This includes pipeline capacity and Valero Three Rivers’ refinery take of Eagle Ford crude. The Corpus Christi plants are likely to use approximately 300,000 to 400,000 b/d of this overall pipeline capacity to service their own crude needs by 2015. Outbound crude – condensate shipments to Gulf Coast destinations through Corpus Christi have grown to over 380,000 b/d by mid-2013. This is likely to subside as the Gulf Coast gets more saturated with light crude in 2014/2015 with marine exports to the Eastern Seaboard projected to increase to over 400,000 b/d by 2016. This assumes that Jones Act Tankers are available for transport duty. The shift from shorter haul Gulf Coast markets to longer haul eastern seaboard markets will have a dramatic impact on ship requirement out of Corpus Christi.
- ❑ **PCCA Petroleum Throughput:** Total petroleum movements (crude, condensate and finished refined products) through the Port of Corpus Christi are forecast to increase from 1,504,000 b/d in July of 2013 to 2,250,000 b/d by 2020 representing a 6.4 CAGR (compound average annual growth rate). This represents both inbound and outbound movements with the inbound consisting of primarily heavy and medium sour crude oil for local area refineries.

ENERGY MOVEMENT OUTLOOK

Port of Corpus Christi: Energy Movement Outlook Inbound and Outbound: Crude Oil and Condensate

Assessment of crude and condensate volume movements through the Port of Corpus Christi indicate an increase of total movements from 620,000 b/d in July of 2013 to 975,000 b/d by the end of the forecast period. The outbound long haul movements consist primarily of crude movements to Eastern Seaboard refineries in the U.S. and Canada. The outbound short haul movements consist primarily of crude movements to Gulf Coast markets. Short haul movement of crude shifts to long haul as Gulf Coast becomes saturated after 2016.



□ Downstream Market Considerations:

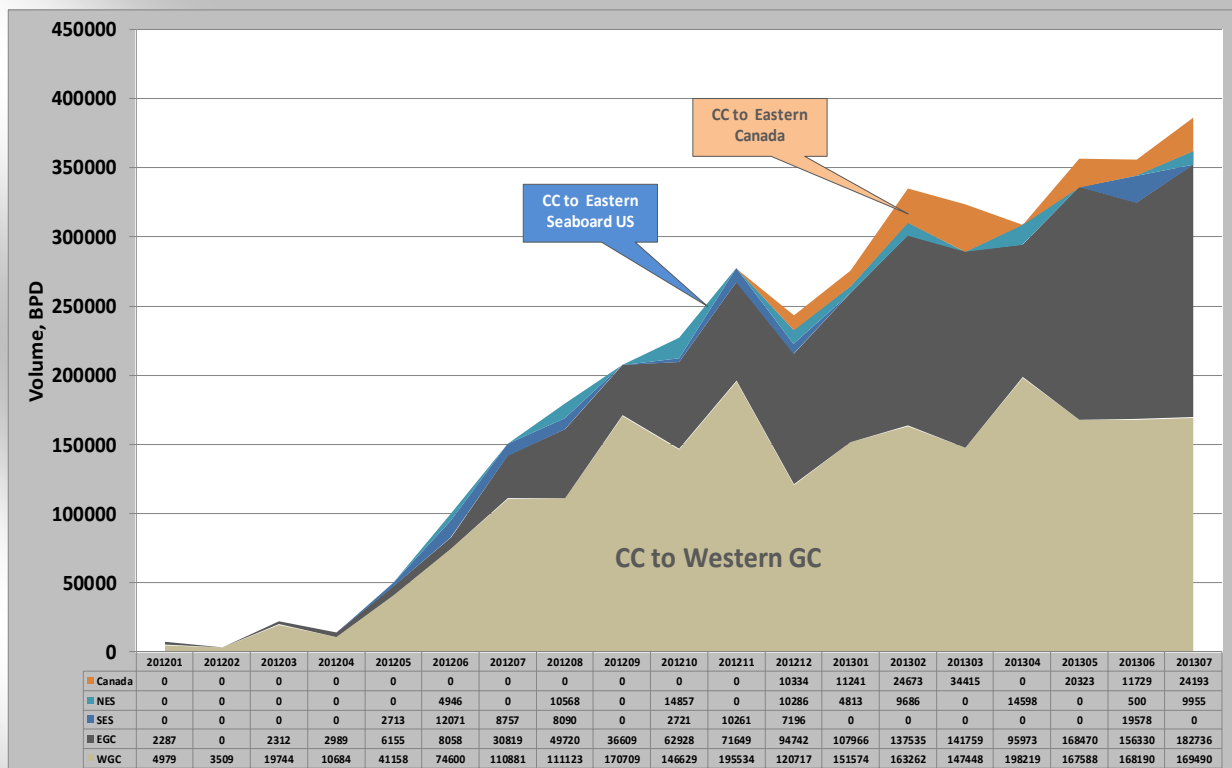
- **Eagle Ford Crude Logistics:** Overall, pipeline and refinery capacity have been outpacing production in the Eagle Ford. East bound crude movements out of the Eagle Ford to the Houston-Pasadena refinery market have likely been limited by crude distribution hub and refinery access including local distribution and longer haul distribution from the Houston area to the Louisiana market. The Ho-Ho Pipeline project, which currently provides eastbound crude service from Houston to the Nederland area, will provide crude service from Nederland to the Houma, Louisiana market in 2014. These logistical limitations and Gulf Coast refinery access to good marine receipt facilities have tended to favor the Corpus Christi corridor for crude movements to the Gulf Coast markets to the east.
- **East Coast Refinery Market:** The East Coast refinery market represents a very significant market outlet for inland tight oil production including the Eagle Ford. This includes Eastern Canada and the Northeast U.S. with a sizeable light crude displacement market. The East Coast refineries tend to run light crudes and some condensate streams which make them a good fit for Eagle Ford crude/condensate. There are a couple of barriers to this market as well:

ENERGY MOVEMENT OUTLOOK

- ✓ The limited availability of Jones Act Tankers resulted in relative high shipping costs with Gulf Coast to Northeast costs on the order of 5 to 6 dollars per barrel. Costs to move Eagle Ford to the Eastern Canadian market such as Valero's Ultramar refinery are on the order of 2 to 3 dollars per barrel. Recent movements out of Corpus Christi to the East Coast have been to the Canadian market.
- ✓ Bakken crude is also competing for the Eastern Seaboard market with over 250,000 b/d inland/predominately Bakken crude currently moving to this market via rail. The rail costs are much approximately 2.5 times higher than Eagle Ford marine costs to access this market but the ability to displace foreign like grade crudes and pipeline limitations going south have made this sourcing and route a major outlet for Bakken crude. This will continue to be a major source of competition for Eagle Ford crude moving through Corpus Christi to Eastern Seaboard markets.

Port of Corpus Christi: Energy Movement Trends Outbound: Crude Oil and Condensate

The outbound long haul movements consist primarily of crude movements to Eastern Seaboard refineries in the U.S. and Canada. The outbound short haul movements consist primarily of crude movements to Gulf Coast markets with the Eastern Gulf Coast being the most rapidly growing of late

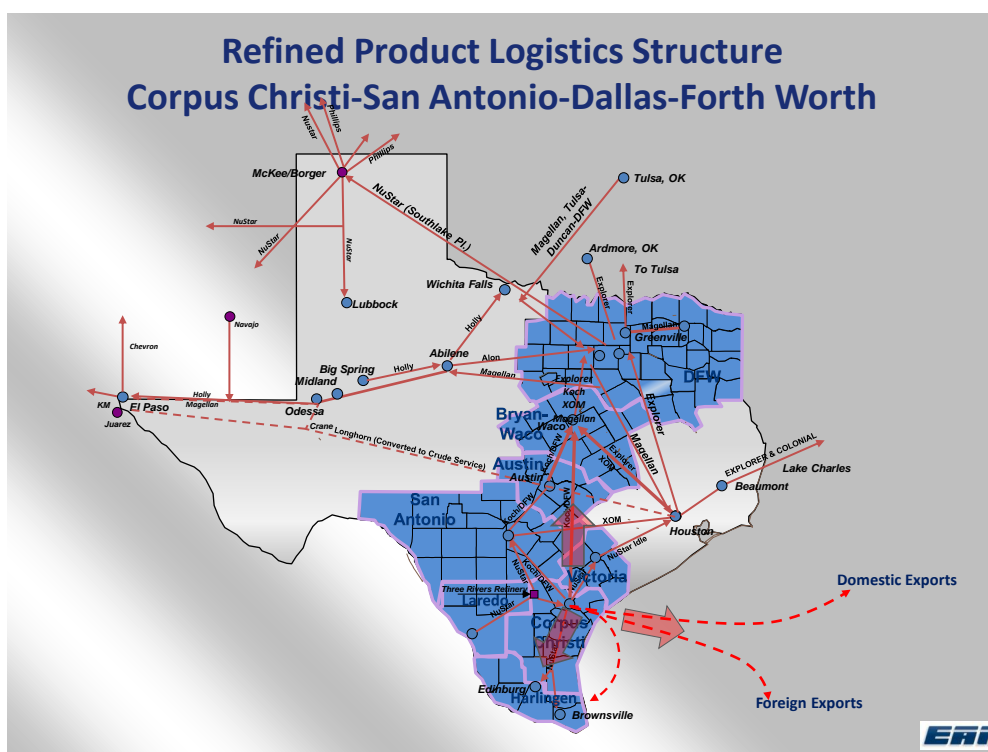


ENERGY MOVEMENT OUTLOOK

INBOUND AND OUTBOUND: REFINED PRODUCTS

- ❑ **Supply-Demand Outlook:** EAI, Inc. is projecting a recovery of light product exports through the port in 2014 with refineries operating at normal capacity levels from 167,000 b/d in 2012 to 196,000 b/d in 2014. Post 2014, EAI, Inc. is forecasting moderately declining exports from 196,000 b/d in 2012 to 174,000 b/d by 2018 and then some recovery post 2018. This outlook is driven by increasing gasoline surplus in the Corpus Christi-Three Rivers area but offset by growing distillate demand and declining surplus for export. Export volumes via marine transport to foreign markets are expected to outpace marine movements to domestic markets.
- ❑ **Key Logistics and Port Business Drivers:** The outlook for light product movements through the port is driven by a number of key dynamics and fundamental shifts that are underway including the following:
 - Refineries in the Corpus Christi area are incentivized to maintain or increase crude runs with advantageous crude supply and pricing sourced in the Eagle Ford. Valero and Flint Hills are investing in their plants to run more light crude from the Eagle Ford by 2015. Flint Hills is expanding their crude run level by over 30,000 b/d (this is not included in EAI, Inc.'s refined product export volume).
 - Gasoline demand for refineries operating in the U.S. in general and in the CC-SAA-DFW corridor is in decline with consumption declining and, longer term, increasing penetration of the gasoline pool with ethanol. Refiners in the Corpus Christi area and other locations with port access are maintaining or growing their refinery output by moving more gasoline and distillate products to foreign markets.
 - The CC-SAA-DFW market corridor is supplied by a number of other refinery sources that compete with the Corpus Christi area refiners. These sources are expected to continue to push both diesel and gasoline output into this market corridor as they face deterioration of gasoline demand in other markets. The Magellan Pipeline between Oklahoma and DFW was recently reversed to move diesel south from southern Oklahoma to the DFW market with plans to move gasoline in the future.
 - The Corpus Christi refiners have been backed out of U.S. Gulf Coast and Eastern Seaboard product markets with similar patterns of demand declines and increasing competition from Gulf Coast refiners for their local and Eastern Seaboard markets. The availability and cost of Jones Act Tankers to move refined products has become very unfavorable thus accelerating the shift from domestic marine to foreign marine movements. This is expected to continue in the foreseeable future.

ENERGY MOVEMENT OUTLOOK



- ❑ **Corpus Christi Supply and Distribution Structure:** Refinery output of primary light products (gasoline, distillate and jet fuel) in Corpus Christi and Three Rivers is approximately 705,000 b/d with 630,000 b/d in Corpus Christi and the balance (75,000 b/d) out of the Valero Three Rivers plant. The total demand for light product in the Corpus Christi EAI, Inc. micro-market is approximately 32,000 b/d with 673,000 b/d distributed to other markets including:
 - Pipeline movements north to the San Antonio, Austin, Waco and Dallas-Ft. Worth Corridor markets
 - Pipeline and truck movements to Rio Grande Valley and Northern Mexico
 - Marine movements to domestic markets including the Gulf Coast, Eastern Seaboard and local Brownsville markets (Brownsville included in the CC-SAA-DFW corridor balance outlook).
 - Marine exports to foreign destinations

Koch owns and operates the northbound pipeline system to the Austin, Waco and DFW market areas. The CC-SAA-DFW market corridor is also supplied by WTX-NM refiners via the Alon Pipeline, Gulf Coast refiners via several pipeline systems (XOM, Explorer, Magellan and Sunoco) and the southern Oklahoma supply via the Magellan system.

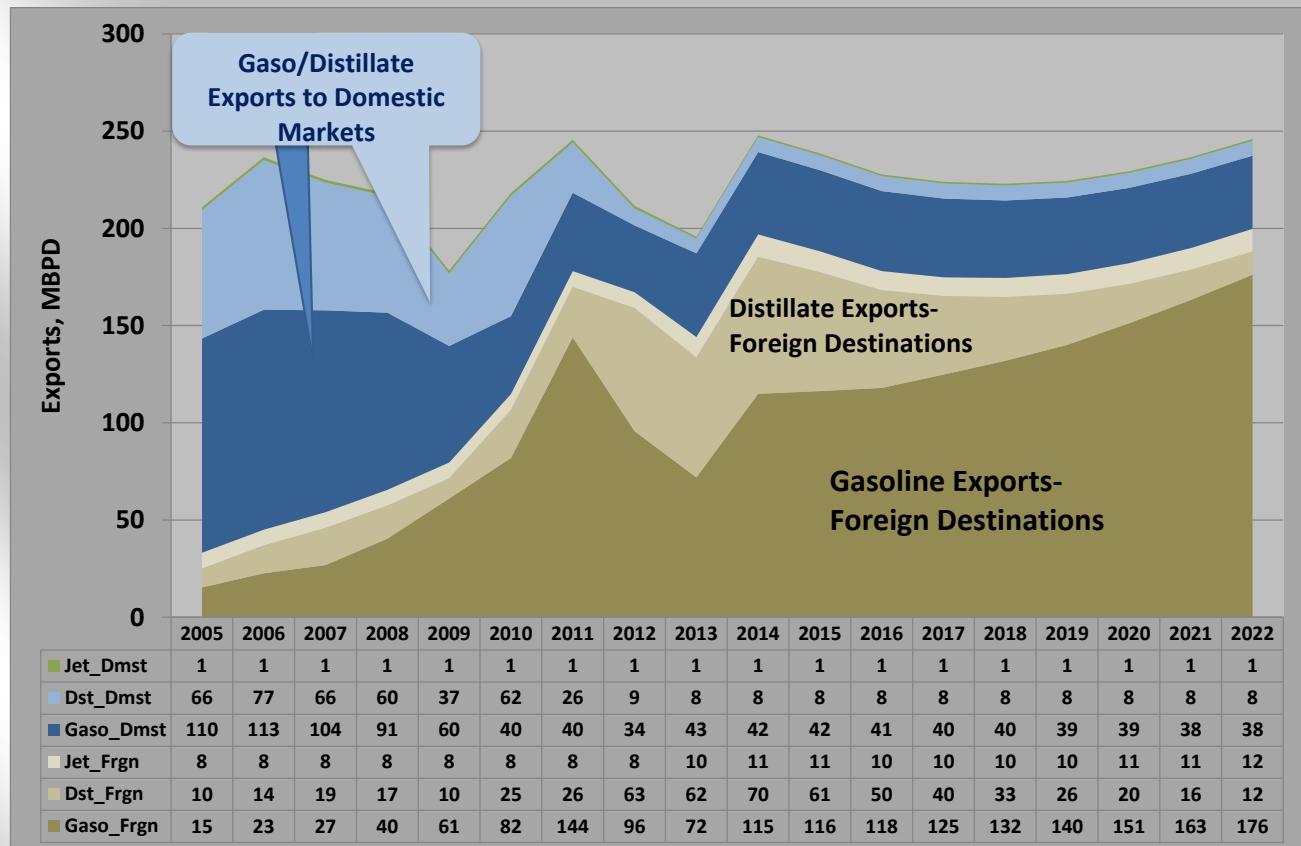
- ❑ **Port of Corpus Christi Movements:** Inbound light product movements through the Port of Corpus Christi have declined to approximately 9,600 b/d from levels approaching 60,000 b/d in 2007 before the peak of light product consumption and the CC-SAA-DFW corridor growing long in light product supply particularly gasoline. Total foreign exports (through the Port of Corpus Christi) of light product have increased with this increasing supply length from 54,000 b/d in 2007 to 167,000 b/d in 2012 and 144,000 b/d for the first half of 2013. Exports were down in 2013 due to refinery facilities operating below normal levels due to maintenance or unscheduled disruptions.

ENERGY MOVEMENT OUTLOOK

- ❑ **Export Outlook:** EAI, Inc. projecting recovery and growth in 2014 and then moderate decline through 2017 in response to some demand recovery and strong growth for distillate. Post-2017, EAI, Inc. is projecting significant foreign export growth with accelerated demand declines and continued supply pressure on the Corpus Christi-San Antonio/Austin-Dallas/Ft. Worth market corridor

Port of Corpus Christi: Energy Movement Outlook Inbound and Outbound: Petroleum Products

Refined product exports increased through 2011 and have declined in 2012 and into mid-2013.



ENERGY MOVEMENT OUTLOOK

CONDENSATE SPLITTER PROJECTS

FACILITIES USED TO CONVERT CONDENSATE INTO NAPHTHA FOR EXPORT

- ❑ **Eagle Ford Condensate Production Growth Potentially Saturates Light End-Naphtha Market:** As Eagle Ford condensate production increases along with other North American condensate streams, there is likely to be more difficulty absorbing these streams in the North American crude market. Condensate makes up about 35-45% of all liquids produced in the Eagle Ford. Most refiners are limited in the amount of light crude they can run (especially condensate grades) without plant investment and also are limited due to the declining North American gasoline market. A number of refiners have or are pursuing modifications to process additional light crude especially at Three Rivers, Corpus Christi, Sweeney, and Houston areas. Over the next couple of years, even with these investments, it is likely that the refiners will reach their saturation point to absorb very light/condensate type streams.
- ❑ **Potential Need for Splitters:** There have been a growing number of announcements by companies pursuing splitter projects with most of these projects in the U.S. Gulf Coast. These splitter projects are focused on fractionating condensate feed into light intermediates (primarily light and heavy naphtha with some distillate and gas oil) that can be used by local refineries or exported to foreign markets into the chemical feedstock market. The refinery light crude/condensate projects are really an integrated form of a stand-alone splitter. The primary driver potentially supporting these splitter projects is an excess of light crude and condensate in North America and the need to convert these materials into streams that can be exported and have values that support feedstock and splitter plant economics.
- ❑ **Condensate Market Options:** Once backed out of refineries due to oversupply, condensate (and/or condensate derivatives) can be shipped to Canada to be used as a diluent material for Alberta heavy crude/bitumen, or can be run through a splitter to produce naphtha intermediates. Condensate is a natural resource and cannot be exported, but naphtha is technically a refined product and can be exported. Naphtha is a chemical precursor which can be blended into gasoline or used as feedstock for ethylene and olefins plants. With growing length in North America and potentially high demand in Asia there appears to be support for condensate splitters located at port cities and having access to condensate supply.

FACILITIES LOCATED IN CORPUS CHRISTI

- ❑ **Most Condensate Splitters Planned In The Gulf Coast:** Almost all are found on coastal industrial centers with export capability. The condensate rich Eagle Ford formation represents most of the Gulf Coast splitter project viability. Eagle Ford condensate can move on pipe to Houston (650,000 b/d capacity) or to Corpus Christi (1,160,000-1,260,000 b/d capacity). Condensate in Houston can also be shipped on pipeline to Canada for the bitumen diluent market.
- ❑ **Corpus Christi Splitters:** Condensate splitters at Corpus Christi are very practical due to the proximity of the port to the Eagle Ford formation. It costs under \$2 per barrel to transport

ENERGY MOVEMENT OUTLOOK

liquids by pipeline from the Eagle Ford to Corpus Christi. The Port of Corpus Christi outbound capability allows midstream and trading companies to consider processing condensate into exportable naphtha. East bound movements to the Houston-Pasadena area represent another option for growing condensate supply with company's also considering or pursuing splitter projects.

- **Magellan:** With port-side storage, marine loading and a pipeline carrying condensate from Eagle Ford already in place, this port terminal is perfect for converting non-exportable condensate into naphtha. No timetable for construction or start up available yet.
- **Martin/Alinda:** Martin Midstream is now teamed with Alinda Capital. A land dispute at Harbor Island might have put this project on the shelf. The group announced they will build a splitter ready in 2016, will handle between 50,000-100,000 b/d of condensate. Project to cost between \$200-300 million.
- **Castleton Commodities International, LLC (CCI):** Expects a 50,000 b/d condensate splitter to be online in mid-2015, expandable if demand is in place.
- **Trafigura:** Because no news about a splitter has been released publicly, this splitter project is considered speculative. Trafigura has port-side storage and marine loading, and in November 2013 they entered into a JV pipeline to bring Eagle Ford crude/condensate to their facility.

Condensate Splitter Projects All U.S. Regions: Existing, Proposed, and Speculative

COMPANY	PROJECT	CITY	PROJECT SIZE (MBPD)	PLANT COST (MMD)	PLANNED STARTUP DATE	STATUS	COMMENT
Kinder Morgan	Galena Park Condensate Processing Facility	Galena Park	50	200	6/1/2014	Construction	50 MBPD expandable to 140. BP leased 750 MBbl product storage, commits to 40 MBPD condensate. KM announced Jan 2013 to construct new ship dock and storage vessel, 1.2 MMBbls. KM plans to send 95 MBPD condensate to Alberta.
BASF FINA Petrochemicals	Port Arthur Ethylene Cracker Feeder - Condensate Splitter	Port Arthur	75	N/A	1/10/2001	Operating (restarted in 2009)	Used at Port Arthur ethylene cracker facility, processes Eagle Ford condensate. Been used in naphtha cracker (to produce ethane) since 2001
Magellan	Corpus Christi Splitter	Corpus Christi	N/A	N/A	N/A	Planning	Magellan already has 3 MMBbl storage at Corpus Christi, plus a new addition of 500 MBbl for crude/condensate storage. Double Eagle pipeline (Kinder Morgan JV) runs from Dimmit, LaSalle, and Karnes counties to Corpus Christi, 100 MBPD
Martin Midstream	Harbor Island	Harbor Island	50-100	200-300	5/1/2016	Unknown	Martin Midstream is under litigation over a canceled land sale at Harbor Island where the splitter was planned. The future of this project remains unclear. Martin recently partnered with Alinda Capital for future project investments. The Double Eagle pipeline delivers condensate from Eagle Ford directly to the Martin terminal at Corpus Christi.
CrossTex Energy	ORV Condensate Splitter	Marcellus / Utica Proximity	N/A	N/A	N/A	Speculative	Talked about condensate splitting in financial earning calls. Expect Ohio Valley (Utica/Marcellus) to increase condensate production 200-300% by mid 2014
Castleton Commodities International	Corpus Christi Condensate Splitter	Corpus Christi	50	223	1/7/2015	Planning	Castleton Commodities International LLC has filed permits for a 50,000 b/d splitter project on acreage leased from PCCA. A second phase is possible.
Oiltanking Partners	Beaumont Condensate Splitter	Beaumont	N/A	N/A	N/A	Speculative	Growing Eagle Ford condensate production will provide a cheap feedstock and a splitter can yield valuable products which can be exported. Looking for partner for JV splitter project. OTP Beaumont has 5.6 MMBbl storage, looking to expand.
Hydrex	Hydrex Terminal Fractionation Plant	Long Mott (Near Victoria, TX)	20	400	1/9/2016	Planning	Hydrex Inland Marine Enterprises announced they would open the Hydrex Terminal, in the Victoria Barge Canal. The terminal will have a condensate splitter and desulphurization unit to make a variety of products. Will export to refineries in Texas and Louisiana, and
VEOPS	VEOPS Refinery	Oakdale	40	100	1/12/2014	Construction	VEOPS said they would build a refinery that consisted of just a crude topping unit, but don't specifically say they will process condensate material. VEOPS is Virtual Engineering Operations.



ENERGY MOVEMENT OUTLOOK

NATURAL GAS AND NGL OUTLOOK

- ❑ **Overall Trends:** Natural gas and associated NGL production has increased rapidly over the past three years as development expanded in the liquids rich West Texas and Eagle Ford trends. Early production was routed into Corpus Christi with much of the longer term incremental production destined for Mont Belvieu as indicated by pipeline and gas processing plans. Under the existing price conditions, oil and NGL development will govern natural gas production while local dry gas development will remain on the back burner until regional gas prices connect with global demand.
- ❑ **Eagle Ford Natural Gas Production Outlook:** EAI, Inc.'s Base Case scenario has Eagle Ford gas increasing from 3.3 billion cubic feet per day (BCFD) in 2013 to 6.0 BCFD by 2020. The Base Case natural gas outlook is shown as bars with casinghead gas in blue and gas wells as red bars. The Ultimate Potential case is represented by the shaded areas to show the impact of shifting the rig fleet over to gas condensate development in 2014 with an increase in overall rig count to 300 active horizontal rigs by 2015. The High Potential gas case increases to 9.0 BCFD over the same timeframe with the model showing continued growth if unconstrained by demand or infrastructure.
- ❑ **Natural Gas Liquids Production Outlook:** The high gas oil ratio of the new shale plays has caused a near doubling of area NGL output. The Eagle Ford leads this trend. However, each of the Wolfcamp, Bone Spring, Avalon, Granite Wash 'liquid' plays play a role in ramp-up of NGL stocks. The rich gas plays being pursued in the Barnett, Cotton Valley and other lean gas regions will add to the overhang but not nearly to the extent anticipated for West Texas and the Permian. Current NGL production in the Eagle Ford is in the range of 400 to 500 thousand barrels per day with both natural gas and NGL production expected to double by 2018.
- ❑ **Overall Gulf Coast Fractionation Facilities:** Gulf Coast fractionation capacity is projected to expand by over 1,000,000 b/d from 2012 levels based on current project plans; or from 2,453,000 b/d capacity in 2012, to 2,960,000 b/d during 2013 to 3,570,000 b/d by 2015. Area midstream operators are: DCP (Duke Energy-Spectra-Phillips 66), EPPL (Enterprise Product Partners, LP), Energy Transfer Partners (includes Sunoco Logistics and Regency), Kinder Morgan, Lone Star, Magellan, Williams, Markwest, and Targa.
- ❑ **Eagle Ford Gas Processing:** New plants have been built throughout the Eagle Ford trend with much of the new capacity located east of Corpus Christi in Lavaca, Jackson and Colorado counties. NGL from these plants is to be delivered by pipeline to fractionation facilities at Port Lavaca, Mont Belvieu, and connected facilities in coastal Louisiana. The latter two fractionation regions are connected to NGL systems that extend from the Permian Basin, Rocky Mountain, Midcontinent and soon to be connected Appalachian NGL supply.
- ❑ **NGL Logistics:** Based on EAI, Inc.'s assessment, most Eagle Ford liquids are being transported on NGL pipelines to the Houston/Pasadena area for further processing and distribution.
 - Mont Belvieu has a very established distribution network for both inbound NGL, wet gas,

ENERGY MOVEMENT OUTLOOK

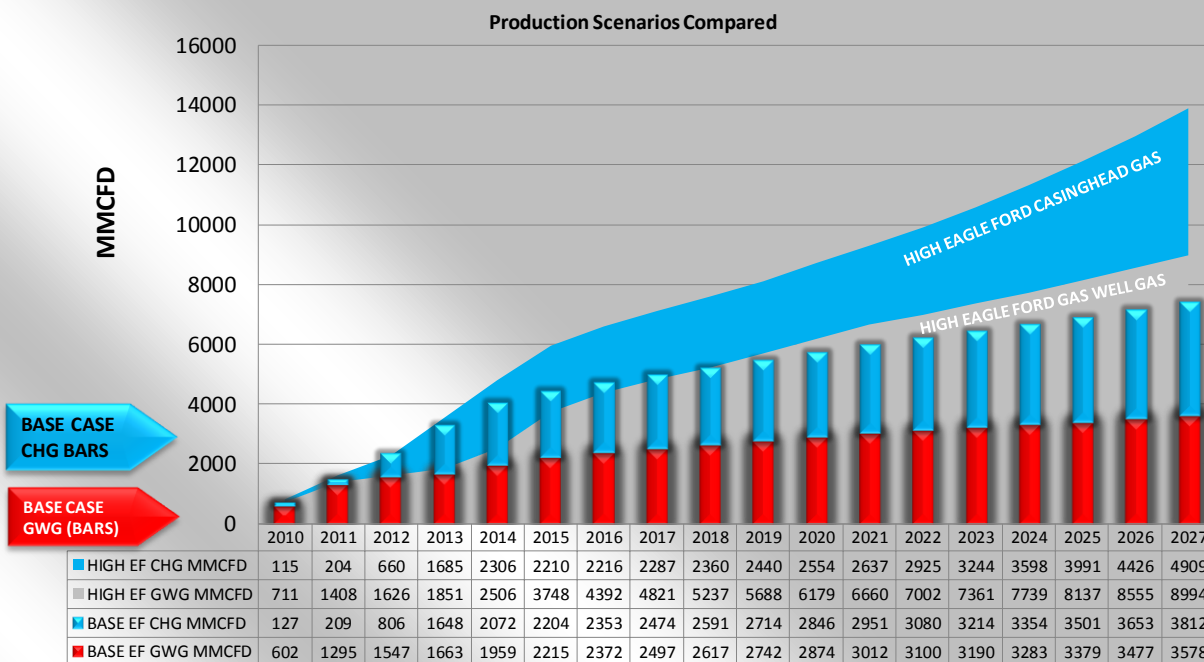
and products output including petrochemical feedstocks, and have recently added capacity to allow for increased marine export of NGL derived products.

- Corpus Christi NGL supply is transported by a complex network of existing pipelines, including connections from the Mont Belvieu area, the EPPL wet gas pipeline to their Shoup fractionator, Seadrift, Dean South and other lines.

- ❑ **NGL Export Growth:** The growing availability of LNG and NGL liquids (most notably propane) is expected to continue to impact the Gulf Coast distribution network, at least into 2017, and export facilities are viewed as one essential component for relieving local natural gas surfeit. This is a stark change of perspective from 2008 when LNG imports were expected to offset declining domestic production.

Eagle Ford – Natural Gas Production Scenarios High Resource Potential – versus – Base Case

The Base Case outlook is shown as bars with casing head gas in blue and gas wells as red bars. The Potential case represented by the shaded areas was designed to show the impact of shifting the rig fleet over to gas condensate development in 2014 with an increase in overall rig count to 300 active horizontal rigs by 2015. The base case scenario has Eagle Ford gas increasing from 3.3 BCFD in 2013 to 6.0 BCFD by 2020. The high Potential gas case increases to 9.0 BCFD over the same timeframe with the model showing continued growth if unconstrained by demand or infrastructure.



CHG = casinghead gas
MMCFD = million cubic feet per day

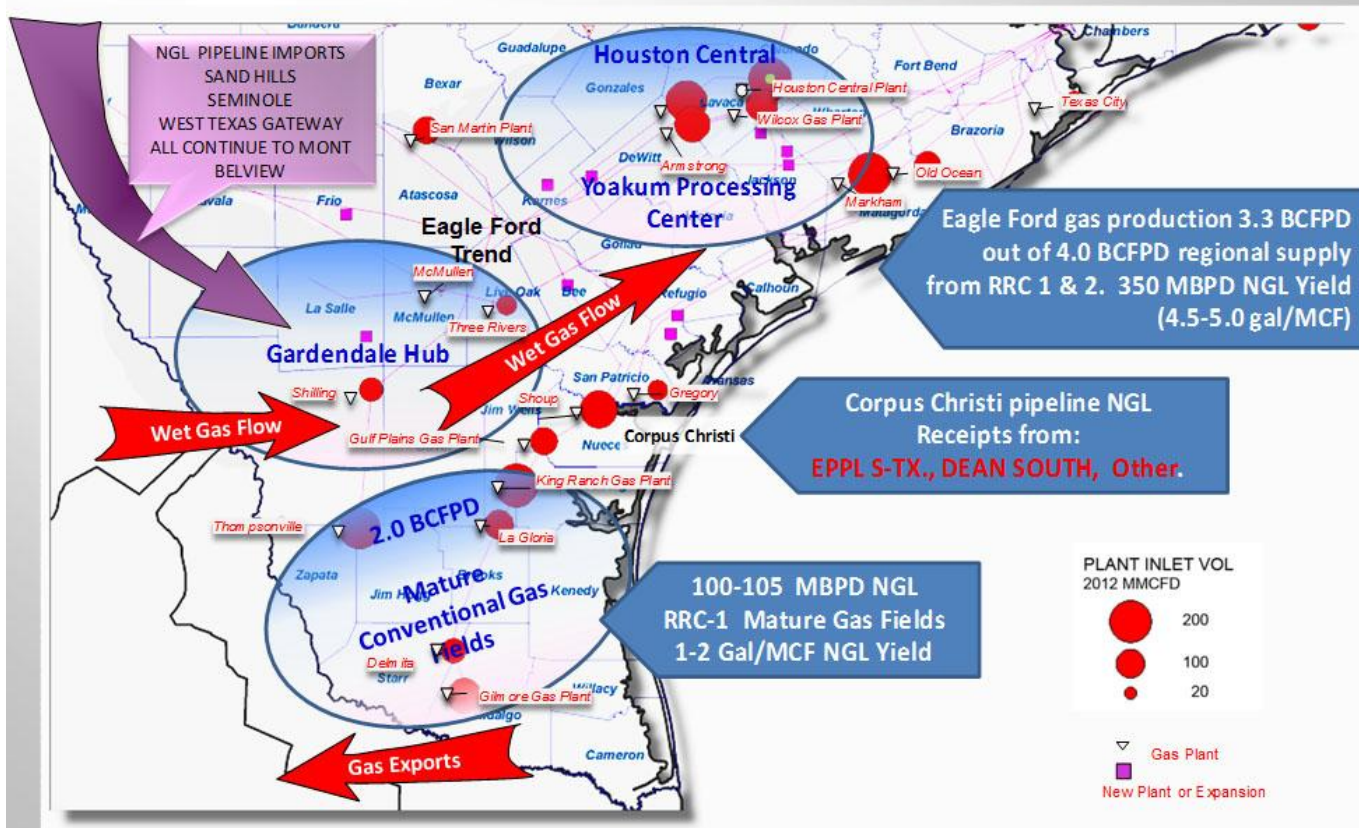
GWG = gas well gas
BCFD = billion cubic feet per day



ENERGY MOVEMENT OUTLOOK

Corpus Christi – NGL Supply

Natural gas and NGL supply prior to Eagle Ford development was concentrated southwest of Corpus Christi as served by the natural gas plants shown below. Data not compiled for 2013 plant throughput.



EAI

GULF COAST NGL – OVERVIEW OF NGL SUPPLY AND DISTRIBUTION

- ❑ **Eagle Ford NGL:** Overall Gulf Coast production of Mixed NGL's as available to pipelines for delivery to fractionation markets has risen from 1,200,000 b/d in 2010 to an estimated 1,600,000 b/d in 2013. Most of the incremental new supply is coming from Eagle Ford development. Eagle Ford liquids are recovered at gas processing plants located east of the westernmost producing counties, (Webb, Dimmit, and western La Salle) which fields are currently served by wet gas pipelines. Gas processing demand rapidly outpaced existing capacity and lead to the construction of several new facilities as shown on the subsequent map exhibit.
- ❑ **Gas Processing:** Estimated to be taking roughly 300,000-350,000 b/d of NGL from 3.0-3.5 BCFPD of mostly wet gas produced from Eagle Ford and adjoining west Texas counties (included in RRC Districts 1 & 2) between Gardendale and the Houston Central – Yoakum gas processing centers. The remaining 1.0-1.5 BCFPD of area gas is delivered into either Corpus Christi or Houston coastal gas plants and is estimated to contain another 80,000-400,000 b/d of NGL. Overall NGL yield from these plants is estimated as follows:

ENERGY MOVEMENT OUTLOOK

Gas Processing Estimated for midyear 2013	Inlet MMCFD	NGL b/d	PCT ETHANE	PCT PROPANE	PCT BUTANES	PCT PENTANES PLUS
NGL AVAILABLE (GROSS)	5.5 GAL/ MCF	450,000-500,000	51-57%	25%	10-11%	10%
WESTERN EAGLE FORD	1,590	140,000	38%	34%	15%	12%
CENTRAL EAGLE FORD	1,948	220,000	42%	25%	15%	14%
Wet gas to other facilities	1,200	140,000-160,000	52%	27%	11%	9.50%

- ❑ **Fractionation Capacity in Corpus Christi** is estimated at: 105,000 b/d comprised of 77,000 b/d at Shoup and 28,000 b/d at Javalina. A 63,000 b/d fractionation unit is planned for LyondellBasell-66 in 2015. The Equistar petrochemical facility (JV with Lyondell) has an olefins unit expansion planned for startup in 2014. Fractionation capacity is being added at Bonnieview (Southcross 22,500 b/d in 2013), Armstrong (EPPL-100,000 b/d), Sweeny-Old Ocean (100,000 b/d addition) with approximately 2,500,000 b/d fractionation capacity located east of Houston at Mont Belvieu and in coastal Louisiana.

- ❑ **Gas Production Southwest of Corpus Christi:** Estimated at 2.1 BCFPD (RRC-District 4) most of which is marketed through Agua Dulce Hub and routed through either Corpus Christi or exported to Mexico. NGL yield is much lower than that of the Eagle Ford and is estimated at 100,000-105,000 b/d for 2013 or roughly 1-2 gallons per MCF with higher ethane and propane than Eagle Ford mix.

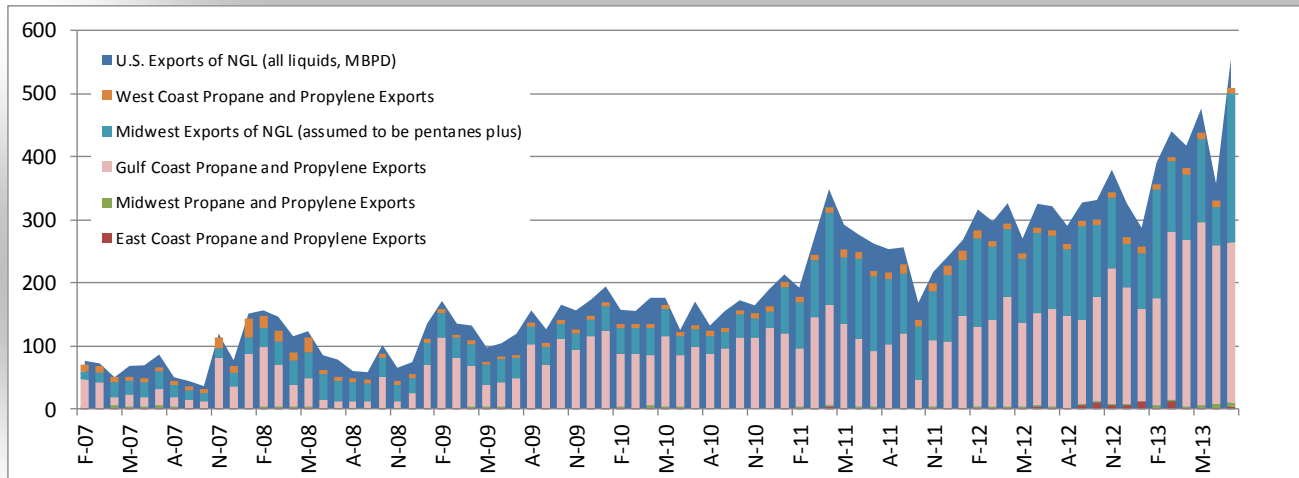
Note: as new more efficient gas plant capacity come on stream during 2013 the relative Ethane capture will increase.

ENERGY MOVEMENT OUTLOOK

Gulf Coast– NGL Export

Overview of NGL trade

- NGL Exports:** Overall US NGL exports have increased from less than 100,000 b/d in 2008 to over 550,000 b/d in 2013. The Gulf Coast is exporting most of this volume at 290,000 b/d (primarily propane-propylene) with Midwest PADD II exports at 237,000 b/d of pentanes plus as of July 2013.



USA NGL Exports	b/d July 2013	Notes
Pentanes Plus	240,000	Primarily to Canada
Ethane-Ethylene	0	None reported
Propane and Propylene	276,000	
Butane-Butylene	49,000	
Isobutane-Isobutylene	0	
Total NGL Export	564,000	



LNG EXPORT PROJECTS

FACILITIES THAT LIQUEFY NATURAL GAS FOR MARINE SHIPMENTS

- Shale Gas And Current Export Laws:** Due to the shale oil and gas drilling revolution, an abundance of natural gas has hit the U.S. markets, but is driving the price of the commodity low because it has nowhere to go. The DOE predicts that U.S. natural gas demand will increase from 70.2 billion cubic feet per day (BCFD) to 72.1 in 2020 and 75.5 BCFD in 2030, an increase of about 0.4% per year. DOE also predicts the increasing production of natural gas in shale plays will make the U.S. a net exporter of natural gas before 2020. Under current export laws, natural gas cannot be exported to countries that are not under a free trade agreement (FTA) with the United States, unless they have a special license approved by the DOE. Most worldwide demand for natural gas is from countries not in an FTA with the U.S. Non-FTA export licenses are not as

ENERGY MOVEMENT OUTLOOK

easy to obtain and the DOE has only approved four of these licenses and has 20 more waiting for approval. The DOE has given no concrete timetable as to when the other licenses will be approved, or how many in total will be approved. Currently the U.S. exports natural gas via pipeline to Mexico and there is increasing pursuit of building more natural gas pipeline capacity to Mexico.

- ❑ **LNG Plants Needed To Send Natural Gas On Ships:** To transport natural gas on marine vessels, it must first be chilled to its liquid state, also known as liquefied natural gas (LNG). Liquefaction is an expensive and energy consuming process and requires a large capital investment with a long lead time to construct facilities. Plants which liquefy natural gas, LNG plants, are being considered to be built along the Gulf Coast, Eastern Seaboard, Pacific Northwest, Canadian West Coast, and in Alaska. So far, the DOE has approved three LNG plants in the Gulf Coast and one on the Eastern Seaboard.
- ❑ **LNG plants and the Port of Corpus Christi:** There have been two facilities which have applied for non-FTA export licenses which are planning to ship LNG out of the Port of Corpus Christi: Cheniere's Corpus Christi LNG, and Pangea LNG.
 - **Cheniere LNG Terminal:** Cheniere is still awaiting approval for non-FTA export, but is number five in order of DOE processing. It is likely that this facility will be granted a license and will export 1.8 BCFD. Cheniere is also the operator of the LNG plant that was awarded the first non-FTA export license.
 - **Pangea LNG Terminal:** This proposed 1.1 BCFD facility was a little late to apply for the non-FTA export license and they currently sit at number 13 in order of DOE processing. This project is no longer under active development.

U.S. EXPORT LNG PROJECTS

All have been approved for export to countries with an FTA, only four approved for non-FTA export. Listed in order of DOE/FE processing. There are an additional 20 projects waiting for DOE approval. Projects are listed in order of processing, but the DOE has given no timeline to grant approval. As shown in the table below:

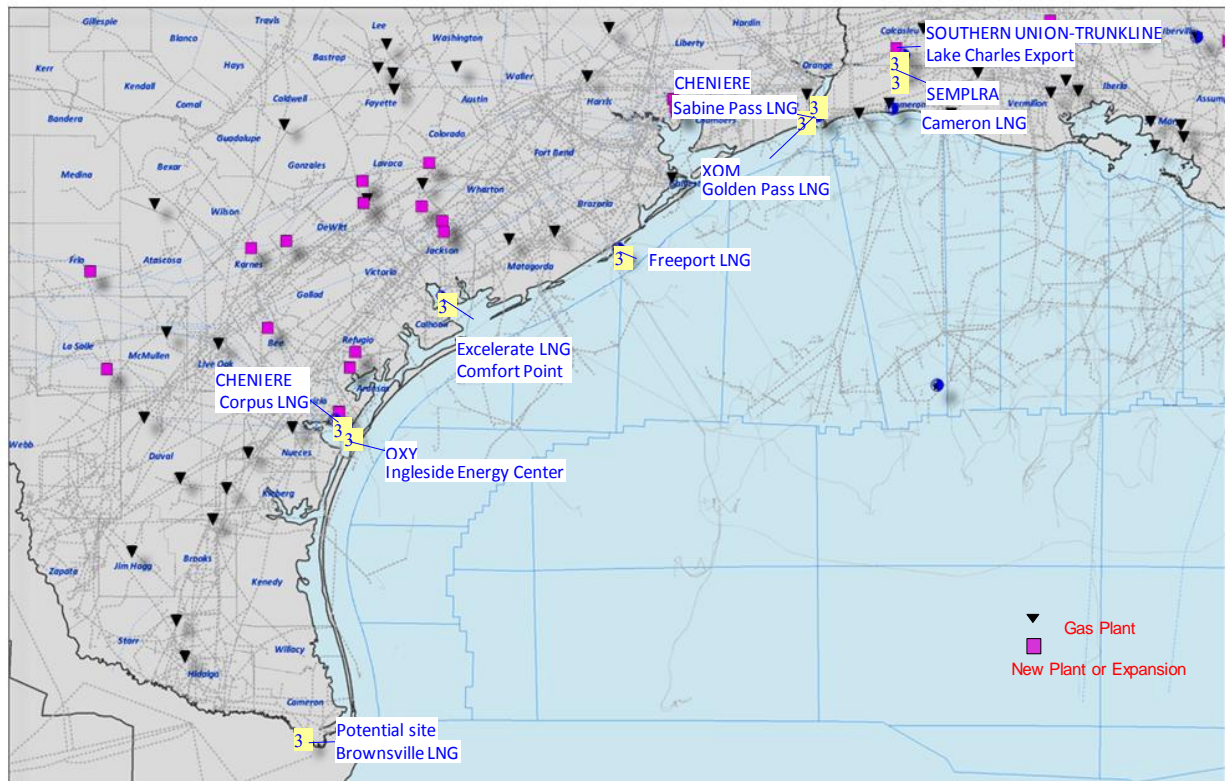
ENERGY MOVEMENT OUTLOOK

Company	City, State	Date Approved	Date Online	Capacity BCFD	Comments
Sabine Pass Liquefaction (subsidiary of Cheniere)	Cameron Parish, LA	5/20/2011	1/1/2016	2.2	0.47 BCFD in a LTA with Korea Gas. Other LTAs with UK, Spain, India, France
Freeport LNG (Freeport 20%, Zachry American infrastructure 55%, Dow 15%, Osaka Gas 10%)	Freeport, TX	5/17/2013	3/1/2018	1.4	0.29 BCFD in LTA with SK E&S, other LTAs with Mitsubishi, Chubu Electric, Osaka Gas (all Japan). Applied for additional 1.4 BCFD
Lake Charles Exports (Southern Union & BG Group JV)	Lake Charles, TX	8/7/2013	1/1/2018	2	BG group (UK) has exclusive export rights on a tolling basis.
Dominion Cove point LNG	Cove Point, MD	9/12/2013	7/1/2017	1.0	Contracts with Sumitomo (Japan) and GAIL (India) each for 50% of export capacity. Closest LNG export to Utica/Marcellus
Freeport LNG (Freeport 20%, Zachry American infrastructure 55%, Dow 15%, Osaka Gas 10%)	Freeport, TX	11/15/2015	5/1/2018*	0.4	Addition to already approved non-FTA export capacity on two LNG trains, this approval would be four trains 1.8 BCFD. Freeport was hoping to get 1.4 approved, for a total of 2.8 BCFD
Cameron LNG Liquefaction (owned by Sempra LNG)	Hackberry, LA	5/1/2014**	7/1/2017*	1.7	20 year LTA with GDF Suez (Mitsubishi, Japan)
Jordan Cove Energy Project (Veresen 75%, Energy Projects 25%)	Coos Bay, OR	9/1/2014**	1/1/2018*	0.8	1.2 Bcf/d total, only 0.8 to non-FTA. Pacific Northwest, export gas sourced from Canada
Orgeon LNG (LNG Development Co., Leucadia National Corp)	Astoria, OR	1/1/2015**	1/1/2019*	1.3	Pacific Northwest, will export gas sourced from Canada
Corpus Christi Liquefaction (subsidiary of Cheniere)	Corpus Christi, TX	5/1/2015**	1/1/2019*	1.8	Was permitted for regasification (LNG imports), now seeking LNG export permits. No long term agreements to export LNG to foreign countries in place. Would be the first LNG facility at Port of Corpus Christi. Cheniere also owns LNG export plant at Cameron Parish
Excelerate Liquefaction - Floating Terminal	Lavaca Bay, TX	9/1/2015**	1/1/2020*	1.3	Floating facility moored at Port Lavaca with 100 acres of upland infrastructure
Corpus Christi Liquefaction (subsidiary of Cheniere)	Corpus Christi, TX	1/1/2016**	N/A	1.80	Was permitted for regasification, now has applied for permit to export LNG. Would be first LNG facility at Corpus Christi. Cheniere also has an LNG facility at Cameron Parish, LA
Carib Energy (recently bought by Crowley)	Jacksonville, FL	1/1/2016**	N/A	0.01	Only plans to ship LNG from the Gulf Coast to Caribbean and Latin American countries
Gulf Coast LNG Export	Brownsville, TX	1/1/2016**	N/A	2.00	3 LNG trains; 320,000 to 480,000 m3 storage, \$6 billion
Elba Island Terminal (Southern LNG Company, which is subsidiary of El Paso Pipeline/Kinder Morgan) (Shell 49% partner)	Elba Island, GA	1/1/2016**	N/A	0.35	Southern LNG Company; 1 LNG train; 550,000 m3 storage. No timeline, but construction started on phase 1 (1.5 MMTPY)
Gulf LNG (El Paso 50%, GE Energy Financial Services 46%, others 4%)	Pascagoula, MS	1/1/2016**	N/A	1.50	3 LNG trains, 320,000 m3 storage
CE FLNG (Cambridge)	Plaquemine Parish, LA	1/1/2016**	N/A	1.07	CE FLNG - Owned by Cambridge. Would have half of take away ready in March 2018, the rest in October 2018.
Golden Pass Products (Qatar Petro. 70%, ExxonMobil 30%)	Sabine Pass, LA	1/1/2016**	N/A	2.10	ExxonMobil - Golden Pass; 4 LNG trains; 5 tanks storage. Waiting for FERC final decision before beginning construction. Completion will be 5 years after construction begins
Pangea LNG (North America) Holdings	Corpus Christi, TX	1/1/2016**	N/A	1.07	This project is no longer under active development
Lake Charles Exports (Southern Union & BG Group JV)	Lake Charles, LA	1/1/2016**	N/A	2.00	2 BCFD expansion of existing 2 BCFD LNG export terminal
Main Pass Energy Hub / Freeport-McMoRan Energy	37 miles off of Venice, LA	1/1/2016**	N/A	3.22	Floating liquefaction vessels receive natural gas. Partnered with United LNG

ENERGY MOVEMENT OUTLOOK

Gulf Coast LNG Trade Facilities

Existing and Planned





DATE: December 10, 2013

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 7

**Approve Workers Compensation Insurance Provider
for 2014**

On October 18 and 25, 2013 the PCCA advertised for quotations for Workers' Compensation Insurance coverage. Texas Municipal League Intergovernmental Risk Pool was the only quotation submitted for Workers' Compensation coverage in the amount of \$113,575 which is a 5.6% increase over last year (\$107,549). The renewal rates were increased less than 1%, but the experience modifier went from .54 to .63 (based on a three-year claims experience calculation) which caused the premium to increase.

Staff recommends approval of Workers Compensation insurance coverage with the Texas Municipal League Intergovernmental Risk Pool in the total amount of \$113,575 effective January 1, 2014.

LEAD CONTACT: Tony Alejandro; 885-6188; tony@pocca.com



November 19, 2013

Port of Corpus Christi
Authority of Nueces County, Texas
Attn: Teresa Betzold
P O Box 1541
Corpus Christi TX 78403-1541

Re: Workers Compensation RFP

Dear Teresa:

With regards to the RFP for the Port's Workers' Compensation, which renews January 1, 2014, we had one request from Wells Fargo Insurance. They were contacted but never responded with a quote.

Carlisle Insurance Agency, Inc. and Hugh Wood, Inc. approached the following Insurance Companies (that are attached to this letter) with their responses.

Several factors affected the other carriers from submitting competitive bids:

1. Most companies underwrite and review the previous 5 years (including currently expiring) and incurred losses. Incurred losses include the amount paid and reserved. I have attached a 5 year history.
2. The current policy has an Experience Modifier of .63, which technically means a credit of 37% off manual rates. In addition to the 37% credit, TML is applying an additional 20% credit. In reviewing previous loss history, the other markets felt the current pricing with TML is very competitive.
3. The exposure of Operating a Police Department.

Based on the attached TML quote, we recommend renewing with Texas Municipal League, at the quoted premium of \$113,575 effective January 1, 2014, which includes covering Police Reserves and Elected Appointed officials- Governing Board only. Last year's Texas Municipal League quote was \$107,549. The renewal rates were increased less than 1% but the modifier went from .54 to .63 which caused the premium to increase.

Very truly yours,

Carlisle Insurance Agency, Inc.

Tom Carlisle, CIC
President

Hugh Wood, Inc.

Roy Wilson
Senior Vice President

INSURANCE ■ FINANCIAL SERVICES ■ RISK MANAGEMENT

500 N. Water, Suite 900 ■ Corpus Christi, TX 78401-0234 ■ (361) 884-2775 ■ Fax (361) 884-3470

www.carlisleins.com

Companies Approached

1. **TML**- Quote attached - \$113,575.00
2. **Texas Mutual**- Could not compete due to increase in loss amount
3. **Liberty Mutual**- Felt current program was competitive with loss history and not large enough
4. **Texas Political Subdivisions**- No quote provided
5. **AIG**- Not competitive with current loss history, Police Dept. and Premium Size
6. **Zenith**- Declined, Wet exposure and policy and Police Dept
7. **Seabright**- Declined, not able to quote
8. **Travelers**- Declined, could not compete with multiple exposures

**Workers Compensation
Incurred Losses (as of 10/13/13)**

Term	# of Losses	Incurred Claim Amount
2013-14	15	\$136,994
2012-13	28	\$59,372
2011-12	20	\$48,842
2010-11	29	\$101,270
2009-10	34	\$21,786

DATE: December 10, 2013

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 8

**Approve Health and Dental Benefits Plan
Effective January 1, 2014**

The Audit Committee met with Walker and Associates, Entrust Inc., and PCCA staff on November 22, 2013, to discuss renewal of the PCCA's health and dental benefits plan for the plan year beginning January 1, 2014. The current contract with Entrust, the health plan's third party administrator, can be renewed for an additional 12-month period at the PCCA's option. Entrust is projecting that the expenses for the Plan could be as much as \$3,041,949.64 which is an increase of 3.5% over last plan year.

Each year the third-party administrator solicits quotes for stop-loss reinsurance for the plan. This year QBE Insurance/SLG Benefits provided the best reinsurance quote. QBE's ratings equal or exceed our requirements that the insurance carrier have a minimum A.M. Best rating of A and a financial rating of V or better.

The Audit Committee along with staff recommends approval of the renewal of the Health and Dental Benefits Plan effective January 1, 2014. The Audit Committee and staff further recommend that QBE Insurance/SLG Benefits be approved for stop-loss reinsurance for the plan.

LEAD CONTACT: Sandra Terrell-Davis; 885-6177; SANDRA@pocca.com

DATE: December 10, 2013

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 9

**Approve PCCA's Employer Contribution Rate to the
Texas County and District Retirement System Plan
for 2014**

The PCCA currently contributes an employer elected rate of 7% of covered payroll (estimated at \$753,480) to the Texas County and District Retirement System (TCDRS). Our Plan provides for a one-to-one match based on the employees' contribution of 7% of their salary to the Plan. In 2012, the PCCA made a lump sum payment of \$5,300,000 to TCDRS in order to fully fund the Plan and set a contribution rate of 7%. Currently the Plan is overfunded by \$479,854.

The Audit Committee met on November 22, 2013, to review and approve proposed revisions to the TCDRS Plan effective January 1, 2014?, for recommendations to the Port Commission.. The Audit Committee recommends that the PCCA maintain the elected rate of 7% in order to minimize the risk of our Plan becoming unfunded in the future. Additionally, the Audit Committee recommends the PCCA continue the one-to-one match on the employees' contribution.

Staff recommends approval of the employer contribution rate of 7% of covered payroll (estimated at \$700,000) for 2014.

LEAD CONTACT: Frank Brogan; 885-6133; frank@pocca.com



DATE: December 10, 2013

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 10

**Approve PCCA's Assessment for 2014 Refinery Terminal Fire Company
Capital and Operating Budget**

The Refinery Terminal Fire Company (RTFC), funded entirely by its members (see attached spreadsheet), has a 2014 operating and capital budget for emergency response services that totals \$4,446,417. The Port's 2014 share in the amount of \$174,793.77 represents 3.93% of that total, compared to 3.92% in 2013.

Staff recommends that the Port's share of the RTFC's 2014 operating and capital budget, in the amount of \$174,793.77, be approved and payment authorized in quarterly installments.

LEAD CONTACT: Tony Alejandro; 885-6188; TONY@pocca.com

2014
CAPITAL AND OPERATIONS
ALLOCATIONS

COMPANIES	ERS+CAP+TAS 2013	ERS OPERATIONS 2014	ERS CAPITAL 2014	TAS 2014	TOTAL ANNUAL 2014
Lyondell Corpus Christi	\$ 500,822.70	\$ 392,977.22	\$ 82,719.03	\$ 49,500.00	\$ 525,196.25
Calpine	\$ 71,959.51	\$ 63,263.40	\$ 12,503.70		\$ 75,767.10
Port of Corpus Christi	165,838.21	144,402.53	30,391.24		\$ 174,793.77
Elementis Chromium	45,790.37	39,883.09	8,378.54		\$ 48,261.63
Mark West - Javelina, Inc.	130,718.38	110,466.35	28,717.65		\$ 139,184.00
Citgo - CC Refinery	790,991.67	637,768.44	134,285.12	58,500.00	\$ 830,553.56
NuStar Logistics, L.P.	184,418.40	160,561.11	33,818.83		\$ 194,379.94
Flint Hills Resources	819,398.21	649,459.30	136,722.51	73,500.00	\$ 859,681.81
Koch Pipeline	170,217.00	148,184.00	31,229.10		\$ 179,413.10
Valero Marketing & Supply	92,377.83	80,454.68	16,909.41		\$ 97,364.09
Valero Refining	1,019,242.47	818,273.59	172,217.05	79,500.00	\$ 1,069,990.64
Martin Midstream Partners	36,420.10	31,734.40	6,650.00		\$ 38,384.40
Air Products	30,912.23	\$27,101.63	5,460.00		\$ 32,561.63
Valero - Three Rivers *	\$ 161,055.99	\$ 166,885.43	\$ -		\$ 166,885.43
RTFC (TAS Assessment)	\$ 14,000.00			14,000.00	\$ 14,000.00
TOTALS	\$ 4,234,163.07	\$ 3,471,415.16	\$ 700,002.19	\$ 275,000.00	\$ 4,446,417.35

* The calculations are with a \$700K capital assessment for 2014

REFINERY TERTIARY FIRE COMPANY
MAIN STATION
EMERGENCY RESPONSE ASSESSMENTS
1990 - 2014

MEMBERS	2017		2016		2015		2014	
	<u>OPERATING</u>	<u>CAPITAL</u>	<u>OPERATING</u>	<u>CAPITAL</u>	<u>OPERATING</u>	<u>CAPITAL</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Calpine	-	-	-	-	-	-	63,263	12,504
Lyondell Corpus Christi							392,977	82,719
Port of Corpus Christi							144,403	30,391
Elementis Chromium							39,883	8,379
Mark West - Javelina, Inc.							110,466	28,718
CITGO - CC Refinery							637,768	134,285
NuStar Logistics, L.P.							160,561	33,819
Flint Hills Resources							649,459	136,723
Koch Pipeline							148,184	31,229
Valero (Eagle) Asphalt							80,455	16,909
Valero Refining							818,274	172,217
Martin Midstream Partners							31,734	6,650
Air Products							27,102	5,460
Subtotal							3,304,530	700,002
ANNUAL MEMBERS								
Valero - Three Rivers *							166,885	
Lyondell Annual Assessment								
FHR Port Arthur								
TOTAL							3,471,415	700,002

REFINERY TERTIARY FIRE COMPANY
MAIN STATION
EMERGENCY RESPONSE ASSESSMENTS
1990 - 2014

MEMBERS	2013	2012	2011	2010
	OPERATING CAPITAL	OPERATING CAPITAL	OPERATING CAPITAL	OPERATING CAPITAL
Calpine	61,242	59,570	56,883	54,469
Lyondell Corpus Christi	380,421	370,031	353,343	338,346
Port of Corpus Christi	139,789	135,971	129,839	124,328
Elementis Chromium	38,609	37,554	35,861	34,339
Mark West - Javelina, Inc.	106,105	102,496	96,700	91,491
CITGO - CC Refinery	617,390	600,529	573,446	549,107
NuStar Logistics, L.P.	155,431	151,186	144,368	138,240
Flint Hills Resources	628,707	611,537	583,957	559,172
Koch Pipeline	143,449	139,532	133,239	127,584
Valero (Eagle) Asphalt	77,894	75,757	72,341	69,270
Valero Refining	792,128	770,494	735,746	704,519
Martin Midstream Partners	30,720	19,537	18,656	17,864
Air Products	26,232	4,680	2,550	2,040
Trafigura	35,242	5,629	3,900	3,111
Harbor Wind	8,753	1,564		
Subtotal	3,242,102	3,099,624	2,960,844	2,808,730
		500,021	403,116	400,005
ANNUAL MEMBERS				
Valero - Three Rivers *	161,056	156,657	149,592	143,272
Lyondell Annual Assessment				
FHR Port Arthur				
TOTAL	3,403,158	3,256,281	3,110,436	2,952,002
		500,021	403,116	400,005

REFINERY TEPIC MAIN STATION
EMERGENCY RESPONSE ASSESSMENTS
1990 - 2014

MEMBERS	2009		2008		2007		2006	
	OPERATING	CAPITAL	OPERATING	CAPITAL	OPERATING	CAPITAL	OPERATING	CAPITAL
Calpine	48,339	7,234	43,996	7,271	41,546	7,200	39,693	6,300
Lyondell Corpus Christi	300,280	47,855	273,025	48,101	257,824	47,632	246,326	41,678
Port of Corpus Christi	110,339	17,582	100,310	17,672	94,725	17,500	90,501	15,313
Elementis Chromium	30,475	4,847	27,654	4,872	26,115	4,825	24,950	4,222
Mark West - Javelina, Inc.	104,297	16,613	94,779	16,698	89,503	16,535	85,511	14,468
Celanese Corp.	-	-	-	-	21,129	3,904	20,187	3,416
CITGO - CC Refinery	487,331	77,688	443,225	78,086	418,549	77,325	399,884	67,659
NuStar Logistics, L.P.	122,687	19,565	111,623	19,666	105,409	19,474	100,708	17,039
Flint Hills Resources	496,263	79,098	451,270	79,504	426,146	78,729	407,142	68,888
Koch Pipeline	113,229	18,067	103,076	18,160	97,337	17,983	92,996	15,735
Valero (Eagle) Asphalt	61,475	9,783	55,812	9,833	52,704	9,737	50,354	8,520
Valero Refining	625,255	99,633	568,425	100,143	536,778	99,168	512,840	86,771
Martin Midstream Partners	15,858	2,040	-	-	-	-	-	-
Subtotal	2,515,825	400,005	2,273,196	400,005	2,167,765	400,011	2,071,093	350,009
ANNUAL MEMBERS								
Valero - Three Rivers *	127,153		115,646		109,207		104,337	
Lyondell Annual Assessment	150,000		150,000		150,000		150,000	
FHR Port Arthur	50,000							
TOTAL	2,842,978	400,005	2,538,842	400,005	2,426,972	400,011	2,325,430	350,009

2007 Celanese Corp drops

DATE: December 10, 2013

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 11

**Approve Adjustment to
Tariff 100-A, Item 300-B & Item 300-C, for Barges**

Over the last several years, the need for additional barge mooring areas has increased significantly in the Port of Corpus Christi. These areas are used to moor barges waiting to pick up or deliver cargo to or from various docks throughout the port and to hold barges until they are ready to leave the port in multiple barge tows. The greatest need exists within the Inner Harbor, which at any given time contains 50 to 80 barges either transferring cargo or waiting to do so. In addition, on any given day, we have 20 to 30 barges outside of the Inner harbor waiting to come into the port because of the lack of available mooring areas. This number can be as high as 50 barges at one time. The waiting-time for these barges averages three to four days and may extend up to seven days.

This need has grown because the number of barges visiting our Port each year has increased due to Eagle Ford Shale activity and we have fewer unused docking facilities where we can moor these barges. Development of new barge fleeting areas is complicated by the increased cost of dredging and the shortage of available land for development. There is a need to adjust our barge dockage rates to help defray the cost of creating a new fleeting area.

In our discussions with the barge industry, we learned that the Port's current barge dockage rates are somewhat outdated. We have one rate for all barges regardless of size, whereas many ports have different rates for different size barges. In the past, our most frequent barge size was a 10,000 barrel barge which measured 35 feet wide by 195 feet in length. Today the large majority of our barges carry 30,000 barrels of cargo and measure 54 feet wide by 300 feet in length. These larger barges take up 50% more length and 130% more mooring area.

Staff recommends the Port's current barge dockage rates for non self propelled Inland Waterway dry cargo barges (Item 300-B) and for ocean going and Inland Waterway tank barges (Item 300-C) be increased as follows:

	<u>Current Rate*</u>	<u>New Rate*</u>
Up to 200' in length	\$136.01	\$150.00
Between 201' and 360'	\$136.01	\$225.00

Barges over 360 feet will continue to be charged a dockage rate per the Item 300 table (**no change**).

*Rates charged per 24-hour period or fraction thereof

The increased dockage rate will generate approximately \$345,000 per year in increased Port revenues.

LEAD CONTACT: John Pasch, Deputy Operations at (361) 885-6157.



DATE: December 10, 2013

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 12

**Approve Producer Price Index Adjustment to the
Wharfage and Dockage under PCCA Tariff 100-A
and Wharfage, Dockage and Items 342, 344 and 346 under Bulk Terminal Tariff 1-A**

The PCCA has annually adjusted its Tariff rates since 2008. Staff feels it is important to annually adjust our rates in order to keep up with inflation and to avoid major increases as was done in 2004 and 2007 following a period of 23 years in which no increases were made. Port Industries has indicated that they prefer these smaller, regular increases.

This year's proposed PPI change is 3.97%; last year's change was 2.03%. For example, with the proposed 3.97% PPI adjustment, our liquid petroleum wharfage rate would increase from \$0.0901 to \$0.0937 per barrel. The overall increase applied to all wharfage and dockage would generate approximately \$2,235,977 in increased revenue. The existing 7.5% Security Surcharge will not be changed.

Staff recommends a PPI adjustment of 3.97% to the wharfage and dockage charges under PCCA Tariff 100-Authority and wharfage, dockage and Item 342 (Charges for Use of Traveling Gantry Crane); Item 344 (Charges for Use of Radial Ship Loader) and Item 346 (Unloading of Rail Cars at Bulk Dock 2) under Bulk Terminal Tariff 1-A effective January 1, 2014.

LEAD CONTACT: Dennis DeVries; 885-6139; DENNIS@pocca.com

DATE: December 10, 2013**FROM:** John LaRue; 885-6189; john@pocca.com***AGENDA ITEM NO. 13*****Approve a Producer Price Index (PPI) Adjustment to the
Pipeline Easement Fees and Dredge Material Placement Area Depletion Fees**

At the December 11, 2012, commission meeting, the Commission approved an amendment to the fee schedules for pipeline and utility easements on PCCA property—one fee schedule for pipelines and utilities owned by governmental entities and PCCA customers using public or private docks covered by a current franchise agreement and the other fee schedule for companies that are not PCCA customers or that use private docks not covered by a current franchise agreement. The Commission also approved an increase in the dredge material placement area (DMPA) depletion fee for PCCA customers' use of any of the PCCA-owned DMPAs. Due to uncertainty of the establishment of a new Corps of Engineers policy relating to the collection of fees for the use of PCCA-owned DMPAs, at the September 10, 2013 commission meeting, the PCCA modified its fee structure to exclude that portion of the fee normally collected by PCCA on behalf of the Corps and the Commission approved a depletion fee exclusive of any Corps fees in the amount of \$4.00 per cubic yard for the use of any of the PCCA-owned DMPAs.

As proposed in the 2014 budget, the fee for pipeline and utility easements and for use of PCCA-owned DMPAs will be adjusted to reflect the increase in the Producers Price Index for Ports and Harbors (PPI). This year's PPI change is +3.97% as shown on the attached Easement Fee Schedule A and Easement Fee Schedule B. The new rate for the use of PCCA-owned DMPAs will be \$4.16 per cubic yard. This PPI adjustment will be applied to fees for pipeline and utility easements and dredge material placement area depletion fees, and will go into effect on January 1, 2014.

Staff recommends approval of the PPI adjustments as described in the attached revised fee schedules which include the proposed new fees.

LEAD CONTACT: David Krams; 885-6134; krams@pocca.com

**PORT OF CORPUS CHRISTI AUTHORITY
PIPELINE AND UTILITY
EASEMENT FEE SCHEDULE A**

**Effective January 01, 2014 through December 31, 2014
For Port Customers Using Public Docks or Private Docks
Covered by a Current Franchise Agreement***

**For pipeline, casing pipe, wireline and conduit installations along, across,
under or within railroad right-of-way, submerged lands, or other lands:**

<u>DESCRIPTION</u>	<u>Proposed 10-Yr Rate</u>	
Not over 8" Diameter	\$ 53.05	per rod
Minimum	\$ 1,591.21	per line
Over 8" but not over 16" Diameter	\$ 63.65	per rod
Minimum	\$ 1,909.45	per line
Over 16" but not over 32" Diameter	\$ 116.69	per rod
Minimum	\$ 2,652.01	per line
Over 32" but not over 48" Diameter	\$ 185.64	per rod
Minimum	\$ 4,773.63	per line
Over 48" but not over 64" Diameter	\$ 254.59	per rod
Minimum	\$ 5,834.43	per line
Over 64" but not over 80" Diameter	\$ 334.05	per rod
Minimum	\$ 6,895.24	per line
Over 80" but not over 96" Diameter	\$ 408.41	per rod
Minimum	\$ 8,486.45	per line
96" or over	\$ 477.37	per rod
Minimum	\$ 10,077.66	per line
12 KV Electrical Transmission	\$ 42.43	per rod
Minimum	\$ 1,272.97	per line
35 KV	\$ 47.73	per rod
Minimum	\$ 1,400.27	per line
69 KV	\$ 53.05	per rod
Minimum	\$ 1,527.56	per line
138 KV	\$ 79.56	per rod
Minimum	\$ 1,591.21	per line
345 KV	\$ 95.48	per rod
Minimum	\$ 1,909.45	per line
Wooden Support Poles	\$ 265.21	each
Steel Tower Supports	\$ 1,060.81	each

* Also for governmental agencies.

Measurement determined by outside diameter of pipe including coating or insulation

**PORT OF CORPUS CHRISTI AUTHORITY
EASEMENT FEE SCHEDULE
EASEMENT FEE SCHEDULE B**

**Effective January 01, 2014 through December 31, 2014
For Companies that are not Port Customers or Use Private Docks
Not Covered by a Current Franchise Agreement**

**For pipeline, casing pipe, wireline and conduit installations along, across,
under or within railroad right-of-way, submerged lands, or other lands:**

<u>DESCRIPTION</u>	<u>Proposed 10-Yr Rate</u>	
Not over 8" Diameter	\$ 159.13	per rod
Minimum	\$ 4,773.63	per line
Over 8" but not over 16" Diameter	\$ 190.94	per rod
Minimum	\$ 5,728.35	per line
Over 16" but not over 32" Diameter	\$ 350.07	per rod
Minimum	\$ 7,956.04	per line
Over 32" but not over 48" Diameter	\$ 556.93	per rod
Minimum	\$ 14,320.88	per line
Over 48" but not over 64" Diameter	\$ 763.78	per rod
Minimum	\$ 17,503.30	per line
Over 64" but not over 80" Diameter	\$ 1,002.46	per rod
Minimum	\$ 20,685.72	per line
Over 80" but not over 96" Diameter	\$ 1,225.23	per rod
Minimum	\$ 25,459.34	per line
96" or over	\$ 1,432.09	per rod
Minimum	\$ 30,232.97	per line
12 KV Electrical Transmission	\$ 127.30	per rod
Minimum	\$ 3,818.90	per line
35 KV	\$ 143.21	per rod
Minimum	\$ 4,200.79	per line
69 KV	\$ 159.13	per rod
Minimum	\$ 4,582.69	per line
138 KV	\$ 238.68	per rod
Minimum	\$ 4,773.63	per line
345 KV	\$ 286.42	per rod
Minimum	\$ 5,728.35	per line
Wooden Support Poles	\$ 795.61	each
Steel Tower Supports	\$ 3,182.42	each

*****Measurement determined by outside diameter of pipe including coating or insulation*****

Dredge Material Placement Area Depletion Charges

\$50.00 Application Fee Plus

Rincon Placement Area and Placement Area No. 1	Port Fee Corps Fee	\$4.16/CY *
Southshore Placement Areas (Cells A, B & C)	Port Fee Corps Fee	\$4.16/CY *
Placement Area No. 6	Port Fee Corps Fee	\$4.16/CY *
Suntide Placement Area	Port Fee Corps Fee	\$4.16/CY *
Placement Areas from Port Aransas to Ingleside Point	Port Fee Corps Fee	\$4.16/CY *
Placement Areas along La Quinta Channel	Port Fee Corps Fee	\$4.16/CY *
Good Hope Placement Area	Port Fee	\$4.16/CY
Placement Area No. 14	Port Fee	\$4.16/CY

* Corps fee to be determined by U.S. Army Corps of Engineers.



DATE: December 10, 2013

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 14

**Approve Adjustment to Tariff 100-A
Item 301 Harbor Safety Fee**

The current Harbor Safety Fee of \$2,032 per ship and \$230 per barge is comprised of two major components: (1) the original fireboat fee which has been in place since 1999 and (2) a more recent security fee to help defray the cost of marine patrol vessels and their associated personnel and equipment. The fireboat portion of the tariff amounts to \$275 per ship and \$35 per barge; the balance of the current fee is attributed to the marine security portion.

The recent Port Security Assessment conducted by CH2M Hill recommended that the marine security portion of the Harbor Safety Fee be reduced by 50%; the fireboat fee is not considered a part of this reduction. Staff supports the recommendation by CH2M Hill. Accordingly, the new Harbor Safety Fee would be reduced to \$1,153 per ship and \$132 per barge. In addition, the \$920 fee for barges that do not leave the Inner Harbor would be lowered in the same manner to \$530. The net result of this reduction will result in an estimated \$1,850,000 decrease in Port revenues in 2014.

Staff recommends approval of the changes to Port Tariff Item 301 and that those changes be made effective January 1, 2014.

LEAD CONTACT: Tony Alejandro; 885-6188; tony@pocca.com

HARBOR SAFETY FEE

All commercial ships and barges entering or operating in the Authority's Waterways shall be assessed a Harbor Safety Fee (HSF), as provided herein, to assist in defraying the administration, maintenance and operation expenses of a fire response vessel and marine patrol vessels, including personnel and equipment. For the purposes of the Harbor Safety Fee, the "Authority's Waterways" means, collectively, the Corpus Christi Ship Channel, the La Quinta Channel, the Jewel Fulton Canal and the Rincon Canals.

For commercial ships and barges entering the Authority's Waterways the HSF is as follows:

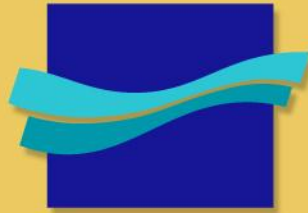
Ships.....\$1,153.00

Barges.....\$ 132.00

The HSF for entering the Authority's Waterways will be billed upon departure.

For commercial cargo barges that are in the Authority's Waterways for a period of thirty (30) consecutive days or more without leaving the Authority's Waterways, an HSF of \$530.00 will be assessed for each continuous 30-day period. The HSF for each continuous 30-day period will be billed monthly.

If any marine firefighting services should be rendered by Authority to any ship or barge, or rendered for the protection of bulkheads, piers, wharves, landings, appurtenances or other property of third persons, such services, including the labor and materials used, shall be charged to the vessel receiving such services, or to the owner of such bulkheads, piers, wharves, landings, approaches, buildings, appurtenances or other property, in accordance with the fees to be quoted by the Port Authority.



PORT CORPUS CHRISTI

2014 Annual Budget

Commission Meeting – 12/10/13



Budget Summary Revisions

	Original 2014 Budget	Change	Revised 2014 Budget
<u>Net Income:</u>	\$ 25,702,731	\$ 629,473	\$ 26,332,204
Wharfage	\$ 41,137,877	\$ 423,731	\$ 41,561,608
Dockage	\$ 12,779,158	\$ 131,629	\$ 12,910,787
Security Surcharge	\$ 5,893,778	\$ 41,651	\$ 5,935,429
Employee Services	\$ (16,475,386)	\$ 32,462	\$ (16,442,924)
		\$ 629,473	
<u>Capital Expenditures:</u>	\$ (56,722,868)	\$ 200,000	\$ (56,522,868)
<u>Cash Position:</u>	\$ 117,888,164	\$ 829,473	\$ 118,717,637



Budget Summary Highlights

	2014 Budget	% Change	2013 Projected
Tonnage	93,542,584	7.04%	87,393,316
Operating Revenues	\$75,304,119	-3.52%	\$78,049,798
Operating Expenses	\$49,518,663	11.57%	\$44,381,724
Capital Budget	\$56,522,868	31.28%	\$43,054,035
Cash Reserve Balance - EOY	\$118,717,637	-5.51%	\$125,634,190

Operating Budget

Annual Operating Budget Summary For the Year Ending December 31, 2014

	2014 Budget	2013 Budget	2013 Projected	2012 Actual
Operating Revenues				
Wharfage	\$41,561,608	\$30,525,291	\$34,601,582	\$31,507,564
Dockage	12,910,787	10,129,636	11,180,484	10,385,984
Security	5,935,429	6,175,119	7,146,111	6,528,526
Freight Handling	2,570,600	2,375,000	2,435,405	2,001,029
Storage	402,000	245,000	320,682	190,654
Rail Charges	1,345,000	1,308,000	976,891	1,144,193
Other Revenue	630,300	545,550	10,608,236	665,602
Conference Center Services	2,035,835	2,180,131	1,554,318	2,153,516
Building and Land Rentals	7,586,560	6,167,851	8,794,507	7,490,936
Foreign Trade Zone User Fees	226,000	253,000	265,000	301,250
Intergovernmental Revenues	100,000	80,000	166,582	209,235
Operating Revenues	75,304,119	59,984,578	78,049,798	62,578,489
Operating Expenses				
Direct Expenses				
Employee Services	8,347,559	8,965,951	7,482,338	8,258,807
Maintenance	5,552,859	5,772,456	3,867,023	4,905,644
Utilities	844,800	860,190	881,918	1,735,122
Telephone Expense	96,630	96,225	87,540	94,603
Insurance	2,184,136	1,691,174	2,118,103	2,311,581
Professional Services	1,796,750	1,051,250	973,282	1,771,323
Police Expenses	77,518	53,108	12,000	24,006
Contracted Services	1,260,000	1,731,290	1,301,712	1,633,668
Office and Equipment Rental	51,800	51,100	49,105	65,037
Operator and Event Expenses	1,607,099	1,737,498	1,392,913	1,678,367
Safety/Environmental Expenses	92,550	101,720	75,624	77,086
Other Expenses	186,284	188,135	226,888	175,307
Depreciation	10,952,970	10,542,794	10,958,785	13,342,736
Direct Expenses	33,050,955	32,842,891	29,427,231	36,073,287

Annual Operating Budget Summary For the Year Ending December 31, 2014

	2014 Budget	2013 Budget	2013 Projected	2012 Actual
Indirect Expenses				
Employee Services	\$ 8,095,365	\$ 8,615,765	\$ 7,250,219	\$ 7,423,777
Maintenance	511,483	527,494	567,785	510,653
Utilities	161,000	201,600	152,736	171,122
Telephone Expense	77,483	96,220	79,142	100,921
Insurance	116,785	107,756	116,932	97,774
Professional Services	4,146,022	2,879,769	3,580,462	7,092,409
Police Expenses	800	1,000	83	0
Contracted Services	30,462	17,725	28,967	59,756
Office and Equipment Rental	116,441	107,518	126,835	105,805
Administrative Expenses	2,194,257	2,044,335	2,191,325	1,869,838
Trade and Sales Development	353,200	296,650	230,292	304,715
Media Advertising	197,600	198,325	228,358	190,661
Production Expenses	89,250	105,000	29,761	21,774
Safety/Environmental Expenses	27,650	32,900	26,787	23,651
Other Expenses	5,000	5,000	13,500	8,965
Depreciation	344,910	403,783	331,309	395,836
Indirect Expenses	16,467,708	15,640,840	14,954,493	18,377,657
Operating Expenses	49,518,663	48,483,731	44,381,724	54,450,944
Net Operating Income(Loss)	25,785,456	11,500,847	33,668,074	8,127,545
Other Revenue(Expenses)				
Interest Income	244,260	100,000	248,867	163,804
Other Income	303,088	289,934	267,908	486,282
Gain(Loss) Sale of Assets	0	0	75,778	(9,517,670)
Interest/Bond Issuance Expenses	(600)	0	(552)	51,908
Other Expense	0	0	0	(267,858)
Other Revenue(Expenses)	546,748	389,934	592,001	(9,083,534)
Income(Loss) Before Contributions	\$26,332,204	\$11,890,781	\$34,260,075	(\$ 955,989)



Three Year Operating Budget For the Years Ending December 31, 2014, 2015 and 2016

Description	2014	2015	2016
<u>Operating Revenues:</u>			
Wharfage	\$ 41,561,608	\$ 45,422,501	\$ 49,315,090
Dockage	12,910,787	13,169,002	13,432,382
Security	5,935,429	6,021,593	6,113,869
Freight Handling	2,570,600	2,622,012	2,674,452
Storage	402,000	410,040	418,241
Rail Charges	1,345,000	1,371,900	1,399,338
Other Revenue	630,300	642,906	655,764
Conference Center Services	2,035,835	2,076,552	2,118,083
Building and Land Rental	7,586,560	7,738,291	7,893,057
Foreign Trade User Fees	226,000	226,000	226,000
Operating Revenues	75,304,119	79,800,797	84,346,277

Operating Expenses:

Direct Expenses:

Employee Services	8,347,559	8,514,510	8,684,800
Maintenance	5,552,859	4,485,816	3,989,033
Utilities	844,800	861,696	878,930
Telephone Expense	96,630	98,563	100,534
Insurance	2,184,136	2,227,819	2,272,375
Professional Services	1,796,750	1,246,185	1,036,509
Police Expenses	77,518	79,068	80,650
Contracted Services	1,260,000	1,285,200	1,310,904
Office and Equipment Rental	51,800	52,836	53,893
Operator and Event Expenses	1,607,099	1,639,241	1,672,026
Safety/Environmental Expense	92,550	94,401	96,289
Other Expenses	186,284	190,010	193,810
Depreciation	10,952,970	11,172,029	11,395,470
Direct Expenses	33,050,955	31,947,374	31,765,221



Three Year Operating Budget For the Years Ending December 31, 2014, 2015 and 2016

Description	2014	2015	2016
Indirect Expenses:			
Employee Services	\$ 8,095,365	\$ 8,257,272	\$ 8,422,418
Maintenance	511,483	521,713	532,147
Utilities	161,000	164,220	167,504
Telephone Expense	77,483	79,033	80,613
Insurance	116,785	119,121	121,503
Professional Services	4,146,022	3,973,942	4,053,421
Police Expenses	800	816	832
Contracted Services	30,462	31,071	31,693
Office and Equipment Rental	116,441	118,770	121,145
Administrative Expenses	2,194,257	2,238,142	2,282,905
Trade and Sales Development	353,200	360,264	367,469
Media Advertising	197,600	201,552	205,583
Production Expenses	89,250	91,035	92,856
Safety/Environmental Expense	27,650	28,203	28,767
Other	5,000	5,100	5,202
Depreciation	344,910	351,808	358,844
Indirect Expenses	16,467,708	16,542,062	16,872,904
Total Operating Expenses	49,518,663	48,489,436	48,638,125
Net Operating Income(Loss)	25,785,456	31,311,361	35,708,152
<u>Other Revenues(Expenses):</u>			
Interest Income	244,260	249,145	254,128
Other Income	303,088	309,150	315,333
Interest/Bond Issuance Expenses	(600)	(612)	(624)
Total Other Revenues(Expenses)	546,748	557,683	568,837
Income(Loss) Before Contributions	\$ 26,332,204	\$ 31,869,044	\$ 36,276,988

Capital Budget



Three Year Capital Project Expenditures Budget Summary For the Years Ending December 31, 2014, 2015 and 2016

	Project Status	Total Project Cost Estimate	Estimated Expenditures to Date	Estimated Cost to Complete	2014	2015	2016	Out Years
Under Construction	UC	\$ 78,602,151	\$ 58,051,398	\$ 20,550,753	\$ 21,900,753	\$ 1,750,000	\$ -	\$ (3,100,000)
Under Design	UD	82,588,783	1,614,568	80,974,215	20,849,215	36,975,000	21,950,000	1,200,000
New Start Projects	NP	273,862,900	30,000	273,832,900	13,772,900	23,250,000	60,850,000	175,960,000
		435,053,834	59,695,966	375,357,868	56,522,868	61,975,000	82,800,000	174,060,000
Federal Grant Funding		(66,658,574)	(33,932,343)	(32,726,231)	(11,976,231)	(12,750,000)	(8,000,000)	-
		\$ 368,395,260	\$ 25,763,623	\$ 342,631,637	\$ 44,546,637	\$ 49,225,000	\$ 74,800,000	\$ 174,060,000

**Three Year Capital Project Expenditures Budget
For the Years Ending December 31, 2014, 2015 and 2016**

Project Title	Project Status	Total Project Cost Estimate	Estimated Expenditures to Date	Estimated Cost to Complete	2014	2015	2016	Out Years
Authority Oil Docks								
1 Design & Construction of OD 14 (M&G)	UD	\$16,450,000	\$ 450,000	\$16,000,000	\$ 6,000,000	\$10,000,000	\$ 0	\$ 0
2 Fire System Pressurization at Oil Docks	NP	3,250,000	0	3,250,000	500,000	1,250,000	0	1,500,000
3 Hoist Foundation, Gangway Support & Escape Route at OD's 4 & 7	NP	2,400,000	0	2,400,000	300,000	900,000	1,200,000	0
4 New Fire Barge Dock	UD	2,010,000	110,000	1,900,000	1,900,000	0	0	0
5 New Public Oil Dock	NP	23,000,000	0	23,000,000	800,000	10,000,000	12,200,000	0
6 OD 1 Improvements	UD	740,000	40,000	700,000	100,000	600,000	0	0
7 Replace Dock House at OD 10	NP	350,000	0	350,000	350,000	0	0	0
		48,200,000	600,000	47,600,000	9,950,000	22,750,000	13,400,000	1,500,000
Bulk Terminal								
8 CB-6/CB-9 Rail Loadout Modifications	UD	170,000	20,000	150,000	150,000	0	0	0
9 Environmental Improvements	NP	350,000	0	350,000	200,000	150,000	0	0
10 Equipment Storage Building	NP	650,000	0	650,000	200,000	450,000	0	0
11 Full Covers Over All Conveyor Belts	UC	260,000	30,000	230,000	230,000	0	0	0
12 Purchase New Digging Bucket for Gantry Crane	UD	150,000	0	150,000	150,000	0	0	0
13 Replace PLC & Drives at Gantry Crane	UC	1,050,000	350,000	700,000	700,000	0	0	0
14 Replacement of Fendering on BD 1	UC	1,750,000	1,050,000	700,000	700,000	0	0	0
15 Replacement of Rail Dump Air Filtration System	UD	375,000	75,000	300,000	0	300,000	0	0
16 Resurface Public Storage Pads	NP	300,000	0	300,000	300,000	0	0	0
		5,055,000	1,525,000	3,530,000	2,630,000	900,000	0	0
Canals and Basins								
17 CIP-La Quinta Channel Extension/Ecosystem Restoration**	UC	44,142,819	47,242,819	(3,100,000)	0	0	0	(3,100,000)
18 Deepen La Quinta Extension to 45'	UC	7,500,000	1,500,000	6,000,000	6,000,000	0	0	0
19 New Access Road tp Good Hope DMPA	UD	300,000	0	300,000	75,000	225,000	0	0
20 Relocation of Suntide DMPA Drainage to Viola Turning Basin	UD	330,000	30,000	300,000	300,000	0	0	0
21 Replacement of Generator System for VTIS at Harbor Island	NP	130,000	0	130,000	130,000	0	0	0
22 Rincon B Mitigation Design, Construction and Monitoring	NP	630,000	30,000	600,000	500,000	20,000	20,000	60,000
23 Security Grant #11 (0/100) - Equipment Upkeep **	UC	150,500	0	150,500	150,500	0	0	0
24 Security Grant #11 (0/100) - NRRY Fencing**	UC	533,832	288,579	245,253	245,253	0	0	0
25 Security Grant #11 (0/100) - NRRY Surveillance**	UD	303,140	80,077	223,063	223,063	0	0	0
26 Security Grant #13 (25/75) - Emergency Power**	UD	235,405	6,630	228,775	228,775	0	0	0
27 Security Grant #13 (25/75) - Equipment Upkeep**	NP	125,400	0	125,400	125,400	0	0	0
28 Security Grant #13 (25/75) - La Quinta/GIWW Surveillance**	UD	2,210,238	87,861	2,122,377	2,122,377	0	0	0
29 Tule Lake Channel Improvements (Dredging)	NP	1,000,000	0	1,000,000	0	0	1,000,000	0
30 Tule Lake Foundation Removal	UD	16,075,000	25,000	16,050,000	50,000	6,000,000	10,000,000	0
31 West Barge Mooring Area	UD	6,200,000	200,000	6,000,000	6,000,000	0	0	0
32 Widen Corpus Christi Ship Channel and Add Barge Shelves	NP	31,000,000	0	31,000,000	500,000	500,000	10,000,000	20,000,000
		110,866,334	49,490,966	61,375,368	16,650,368	6,745,000	21,020,000	16,960,000
La Quinta								
33 Design & Construction 16" Waterline	NP	700,000	0	700,000	700,000	0	0	0
34 Final Design & Construction of Multipurpose Ship & Barge Dock	NP	86,000,000	0	86,000,000	1,000,000	2,000,000	15,000,000	68,000,000
35 La Quinta Property Access Road	UC	3,700,000	3,200,000	500,000	500,000	0	0	0
36 Terminal Mitigation - Aquatic Habitat	UD	2,600,000	0	2,600,000	170,000	1,830,000	0	600,000
37 Terminal Mitigation - Terrestrial Buffer Area	UD	3,440,000	0	3,440,000	170,000	2,670,000	0	600,000
		96,440,000	3,200,000	93,240,000	2,540,000	6,500,000	15,000,000	69,200,000

**Three Year Capital Project Expenditures Budget
For the Years Ending December 31, 2014, 2015 and 2016**

Project Title	Project Status	Total Project Cost Estimate	Estimated Expenditures to Date	Estimated Cost to Complete	2014	2015	2016	Out Years
Property and Buildings								
38 Admin/Annex Building Improvements	NP	\$ 90,000	\$ 0	\$ 90,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 0
39 Development of 10 Acre Martin Midstream Property	UD	1,950,000	0	1,950,000	50,000	200,000	1,700,000	0
40 Equipment Storage Canopy at Maintenance Facility	NP	300,000	0	300,000	0	300,000	0	0
41 Expansion of Mechanic Shop at Maintenance Facility	NP	150,000	0	150,000	0	150,000	0	0
42 Improve Pad at Former Hailey Site - Cleanup	UD	325,000	15,000	310,000	310,000	0	0	0
43 Indian Point Mitigation Reserve-Conceptual Design & Permitting	UD	225,000	75,000	150,000	150,000	0	0	0
44 New Port Office Building	NP	18,000,000	0	18,000,000	1,000,000	2,000,000	4,000,000	11,000,000
45 Outside Air Treatment Unit for Admin Building	NP	200,000	0	200,000	200,000	0	0	0
46 Permian Yard Drainage Improvements	UC	740,000	440,000	300,000	300,000	0	0	0
47 Port Area Signage & Landscaping Improvements	UD	450,000	0	450,000	150,000	150,000	150,000	0
48 Purchase of Land	NP	6,000,000	0	6,000,000	2,000,000	2,000,000	2,000,000	0
49 Recertification of City's Storm Protection Levee System	UD	50,000	0	50,000	50,000	0	0	0
50 Relocation of CCTR Facilities to Nueces River Rail Yard	NP	600,000	0	600,000	0	100,000	500,000	0
		29,080,000	530,000	28,550,000	4,240,000	4,930,000	8,380,000	11,000,000
Railroads								
51 Construction of Nueces River Rail Yard Phase 1 **	UC	18,000,000	3,750,000	14,250,000	12,500,000	1,750,000	0	0
52 Gregory Relief(By Pass) Design and Construction	NP	11,000,000	0	11,000,000	500,000	1,000,000	4,500,000	5,000,000
53 Inner Harbor Rail Upgrades and Improvements (2013 Project)	UC	775,000	200,000	575,000	575,000	0	0	0
54 Inner Harbor Rail Upgrades and Improvements (2014 Project)	NP	1,500,000	0	1,500,000	1,500,000	0	0	0
55 La Quinta Rail Access Improvements	NP	83,000,000	0	83,000,000	1,000,000	2,000,000	10,000,000	70,000,000
56 Nueces River Rail Yard Phase 2 **	UD	28,000,000	400,000	27,600,000	2,500,000	15,000,000	10,100,000	0
		142,275,000	4,350,000	137,925,000	18,575,000	19,750,000	24,600,000	75,000,000
Administration								
57 KleinPort Property Management Software	NP	150,000	0	150,000	150,000 *	0	0	0
58 AIS System Software	NP	250,000	0	250,000	250,000 *	0	0	0
59 JD Edwards Software Upgrade	NP	300,000	0	300,000	300,000 *	0	0	0
60 IBM Power 7 Hardware/Software Upgrades	NP	35,000	0	35,000	35,000 *	0	0	0
61 Network/Storage Hardware-Admin	NP	265,500	0	265,500	265,500 *	0	0	0
62 Software Upgrades-Admin	NP	44,000	0	44,000	44,000 *	0	0	0
		1,044,500	0	1,044,500	1,044,500	0	0	0
Port Operations								
63 Purchase of Equipment	NP	1,705,000	0	1,705,000	805,000	300,000	300,000	300,000
64 Purchase of Vehicles	NP	388,000	0	388,000	88,000	100,000	100,000	100,000
		2,093,000	0	2,093,000	893,000	400,000	400,000	400,000
Total Capital Expenditures		\$435,053,834	\$59,695,966	\$375,357,868	\$56,522,868	\$61,975,000	\$82,800,000	\$174,060,000
Less: Federal/State Grant Funding **		(66,658,574)	(33,932,343)	(32,726,231)	(11,976,231)	(12,750,000)	(8,000,000)	0
Total Capital Expenditures - Port Funded		\$368,395,260	\$25,763,623	\$342,631,637	\$44,546,637	\$49,225,000	\$74,800,000	\$174,060,000

Cash Position



Cash Position For the Year Ending December 31, 2014

Unrestricted Cash Reserves - January 1, 2013	\$122,869,240
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Unrestricted Cash Reserves - August 31, 2013	\$124,307,198
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Estimated Cash to be Provided from Operations through remainder of 2013:

Estimated Income(Loss) Before Contributions	7,883,947
Add: Depreciation	3,763,365

Total Estimated Cash Provided from Operations Through Remainder of 2013	11,647,311
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Estimated Cash to be Used for Capital Expenditures and Related Financing Activities through remainder of 2013:

Capital Expenditures	(15,081,000)
Capital Grants and Contributions	4,760,681

Total Estimated Cash to be Used for Capital Expenditures and Related financing Activities through remainder of 2013:	(10,320,319)
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Net Cash Provided Through Remainder of 2013	1,326,992
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Unrestricted Cash Reserves - December 31, 2013	125,634,190
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Estimated Cash to be Provided from Operations for 2014:

Income(Loss) Before Contributions	26,332,204
Add: Depreciation	11,297,880

Total Estimated Cash Provided from Operations for 2014	37,630,084
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Estimated Cash to be Used for Capital and Related Financing Activities for 2014:

Capital Expenditures	(56,522,868)
Proceeds from Capital Contributions	11,976,231

Total Estimated Cash Used for Capital and Related Financing Activities for 2014	(44,546,637)
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Net Cash Used in 2014	(6,916,553)
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Unrestricted Cash Reserves - End of Year	\$118,717,637
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Cash Position

For the Three Years Ending December 31, 2014, 2015 and 2016

	2014	2015	2016	Total
Estimated Cash to be Provided from Operations:				
Income(Loss) Before Contributions	\$ 26,332,204	\$ 31,869,044	\$ 36,276,988	\$ 94,478,236
Add: Depreciation	11,297,880	11,523,838	11,754,314	34,576,032
Total Estimated Cash to be Provided from Operations	37,630,084	43,392,882	48,031,303	129,054,268
Estimated Cash to be Used for Capital Expenditures and Related Financing Activities				
Capital Expenditures	(56,522,868)	(61,975,000)	(82,800,000)	(201,297,868)
Harbor Bridge State Contribution	-	-	(15,000,000)	(15,000,000)
Proceeds from Capital Contributions	11,976,231	12,750,000	8,000,000	32,726,231
Total Estimated Cash to be Used for Capital Expenditures and Related Financing Activities	(44,546,637)	(49,225,000)	(89,800,000)	(183,571,637)
Net Cash Provided(Used)	(6,916,553)	(5,832,118)	(41,768,697)	(54,517,369)
Unrestricted Cash Reserves - Beginning of Year	125,634,190	118,717,637	112,885,518	125,634,190
Unrestricted Cash Reserves - End of Year	\$118,717,637	\$112,885,518	\$ 71,116,821	\$ 71,116,821



PORT CORPUS CHRISTI

More
than
you
can
see!

THANK YOU.



DATE: December 10, 2013

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 16

Approve the Second Reading of a Franchise Granting WMH Corpus I, LLC, the Right of Access to the Jewell Fulton Canal from Its Property Adjacent to the Canal and Related Rights

WMH Corpus I, LLC, recently acquired a 12.88-acre tract of land located near Ingleside, Texas, fronting on the Jewell Fulton Canal as shown on the attached map. According to its website, WMH is a recently formed midstream company with operations in Northwestern Louisiana, West Texas, and in the Eagle Ford Shale area. The tract of land was formerly owned by the University of Houston with plans to construct a national wind blade test facility or other alternative energy research program; however, those plans never materialized, and the property sat vacant for several years. A franchise for this property was adopted by the PCCA on October 9, 1979, at the request of Ingleside Marine Inc. and although the University was offered the opportunity to assume the franchise, it elected to allow the franchise to expire on September 30, 2009.

WMH has approached PCCA staff with plans to commence crude oil and petroleum transfer operations on the property, and in connection therewith, has requested a new franchise be granted permitting them the right to access the canal for shipment by water of crude oil, petroleum products, and other commodities as permitted by mutual conveyances dating back to 1955 between the PCCA and the predecessors in title of WMH. In exchange for the right to cross the bulkhead line and access the canal, WMH will pay the PCCA a rental based on the quantity of cargo shipments moved across the southeast bulkhead line to or from the docks and wharves of WMH and being equal to 50% of the PCCA's wharfage tariff rates. Should the property be used for a "local business use" as defined in the franchise, WMH will pay a monthly rent of \$1.62 per usable linear foot of berthing or mooring space along the waterfront property. It is difficult to estimate with any certainty the amount of revenue to be realized by the PCCA in connection with this franchise.

Staff recommends approval of the second reading of this franchise as required under the mutual conveyances to WMH's predecessors in title. Should this second reading of the franchise be approved, the franchise will move to the third and final reading on January 14, 2014.

LEAD CONTACT: David Krams; 885-6134; krams@pocca.com



EXHIBIT 1

JEWELL FULTON CANAL FRANCHISE

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS
TO
WMH CORPUS I, LLC**

**SECTION 1
GRANT**

Subject to the terms and conditions of this franchise, the Port of Corpus Christi Authority of Nueces County, Texas ("Authority"), hereby grants to WMH Corpus I, LLC, a Texas limited liability company, whose business address is 8333 Douglas Avenue, Suite 300, Dallas, Texas 75225, its successors and permitted assigns ("Grantee"), for the term specified in this Section 1, all of the rights, privileges, permission and authority hereinafter provided in any Section or portion of this franchise. The term of this franchise shall begin on the later of (i) the date Grantee files its written acceptance of this franchise with the Authority in accordance with Section 13 hereof, or (ii) _____, 2013. The term of this franchise shall end on _____, 2043.

**SECTION 2
GRANTEE'S LAND**

Grantee is the owner of that certain tract or parcel containing 12.89 acres of land situated in the T. T. Williamson Survey, Abstract No. 295 of San Patricio County, Texas, and being a part of the same property described as 12.88 acres in Exhibit "A" of Gift Deed dated April 1, 2009, from BP America Production Company to the University of Houston System recorded in File No. 590169 of the Official Public Records of San Patricio County, Texas, and also being all of Lots 1-8 in Block 1 and Lots 1-2 in Block 2 and part of Block 3 of Marina Heights Addition according to Plat recorded in Volume 5, Page 1 of the Map Records of San Patricio County, Texas, and also being part of Tract 10 in Block "A" of Caruthers Cove according to Plat recorded in Volume 4, Page 31 of the Map Records of San Patricio County, Texas; and as more particularly described by metes and bounds in Exhibit A attached hereto ("Grantee's Land"), together with the property acquired by Grantee's predecessors in title as a result of various agreements and mutual conveyances between them and Nueces County Navigation District No. 1, all dated as of the 1st day of March, 1955, said mutual conveyances being hereinafter referred to as the "Mutual Conveyances." All of the rights, privileges, permission and authority hereinafter provided for in any Section or portion of this franchise shall be in addition to the rights, privileges, permission and authority acquired by Grantee as successor in title under the Mutual Conveyances. A survey of Grantee's Land is attached hereto as Exhibit B.

SECTION 3

ACCESS TO JEWELL FULTON CANAL

Grantee shall have the right of access to and use of the Jewell Fulton Canal and turning basin lying within Ingleside Cove and Kinney Bayou and shall have the right to erect any bulkheads, piers, docks, wharves and slips, boat houses, club houses, dry boat storage, marine service stations, marine railways on Grantee's Land, and any other facilities thereon necessary to utilize Grantee's Land; provided that such bulkheads, piers, docks, wharves and slips, boat houses, club houses, dry boat storage, marine service stations, marine railways and any other facilities shall not extend beyond the southeast bulkhead line of the Jewell Fulton Canal as such bulkhead line has been established by the Authority and which is the same line as the northwest boundary line of Grantee's Land as shown on the survey of Grantee's Land attached hereto as Exhibit B (the "Southeast Bulkhead Line"). The cost of the erection and construction of all such facilities shall be at the sole cost of Grantee, its successors and permitted assigns. Grantee shall also have the right to cross the Southeast Bulkhead Line from Grantee's Land in order to conduct and perform all such dredging and excavations in, on or under the Authority's submerged lands lying between the Jewell Fulton Canal and Grantee's Land as may be expedient and reasonably necessary as a means of access for ships and other vessels and/or to use the area for the purpose contemplated by this franchise. Grantee may deposit dredge materials and fill on the Grantee's Land or on the premises owned and furnished by Authority and designated by the Authority for such deposits, provided, as to the premises furnished by Authority, an agreement has first been reached between Authority and Grantee on use of the land, on levee and weir construction and the cost thereof, and subject to the rights of the United States in any submerged lands west of the Southeast Bulkhead Line.

SECTION 4

RENTALS

For the rights, privileges, permission and authority granted to it hereunder, Grantee shall pay to Authority a rental calculated upon the movements of property or commodities across the Southeast Bulkhead Line to or from docks and wharves on Grantee's Land and a rental for any actual "local business use" undertaken in and upon Grantee's Land during the term hereof, said rentals to be computed and determined in the following manner:

(1) For any general cargo business (and by "general cargo business" is meant a business handling the shipment by water of any property or commodity owned by or being purchased or sold by a party other than the holder of this franchise, and being a shipment by water of a property or commodity in the usual sense of cargo transportation, and being a use of Grantee's Land other than a "local business use" as hereinafter defined), a rental based upon the quantity of shipments made and to be equal to fifty percent (50%) of Authority's then current tariff wharfage rate on the same type of commodity or property.

(2) For a business other than a general cargo business (that is, a business handling the shipment by water of any property or commodity owned by or being purchased or sold by the holder of this franchise, and being a shipment by water of a property or commodity in the usual sense of cargo transportation, and being a use of Grantee's Land other than a "local business

use” as hereinafter defined) a rental based upon the quantity of the shipments made and to be an amount not more than (a) fifty percent (50%) of the Authority’s then current tariff wharfage rate on the same type of property or commodity, or (b) two cents (2¢) per long ton of 2,240 U. S. pounds, whichever of the two amounts is smaller; provided that the alternate rate of two cents (2¢) per long ton shall be applicable only to the following property or commodities and no other, to-wit: bauxite ore, alumina, cryolite, pitch, coke, flourspar and aluminum billet, blooms, ingot, pigs, and slabs.

(3) The term “local business use,” as used herein, shall mean any business use or use for a profit other than the shipment of a property or commodity by water in trade or commerce in the usual sense of carriage of goods by water as cargo. “Local business use” shall not be construed to include pleasure use by the Grantee. By way of illustration, but not in limitation, “local business use”, within the meaning of this franchise shall include the following:

operating and providing facilities for the operation of commercial fishing boats; providing berthing space and service facilities for pleasure or commercial boats, including the operation of a marine service station or marine service stations to supply water, fuel, oil and other items necessary for pleasure or commercial boats or vessels; chartering pleasure boats or any kind of boats for hire; operating dredges, tug boats or barges; carrying passengers for hire or on charter for pay; handling vessels for, or movement or shipment of commodities, equipment and supplies used by or in connection with, oil, gas and mineral exploration, drilling and production operations in navigable waters, including loading, unloading, and storage facilities for commodities, equipment and supplies used by or in connection with said oil, gas and mineral exploration, drilling and production operations in navigable waters; the operation of a ship repair or construction yard, or vessels used in connection therewith; and dry boat storage or launching facilities; but “local business use” shall not include pleasure use.

The rental for “local business use” shall be based on the total number of useable linear feet of mooring or berthing space that Grantee has on the faces or sides of any wharf, pier, bulkhead, dry boat storage, or other similar structure erected on Grantee’s Land channelward of the minus 2.0-foot contour line below mean low tide (this number of linear feet being referred to herein as “Grantee’s Linear Footage”). In the boat storage areas, the sides of piers or catwalks not more than 2.5 feet wide and used as a means to reach mooring lines shall not be included in assessing rental, in which case the useable space to be considered shall be the linear footage center to center of such catwalk or piers or mooring piling for each such berthing space. If both sides of a pier are utilized for berthing purposes, then twice its length shall be counted in determining the lineal footage of berthing space. Outside the boat storage areas, piling or other mooring aids erected in such a manner that vessels may lay against them shall be considered a structure and the linear footage shall be determined by measuring the distance between the outer extremities of such piling or aids; however, single piles which are erected outside any structure for holding mooring lines but not for breasting purposes shall not be included as part of the structure. The Authority’s representatives shall have the right to verify the Grantee’s Linear Footage from time to time with reasonable notice to Grantee.

The rental for local business use described in this Section 4 (the “Local Business Use Rental”) shall be calculated monthly and paid to Authority at its offices in Corpus Christi, Texas, not later than the twentieth (20th) day of the month immediately following the month same accrued. The Local Business Use Rental for each month during the term of this franchise shall equal the product of the “Rental Rate” for such month (as described in this paragraph) multiplied by the Grantee's Linear Footage at the beginning of such month. The Rental Rate for local business use for each month for the first five (5) years of the term of this franchise shall be One Dollar and Sixty-Two Cents (\$1.62) for each linear foot of Grantee's Linear Footage. The Rental Rate for local business use for each month of the next following five-year period (i.e., _____ 1, 2018 to _____ 31, 2023) and for each month of each subsequent five-year period during the term of this franchise shall be determined by the Authority’s Port Commissioners not sooner than 180 days nor later than 30 days prior to the beginning of such five-year period. The Authority shall give Grantee written notice of any change to the Rental Rate prior to the beginning of the five-year period to which that new rate applies, and absent any such notice the then existing Rental Rate shall continue in effect.

All other rental payments provided herein (i.e., all rental payments other than the Local Business Use Rental) shall be paid to the Authority at its offices in Corpus Christi, Texas, at such time or times as the Authority may direct by general rule or regulation which shall be applicable to all persons or parties holding permits or franchises similar to this franchise. Grantee shall keep and maintain a complete and accurate set of books and records of vessels using its facilities and the kinds and amounts of cargos loaded upon or discharged from such vessels and shall make monthly reports thereon together with the proper payment therefor to Authority. Such books and records shall be subject to the inspection of the Authority, its agents and attorneys, at any and all reasonable times.

SECTION 5 **CONDITIONS**

This franchise is granted with reasonable regulations as to construction and reasonable conditions for the protection of the Authority and its property and the property of its tenants, to-wit:

- (a) Grantee will at all times conduct its operations upon Grantee's Land so as not to create any unusual fire hazards.
- (b) Grantee will not, for itself or for others, use any portion of Grantee’s Land for a railroad terminal.
- (c) Before constructing any structure or commencing any work (including dredging or filling of submerged areas) on Grantee’s Land or the Authority’s submerged land lying between the Jewell Fulton Canal and the Southeast Bulkhead Line for which a U. S. Department of the Army permit is necessary and before filing application for any such permit, Grantee will submit plans of such structure or the work to be undertaken to the Authority for its approval. Authority shall not refuse to approve such plans without good cause. Grantee must file with the Authority a

copy of any permit or license it obtains from any governmental agency in connection with any construction or work described in this Section 5, and any documents placing conditions on or amending them in any way.

- (d) To facilitate the Authority's review of the plans described in Section 5(c) above, Grantee shall submit two (2) sets of formal plans that clearly define the project. The drawings must be prepared in a standard engineering format (24" x 36" drawings) and show all physical features and improvements in and around the project site and must be signed and sealed by a Professional Engineer registered in the State of Texas. In addition, a detailed site plan (minimum 1" = 50' scale) depicting the location and physical layout of the project site and any area to be dredged, adjacent docking facilities, property lines, federal channels, bulkhead lines, existing channel depth elevations, etc., must be included with the formal plans submitted. The site plan must clearly show the bottom of cut line and top of slope line of any planned dredging. If any dredging is planned by Grantee that will, in Authority's judgment, based upon customary dredging operations, result in removal of a substantial quantity of earth or material from, or damage to, adjacent real property, Grantee must obtain the written permission of the adjacent property owner to carry out such dredging for the project and submit it to the Authority with the formal plans.
- (e) Grantee must perform all construction or work described in this Section 5 in conformity with generally accepted building codes and all applicable federal, state and other governmental laws and regulations; and Grantee must comply with any applicable provisions of the code of the National Fire Protection Association.
- (f) Grantee's slips along the Southeast Bulkhead Line shall be maintained at a depth sufficient to prevent vessels berthed at the docks there from striking bottom due to lowering of the water level from passing vessels.

SECTION 6 **RULES AND REGULATIONS**

Grantee shall comply with the Authority's reasonable written rules and regulations presently in effect or that the Authority may invoke in the future which apply to all individuals or entities holding franchises similar to this franchise and which the Authority provides to Grantee or posts or otherwise publicizes to its franchisees.

SECTION 7 **INDEMNITY**

Grantee shall indemnify and hold harmless the Authority of and from all expenses and liability for, and resulting from, the negligence of Grantee, its agents or employees, in connection with the exercise by Grantee of the rights and privileges hereby granted. Where the claim, demand, cause of action or damage is the result of the joint negligence of

Grantee and the Authority, the Grantee's obligation of indemnification shall be in proportion to Grantee's share of such joint negligence.

SECTION 8
POLLUTION

Grantee shall take all reasonable precautions to prevent pollution by Grantee of the waters in the Jewell Fulton Canal, Ingleside Cove and Kinney Bayou. Grantee shall use reasonable care in keeping the Grantee's Land neat and clean at all times.

SECTION 9
DEFAULT

In the event of a default of Grantee in the performance of any of the terms and conditions herein stipulated to be done by it, or required of it under any valid laws, rules or regulations of the government of the United States of America or the State of Texas, and in the event such default continues for ninety (90) days after the Authority has sent a written notice by registered or certified United States mail to Grantee at its business address, advising it of the kind, nature, and extent of such default, this franchise shall be subject to forfeiture at the instance of the Authority by suit in a State District Court in Nueces County, Texas.

SECTION 10
ACCEPTANCE; GRANTEE'S LINEAR FOOTAGE

Grantee, within thirty (30) days from the third reading and final passage of this franchise, shall file with the Authority its written acceptance of this franchise and such written acceptance shall be duly acknowledged by the person or persons executing the same. In such acceptance Grantee shall certify to the Authority the number of linear feet of Grantee's Linear Footage as of the date of such acceptance for the calculation of rentals due for local business use. Thereafter, from time to time as the Grantee's Linear Footage increases or decreases, Grantee shall forthwith notify Authority and the rental for local business use shall be adjusted accordingly with the next rental payment due.

SECTION 11
CHANGE IN APPLICABLE LAWS

If the statutes of the State of Texas governing the granting of franchises such as this are amended during the term hereof so as to enable Authority to grant franchises for a longer term than thirty (30) years, then and in that event this franchise, if then in effect and in use, shall be extended for such period of time as will, in the aggregate, amount to the greater period fixed in any such amendment to such statutes, unless such extension is prohibited by such amendment.

SECTION 12
ASSIGNMENT

Grantee may assign this franchise and/or may grant or lease any of the facilities

constructed pursuant to this franchise to any individual, partnership, corporation, or other business entity and any such assignment, grant or lease shall be subject to all of the terms and obligations created under this franchise and Grantee shall not be released thereby from any obligations and duties assumed hereunder; provided, however, if Grantee assigns this franchise and/or leases any of the facilities constructed pursuant to this franchise to any individual, partnership, corporation, or other business entity which holds a permit or franchise on the Jewell Fulton Canal from the Authority similar to this franchise, Grantee shall be released from any further obligations and duties assumed hereunder only insofar as such obligations and duties arise from and after the effective date of such assignment, grant or lease, it being specifically understood that any such assignment, grant or lease shall not have the effect of releasing Grantee from any obligations or duties assumed hereunder which may have accrued at any time prior to the effective date of such assignment, grant or lease.

SECTION 13 **GENERAL**

All covenants, conditions and agreements of this franchise shall apply to and be binding upon the Authority and Grantee and their respective legal representatives, successors and permitted assigns (when assignment is made in accordance with the provisions hereof). This franchise is made under the applicable laws of the State of Texas and if any term, clause, provision, part or portion of this franchise shall be adjudged invalid or illegal for any reason, the validity of any other part or portion hereof shall not be affected thereby, and the invalid or illegal portion thereof shall be deleted and ignored as if the same had not been written herein. If any of the rights and authorities granted hereunder are in excess of the authority of the Authority, then the rights and authorities shall be limited to such as the Authority is authorized to grant, under the applicable laws. The failure of Grantee or of the Authority to insist upon the strict performance of any of the covenants and conditions of this franchise, or the consent, either express or implied, of either party hereto to any act or omission by the other party in breach or default hereof, shall not be deemed or construed to be a waiver of any such covenants or condition except for that particular instance only and shall not constitute or be construed as a waiver of such covenant or condition or of any further or future breach or default thereof.

SECTION 14 **PASSAGE**

A majority of the Authority's Port Commissioners voted to grant this franchise at meetings of the Port Commission held on_____, 2013, _____, 2013, and _____, 2014, and the final form of this franchise was approved at the last of such meetings.

[Signature page follows this page]

IN WITNESS WHEREOF, the Authority has caused this franchise to be signed by the Chairman of the Port Commission and attested by the Secretary of the Port Commission this ____ day of _____ 2014.

Chairman of the
Port Commission of Port of Corpus Christi
Authority of Nueces County, Texas

ATTEST:

Secretary of the Port
Commission of Port of Corpus Christi
Authority of Nueces County, Texas

STATE OF TEXAS §
 §
COUNTY OF NUECES §

This instrument was acknowledged before me on ____ day of _____, 2014, by, _____, Chairman of the Port Commission of Port of Corpus Christi Authority of Nueces County, Texas, and _____, Secretary of the Port Commission of Port of Corpus Christi Authority of Nueces County, Texas, on behalf of said Port Authority.

NOTARY PUBLIC, STATE OF TEXAS

EXHIBIT A
LEGAL DESCRIPTION OF GRANTEE'S LAND

EXHIBIT A
WMH CORPUS I, LLC FRANCHISE

PROPERTY DESCRIPTION
12.89 ACRES

STATE OF TEXAS }
COUNTY OF SAN PATRICIO }

All of that certain tract or parcel containing 12.89 acres situated in the T. T. Williamson Survey, Abstract No. 295 of San Patricio County, Texas and being a part of the same property described as 12.88 acres in Exhibit "A" of Gift Deed dated April 1, 2009 from BP America Production Company to the University of Houston System recorded in File No. 590169 of the Official Records of San Patricio County, Texas and also being all of Lots 1-8 in Block 1 and Lots 1-2 in Block 2 and part of Block 3 of Marina Heights Addition according to Plat recorded in Volume 5, Page 1 of the Map Records of San Patricio County, Texas and also being part of Tract 10 in Block "A" of Caruther Cove according to Plat recorded in Volume 4, Page 31 of the Map Records of San Patricio County, Texas. This 12.89 acres is more particularly described by metes and bounds as follows:

BEGINNING at an existing 5/8 inch iron rod located in the Northwest line of Farm-to-market Road No. 1069 and at the South corner of a tract conveyed to Northshore Boatworks described in deed recorded in File No. 531779 of the San Patricio County Official Records and at the Northeast corner of the above referenced 12.88 acre tract for the Northeast corner of this 12.89 acres being described;

THENCE South 15° 30' 27" West (Base Bearing) [deed call = South 15° 30' 27" West], with the Northwest line of Farm-to-market Road No. 1069 and the East line of the said 12.88 acre tract, a distance of 702.49 feet [deed call = 702.27 feet] to an existing 1/2 inch iron rod located at the Northeast corner of a tract conveyed to Signet Maritime Corporation described in deed recorded in File No. 579085 of the San Patricio County Official Records and at the Southeast corner of the said 12.88 acre tract for the Southeast corner of this 12.89 acres being described;

THENCE South 87° 29' 49" West [deed call = South 87° 30' 27" West], with the North line of the said Signet Maritime Corporation tract and the South line of the said 12.88 acre tract, a distance of 711.91 feet [deed call = 711.76 feet] to an existing punchmark in concrete located at an interior corner of the said Signet Maritime Corporation tract and the South corner of the said 12.88 acre tract for the South corner of this 12.89 acres being described;

THENCE North 58° 35' 34" West [deed call = North 58° 34' 56" West], with the Northwest line of the said Signet Maritime Corporation tract and the Southwest line of the said 12.88 acre tract, a distance of 320.66 feet [deed call = 320.66 feet] to the Southeast line of a tract conveyed to Nueces County Navigational District No. 1 described in deed recorded in Volume 522, Page 201 of the San Patricio County Deed Records and at the Northwest corner of the said Signet Maritime Corporation tract and at the Southwest corner of the said 12.88 acre tract for the Southwest corner of this 12.89 acres being described;



PROPERTY DESCRIPTION
12.89 ACRES

(continued)

THENCE North 50° 40' 12" East [deed call = North 50° 41' 10" East], with the Southeast line of the said Nueces County Navigational District No. 1 tract and the West line of the said 12.88 acre tract, a distance of 1034.97 feet [deed call = 1034.61 feet] to the Southwest corner of the said Northshore Boatworks tract and the Northwest corner of the said 12.88 acre tract for the Northwest corner of this 12.89 acres being described;

THENCE South 43° 05' 45" East [deed call = South 43° 05' 56" East], with the Southwest line of the said Northshore Boatworks tract and an interior line of the said 12.88 acre tract, a distance of 169.66 feet [deed call = 169.66 feet] to an existing punchmark in concrete located at the South corner of the said Northshore Boatworks tract and at an interior corner of the said 12.88 acre tract for an interior corner of this 12.89 acres being described;

THENCE North 88° 01' 23" East [deed call = North 88° 01' 12" East], with the Southeast line of the said Northshore Boatworks tract and an interior line of the said 12.88 acre tract, a distance of 256.41 feet [deed call = 256.27 feet] to the **PLACE OF BEGINNING**, containing within these metes and bounds 12.89 acres.

This property description and a plat were prepared from a survey made on the ground under my direction on February 19, 2013.



G & W ENGINEERS, INC.
Henry A. Danysh
Registered Professional
Land Surveyor, No. 5088



EXHIBIT B
MAP OF GRANTEE'S LAND
AND SOUTHEAST BULKHEAD LINE

EXHIBIT B

WMH CORPUS I, LLC FRANCHISE

Nucnes County Nonjudicial District No. 1
 5/22/2017 N.C.D.R.

CANNAL

1034.97

(361)552-4509
(979)323-7100

[illegible]

FILE NO.:
6191-002
JOB NO.:
6191-002
SHEET NO.:
1 OF 1

12.89 ACRE SURVEY
T. T. WILLIAMSON SURVEY
ABSTRACT NO. 295
SAN PATRICIO COUNTY, TEXAS

I, HENRY A. DANTYCH, REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THAT THE PLAT SHOWN HEREON AND A PROPERTY DESCRIPTION PREPARED REPRESENTS THE RESULT OF A SURVEY MADE ON THE GROUND UNDER MY DIRECTION ON FEBRUARY 19, 2013.



ACCEPTANCE OF GRANTEE

WMH Corpus I, LLC, hereby accepts the above and foregoing franchise and agrees to be bound thereby.

WMH Corpus I, LLC, hereby certifies that Grantee's Linear Footage (as defined in Section 4 of the foregoing franchise) is 1767 linear feet as of the date of this acceptance.

EXECUTED this ____ day of _____, 2014.

WMH CORPUS I, LLC

By: _____

Name: _____

Title: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on ____ day of _____, 2014,
by _____, _____ of WMH
Corpus I, LLC, a _____ limited liability company, on behalf of said company.

NOTARY PUBLIC, STATE OF TEXAS

DATE: December 10, 2013

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO.17

**Approve a 90-Day Extension to Existing PCCA Contract
with Amtex Security**

Amtex Security Inc. is currently under contract with the Port to provide unarmed contract security guard services at Port facilities regulated by 33 CFR 105. That contract will expire on December 31, 2013. Staff postponed requesting bids for a new security contract pending guidance from the Commission on staffing for these services, which we received at the Commission meeting on November 22, 2013.

Staff recommends that the Amtex contract be extended for 90 days pending receipt of bids for a new unarmed security guard services contract. We have contacted Wes Terry, the president of Amtex Security Inc., and he has agreed to this proposal. The total cost for these services for 90 days would be approximately \$323,382 (average monthly cost of \$104,299 times three). This cost is in line with our current costs for these services.

Staff recommends approval of the attached letter of extension to extend the contract with Amtex Security Inc. for a period of 90 days.

LEAD CONTACT: Chief Tom Mylett; 885-6238; Tom@pocca.com



PORTCORPUS CHRISTI

Mr. Wesley E. Terry
AMTEX Security, Inc.
4814 Neptune Street
Corpus Christi, TX 78405

Re: Unarmed Security Guard Service Contract

Dear Mr. Wesley:

AMTEX Security, Inc. ("AMTEX") is currently providing Unarmed Security Guard Services to the Port of Corpus Christi Authority ("Authority") under a 3-year contract which will expire on December 31, 2013 ("AMTEX Contract"). This letter will evidence the agreement of AMTEX and the Authority to extend the AMTEX Contract for the three-month period beginning January 1, 2014, and ending March 31, 2014 (the "Extension Period") in accordance with the current terms and conditions of the contract, except as provided in the following paragraph.

During the Extension Period, (1) the Authority may not unilaterally change the terms or conditions of the AMTEX Contract; (2) the Authority may terminate the AMTEX Contract at any time for convenience by giving AMTEX at least thirty (30) days' prior written notice of such termination; and (3) all special posts and unscheduled posts will be billed at the stated contract rates; however, overtime rates may apply when Authority Certified guards are requested with less than ninety-six (96) hours of notice and the only available Authority Certified guards have already worked a 40-hour week. .

I am sending two copies of this letter to you. If this extension of the AMTEX Contract is acceptable, please indicate your acceptance by signing and dating both copies of the letter in the space provided below and then mailing one copy of the letter to me at 222 Power Street, Corpus Christi, Texas 78401, or emailing a scanned copy of the letter to me at john@pocca.com no later than December 16, 2013.

If you have any questions, please feel free to call Interim Chief of Port Police, Tom Mylett, at (361) 885-6238.

Sincerely,

John. P. LaRue
Executive Director

Agreed and accepted this ____ day of
December. 2013.

AMTEX Security, Inc.

By: _____
Wesley E. Terry, President

**DATE:** December 10, 2013**FROM:** John LaRue; 885-6189; john@pocca.com***AGENDA ITEM NO. 18*****Award Contract to and Approve Lease Agreement with
LAZ Parking, Based on Bids Received on October 30, 2013,
for the Lease of Property for Parking Lot Operations**

The PCCA has leased several of its parking lots to a private operator since 2001. Our lots are used by the general public attending special events in the downtown area at night and over the weekend. Having a private operator manage these lots during these special events minimizes problems (e.g., trash and vandalism) that can occur during such times and provides a source of revenue for the PCCA. Revenue from these leased parking areas averages about \$11,000 a year; this year, the Port has received \$7,850 through the month of October for the Admin/Annex and Ortiz Center lots.

The PCCA's current lease with Surf and Turf expired on November 9, 2013, so staff prepared a bid package to again lease the lots. The lots included in the bid package are the Port Administration and Annex office lots excluding highlighted areas (109 spaces) and the three Ortiz Center lot areas, which include the two lots across from the building and the lot under the Harbor Bridge (448 spaces). See Exhibits A and B. Use of lots defined in Exhibit B must have prior approval from the PCCA so as not to conflict with Ortiz Center events.

On October 30, 2013, we received two responses to our Notice to Bidders. See attached Bid Tabulation. The Base bid for this contract is a percentage (of each parking fee) to be paid to the PCCA by the bidder for each vehicle per event. Evaluated bid figures on the bid tabulation sheet are based on the estimated number of vehicles times the percentage of the parking fee to be paid to PCCA.

PCCA staff checked both bidding companies for previous business history with the PCCA and local contract references. Although Parking Systems of America (headquartered in Dallas, Texas) submitted the higher percentage in their base bid package, we believe this company is affiliated with another company that had a previous parking lot operations lease with the PCCA which was terminated during the contract term. This affiliated company neglected to pay the PCCA monies due for parking revenue, consequently this amount was uncollectable and written-off due to non-payment. Parking Systems of America does not have any current contracts in the local area and was unable to provide any contract references for any past local contracts.

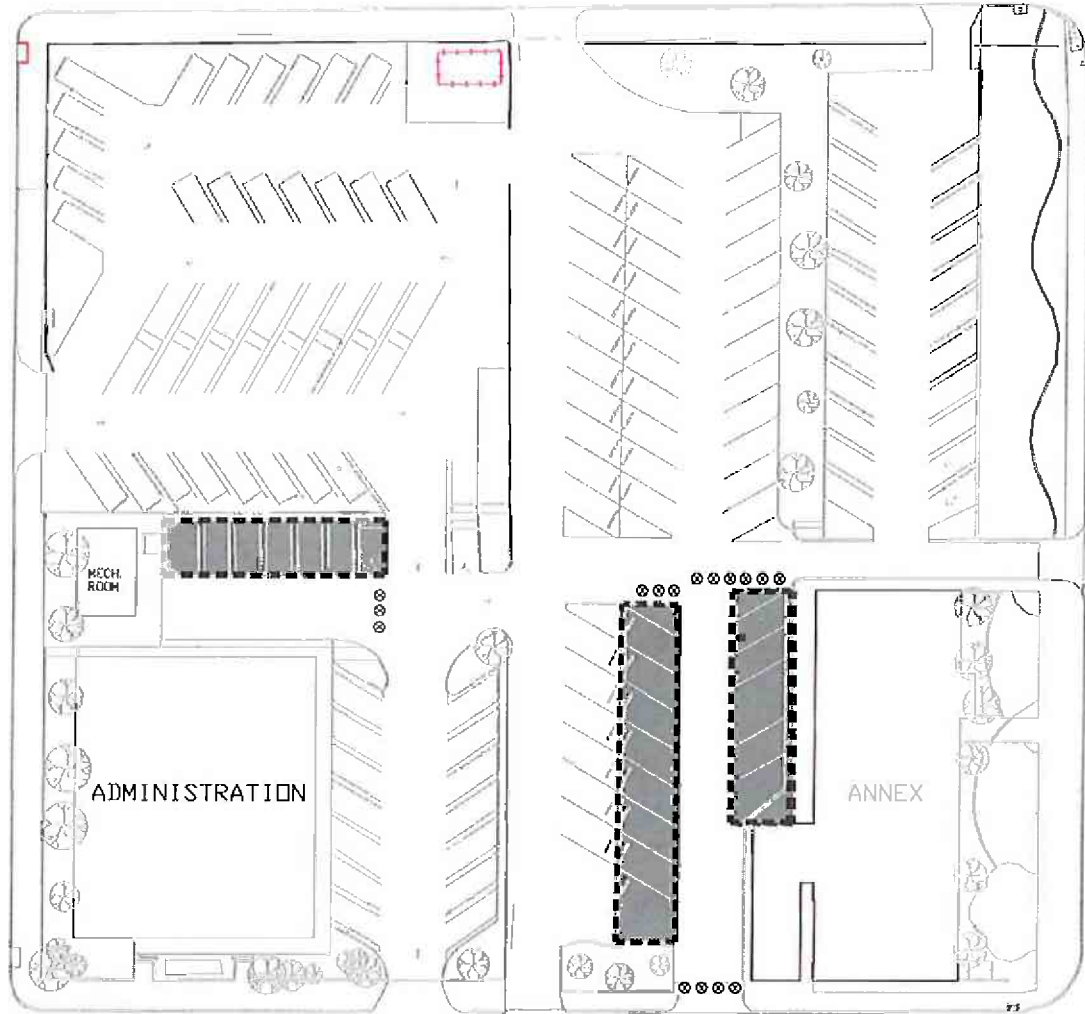
LAZ Parking (headquartered in Dallas, Texas) has local parking contracts and office staff in the area. Staff checked their references and received positive feedback regarding LAZ Parking's handling of other contracted lots. Staff feels this company's bid is reasonable and acceptable to the PCCA and recommends award of a contract to and approval of a lease agreement with LAZ Parking at 55.5% of the parking fee to be paid to PCCA.

LEAD CONTACT: Sonya Lopez-Sosa; 885-6187; sonya@pocca.com



PALO ALTO STREET

WATER STREET



N. SHORELINE BLVD.

POWER STREET

⊗ NO PARKING CONES REQUIRED
(LESSEE PROVIDE)

LEGEND

 NO PARKING

port cc-block 13

NO.	DATE	REVISION



PORT CORPUS CHRISTI

PORT CORPUS CHRISTI-BLOCK 13
PARKING AREAS

SCALE: $\pm 1" = 60'$

DWN. BY: RALPH

EXHIBIT A

DATE: OCT. 2009

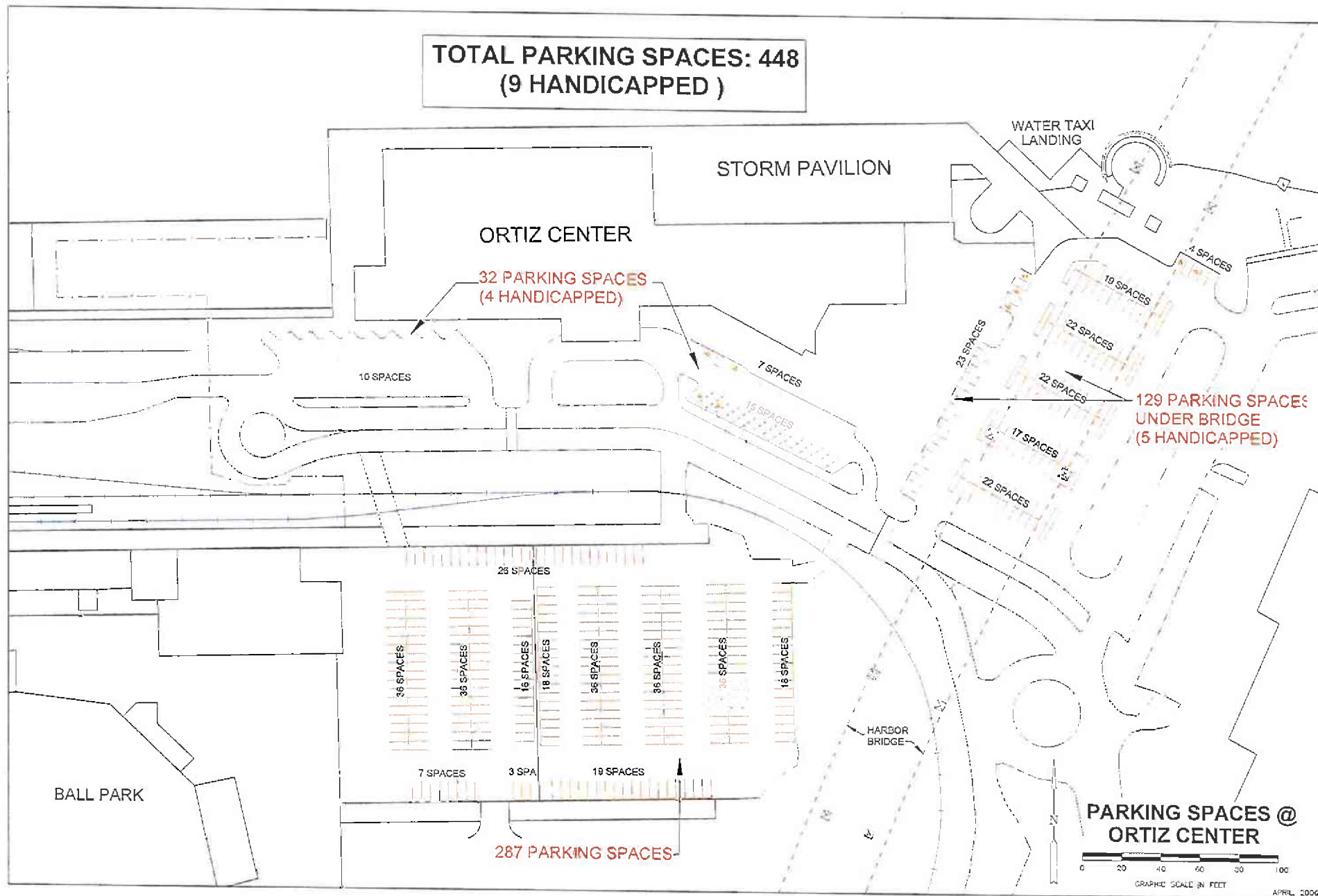


Exhibit B



BID TABULATION FOR LEASE PROPERTY FOR PARKING LOT OPERATIONS

Bid Opening: October 30, 2013 at 2:00 pm

Company Name	Bid Bond or Check	Base Bid ^A	Evaluated Bid ^B	Addend No. 1
Parking System of America	Cashier's Check \$4,000	72.5%	\$61,443.75	X
LAZ Parking	Cashier's Check \$2,351.81	55.5%	\$47,036.25	X

^A BASE BID: The Base Bid is the percentage paid to PCCA by the bidder for each vehicle per event using the parking lot. Lease Agreement will allow parking fees to be a minimum of \$5 to a maximum of \$25.

^B EVALUATED BID: Total Fee Collected (8,475 vehicles x \$10/vehicle x Base Bid-Percentage of Parking Fee).

Read By: Sonya Lopez-Sosa

Tabulated By: Darrin Aldrich

Checked & Prepared By: Melinda Maldonado

Date: October 31, 2013

DATE: December 10, 2013

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 19

**Approve a Lease Termination Agreement
with Gulf States Bulk Terminal, LLC**

In 2011, Ambre Energy North America Inc. signed a five-year lease (with five 5-year options) for 14.5 acres at the Bulk Terminal under the name of Gulf States Bulk Terminal, LLC. The lease obligated Ambre Energy to pay a base rent of \$1,087,500 for the initial five years as well as \$1,424,583.33 in throughput rent that would begin on January 1, 2015, and end on October 31, 2016 (end of the primary term). To date, Ambre has paid the Port \$453,125 for the base rent and is current on their lease payments. They do not currently owe any throughput rent since that obligation does not start until January 1, 2015.

The coal export market has dramatically declined in the last three years, and Ambre no longer considers a coal export terminal viable in this area. Ambre approached staff about an early termination of their lease obligation. Negotiations between Port staff, the Port's legal counsel, Ambre representatives and Ambre's legal counsel have resulted in Ambre's agreement to pay all of the base rent through the end of 2013 and a termination fee of \$217,500 for base rent in 2014. The termination fee is equal to the base rent for the full 12-month period of 2014 and will be payable in installments of \$18,125 due on the first day of each month. In the event the Port is able lease all or part of this property prior to December 31, 2014, the Port will credit any rent it receives against Ambre's termination fee obligation. The Port would also waive Ambre's obligation for payment of any throughput rent.

Staff recommends approval of the attached Lease Termination Agreement with Gulf States Bulk Terminal, LLC. We believe this property can be utilized for other purposes as identified in our new Strategic Plan.

LEAD CONTACT: Frank Brogan; 885-6133; frank@pocca.com

LEASE TERMINATION AGREEMENT

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

This Lease Termination Agreement ("Termination Agreement") is made and entered into effective as of the 10th day of December, 2013 ("Effective Date"), between the Port of Corpus Christi Authority of Nueces County, Texas, a navigation district and political subdivision of the State of Texas ("Authority"), and Gulf States Bulk Terminal, LLC, a Delaware limited liability company ("Lessee"). The Authority and Lessee are sometimes collectively referred to herein as the "Parties" and individually as a "Party".

Recitals

WHEREAS, Authority and Lessee entered into a Lease Agreement dated November 1, 2011 ("Lease"), under the terms of which Authority leased to the Lessee approximately 14.5 acres of land, more or less, in Nueces County, Texas, located in the vicinity of the Authority's Bulk Terminal; and

WHEREAS, the primary term of the Lease will expire on October 31, 2016; and

WHEREAS, the Parties desire to accelerate the termination of the Lease and to enter into certain other agreements incidental thereto; and

WHEREAS, capitalized terms not otherwise defined in this Termination Agreement shall have the meanings set forth in the Lease;

NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of which is acknowledged by both Parties, and in further consideration of the mutual promises and obligations contained herein, the Parties hereby agree as follows:

1. Termination Date. Subject to the timely performance by Lessee of its obligations herein, Authority and Lessee agree that the Lease shall terminate on December 31, 2013 (the "Termination Date"). On or prior to the Termination Date Lessee shall surrender the Leased Premises to the Authority.

2. Fixed Rent. Lessee hereby covenants that it shall be liable for the observance and performance of each and every one of the terms, covenants and conditions of the Lease to be observed and performed by Lessee up to the Termination Date including, without limitation, the payment of the fixed rent payable under Section 3.01 of the Lease. In that regard, Lessee shall pay Eighteen Thousand One Hundred Twenty-Five Dollars (\$18,125) to the Authority upon execution of this Termination Agreement, which represents the balance of the fixed rent due under the Lease for the period ending on the Termination Date.

3. Termination Fee. (a) In consideration of the early termination of the Lease, Lessee shall pay to Authority a termination fee in the amount of Two Hundred Seventeen Thousand Five Hundred Dollars (\$217,500) (the "Termination Fee") in lawful currency of the United States of America; *provided, however*, that such \$217,500 payment shall be reduced by an amount equal to the aggregate total of all rent paid to the Authority by a third party for all or any part of the Leased Premises during the calendar year 2014 (the "Adjustment Amount"). The Authority shall promptly advise Lessee of any such Adjustment Amount.

(b) The Termination Fee shall be payable in twelve equal monthly installments of \$18,125 each on the first day of each and every calendar month during the year 2014, beginning on January 1, 2014. Any Adjustment Amount shall be credited against the monthly installments payable hereunder in inverse order.

(c) Lessee shall pay the monthly installments of the Termination Fee by wire transfer, in immediately available funds, to the Authority's account, unless Authority and Lessee mutually agree on some other method of payment.

(d) If Lessee shall fail to pay any installment of the Termination Fee when due and such failure shall continue for more than ten (10) business days following written notice that said sum was due, then, in addition to any other right or remedy available to Authority, Authority shall have the right to declare the entire unpaid balance of the Termination Fee, together with accrued but unpaid interest thereon, immediately due and payable.

(e) If Lessee shall fail to pay any portion of the Termination Fee when due and such failure shall continue for five (5) business days beyond the date such payment was due, Lessee shall pay interest on such past due amount at the Interest Rate (as defined below) from the date such payment was due to the date the same is paid to Authority.

(f) "Interest Rate" shall mean a rate per annum equal to the lesser of (i) 5% per annum, or (ii) the maximum rate of interest which Lessee may legally contract to pay.

(g) The Termination Fee is the amount which the Parties have negotiated and agreed upon as a fee or compensation which is intended as their fair estimate of losses and damages to be suffered by Authority in connection with the early termination of the Lease, which are difficult to calculate. Such amount shall be the Authority's liquidated damages for such estimated losses and damages, whether such losses and damages are in fact greater or less than the applicable amount of the Termination Fee.

(h) Lessee shall reimburse the Authority upon demand for all reasonable costs and expenses (including reasonable attorneys' fees and disbursements and court costs) incurred by the Authority in connection with enforcing Lessee's obligations hereunder.

(i) Nothing in this Termination Agreement shall construed to require the Authority to lease or attempt to lease the Leased Premises to a third party.

4. Mutual Release. By this Termination Agreement, each Party hereby releases the other Party from all claims, demands, damages, rights, liabilities, and causes of action of any nature whatsoever, whether at law or equity, known or unknown, suspected or unsuspected, which are related or in any manner incidental to the Lease or the Leased Premises. Each Party waives and relinquishes any right or benefit which it has or may have under applicable law regarding waiver of unknown claims to the full extent that it may lawfully waive such rights and benefits. In connection with such waiver and relinquishment, each Party acknowledges that it is aware that it or its attorneys or accountants may hereafter discover facts in addition to or different from those which it now knows or believes to exist with respect to the subject matter of this Termination Agreement or the other Party hereto, but that it is the intention of the Parties hereby to fully, finally, and forever settle and release all of the claims, disputes, and differences, known or unknown, suspected or unsuspected, which now exist or may exist hereafter between the Parties with regard to the Lease or the Leased Premises. This Termination Agreement shall be and remain in effect as a full and complete release notwithstanding the discovery or existence of any such additional or different facts. In executing this Termination Agreement, each Party acknowledges that it has consulted with and received the advice of counsel and that it has executed this Termination Agreement after independent investigation and without fraud, duress, or undue influence.

5. Bankruptcy Event. The Parties agree (and Lessee acknowledges the Authority's express reliance thereon) that upon (i) Lessee filing a voluntary petition or becoming the subject of an involuntary petition seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future federal, state or foreign act or law relating to bankruptcy or insolvency, including without limitation, Chapters 7 and 11 of the United States Bankruptcy Code (collectively and each individually, a "Bankruptcy Event"), and (ii) the initiation in any such proceeding of an action to avoid or recover the payments made to the Authority under this Termination Agreement (including, without limitation, the Termination Payment) pursuant to the provisions of Chapter 5 of the Bankruptcy Code or any similar state or foreign law, the mutual release set forth in paragraph 4, above, at the Authority's election, shall be null and void and the Authority shall retain any and all claims that may exist under the Lease or otherwise against Lessee.

6. Authority of Lessee. Lessee represents and warrants that (i) it is the owner and holder of the lessee's interest in the Lease and that it has the power, right and authority to execute this Termination Agreement and to carry out the intent hereof, and (ii) the execution and delivery of this Termination Agreement shall not violate or contravene any agreement, contract, security agreement, lease or indenture to which Lessee is a party or by which it is bound or requires the consent of any party to any of the foregoing.

7. Final and Complete Expression. This Termination Agreement is the final and complete expression of the Parties. This Termination Agreement may not be modified, interpreted, amended, waived or revoked orally, but only by a writing signed by all of the Parties.

8. Severability. If any provision in this Termination Agreement is deemed invalid, then the remaining provisions hereof will continue in full force and effect and will be construed as if the invalid provision had not been a part of this Termination Agreement.

9. Counterparts. This Termination Agreement may be executed and acknowledged in counterparts, all of which executed and acknowledged counterparts shall together constitute a single document. Signature and acknowledgment pages may be detached from the counterparts and attached to a single copy of this document to physically form one document. The Parties may provide signatures to this Termination Agreement by facsimile or Adobe ".pdf" file and such facsimile or Adobe ".pdf" file signatures shall be deemed to be the same as original signatures.

10. Binding upon Successors and Assigns. This Termination Agreement shall be for the benefit of and be binding upon the Parties hereto and their respective successors and assigns.

11. Governing Law. This Termination Agreement will be governed by and construed under the laws of the State of Texas without regard to conflicts-of-laws principles that would require the application of any other law.

12. Not an Offer. It is specifically understood and agreed that the submission of this Termination Agreement to Lessee shall not be construed as an offer, nor shall Lessee have any rights or obligations with respect thereto, unless and until the Authority shall execute a copy of this Termination Agreement and deliver the same to Lessee.

[Signature page follows this page.]

In Witness Whereof, Authority and Lessee have caused this Termination Agreement to be executed by their duly authorized representatives effective as of the Effective Date.

AUTHORITY:

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

By: _____
John P. LaRue, Executive Director

LESSEE:

GULF STATES BULK TERMINAL, LLC

By: _____
Name: John H. Thomas
Title: Secretary

STATE OF TEXAS §
 §
COUNTY OF NUECES §


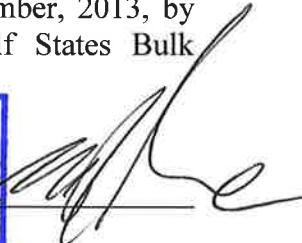
This instrument was acknowledged before me on the ____ day of December, 2013, by John P. LaRue, Executive Director of the Port of Corpus Christi Authority of Nueces County, Texas, on behalf of said Authority.

Notary Public, State of Texas

STATE OF UTAH §
 §
COUNTY OF Salt Lake §

This instrument was acknowledged before me on the 3rd day of December, 2013, by John H. Thomas, Secretary of Gulf States Bulk Terminal, LLC, on behalf of said company.

Notary Public, State of Utah

DATE: December 10, 2013

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 20

Approve Annual Professional Services Agreements

In order for the Port of Corpus Christi to meet the needs of this port and the community in which it is located, staff annually contracts with a number of firms to provide professional services in their specific areas of expertise. The following annual professional services agreements are due for renewal. The term for all agreements begins January 1, 2014, and ends on December 31, 2014.

Thomas S. Moore: For 2014, Tom Moore will provide professional services to develop trade opportunities within the South Texas/Northern Mexico region including San Antonio, the Rio Grande Valley, Laredo, and Monterrey. He will also represent the Port on the Free Trade Alliance, Chambers of Commerce, transportation authorities, economic development organizations, and other governmental entities. Costs for his services will be \$50,000.04.

W.L. Bates: For 2014, Rick DuPriest will provide real estate advice on the viability of industrial projects on both Port-owned and non-owned properties, marketing services for the sale or lease of our properties, and information on the ownership of area industrial properties. Costs for his services will not exceed \$147,600.

Mathiesen Maritime Services: For 2014, Palle Mathiesen will provide services for the development of a liner service, seasonal parcel service, an account base with foreign and domestic cargo owners, marketing with the major vessel owners, and on-shore and off-shore wind turbine projects. Costs for their services will be \$50,000.04.

Simon Hsing: For 2014, Mr. Hsing will assist the Port in developing business relations with and provide analysis of economic and trade-related issues in Asia including the Greater China Region. Costs for his services will total \$44,000 plus travel and administrative expenses not to exceed \$12,000.

Morehead Dotts Rybak: For 2014, Morehead Dotts Rybak will provide creative advertising and marketing services to assist the Port in the area of public information. Costs for these services will be \$102,000.

Captain Joseph Harrington: For 2014, Capt. Harrington, a licensed captain, will provide the safe navigation of the fire barge, training of Port and RTFC personnel, and advice on vessel operations and maintenance. He will also serve as the liaison with tugboats assisting the fire barge and with personnel on the distressed vessel. Costs for his services will be \$40,000.

Delisi Communications/Pathfinder Public Affairs: For 2014, these firms will provide legislative consulting and lobbying services on issues before the Texas Legislature and state agencies. Costs for the services of both firms will be \$120,000.

Welder Leshin, LLP: For 2014, Welder Leshin, LLP, will provide legal representation and advice to the Port. Costs for these services will be:

Jimmy Welder	\$350/Hour
Mike Mahaffey	\$350/Hour
Other Partners/Attorneys	\$325/Hour
Senior Associates	\$250/Hour
Junior Associates	\$175/Hour
Legal Assistants	\$75/Hour

Cassidy & Associates Inc.: For 2014, Cassidy & Associates will provide lobby assistance with Congress and federal agencies in support of our La Quinta Channel Extension project and dredging funds. Costs for their services will total \$210,000.00 plus expenses not to exceed \$10,000.00.

Borski Associates, LLC: For 2014, Robert Borski Associates will provide lobbying assistance with Congress and federal agencies for transportation issues in support of our La Quinta Channel Extension project, Water Resources Development Act requests, and foreign relations issues. Costs for their services will be \$120,000.00.

Erben & Yarbrough: In 2014, Randall Erben will provide legislative consulting and lobbying services in the areas of transportation, environmental, security and economic development before the Texas Legislature and state agencies. Costs for his services will be \$90,000.00.

Berlanga Business Consultants: In 2014, Hugo Berlanga will provide legislative consulting and lobbying services in the areas of transportation, environmental, security and economic development before the Texas Legislature and state agencies. Costs for his services will be \$90,000.00.

Staff recommends approval of the 13 professional services agreements listed above for calendar year 2014.

LEAD CONTACT: John LaRue, 885-6189; john@pocca.com

CONSULTING AGREEMENT

This **CONSULTING AGREEMENT** (the “Agreement”) is made and entered into effective as of January 1, 2014 (“Effective Date”), by and between THOMAS S. MOORE (“Consultant”) and the PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS (“Authority”), each a “Party” and, collectively, the “Parties.”

RECITALS

WHEREAS, the Authority is a political subdivision of the State of Texas, and maintains the Regional Trade Development Program (the “Program”); and

WHEREAS, the Authority wishes to engage the Consultant to assist the Authority in its operation, management and oversight of the Program; and

WHEREAS, the Consultant wishes to accept the Authority’s engagement as a consultant in connection with the Program in accordance with the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the promises and mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

SECTIONS

Section 1. Term. This Agreement shall commence on January 1, 2014, and expire on December 31, 2014, unless sooner terminated by the Parties pursuant to Section 3 hereof (or such other applicable provision of this Agreement) or otherwise extended by the Parties as permitted herein (collectively, the “Term”). The Parties may mutually agree in writing to renew, extend, and/or amend the terms of this Agreement at any time during the Term, subject to Port Commission approval.

Section 2. Scope of Agreement. During the Term, the Consultant shall provide all services to the Authority as described in Exhibit A attached hereto (collectively, the “Services”), which Exhibit A is incorporated into this Agreement for all purposes. All Services to be provided by the Consultant during the Term shall be determined and defined by the Authority in its sole discretion.

Section 3. Termination. This Agreement may be terminated by the Parties during the Term, as follows:

3.1 Either Party may terminate this Agreement, at any time, with or without cause, by giving sixty (60) days’ prior written notice of its intent to terminate to the other Party.

3.2 This Agreement shall automatically terminate upon the death of the Consultant.

3.3 This Agreement may be terminated immediately by either Party, upon written notice to the other Party, in the event that the Consultant becomes disqualified in any way to perform any Services or is deemed incapable of performing any Services required hereunder.

3.4 This Agreement may be terminated at any time by the mutual written agreement of the Parties.

3.5 If either Party materially breaches this Agreement, the non-breaching party must give written notice to the breaching party specifying the breach. If, after the Parties confer in good

faith, the dispute has not been resolved or the breach has not been cured within thirty (30) days of such written notice, then this Agreement may then be terminated immediately by the non-breaching party upon written notice to the breaching party.

3.6 If the Authority terminates or modifies its operation, management and oversight of the Program, then the Authority may terminate this Agreement upon fifteen (15) days' prior written notice to the Consultant.

Section 4. Effects of Termination. Upon the termination of this Agreement for any reason, the Authority shall have no further obligation to the Consultant hereunder except to pay the Consultant all unpaid fees which the Consultant has earned under this Agreement through the effective date of the termination.

Section 5. Consultant Responsibilities. In addition to all other obligations contained herein, including those set out in Exhibit A hereto, the Consultant agrees, warrants, and represents that:

5.1 The Consultant will furnish all material, equipment, labor and supplies in such quantities and of the proper quality to professionally and timely perform the Services, except as otherwise mutually agreed by the Parties;

5.2 The Consultant will proceed with due diligence and promptness in providing the Services and that Services shall be performed in accordance with the highest ethics, professional workmanship, and service standards in the field;

5.3 The Consultant will comply with the provisions of all federal, state, and local laws, regulations, ordinances, requirements and codes which are applicable to its performance of Services;

5.4 Neither the Consultant's performance of the Services nor its compliance with any term of this Agreement shall constitute a breach under any agreement that the Consultant has or had with any other party including, without limitation, any non-compete, confidentiality, or non-disclosure agreement regarding third-party proprietary information;

5.5 The Consultant is not and will not be bound by any agreement and has not assumed nor will assume any obligation which would, in any way, restrict its ability to perform the Services or be inconsistent with the Services;

5.6 In performing the Services, the Consultant will not use any third party confidential or propriety information, or infringe the rights of another party, nor will the Consultant disclose to the Authority, or bring onto the Authority's premises, or induce the Authority to use any third party confidential or proprietary information;

5.7 The Consultant does not have the authority to act for the Authority, bind the Authority in any respect, or incur any debts or liabilities in the name of or on behalf of the Authority, except as otherwise expressly authorized in writing by the Authority;

5.8 The Consultant has and hereby retains full control of any supervision over the Consultant's obligations hereunder and over any persons employed or subcontracted by the Consultant for performing Services hereunder;

5.9 The Consultant shall satisfy all tax and other governmentally-imposed responsibilities as an independent contractor under this Agreement including, but not limited to, payment of state, federal and social security taxes, unemployment taxes, and workers' compensation; and

5.10 As of the Effective Date and at all times during the Term, the Consultant shall possess and maintain in good standing any and all licenses and/or other authorizations and approvals necessary to perform the Services.

Section 6. Fees. In consideration of the Consultant's provision of Services in accordance with this Agreement during the Term, the Authority shall pay to the Consultant the sum of Four Thousand One Hundred Sixty-Six Dollars and 67/100 (\$4,166.67) per calendar month, or such prorated portion thereof, in arrears (the "Monthly Fee").

Section 7. Reimbursement of Certain Travel Expenses. Notwithstanding anything herein to the contrary, the Authority agrees to reimburse the Consultant for certain authorized and approved travel expenses incurred by the Consultant during the Term and directly resulting from the Consultant's duties and obligations under this Agreement. The Consultant shall submit proper documentation of any such approved travel expenses, of the type and in the manner as required by the Authority from time to time, along with any written request for reimbursement.

Section 8. Independent Contractor Status.

8.1 The Parties agree that the Consultant will act as an independent contractor in the performance of any and all Services under this Agreement, and will in no way be considered an agent, partner, joint venturer, or employee of the Authority at any time during the Term. The Consultant will only consult and render advice to the Authority and will not undertake to commit the Authority to any course of action in relation to a third party unless expressly requested and authorized to do so by the Authority. Notwithstanding its independent contractor status, the Consultant acknowledges and agrees that it will be bound by all applicable policies and procedures of the Authority, including, without limitation, conflict of interest policies. To the extent that any such policies and procedures are inconsistent herewith, this Agreement will control.

8.2 The Consultant shall not be entitled to any rights or benefits of an employee of the Authority at any time during the Term. Furthermore, the Consultant will not be eligible to participate in any profit sharing plan or other employee benefit plan maintained by the Authority for the benefit of its employees. The Authority shall have no responsibility for withholding any federal income taxes or paying payroll taxes on any amounts paid to the Consultant. The Consultant agrees to pay all income and employment taxes on all Monthly Fees or other amounts paid to the Consultant hereunder, consistent with its status as an independent contractor, in compliance with all applicable laws and regulations.

8.3 At all times during the Term, the Consultant shall carry standard workers' compensation insurance (as may be required by law), automobile liability coverage, and commercial general liability insurance in commercially reasonable and appropriate amounts, as approved by the Authority in its sole discretion. Certificates of insurance depicting such required coverage shall be provided by the Consultant to the Authority upon request.

Section 9. Authority Representative(s). Except as otherwise provided by the Authority, the Authority's Representative during the Term shall be the Authority's Executive Director and/or his designee. When the Consultant requires approval, authorization, and/or other communication from or with the Authority, such communication shall be directed to the Authority's Representative(s). The

Authority's Representative shall exercise control over the Consultant's day-to-day duties and shall be reasonably available to the Consultant for consultation, special assignments and/or direction.

Section 10. *RESERVED.*

Section 11. *Notices.* All notices, demands, reports, requests or other communication required or permitted to be given hereunder shall be deemed to have been given when received, whether delivered personally or mailed. Any notice that is mailed should be addressed as follows:

If to the Authority:

P.O. Box 1541
Corpus Christi, Texas 78403
ATTN: Executive Director

If to Consultant:

Thomas S. Moore
225 Leming Avenue
Corpus Christi, Texas 78404

Either Party may change its mailing address for purposes of this Agreement by giving written notice thereof to the other Party.

Section 12. *Assignment.* This Agreement may not be assigned by the Consultant without the prior written consent of the Authority.

Section 13. *Binding.* This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

Section 14. *Governing Law.* **THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CONFLICT-OF-LAWS RULE OR PRINCIPLE THAT MIGHT REFER THE GOVERNANCE OR CONSTRUCTION OF THIS AGREEMENT TO THE LAW OF ANOTHER JURISDICTION. THE PARTIES HERETO EXPRESSLY AGREE THAT THIS AGREEMENT IS EXECUTED AND SHALL BE PERFORMED IN NUECES COUNTY, TEXAS, AND VENUE OF ALL DISPUTES, CLAIMS AND LAWSUITS ARISING HEREUNDER SHALL LIE IN NUECES COUNTY, TEXAS.**

Section 15. *Severability.* If any part of this Agreement is held to be invalid, illegal, or unenforceable in any respect, such determination shall not affect any other provision of this Agreement, and this Agreement shall then be construed as if the invalid, illegal, or unenforceable provision had not been included in this Agreement.

Section 16. *Open Records.* The Authority is a governmental body subject to the requirements of the Texas Public Information Act (Texas Government Code, chapter 552), and as such the Authority is required to disclose to the public (upon request) this Agreement and certain other information and documents relating to the consummation of the transactions contemplated hereby. In this regard, the Consultant agrees that the disclosure of this Agreement or any other information or materials related to the consummation of the transactions contemplated hereby to the public by the Authority as required by the Texas Public Information Act or any other applicable law will not expose the Authority (or any party acting by, through or under the Authority) to any claim, liability or action by the Consultant.

Section 17. *Entire Agreement.* This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof. There are no written or oral representations or understandings between the Parties with respect to the subject matter of this Agreement that are not fully

expressed in this Agreement. This Agreement may be amended or modified from time to time only by a written instrument executed by the Parties.

Section 18. *Waiver.* The failure of either Party in any one or more instances to insist upon strict performance of any of the terms and provisions of this Agreement or to exercise any option herein conferred shall not be construed as a waiver or relinquishment to any extent of the right to assert or rely upon any such terms, provisions or options on any future occasion.

Section 19. *Force Majeure.* In the event either Party shall be delayed or hindered in or prevented from the performance of any act required hereunder by reasons of strike, lockouts, labor troubles, restrictive government or judicial orders or decrees, riots, insurrection, war, Acts of God, inclement weather or other similar reason or a cause beyond such Party's control, then performance of such act shall be excused for the period of such delay. Any timelines affected by such force majeure shall be extended for a period equal to that of the delay. Notice of the start and stop of any such force majeure shall be provided to the other Party.

Section 20. *Limitation of Liability.* Except as otherwise expressly provided herein, neither Party shall be liable or responsible to the other Party for any indirect, incidental or consequential loss or damage of any nature whatsoever (including, but not limited to, contract, negligence or tort liability) of the other Party, including without limitation, any actual or anticipated profits, loss of time, inconvenience, commercial loss or any other damages, even if the Party has advance notice of the possibility of such damages.

Section 21. *Headings.* All Section headings or other titles used in this Agreement are used solely for convenience and shall not affect or be used in connection with the interpretation or construction of this Agreement.

Section 22. *Port Commission Approval.* The Parties understand and agree that this Agreement is subject to the approval of the Port Commission of the Authority.

Section 23. *Defamation.* The Parties covenant and agree that in no event, and at no time during the Term or at any time thereafter, shall either of them disparage, denigrate, slander, libel or otherwise defame the other or the other's businesses, services, properties or assets, or employees, personnel, agents, or representatives.

[The signature page follows this page]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by them or their duly authorized representatives effective as of the Effective Date.

AUTHORITY:

PORT OF CORPUS CHRISTI AUTHORITY OF
NUECES COUNTY, TEXAS

By: _____
John P. LaRue
Executive Director

CONSULTANT:

By: _____
Thomas S. Moore

EXHIBIT A

CONSULTING DUTIES FOR REGIONAL TRADE DEVELOPMENT PROGRAM

- Evaluate and recommend business strategies to attract industries and investments that are most beneficial for the Coastal Bend region.
- Recommend strategies to develop trade opportunities within the South Texas/Northern Mexico region including San Antonio, the Rio Grande Valley, Laredo, and Monterrey, N.L.
- Provide guidance regarding worldwide future trends that impact Port-related trade and industry throughout the region.
- Enhance the future development of regional partners by demonstrating Port capabilities which impact their growth.
- Participate in strategic planning organizations and events such as the Free Trade Alliance, Chambers of Commerce, Transportation Authorities, Economic Development Cooperation organizations and other governmental entities.
- Make periodic visits to regional communities, trade groups, and business organizations.
- Collate and evaluate feedback from regional visits and recommend strategies for the Port to more fully participate or lead in regional economic development.
- Contact point for reports: Executive Director.

The Services described in this Exhibit A will be provided by the Consultant on an as-needed basis as requested by the Authority. All Services shall be provided by the Consultant in person at such times and locations as designated by the Authority (or by telephone or electronic means as otherwise agreed by the Authority). The Consultant will use his best efforts to be available to consult with the Authority at such times and places as the Authority may reasonably request from time to time.

The specific recitation of the items in this Exhibit A shall not be deemed to limit the Consultant's duties and responsibilities to only those set forth above. At all times during the Term, the Consultant's conduct and activities shall be subject to the final authority of the Port Commission and the control and direction of the Authority.

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT made and entered into January 1, 2014, by and between Port of Corpus Christi Authority of Nueces County, Texas, (PCCA) and W. L. Bates Co. Inc. (Consultant), whose address is 901 N. Carancahua, Corpus Christi, Texas 78401, is for the performance by the Consultant of the professional services described in paragraph number 2 of this Agreement and is as follows:

1. **DESCRIPTION OF PROJECT SITE:** Real Estate Consultant will provide consultation to PCCA on all industrial projects as requested by PCCA management, including, but not limited to, the La Quinta project, Harbor Bridge Project, Rincon Industrial Park, main Ship Channel Inner Harbor, San Patricio County rail project, etc.

2. **DESCRIPTION OF PROFESSIONAL SERVICES TO BE PROVIDED BY W. L. BATES CO. INC.:** Consultant will perform the professional services described in Attachment A hereto, which is incorporated herein by reference and which services will be performed in accordance with generally accepted planning and real estate development standards in the state of Texas. Consultant has been a licensed Real Estate Broker in the state of Texas for over 25 years and was elected to the Society of Industrial and Office Realtors as an Industrial Specialist in 1991.

3. **COMPENSATION:** The compensation to be paid Consultant for providing the requested services shall be the compensation described in Attachment B hereto, which is incorporated herein by reference. Consultant will obtain the approval of PCCA's Executive Director before incurring travel and other reimbursable expenses.

4. **INVOICE PROCEDURE AND PAYMENT:** The term of this Agreement is from January 1, 2014, through December 31, 2014. Consultant shall submit invoices monthly to the Authority beginning February 1, 2014, for work accomplished during each preceding calendar month. Invoices will be due and payable by Authority on or before thirty (30) days from receipt. Payment for Consultant's services will be divided into equal monthly payments. Invoices shall also describe any work performed by Professional Associates retained by Consultant and reimbursable costs. Consultant is an independent contractor for the performance of his duties under this agreement. Accordingly, the Consultant shall be responsible for payment of all taxes including federal, state and local taxes arising out of the Consultant's activities in accordance with this Agreement, including by way of illustration but not limitation, federal and state income tax, social security tax, unemployment insurance taxes, and any other taxes or business license fees as required. Consultant is responsible for the compensation, including any withholding, Social Security, or other taxes on such compensation of any Professional Associates or Consultant's employees performing work on the Project.

5. **ATTORNEY'S FEES:** In the event Consultant or PCCA breach any of the terms of this Agreement and the party not in default employs attorneys to protect or enforce its

rights hereunder and prevails, then the defaulting party agrees to pay reasonable attorney's fees and costs incurred by the prevailing party.

6. **COST ESTIMATES:** PCCA hereby acknowledges that Consultant cannot warrant that estimates of probable market value provided by Consultant will not vary from actual market prices obtained by PCCA.

7. **LIMITS OF LIABILITY:** The PCCA agrees that the total aggregate of liability of Consultant to the PCCA due to the errors, omissions, or negligent acts of Consultant shall not exceed the total amount of applicable insurance coverage which Consultant has in force on the date of this Agreement.

8. **INSURANCE:** Consultant shall at all time carry worker's compensation insurance, comprehensive general liability, and automotive public liability and property damage insurance with limits of liability and insurance companies approved by the Authority.

9. **ASSIGNMENT:** Neither PCCA nor Consultant will assign or transfer its interest in this Agreement without the written consent of the other.

10. **SUSPENSION, TERMINATION, CANCELLATION, OR ABANDONMENT:** Both parties may suspend, cancel, terminate, or abandon this Agreement. The parties shall be given thirty (30) days prior written notice of such action. Consultant shall be compensated for the professional services provided up to the date of suspension, termination, cancellation, or abandonment in accordance with the provisions of this Agreement for all work performed up to the date of suspension, termination, cancellation, or abandonment, including reimbursable expenses.

11. **MEDIATION:** PCCA and Consultant agree they will, before taking any other action, including filing suit, attempt in good faith, to mediate in Corpus Christi, Texas, any controversy or claim arising out of or related to this Agreement before a mediator to be agreed upon by PCCA and Consultant. PCCA and Consultant must agree upon a mediator within fifteen (15) days after a written request for mediation by either party, or either party may request any State District Judge sitting in Nueces County, Texas, to appoint a mediator and such appointment will be final. The mediator will schedule a mediation meeting at a time and place determined by the mediator. PCCA and Consultant will each pay one-half of the costs of mediation to the mediator.

12. **PROMOTIONS:** Consultant shall have the right to include representations of the design of the Project. Consultant will be made aware of, and have access to any Project photography produced by PCCA, consultants, or contractors, and have rights to duplicate photography for promotional and professional use, at Consultant's expense.

Consultant's materials shall not include PCCA's or proprietary information if PCCA has previously advised Consultant of the specific information considered by PCCA to be confidential or proprietary.

13. **STAFFING:** PCCA designates Richard A. Dupriest Jr. its Real Estate consultant. PCCA designates Frank Brogan, its Managing Director, to oversee consultant on all tasks unless directed otherwise.

14. **ENTIRETY OF AGREEMENT:** This writing embodies the entire Agreement and understanding between the parties hereto, and there are no other agreements or understandings, oral or written, with reference to the subject matter hereto that are not merged herein and superseded hereby. No alteration, change, or modification of the terms of this Agreement shall be valid unless made in writing and signed by both parties hereto.

IN WITNESS WHEREOF, this Agreement is made, effective on the first date written above.

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

By: _____
John P. LaRue
Executive Director

Date: _____

“PCCA”

W. L BATES CO., INC.

By: _____
Richard A. Dupriest, Jr.
President

Date: _____

“Consultant”

ATTACHMENT A

SCOPE OF SERVICES

**Richard Dupriest
W.L. Bates Co., Inc.**

Tasks

The Industrial Real Estate Consultant will perform the following tasks:

Task 1: Work with PCCA staff on all aspects of real estate issues including the sale/ lease or purchase of any properties as required by the Managing Director.

Task 2: Will work with PCCA legal counsel in the preparation and negotiation of any sale/ lease/ or purchase of any properties.

Task 3: Will work with title company to ensure that all title commitments are correct and will work through title company to remove any and all non-applicable exceptions to title.

Task 4: Consultant will provide commercial/ industrial real estate advice as requested by Managing Director or Administration of PCCA. This will include, but not be limited to, any work requested of consultant on the La Quinta project, Rincon Industrial Park, Harbor Bridge area, Corpus Christi Ship Channel Inner Harbor area, and San Patricio County rail project. Services may include opinions of value on PCCA assets in order to sell/lease those assets, or a broker's opinion of value on any properties that the port may be interested in purchasing or leasing. Will provide industrial real estate marketing expertise and brokerage services as requested, including the actual marketing of surplus assets for sale or lease currently being outsourced and will negotiate sales, leases, extensions or modifications of existing leases on the PCCA's behalf as requested, without charging negotiated sales price based real estate commissions.

Task 5: Consultant will provide industrial real estate advice to team members as requested in a support roll to help leverage their efforts by providing 30 years of experience in commercial/industrial/waterfront real estate brokerage. Will provide industrial real estate advice as requested by Managing Director as to the viability of industrial projects on PCCA-owned assets as well as advising staff if better location and functional alternatives exist in area properties both in Nueces and San Patricio Counties not owned by the PCCA. Industrial real estate advisor will also bring 30 years of experience in this area to be able to provide knowledge to PCCA on area owners of industrial properties.

ATTACHMENT B FEE SCHEDULE

Consultant will perform Tasks 1 through 5 for a total sum amount of \$147,600 unless terminated by either party with 30 days' notice as provided for in Section 10, all inclusive of labor, indicated in the Scope of Services and including any professional associates or staff. In addition, Consultant will be reimbursed for all direct expenses, such as travel (airfare, car rental, hotel, per diem) only as approved in Section 3 of this agreement.

Consultant will submit monthly invoices for its services, which shall include the fees earned during that period which will equal 1/12th of the lump sum amount and will also include, separately itemized, all applicable direct expenses incurred which are to be previously approved in writing by the PCCA.



MATHIESEN MARITIME SERVICES PROFESSIONAL SERVICES AGREEMENT

This agreement dated January 1, 2014, is made between Port of Corpus Christi Authority of Nueces County, Texas, P.O. Box 1541, Corpus Christi, Texas 78403, referred to as “Authority”, and Palles Mathiesen d/b/a Mathiesen Maritime Services, whose address is 220, Newport Center Drive #11-606, Newport Beach, California 92660, referred to as “Consultant.”

1. **Focus.** The primary focus of the Consultant’s effort will be to assist in the development of business (importer, exporter, steamship line, and other users) for the wind turbine industry and project cargo.
2. **Services.** The Authority hereby employs the Consultant to perform the following professional or personal services in accordance with the terms and conditions set forth in this agreement:
 - a. Develop regular, year-round liner services,
 - b. Develop seasonal parcel services,
 - c. Develop a key account base with foreign and domestic cargo owners,
 - d. Assist in making the Port of Corpus Christi known to the top decision makers of the major vessel owners,
 - e. Assist in developing solutions to customers’ logistical problems,
 - f. Assist in creating adequate supporting infrastructure for handling international trade project cargo,
 - g. Assist with other assignments and situations as necessary, and
 - h. Assist with the development of wind turbine industry, on-shore and off-shore projects.

The Consultant will make oral and written reports as necessary or when requested by the Director of Business Development.

3. **Terms of Agreement.** The initial term of this agreement will be from **January 1, 2014, through December 31, 2014**. Either party may cancel this Agreement on thirty (30) days notice to the other party in writing by certified mail to the address set forth hereinabove or personal delivery. Upon termination, hereof, the Authority shall have no obligation to the Consultant except to pay the Consultant for any time and expenses which are due the Consultant pursuant to this agreement.
4. **Payment to Consultant.** The Consultant will be paid the sum of Four Thousand One Hundred Sixty-Six Dollars and 67/100 (\$4,166.67) per month with such payment beginning on or before the 10th day of January 2014 and continuing on or before the same day of each month thereafter so long as this Agreement is in effect. In addition to payment for his service, the Authority will pay the Consultant for his travel and other substantial expenses reasonably and necessarily related to providing the Consultant’s services, provided, however, that such expenses are approved in writing by the Executive Director or Managing Director of the Authority. Expenses will be supported with original receipts.
5. **Independent Contractor.** Both the Authority and Consultant agree that the Consultant will act as an independent contractor in the performance of his duties under this agreement. Accordingly, the Consultant shall be responsible for payment of all taxes including federal, state and local taxes arising out of the Consultant’s activities in accordance with this agreement, and any other taxes or business license fees incurred by the Consultant in performing his services pursuant to this agreement.

6. **Confidential Information.** The Consultant agrees that any information received by the Consultant during any furtherance of the Consultant's obligations, which concerns personal, financial or other affairs of the Authority, will be confidential and will not be revealed to any other person, firm, or organization outside the Authority.

7. **Texas Law to Apply.** This agreement shall be construed under and in accordance with the laws of the State of Texas.

8. **Parties Bound.** This agreement shall be binding on and inure to the benefit of the parties to it and their respective heirs, executors, administrators, successors, and assigns when permitted by this Agreement.

9. **Legal Construction.** In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

10. **Time of Essence.** Time is of the essence with respect to each date or time specified in this Agreement by which an event is to occur.

11. **Rights and Remedies Cumulative.** The rights and remedies provided by this Agreement are cumulative, and the use of any one right or remedy by either party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

12. **Entire Agreement.** This Agreement constitutes the parties' final and mutual agreement. There are no written or oral representations or understandings that are not fully expressed in this Agreement. No change, waiver, or discharge is valid unless in writing that is signed by the party against whom it is sought to be enforced.

Executed effective the date first stated hereinabove by and between the parties hereto.

AUTHORITY:

PORT OF CORPUS CHRISTI AUTHORITY OF
NUECES COUNTY, TEXAS

By: _____
John P. LaRue
Executive Director

CONSULTANT:

PALLE MATHIESEN D/B/A MATHIESEN MARITIME SERVICES

By: _____
Palle Mathiesen



CONSULTANT AGREEMENT SIMON HSING

This agreement dated January 1, 2014, is made between PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS, P.O. Box 1541, Corpus Christi, Texas, 78403, referred to as "Authority," and Simon C.P. Hsing, whose address is 13F, 30, Lane 21, Kuo Shing St., His Chin City, Taipei, Taiwan ROC, referred to as "Consultant."

1. Services. The Authority hereby employs the Consultant to perform the following professional or personal services in accordance with the terms and conditions set forth in this agreement:

To act as the Authority's consultant in Asia, including the Greater China Region, in order to develop business relations with respect to trade development for the Port of Corpus Christi. In addition, to facilitate the Authority's development of trade and investment and to provide the Authority analysis of the economic and trade related issues.

2. Term of Agreement. The term of this agreement is January 1, 2014, to December 31, 2014. Either party may cancel this agreement on sixty (60) days notice to the other party in writing by certified mail to the address set forth hereinabove, by facsimile or electronic transmission, or by personal delivery. Upon termination hereof, the Authority shall have no obligation to the Consultant except to pay the Consultant for any time and expenses which are due the Consultant pursuant to this agreement.

3. Time Devoted by Consultant. It is anticipated that the Consultant will spend approximately twenty-five (25) hours per week to fulfill all of his obligations to the Authority pursuant to this agreement. The particular amount of time may vary from day to day or week to week; however, the Consultant shall devote a minimum of one hundred (100) hours per month to fulfill all of his obligations to the Authority pursuant to this agreement.

The Consultant will provide the Authority with periodic verbal and written reports relative to his services, analysis of issues, and recommendations for a course of action by the Authority.

4. Place Where Services Will Be Rendered. The Consultant will perform his services in accordance with this agreement in Central America, Southeast Asia and the Greater China region, and the United States.

5. Payment to Consultant. The Consultant will be paid the sum of \$44,000 per year to be paid in monthly installments for services performed in accordance with this agreement. In addition to payment for his services, the Authority will pay the Consultant up to \$12,000 per year for his travel and other administrative expenses reasonably and necessarily related to providing the Consultant's services, provided, however, that such expenses are approved in writing by the Executive Director or Managing Director of the Authority in advance of their being incurred. The Consultant will submit an itemized statement setting forth the time spent, services rendered and expenses on a monthly basis; the Authority will pay the Consultant the amounts due for expenses as stated on the Consultant's statements unless the Authority disputes any expense stated on the statement in which event the undisputed expenses will be paid and the Consultant notified which expenses the Authority disputes and why. The Authority may withhold payment of any disputed expenses until the dispute is resolved.

6. Independent Contractor. Both the Authority and the Consultant agree that the Consultant will act as an independent contractor in the performance of his duties under this agreement. Accordingly, the Consultant shall be responsible for payment of all taxes including federal, state and local taxes arising out of the Consultant's activities in accordance with this agreement, and any other taxes or business license fees incurred by the Consultant in performing his services pursuant to this agreement.

7. Confidential Information. The Consultant agrees that any information received by the Consultant during any furtherance of the Consultant's obligations in accordance with this agreement, which concerns personal, financial or other affairs of the Authority, will be confidential and will not be revealed to any other person, firm or organization outside the Authority.

8. Employment of Others. The Authority may from time to time request that the Consultant arrange for the services of others. All costs to the Consultant for those services will be paid by the Authority, but in no event shall the Consultant employ others without the prior written authority of the Executive Director of the Authority.

9. Texas Law to Apply. This agreement shall be construed under and in accordance with the laws of the State of Texas.

10. Parties Bound. This agreement shall be binding on and inure to the benefit of the parties to it and their respective heirs, executors, administrators, successors, and assigns when permitted by this agreement.

11. Legal Construction. In the event any one or more of the provisions contained in this agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions, and the agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

12. Time of Essence. Time is of the essence with respect to each date or time specified in this agreement by which an event is to occur.

13. Rights and Remedies Cumulative. The rights and remedies provided by this agreement are cumulative, and the use of any one right or remedy by either party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

14. Captions. All captions in this agreement are for reference and convenience only and shall not modify or affect the provisions of this agreement in any manner.

15. Interpretation. Both the Authority and Consultant and their respective legal counsel have reviewed and have participated in the preparation of this agreement. Accordingly, no presumption will apply in favor of either the Authority or Consultant in the interpretation of this agreement or in the resolution of the ambiguity of any provision hereof.

16. Entire Agreement. This agreement constitutes the parties' final and mutual agreement. There are no written or oral representations or understandings that are not fully expressed in this agreement. No change, waiver or discharge is valid unless in writing that is signed by the party against whom it is sought to be enforced.

Executed effective the date first stated herein above by and between the parties hereto.

AUTHORITY:

PORT OF CORPUS CHRISTI AUTHORITY OF
NUECES COUNTY, TEXAS

By: _____
John P. LaRue
Executive Director

CONSULTANT:

SIMON C.P. HSING

By: _____
Simon C.P. Hsing
Consultant



CONSULTANT AGREEMENT MOREHEAD, DOTTS, RYBAK

This agreement dated as of January 1, 2014, is made between the PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS, whose address is P.O. Box 1541, Corpus Christi, Texas, 78403, referred to as "Authority," and MOREHEAD, DOTTS, RYBAK, whose address is 2667 Santa Fe, Corpus Christi, Texas 78404 referred to as "Consultant."

1. Consultation Services. The Authority hereby employs the Consultant to perform the following services in accordance with the terms and conditions set forth in this agreement:

- Creative account services such as ideas for advertisements, direct mail campaign, and unique approaches to awareness campaigns;
- Consultation on advertising, public and media relations;
- Copywriting, art direction, design, illustration, photography art direction, and mechanical artwork pertaining to campaigns;
- Estimating and budgeting costs, proofing, press checks, media buying and delivery services; and
- Auditing invoices for goods and services purchased on behalf of the Authority.

The Consultant will make oral and written reports as necessary or when requested by the Executive Director or Managing Director. The Authority, through its Executive Director or Managing Director, may direct the Consultant in writing to perform other services for the Authority than those described in this paragraph 1, and if the Consultant agrees to do so, the Consultant will be paid for services at a mutually agreed rate.

2. Term of Agreement. This agreement will begin January 1, 2014, and unless terminated sooner in accordance with this agreement, will end December 31, 2014. During the term of this agreement, the Consultant will be the Authority's advertising agency of record. Either party may cancel this agreement for any reason with thirty (30) days notice in writing to the other party sent to the address set forth hereinabove or by personal delivery. Upon termination hereof, the Authority shall have no obligation to the Consultant except to pay the Consultant for any fees due the Consultant on the date of termination. In the event this agreement is terminated before its term expires, payment due the Consultant on the date of termination will include an amount for any part of a month for which Consultant has not been paid pro rated to a daily rate using the monthly payment divided by the number of days in the partial month involved.
3. Time Devoted by Consultant. The Consultant will spend as much time as necessary to accomplish the tasks described in this agreement.

4. Payment to Consultant. The Consultant will be paid for its services and expenses the sum of \$102,000.00 per year. The Consultant's costs of advertising and media placements, photography, printing, video shoots, materials for production, and delivery services are considered expenses of performing the Consultant's services and shall be an obligation of the Authority. The Consultant's cost of travel for the Authority outside of Corpus Christi, Texas, for mileage, airfare, hotel, car rental, and meals in the performance of its services will be reimbursed by the Authority; however, such cost must be approved in writing by the Executive Director or Managing Director of the Authority in advance of such cost being incurred by the Consultant. The Consultant is also entitled to the customary markup on media placements, electronic production, and printing.
5. Independent Contractor. The Consultant is an independent contractor for the performance of its duties under this agreement. Accordingly, the Consultant shall be responsible for payment of its cost of operation except for any state sales tax covered by the exemption certificate provided to the Consultant by the Authority, expenses described in Paragraph 4, and all taxes including federal, state and local taxes arising out of the Consultant's activities in accordance with this agreement, including by way of illustration but not limitation, federal and state income tax, social security tax, unemployment insurance taxes, and any other taxes or business license fees as required.
6. Insurance. The Consultant will have in force, and will maintain so long as this agreement is in effect, a policy or policies of liability insurance in the minimum limit amount of \$1,000,000 to cover claims arising out of the performance of its services under this agreement, which insurance policy will contain an endorsement providing coverage for contractual obligations under this agreement naming the Authority as an additional insured under such policy or policies, and further providing that the Authority will be given not less than thirty (30) days written notice of cancellation of the insurance policy or policies. The Consultant will provide to the Authority a certificate on a form acceptable to the Authority by an insurance company or companies stating that it has the insurance required by this agreement in force at the commencement of the term of this agreement.
7. Registrations or Licenses. The Consultant represents and warrants that it possesses, and will possess at all times while this agreement is in effect, all necessary registrations, permits or licenses, state or federal, to perform its services pursuant to this agreement. The Consultant will perform this agreement in accordance with, and will comply with, all applicable federal, state and local laws, statutes, rules or regulations. **The Consultant will defend, indemnify and hold harmless the Authority, its Port Commissioners, employees and representatives for any claims or losses of any kind incurred by the Authority, its Port Commissioners, employees or representatives because of or arising out of the services performed by the Consultant pursuant to this agreement.**
8. Confidential Information. The Consultant agrees that any information received by the Consultant during any furtherance of the Consultant's obligations in accordance with this agreement, which concerns financial or other affairs of the Authority, will be treated by the Consultant in full confidence and will not be revealed to any other persons, firms or organizations.

9. Texas Law to Apply. This agreement shall be construed under and in accordance with the laws of the State of Texas.
10. Parties Bound. This agreement shall be binding on and inure to the benefit of the parties to it and their respective heirs, executors, administrators, successors, and assigns when permitted by this agreement.
11. Legal Construction. In the event any one or more of the provisions contained in this agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions, and the agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.
12. Time of Essence. Time is of the essence with respect to each date or time specified in this agreement by which an event is to occur.
13. Rights and Remedies Cumulative. The rights and remedies provided by this agreement are cumulative, and the use of any one right or remedy by either party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.
14. Captions. All captions in this agreement are for reference and convenience only and shall not modify or affect the provisions of this agreement in any manner.
15. Interpretation. Both the Authority and Consultant and their respective legal counsel have reviewed and have participated in the preparation of this agreement. Accordingly, no presumption will apply in favor of either the Authority or Consultant in the interpretation of this agreement or in the resolution of the ambiguity of any provision hereof.
16. Entire Agreement. This agreement constitutes the parties' final and mutual agreement. There are no written or oral representations or understandings that are not fully expressed in this agreement. No change, waiver or discharge is valid unless in writing that is signed by the party against whom it is sought to be enforced.

Executed effective the date first stated hereinabove by and between the parties hereto.

[The signature page follows this page]

AUTHORITY:

PORT OF CORPUS CHRISTI AUTHORITY OF
NUECES COUNTY, TEXAS

By: _____
John P. LaRue
Executive Director

CONSULTANT:

MOREHEAD DOTTS RYBAK

By: _____
Fred Dotts

Department of Operations

**REQUEST FOR
PROFESSIONAL SERVICES**

DATE: January 1, 2014

TO: John P. LaRue

FROM: Tony Alejandro

REQUEST FOR: Fire Vessel "*Port of Corpus Christi*"

PURPOSE: Provide Captain for firefighting response vessel

COMPANY NAME: N/A

COMPANY ADDRESS: 802 N. Live Oak Street
Rockport, Texas 78382


TELEPHONE: (361) 729-9602
(361) 790-6163 Cell

CONTACT: Captain Joe Harrington

APPROXIMATE COST: \$40,000/year

TERM OF SERVICE: One (1) year

COMMENTS: Contract expires December 31, 2014. Contract may be terminated on 30 days written notice given by either party.

SUBMITTED BY: 
A.C. Alejandro, P.E.
Deputy Director of Operations

APPROVED BY: _____
John P. LaRue
Executive Director

LEGISLATIVE REPRESENTATION

Delisi Communications and Pathfinder Public Affairs (Consultants) will provide legislative representation to the **Port of Corpus Christi Authority** (Client). Such representation will include monitoring and intelligence gathering within the executive and legislative branches of Texas state government, specifically related to the Texas Legislature and including other state agency issues that may affect the Client.

Any information furnished by the Client, whether orally or in writing, shall be treated as confidential.

This Agreement is effective as of January 1, 2014. This Agreement will terminate on December 31, 2014.

Consultant or Client may terminate this agreement upon thirty (30) days written notice to the other party.

SCOPE OF SERVICES:

In cooperation with the Client and at the direction of appropriate representatives of the Client, the Consultants propose to provide the following services:

- Confer, advise and participate in the passage, amendment or defeat of legislation during any regular or Special Session of the Legislature, and advise on strategy that should be followed to accomplish the desired results;
- Confer with legislative leaders on the organization of committees and subcommittees, reference of legislation to committees and subcommittees, and timing of consideration of legislation;
- Maintain a continuing relationship with the members and key officers and employees of the House and Senate;
- Maintain a continuing relationship with relevant state agencies, including the Texas Department of Transportation (TxDOT);
- If requested, confer and advise in regard to the potential political and legislative impact of any proposed business decision of the management of the Client; and
- Generally use abilities, experience and best efforts to assist in the formulation and successful implementation of the legislative goals of the Client.
- Meet with the Client representatives as needed.

The Client shall pay professional fees of \$10,000.00 per month (\$5,000 each to Delisi Communications and Pathfinder Public Affairs to be invoiced and paid separately) so that these

payments will be made on the 18th day of each month, if this contract does not terminate sooner. In addition, the Client will reimburse the Consultants monthly for any reasonable actual out-of-pocket office expenses for travel conducted at the direction of Client.

The Consultants will not expend any funds on behalf of or in the name of the Client as political contributions or in support of any political party, any candidate for political office or any referendum issue. Neither the Consultants nor any third party acting on behalf of the Consultants will have or will hold itself out as having authority to bind the Client in any way and on any subject whatsoever.

The Consultants represent and warrant that they are free to enter into and fully to perform this agreement and that no agreement or understanding with any other person, firm or corporation exists or will exist which would interfere with the Consultants' obligations hereunder.

The Consultants will comply with all required lobbying and disclosure filings and assist the Client in complying with such requirements in conjunction with the aforementioned representation.

This document may be countersigned. The laws of the State of Texas will govern this Agreement.

Agreed: _____
Port of Corpus Christi Authority

Dated: _____

Agreed: _____
Delisi Communications

Dated: _____

Agreed: _____
Pathfinder Public Affairs

Dated: _____

SERVICE CONTRACT

CASSIDY & ASSOCIATES, INC. PORT OF CORPUS CHRISTI AUTHORITY

CASSIDY & ASSOCIATES INC. (hereinafter referred to as "CASSIDY"), with its principal place of business at 733 10th Street, NW, Suite 400, Washington, D.C. 20001, does contract with the PORT OF CORPUS CHRISTI AUTHORITY, whose principal office is 222 Power Street, Corpus Christi, Texas 78401, to provide consultant services for the period of one (1) year commencing January 1, 2014, and expiring on December 31, 2014, in consideration for the payment of Seventeen Thousand Five Hundred Dollars (\$17,500.00) per month, to be paid quarterly in advance, plus expenses. Both parties understand and acknowledge that this service contract cannot be paid with federally appropriated funds.

Payment shall be made to CASSIDY in four (4) advance quarterly payments of Fifty Two Thousand Five Hundred Dollars (\$52,500.00) each, with the initial payment due on or before January 1, 2014, to be followed by a payment of the same amount on or before the first day of the next three (3) calendar quarters with the last payment due on or before October 1, 2014.

A statement of out-of-pocket expenses for travel and other direct charges related to travel outside the National Capital Area shall be made to the Port of Corpus Christi Authority by CASSIDY at the end of each month for expenses incurred during the previous month. The statement shall be payable monthly. CASSIDY shall consult with the Port of Corpus Christi Authority on the need for work-related travel. All payments to CASSIDY for services and expenses will be due and payable on the dates specified herein, and shall be made by check issued to Cassidy & Associates, and mailed to: CMGRP Inc., P.O. Box 7247-6593, Philadelphia, PA, 19170-6593.

In its capacity as a consultant, CASSIDY shall make its best effort to assist the Port of Corpus Christi Authority in pursuing its government affairs objectives as described fully in the scope of work attached hereto as Addendum. CASSIDY, however, gives no assurances and makes no representations as to the particular results of its services, or the response and timeliness of actions taken by relevant government officials and their staffs or by others.

It is understood that CASSIDY cannot undertake to verify all facts supplied to it by the Port of Corpus Christi Authority or related entities or all factual matters included in materials prepared or used by CASSIDY and approved by the Port of Corpus Christi Authority or related entities. To the extent permitted by law, the Port of Corpus Christi Authority agrees to indemnify and hold harmless CASSIDY from and against any and all losses, claims, damages, legal fees, expenses, or liabilities that CASSIDY may incur (including its participation as a third party witness in litigation against the Port of Corpus Christi Authority or related entities) based upon information, representations, reports, data, or releases furnished or approved by the Port of Corpus Christi Authority or its specifically authorized representative for use or release by CASSIDY, whether or not CASSIDY prepared or participated in the preparation of such materials. This paragraph shall survive the expiration of this agreement and shall continue to bind both parties.

Neither party shall, during the term of this Agreement and for one (1) year after its termination, solicit for hire as an employee, independent consultant, or otherwise any of the other party's employees who have had direct or indirect involvement with the services provided without such other party's express written consent.

Either party may terminate this Agreement for any reason as of the last day of any calendar quarter by giving the other party written notice of such termination at least thirty (30) days prior to the termination date.

Neither party shall assign any of their rights or delegate any of their duties or obligations under this Agreement without the express written consent of the other party.

Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by non-administered arbitration under the International Institute for Conflict Prevention and Resolution Rules for Non-Administered Arbitration by three arbitrators, of whom each party shall appoint one. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq., and judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. The place of the arbitration shall be Washington, DC.

Required notices and communication related to the terms of this Agreement should be addressed to the following parties:

CASSIDY & ASSOCIATES, INC

Robert G. Owens, C.P.A.
Chief Financial Officer
(202) 585-2310
rowens@cassidy.com

PORT OF CORPUS CHRISTI AUTHORITY

John P. LaRue
Executive Director
(361) 885-6189
JOHN@pocca.com

This Agreement contains the entire understanding between the parties. While CASSIDY has tendered this contract, it has done so as a matter of convenience to the parties, and it shall not be construed against either party, but shall be construed pursuant to the plain meaning on its terms. The terms of this contract may be changed only by written agreement signed by both parties.

In witness whereof the authorized representatives of the Port of Corpus Christi Authority and CASSIDY do hereby execute this contract.

CASSIDY & ASSOCIATES, INC.

By: _____
Barry Rhoads
President

Date: _____

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

By: _____
John P. LaRue
Executive Director

Date: _____

Addendum

CASSIDY & ASSOCIATES

Scope of Work

CASSIDY shall make professional efforts to assist the Port of Corpus Christi Authority in pursuing its government affairs objectives. These efforts shall include federal liaison activities both with the Executive Branch and Congress, as well as substantive consulting services on achieving the Port of Corpus Christi Authority's government relations objectives. CASSIDY will provide general government relations services to the Port of Corpus Christi Authority on federal transportation issues, maritime matters, and economic development objectives. These services include consulting services and liaison activities on federal authorization and appropriations legislation relevant to the Port of Corpus Christi Authority, including the La Quinta Trade Gateway and general port issues.

CONSULTANT AGREEMENT

This agreement dated as of the 1st day of January, 2014, is made between the **PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS**, whose address is P.O. Box 1541, Corpus Christi, Texas, 78403, referred to as "Authority," and **ROBERT A. BORSKI D/B/A BORSKI ASSOCIATES**, whose address is 4015 Fitler Street, Philadelphia, Pennsylvania 19114, referred to as "Consultant."

1. Consultation Services. The Authority hereby employs the Consultant to perform the following professional services in accordance with the terms and conditions set forth in this agreement:

Consult regularly with Authority representatives, congressional representatives, and federal agencies and officials and others with respect to issues related to the Authority, and assist Authority with its issues involving the federal government.

The Consultant will make oral or written reports to the Authority's Executive Director as necessary or when requested to do so. The Authority, through its Executive Director, may direct the Consultant in writing to perform other services for the Authority than those described in this paragraph 1, and if the Consultant agrees to do so, the Consultant will be paid for such services pursuant to this agreement.

2. Term of Agreement. This agreement will begin January 1, 2014, and unless terminated sooner in accordance with this agreement, will end December 31, 2014. Either party may cancel this agreement for any reason on thirty (30) days notice to the other party in writing sent to the address set forth hereinabove or by personal delivery. Upon termination hereof, the Authority shall have no obligation to the Consultant except to pay the Consultant for any fees due the Consultant on the date of termination. In the event this agreement is terminated before its term expires, payment due the Consultant on the date of termination will include an amount for any part of a month for which the Consultant has not been paid pro rated to a daily rate using the monthly payment divided by the number of days in the partial month involved.

3. Time Devoted by Consultant. The Consultant will spend as much time as necessary to accomplish the tasks described in this agreement.

4. Payment to Consultant. The Consultant will be paid for his services and expenses incurred in accordance with this agreement the sum of Ten Thousand Dollars (\$10,000.00) per month such payment beginning on or before the 10th day of January, 2014, and continuing on or before the same day of each succeeding month thereafter so long as this agreement is in effect. The Authority's said payments include payment to the Consultant for his actual expenses and his overhead incurred in performing his services hereunder including, but not limited to, office rent, long distance telephone charges, postage, personnel, and copy charges.

5. Independent Contractor. The Consultant is an independent contractor for the performance of his duties under this agreement. Accordingly, the Consultant shall be responsible for payment of all taxes including federal, state and local taxes arising out of the the Consultant's activities in accordance with this agreement, including by way of illustration but not limitation, federal and state income tax, social security tax, unemployment insurance taxes, and any other taxes or business license fees as required.
6. Insurance. The Consultant will have in force, and will maintain so long as this agreement is in effect, a policy of liability insurance in the minimum limit amount of \$500,000 to cover claims arising out of the performance of his services under this agreement, which insurance policy will contain an endorsement providing the Authority will be given not less than thirty (30) days written notice of cancellation of the insurance policy. The Consultant will provide the Authority a certificate on a form acceptable to the Authority by an insurance company or companies stating that he has the insurance required by this agreement in force at the commencement of the term of this agreement.
7. Registrations or Licenses. The Consultant represents and warrants that he possesses, and will possess at all times while this agreement is in effect, all necessary registrations, permits or licenses, state or federal, to perform his services pursuant to this agreement. The Consultant will perform this agreement in accordance with, and will comply with, all applicable federal, state and local laws, statutes, rules or regulations. **The Consultant will defend, indemnify and hold harmless the Authority, its Port Commissioners, employees and representatives for any claims or losses of any kind incurred by the Authority, its Port Commissioners, employees or representatives because of or arising out of the services performed by the Consultant pursuant to this agreement.**
8. Confidential Information. The Consultant agrees that any information received by the Consultant during any furtherance of the Consultant's obligations in accordance with this agreement, which concerns financial or other affairs of the Authority, will be treated by the Consultant in full confidence and will not be revealed to any other persons, firms or organizations.
9. Texas Law to Apply. This agreement shall be construed under and in accordance with the laws of the State of Texas.
10. Parties Bound. This agreement shall be binding on and inure to the benefit of the parties to it and their respective heirs, executors, administrators, successors, and assigns when permitted by this agreement.
11. Legal Construction. In the event any one or more of the provisions contained in this agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions, and the agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

12. Time of Essence. Time is of the essence with respect to each date or time specified in this agreement by which an event is to occur.

13. Rights and Remedies Cumulative. The rights and remedies provided by this agreement are cumulative, and the use of any one right or remedy by either party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

14. Captions. All captions in this agreement are for reference and convenience only and shall not modify or affect the provisions of this agreement in any manner.

15. Interpretation. Both the Authority and Consultant and their respective legal counsel have reviewed and have participated in the preparation of this agreement. Accordingly, no presumption will apply in favor of either the Authority or Consultant in the interpretation of this agreement or in the resolution of the ambiguity of any provision hereof.

16. Entire Agreement. This agreement constitutes the parties' final and mutual agreement. There are no written or oral representations or understandings that are not fully expressed in this agreement. No change, waiver or discharge is valid unless in writing that is signed by the party against whom it is sought to be enforced.

Executed on the date first stated hereinabove by and between the parties hereto.

AUTHORITY:

PORT OF CORPUS CHRISTI AUTHORITY OF
NUECES COUNTY, TEXAS

By: _____
John P. LaRue
Executive Director

CONSULTANT:

ROBERT A. BORSKI D/B/A/ BORSKI ASSOCIATES

By: _____
Robert A. Borski

CONSULTANT AGREEMENT

This agreement dated as of January 1, 2014, is made between the **PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS**, whose address is P.O. Box 1541, Corpus Christi, Texas, 78403, is referred to as "Authority," and **ERBEN & YARBROUGH**, whose address is 807 Brazos, Suite 402, Austin, Texas 78701, referred to as "Consultant."

1. Consultation Services. The Authority hereby employs the Consultant to perform the following services in accordance with the terms and conditions set forth in this agreement:

Consult with the Authority representatives, members of the Texas Legislature, state agencies, state officials and others who are involved with issues which may affect the Authority at the state level, monitor state environmental, security, transportation, economic development or administrative issues, and provide lobbying services with respect to state issues related to the Authority.

The Consultant will make oral and written reports to the Authority's Executive Director or Governmental Affairs Manager as necessary or when requested by either person to do so. The Authority, through its Executive Director or Governmental Affairs Manager, may direct the Consultant in writing to perform other services for the Authority than those described in this paragraph 1, and if the Consultant agrees to do so, the Consultant will be paid for services pursuant to this agreement.

2. Term of Agreement. This agreement will begin January 1, 2014, and, unless terminated sooner in accordance with this agreement, will end December 31, 2014. Either party may cancel this agreement for any reason with thirty (30) days notice to the other party in writing sent to the address set forth hereinabove or by personal delivery. Upon termination hereof, the Authority shall have no obligation to the Consultant except to pay the Consultant for any fees due the Consultant on the date of termination. In the event this agreement is terminated before its term expires, payment due the Consultant on the date of termination will include an amount for any part of a month for which the Consultant has not been paid pro rated to a daily rate using the monthly payment divided by the number of days in the partial month involved. So long as this agreement is in effect, neither the Consultant nor his employees, agents or anyone associated with him may provide consultation or lobbying services for environmental or transportation issues in the City of Corpus Christi or Nueces County, Texas, unless the Authority consents in writing to the same.

3. Time Devoted by Consultant. The Consultant will spend as much times as necessary to accomplish the tasks described in this agreement.

4. Payment to Consultant. The Consultant will be paid for his services incurred in accordance with this agreement the sum of Seven Thousand Five Hundred and 00/100 Dollars (\$7,500.00) per month such payment beginning on or before the 10th day of January 2014 and continuing on or before the same day of each month thereafter so long as this agreement is in effect. The Authority's said monthly payments include payment

to the Consultant for his actual expenses and his overhead incurred in performing his services hereunder including, but not limited to, office rent, long distance telephone charges, postage, personnel, and copy charges.

5. Independent Contractor. The Consultant is an independent contractor for the performance of his duties under this agreement. Accordingly, the Consultant shall be responsible for payment of all taxes including federal, state and local taxes arising out of the Consultant's activities in accordance with this agreement, including by way of illustration but not limitation, federal and state income tax, social security tax, unemployment insurance taxes, and any other taxes or business license fees as required.

6. Insurance. The Consultant will have in force, and will maintain so long as this agreement is in effect, a policy of liability insurance in the minimum limit amount of \$500,000 to cover claims arising out of the performance of his services under this agreement, which insurance policy will contain an endorsement providing coverage for contractual obligations under this agreement and further providing that the Authority will be given not less than thirty (30) days written notice of cancellation of the insurance policy. The Consultant will provide the Authority a certificate on a form acceptable to the Authority by an insurance company or companies stating that he has the insurance required by this agreement in force at the commencement of the term of this agreement.

7. Registrations or Licenses. The Consultant represents and warrants that he possesses, and will possess at all times while this agreement is in effect, all necessary registrations, permits or licenses, state or federal, to perform his services pursuant to this agreement. The Consultant will perform this agreement in accordance with, and will comply with, all applicable federal, state and local laws, statutes, rules or regulations. **The Consultant will defend, indemnify and hold harmless the Authority, its Port Commissioners, employees and representatives for any claims or losses of any kind incurred by the Authority, its Port Commissioners, employees or representatives because of or arising out of the services performed by the Consultant pursuant to this agreement.**

8. Confidential Information. The Consultant agrees that any information received by the Consultant during any furtherance of the Consultant's obligations in accordance with this agreement, which concerns financial or other affairs of the Authority, will be treated by the Consultant in full confidence and will not be revealed to any other persons, firms or organizations.

9. Texas Law to Apply. This agreement shall be construed under and in accordance with the laws of the State of Texas.

10. Parties Bound. This agreement shall be binding on and inure to the benefit of the parties to it and their respective heirs, executors, administrators, successors, and assigns when permitted by this agreement.

11. Legal Construction. In the event any one or more of the provisions contained in this agreement shall for any reason be held to be invalid, illegal, or unenforceable in any

respect, such invalidity, illegality, or unenforceability shall not affect any other provisions, and the agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

12. Time of Essence. Time is of the essence with respect to each date or time specified in this agreement by which an event is to occur.

13. Rights and Remedies Cumulative. The rights and remedies provided by this agreement are cumulative, and the use of any one right or remedy by either party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

14. Captions. All captions in this agreement are for reference and convenience only and shall not modify or affect the provisions of this agreement in any manner.

15. Interpretation. Both the Authority and Consultant and their respective legal counsel have reviewed and have participated in the preparation of this agreement. Accordingly, no presumption will apply in favor of either the Authority or Consultant in the interpretation of this agreement or in the resolution of the ambiguity of any provision hereof.

16. Entire Agreement. This agreement constitutes the parties' final and mutual agreement. There are no written or oral representations or understandings that are not fully expressed in this agreement. No change, waiver or discharge is valid unless in writing that is signed by the party against whom it is sought to be enforced.

Executed effective the date first stated hereinabove by and between the parties hereto.

AUTHORITY:

PORT OF CORPUS CHRISTI AUTHORITY OF
NUECES COUNTY, TEXAS

By: _____
John P. LaRue
Executive Director

CONSULTANT:

ERBEN & YARBROUGH

By: _____
Randall H. Erben

CONSULTANT AGREEMENT

This agreement dated as of January 1, 2014, is made between the **PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS**, whose address is P.O. Box 1541, Corpus Christi, Texas, 78403, referred to as "Authority," and **Berlanga Business Consultants**, whose address is P. O. Box 6546, Corpus Christi, Texas 78411, referred to as "Consultant."

1. Consultation Services. The Authority hereby employs the Consultant to perform the following services in accordance with the terms and conditions set forth in this agreement:

Consult with Authority representatives, members of the Texas Legislature, state agencies, state officials and others who are involved with issues which may affect the Authority at the state level, monitor state environmental, security, transportation, economic development or administrative issues, and provide lobbying services with respect to state issues related to the Authority.

The Consultant will make oral and written reports to Authority's Executive Director or Governmental Affairs Manager as necessary or when requested by either person to do so. The Authority, through its Executive Director or Governmental Affairs Manager, may direct the Consultant in writing to perform services for the Authority other than those described in this paragraph 1, and if the Consultant agrees to do so, the Consultant will be paid for services pursuant to this agreement.

2. Term of Agreement. This agreement will begin January 1, 2014, and, unless terminated sooner in accordance with this agreement, will end December 31, 2014. Either party may cancel this agreement for any reason with thirty (30) days notice in writing to the other party sent to the address set forth hereinabove or by personal delivery. Upon termination hereof, the Authority shall have no obligation to the Consultant except to pay the Consultant for any of fees due the Consultant on the date of termination. In the event this agreement is terminated before its term expires, payment due the Consultant on the date of termination will include an amount for any part of a month for which the Consultant has not been paid pro rated to a daily rate using the monthly payment divided by the number of days in the partial month involved. So long as this agreement is in effect, neither the Consultant nor his employees, agents or anyone associated with him may provide consultation or lobbying services for environmental or transportation issues to the City of Corpus Christi or Nueces County, Texas, unless the Authority consents in writing to the same.

3. Time Devoted by Consultant. The Consultant will spend as much time as necessary to accomplish the tasks described in this agreement.

4. Payment to Consultant. The Consultant will be paid for his services and expenses incurred in accordance with this agreement the sum of Seven Thousand Five Hundred and No/100 Dollars (\$7,500.00) per month such payment beginning on or before the 10th day of January 2014 and continuing on or before the same day of each month thereafter so long as this agreement is in effect. Authority's said monthly payments include payment to Consultant for his actual expenses and his overhead incurred in performing

his services hereunder including, but not limited to, office rent, long distance telephone charges, postage, personnel, and copy charges.

5. Independent Contractor. The Consultant is an independent contractor for the performance of his duties under this agreement. Accordingly, the Consultant shall be responsible for payment of all taxes including federal, state and local taxes arising out of the Consultant's activities in accordance with this agreement, including by way of illustration but not limitation, federal and state income tax, social security tax, unemployment insurance taxes, and any other taxes or business license fees as required.

6. Insurance. The Consultant will have in force, and will maintain so long as this agreement is in effect, a policy of liability insurance in the minimum limit amount of \$500,000 to cover claims arising out of the performance of his services under this agreement, which insurance policy will contain an endorsement providing coverage for contractual obligations under this agreement and further providing that the Authority will be given not less than thirty (30) days written notice of cancellation of the insurance policy. The Consultant will provide the Authority a certificate on a form acceptable to the Authority by an insurance company or companies stating that he has the insurance required by this agreement in force at the commencement of the term of this agreement.

7. Registrations or Licenses. The Consultant represents and warrants that he possesses, and will possess at all times while this agreement is in effect, all necessary registrations, permits or licenses, state or federal, to perform his services pursuant to this agreement. The Consultant will perform this agreement in accordance with, and will comply with, all applicable federal, state and local laws, statutes, rules or regulations. **The Consultant will defend, indemnify and hold harmless the Authority, its Port Commissioners, employees and representatives for any claims or losses of any kind incurred by the Authority, its Port Commissioners, employees or representatives because of or arising out of the services performed by the Consultant pursuant to this agreement.**

8. Confidential Information. The Consultant agrees that any information received by the Consultant during any furtherance of the Consultant's obligations in accordance with this agreement, which concerns financial or other affairs of the Authority, will be treated by the Consultant in full confidence and will not be revealed to any other persons, firms or organizations.

9. Texas Law to Apply. This agreement shall be construed under and in accordance with the laws of the State of Texas.

10. Parties Bound. This agreement shall be binding on and inure to the benefit of the parties to it and their respective heirs, executors, administrators, successors, and assigns when permitted by this agreement.

11. Legal Construction. In the event any one or more of the provisions contained in this agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other

provisions, and the agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

12. Time of Essence. Time is of the essence with respect to each date or time specified in this agreement by which an event is to occur.

13. Rights and Remedies Cumulative. The rights and remedies provided by this agreement are cumulative, and the use of any one right or remedy by either party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

14. Captions. All captions in this agreement are for reference and convenience only and shall not modify or affect the provisions of this agreement in any manner.

15. Interpretation. Both the Authority and Consultant and their respective legal counsel have reviewed and have participated in the preparation of this agreement. Accordingly, no presumption will apply in favor of either the Authority or Consultant in the interpretation of this agreement or in the resolution of the ambiguity of any provision hereof.

16. Entire Agreement. This agreement constitutes the parties' final and mutual agreement. There are no written or oral representations or understandings that are not fully expressed in this agreement. No change, waiver or discharge is valid unless in writing that is signed by the party against whom it is sought to be enforced.

Executed effective the date first stated hereinabove by and between the parties hereto.

AUTHORITY:

PORT OF CORPUS CHRISTI AUTHORITY OF
NUECES COUNTY, TEXAS

By: _____
John P. LaRue
Executive Director

CONSULTANT:

BERLANGA BUSINESS CONSULTANTS

By: _____
Hugo Berlanga

WELDER | LESHIN

WELDER LESHIN LORENZ MCNIFF BUCHANAN HAWN, LLP
ATTORNEYS AT LAW

800 North Shoreline Blvd., Suite 300 North
Corpus Christi, Texas 78401
Phone 361-561-8000
Fax 361-561-8001

December 5, 2013

Port Commission
Port of Corpus Christi Authority
PO Box 1541
Corpus Christi, Texas 78403

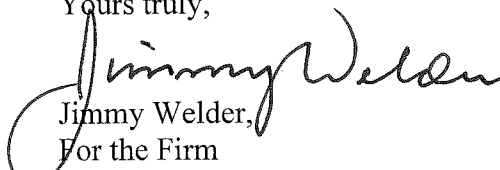
Dear Commissioners:

The law firm of Welder Leshin LLP would be pleased to continue its representation of the Port of Corpus Christi Authority on the terms set forth in this letter, which are the same as the terms currently in effect. The firm agrees to provide legal services to the Port at the following hourly rates: \$350 for Jimmy Welder and Mike Mahaffey; \$325 for all other partners and attorneys of counsel to the firm; \$250 for senior associates; \$175 for junior associates and \$75 for legal assistants.

The firm will not bill the Port for our routine internal costs, such as long distance charges, faxes, photocopies, and postage. We will, however, invoice the Port without markup for all other expenses we incur in performing legal services for the Port.

If these terms of our engagement are acceptable, we request that you authorize the Executive Director to execute this letter on behalf of the Port in the space provided below. Thank you.

Yours truly,


Jimmy Welder,
For the Firm

AGREED and ACCEPTED this ____ day of December, 2013.

PORT OF CORPUS CHRISTI AUTHORITY

By: _____
John P. LaRue,
Executive Director

DATE: December 10, 2013

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 21

**Approve a Resolution Authorizing Funding of the
Port of Corpus Christi Promotion and Development Fund for 2014
and Matters Related Thereto**

PCCA has maintained a Promotion and Development Fund since 2004. Section 60.201, Water Code, explains the purpose of a Promotion and Development Fund. It says:

[Navigation] Districts in this state which operate ports or waterways and harbor and terminal facilities are in keen competition with other ports, waterways, harbors, and terminals outside the state and with privately owned port and terminal facilities inside the state. Well-situated and well-equipped ports and waterways in other nearby states and owners of substantial port and terminal facilities located inside and outside the state are advertising, promoting and developing their competing ports, waterways, harbors, and terminals through expenditure of large amounts of money without any audit or restriction on expenditure of the money. This activity or expenditure is thwarting and impeding the use, progress, and development of the ports, waterways, harbors, and terminals of this state. Continuation of this hardship and injustice can best be met and coped with by more liberal use of some relatively small fund set aside from the gross income from operations of the ports of this state to be used in the manner provided in this subchapter.

For 2014, staff recommends setting aside in PCCA's Promotion and Development Fund up to two (2) percent of PCCA's gross income from operations, and to that end recommends approval of the following resolution:

WHEREAS, the Port of Corpus Christi Authority of Nueces County, Texas ("PCCA") established the *Port of Corpus Christi Promotion and Development Fund* (the "Development Fund") on December 14, 2004, pursuant to the authority granted in Subchapter H of Chapter 60 of the Texas Water Code ("Subchapter H"); and

WHEREAS, Section 60.202 of the Texas Water Code ("Water Code") provides that PCCA may set aside out of current income from its operations a promotion and development fund of not more than five percent of its gross income from operations in each calendar year; and

WHEREAS, Section 60.203 of the Water Code provides that money in a promotion and development fund shall be spent by the Port Commission or as the Port Commission may direct to pay any expenses connected with (1) any activity or matter incidental to the advertising, development, or promotion of the Port or its ports, waterways, harbors, or terminals; (2) furthering the general welfare of the Port and its facilities; or (3) the betterment of the Port's relations with steamship and rail lines, shippers, consignees of freight, governmental officials, or others interested or sought to be interested in [its] ports, waterways, harbors, or terminals; and

WHEREAS, Section 60.205 of the Water Code provides that Subchapter H authorizes disbursements from the Development Fund for unusual purposes and occasions not covered by other law;

NOW, THEREFORE, BE IT RESOLVED BY THE PORT COMMISSION OF THE PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS THAT:

Section 1. For purposes of this Resolution, the term "Business/Community Development Expenses" means (a) the Business/Community Development expenditures included in the Port of Corpus Christi Authority 2014 Annual Budget, and (b) the amounts payable under PCCA's agreements, such as its Port Development Services Agreements, in effect during all or part of 2014 which provide by their terms that PCCA's payment obligations thereunder will be paid with money in the Development Fund (collectively, the "Development Contracts").

Section 2. During the calendar year 2014, an amount of money equal to the Business/Community Development Expenses shall be set aside in the Development Fund; provided, however, that the amount of money allocated to the Development Fund during 2014 shall not exceed two percent of PCCA's gross income from operations for that year.

Section 3. The Port Commission hereby authorizes and directs the Executive Director to use the money in the Development Fund to pay PCCA's obligations under the Development Contracts when due and to pay for other Business/Community Development Expenses at such times and in such amounts as he sees fit.

Section 4. The Director of Finance will be responsible for recording the allocations to and the expenditures from the Development Fund.

Section 5. A copy of this Resolution shall be delivered to the Director of Finance.

LEAD CONTACT: Jimmy Welder; 561-8002; jwelder@welderleshin.com



August 20, 2013

Prosperity. Together.

John LaRue
222 Power Street
Corpus Christi, TX 78401

Dear John,

The 10,000 direct jobs created by the military presence in South Texas are vital to the economic well being of the entire community. Because of the possibility of military spending cutbacks or even a new Base Realignment and Closure (BRAC), the Chamber's South Texas Military Facilities Task Force continues to work hard to protect and enhance the military in South Texas. We appreciate the Port's support of the Task Force in the past. In 2011 the Port Commission voted to invest \$100,000 in the effort as well as lending a Port Executive to serve on the Task Force. We are lowering our request for funds this year to \$75,000.

We strive to be as frugal as possible with our expenses. We have cut back on both the frequency of trips to Washington D.C. and the number of people traveling. We have also cut back on our expense for consultants. However, our expenses for the twelve months beginning October 1, 2013 will be about \$300,000. We are asking the Port of Corpus Christi for \$75,000 to be placed in the Port's 2014 budget for the Military Task Force.

Thank you for your consideration of this request. Please let me know if you need additional information.

Sincerely,

Foster Edwards
President/CEO

DATE: December 10, 2013
FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 22

Approve Annual Development Services Agreements

The Texas Water Code allows the Port of Corpus Christi Authority to spend money in its promotion and development fund to pay expenses connected with any activity or matter incidental to the advertising, development, or promotion of the Port Authority or its ports, waterways, harbors, or terminals, or furthering the general welfare of the Port Authority and its facilities. The organizations listed below provide services to the Port Authority, promote the development of the Port Authority and its waterways and facilities, and sponsor activities that advertise and promote the Port Authority. We pay these organizations for their services and assistance in promoting the development of the Port of Corpus Christi in accordance with the terms of the Development Services Agreement we have with each organization. We have prepared a Development Services Agreement with each of the listed organizations for 2014, and staff recommends that the Port Commission approve these agreements. The amount to be paid to each organization under its Development Services Agreement in 2014 is as follows:

Corpus Christi Regional Economic Development Corporation:	\$320,000
San Patricio Economic Development Corporation:	\$70,000
Robstown Area Development Commission:	\$35,000
Corpus Christi Chamber of Commerce:	\$45,000
Corpus Christi Hispanic Chamber of Commerce:	\$45,000
Coastal Bend Bays & Estuaries Program:	<u>\$75,000</u>
Total Payments:	\$590,000

LEAD CONTACT: John LaRue, 885-6189; john@pocca.com

PORT DEVELOPMENT SERVICES AGREEMENT 2014

This Port Development Services Agreement (“Agreement”) is made and entered into effective as of January 1, 2014 (the “Effective Date”), by and between the PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS (the “Port”), and the CORPUS CHRISTI REGIONAL ECONOMIC DEVELOPMENT CORPORATION, a Texas non-profit corporation (the “Provider”).

RECITALS:

Whereas, the Port is a political subdivision of the State of Texas, operating as a navigation district pursuant to Article XVI, Section 59 of the Texas Constitution and the laws of the State of Texas, particularly, Chapters 60 and 62 of the Texas Water Code (the “Water Code”); and

Whereas, under Section 60.202 of the Water Code, the Port may set aside out of current income from its operations a promotion and development fund (“Development Fund”) of not more than five percent (5%) of its gross income from operations in each calendar year; and

Whereas, Section 60.203 of the Water Code provides that money in the Development Fund shall be spent by the Port Commission (*i.e.*, the governing body of the Port) or as the Port Commission may direct to pay any expenses connected with (1) any activity or matter incidental to the advertising, development, or promotion of the district or its ports, waterways, harbors, or terminals; (2) furthering the general welfare of the district and its facilities; or (3) the betterment of the district’s relations with steamship and rail lines, shippers, consignees of freight, governmental officials, or others interested or sought to be interested in [its] ports, waterways, harbors, or terminals; and

Whereas, Section 60.003 of the Water Code provides that a district may contract with any person necessary or convenient to the operation or development of the district’s ports and waterways; and

Whereas, the Port wishes to engage the Provider to provide the professional services and related items described in Exhibit A attached to this Agreement (“Exhibit A”) and incorporated herein; and

Whereas, the Port Commission believes that the expenditure of Port funds pursuant to this Agreement is consistent with the authority granted to the Port Commission in Section 60.203 of the Water Code; and

Whereas, the Provider wishes to provide the professional services and related items described in Exhibit A on the terms and for the consideration described in this Agreement;

NOW, THEREFORE, for and in consideration of the mutual covenants, rights, and obligations set forth herein and the benefits to be derived therefrom, the receipt and sufficiency of which each party acknowledges, the parties agree as follows:

1. Term. The term of this Agreement shall commence on the Effective Date and shall continue until the following December 31st, unless sooner terminated as provided in this Agreement.

2. Development Services. During the term of this Agreement, the Provider agrees to provide to or on behalf of the Port the professional services and related items described in Exhibit A (collectively, the “Development Services”) in accordance with the terms and conditions of this Agreement.

3. Consideration. In consideration of the Development Services to be provided hereunder, the Port agrees to pay the Provider the total sum of Three Hundred Twenty Thousand and No/100 Dollars (\$320,000) (the “Contract Amount”) as follows: (i) 20% of the Contract Amount shall be payable to Provider within ten (10) days after the execution of this Agreement by both parties; and (ii) the balance of the Contract Amount shall be payable to Provider in four equal quarterly installments of 20% of the Contract Amount, each on or before the last days of March, June, September, and December during the term of this Agreement. The Provider agrees that any funds paid to it pursuant to this Agreement will be utilized solely for the purpose of providing Development Services.

4. Place for Payment. The funding required under this Agreement shall be mailed to the Provider at its address specified in Section 8 below, unless the Provider makes other arrangements for payment that are satisfactory to the Port.

5. Quarterly Reports. On a quarterly basis, the Provider shall submit to the Port a written activity report (the “Activity Report”) of its Development Services and accomplishments for that particular quarter. Except as otherwise provided in this Section, the form of the Activity Report shall include, at a minimum, a narrative summary of the Development Services rendered during the quarter, information regarding the current status of any prospective new port-related business generated by the Provider, information regarding the current status of any prospective expansion of any existing port-related business generated by the Provider, and any other information which is reasonably requested by the Port pertaining to the Development Services. Notwithstanding anything to the contrary contained in this Section 5, the Provider may exclude Confidential Information from an Activity Report if the Provider gives an oral report of the Confidential Information to the Port’s Executive Director or his designee contemporaneously with the delivery of the Activity Report from which such Confidential Information was excluded. For purposes of the preceding sentence, “Confidential Information” means (i) information regarding the current status of any prospective new port-related business generated by the Provider, if disclosure of such information to the public would, in the opinion of the Provider, jeopardize the realization of such business, or (ii) information regarding the current status of any prospective expansion of any existing port-related business generated by the Provider, if disclosure of such information to the public would, in the opinion of the Provider, jeopardize the realization of such expansion.

6. [Intentionally Deleted]

7. Early Termination. The Port shall have the right to terminate this Agreement any time prior to the expiration of the term specified in Section 1 if the Port determines that the Provider has breached or otherwise failed to comply with any terms of this Agreement. Except

as provided in item number 1 of Exhibit B, the Port shall give the Provider written notice of such termination at least thirty (30) days prior to the date of such termination. The notice shall include the reasons for such termination and the effective date of the termination. Furthermore, either party may terminate this Agreement at anytime for any reason by giving written notice to the other party at least ninety (90) days prior to the termination date specified in such notice. Upon termination of this Agreement, the Port shall be liable to the Provider only for sums earned by the Provider prior to the date of termination.

8. Notices. All notices given pursuant to this Agreement shall be in writing, and if sent by mail shall be sent by certified mail, return receipt requested, postage prepaid, or by overnight delivery service, or by facsimile or electronic transmission as addressed below:

If to the Port:

Executive Director
Port of Corpus Christi Authority
P.O. Box 1541
Corpus Christi, Texas 78403
Ph: (361) 882-5633
Fax: (361) 882-7110

If to the Provider:

President/Chief Executive Officer
Corpus Christi Regional Economic Development Corporation
Suite 1300 South Tower
800 N. Shoreline Blvd.
Corpus Christi, Texas 78401
Ph: (361) 822-7448
Fax: (361) 882-9930

or to such other address as may be designated in writing from time to time. All notices sent by certified mail are deemed received on the third business day after mailing. All notices sent by overnight delivery are deemed received on the next business day after being sent. All notices sent by facsimile or electronic transmission are deemed received on the day sent. Any party may change its address by giving notice to all other parties as set out herein.

9. Source of Funds. Any payments made to the Provider by the Port pursuant to this Agreement shall be made with funds in the Port's Development Fund.

10. Appropriations. Notwithstanding anything to the contrary contained in this Agreement, the parties acknowledge and understand that this Agreement is contingent upon the appropriation of funding by the Port Commission.

11. No Conflict of Interest. The Port and Provider each state independently that to the best of its knowledge no member of the Port Commission nor any officer, employee, or agent of the Port who will exercise any function or responsibility in connection with the carrying

out of the provisions of this Agreement has any personal financial interest, direct or indirect, in this Agreement.

12. No Joint Enterprise or Liability. The parties do not intend, by entering into this Agreement, to create a partnership or joint enterprise with each other, and the Port shall at no time be responsible or liable for the acts of the Provider or the Provider's agents or employees. In no event shall the Port be liable (i) for the performance of any contracts made by the Provider with any other person or entity or (ii) for any damages, injuries, or losses charged to or adjudged against the Provider arising from its operations or the use or maintenance of its facilities. The Provider will be responsible for all costs and expenses incurred by it in providing the Development Services hereunder, and the Port shall be under no obligation to provide any additional funding or incur any other costs or expenses in connection with the Development Services beyond the Contract Amount.

13. Indemnity. The Provider agrees to defend, indemnify and hold harmless the Port, its Port Commissioners, employees and representatives for any claims or losses of any kind incurred by any of them because of or arising out of the Development Services performed by the Provider pursuant to this Agreement.

14. Confidential Information. The Provider agrees that any information given to the Provider by the Port concerning the financial or other affairs of the Port while in pursuit of the Provider's obligations under this Agreement will be held by the Provider in confidence and will not be revealed to any other person, entity or governmental body without the express written consent of the Port.

15. Severability. If any provision of this Agreement is held to be invalid, unconstitutional, or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held to be invalid, unconstitutional, or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid, unconstitutional, or unenforceable.

16. No Waiver of Rights. It is understood and agreed that no failure or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege under this Agreement.

17. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Venue for any action brought under this Agreement lies in Nueces County, Texas, exclusively.

18. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

19. Assignments and Successors. No party may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other party. Subject to the preceding sentence, this Agreement will apply to, be binding in all respects on and inure to the benefit of the successors and permitted assigns of the parties.

20. Headings. The titles and headings in this Agreement are used only for reference, and in no way define or limit the scope or intent of a provision of this Agreement.

21. Compliance with Applicable Laws. The Provider agrees to comply with all applicable federal, state and local laws and regulations while performing the Development Services.

22. Special Terms and Conditions. Any special terms and conditions pertaining to the subject matter of this Agreement are set forth in Exhibit B attached hereto, which is incorporated herein.

23. Entire Agreement and Modification. This Agreement supersedes all prior agreements between the parties with respect to its subject matter. This Agreement constitutes a complete and exclusive statement of the terms of the agreement between the parties with respect to the subject matter of this Agreement. There are no written or oral representations or understandings that are not fully expressed in this Agreement. This Agreement may not be amended, supplemented, or otherwise modified except by written agreement executed by the party to be charged with the change.

[The signature page follows this page]

IN WITNESS WHEREOF, the Port and Provider, acting under the authority of their respective governing bodies, have caused this Agreement to be executed by their duly authorized representatives on the dates set forth below, but effective for all purposes as of the Effective Date.

PORT:

PORT OF CORPUS CHRISTI AUTHORITY OF
NUECES COUNTY, TEXAS

By: _____
John P. LaRue
Executive Director

Date: _____

PROVIDER:

CORPUS CHRISTI REGIONAL ECONOMIC
DEVELOPMENT CORPORATION

By: _____
Roland C. Mower
President/Chief Executive Officer

Date: _____

EXHIBIT A

DEVELOPMENT SERVICES AND RELATED ITEMS

The Development Services to be provided to the Port by the Provider shall include the following:

1. produce economic impact studies or reports within the Provider's areas of expertise as requested by the Port to evaluate or support potential projects, industries or major cargo movements which may occur or be located in the Port of Corpus Christi;
2. prepare and execute a program with Port involvement to market the public and private property that will become accessible with the opening of the Joe Fulton International Trade Corridor, La Quinta Terminal and Harbor Island.
3. provide a calendar of shows, expos and exhibitions in which the Provider will participate as an exhibitor so that Port staff may decide if its participation would be beneficial.
4. ensure the Port has knowledge of and participates in all contacts, conversations and meetings with persons or entities inquiring about, interested in, or requiring Port of Corpus Christi land, facilities or services, with the approval of the prospective company interested in the Port;
5. research and develop information, within the Provider's areas of expertise, regarding the future growth of the Port of Corpus Christi and to assist the Port in the establishment and location of new industries and commercial and public enterprises on Port property;
6. disseminate the information described in item number 5 above to the public through various and diverse means as deemed appropriate by the Board of Directors of the Provider;
7. create and implement strategies and programs to retain and expand existing port-related industries and enterprises;
8. promote the Port at Provider scheduled tradeshow;
9. support the Port's state and federal legislative agenda with letters of support and testimony;
10. within the Provider's areas of expertise, provide demographic research for grant requests made by the Port for community development funds and infrastructure funds for Port projects such as the Joe Fulton International Trade Corridor; and
11. assist the Port with regional, national and international trade activities.

EXHIBIT B

SPECIAL TERMS AND CONDITIONS

The Provider also agrees as follows:

1. The Port shall be entitled to nominate two (2) persons to serve as members of the board of directors of the Provider, which persons may be Port Commissioners. Also, the Executive Director of the Port shall serve as an ex-officio, non-voting member of the Provider's board of directors. Both of the persons nominated by the Port shall be elected to the board of directors of the Provider by a majority vote of its board. If either of the Port's nominees is not elected to the Provider's board of directors when the vote is taken, this Agreement shall automatically terminate. In the event the Port fails to renew this Agreement or make the annual appropriations required under this Agreement, all directors nominated by the Port and appointed by the Provider shall forfeit their remaining terms of office.
2. The Port shall have one reserved table at each of the Provider's member events at no additional cost. At events that are open to the public and are designated as fund-raising events by the Provider's Board of Directors, a table shall not be provided.
3. The Provider shall, on request, prepare articles for publication on community involvement, support, and initiatives in collaboration with the Port.
4. The Port shall be recognized as a Provider member in areas and publications in which it is typical for the Provider's members to be recognized.

PORT DEVELOPMENT SERVICES AGREEMENT 2014

This Port Development Services Agreement (“Agreement”) is made and entered into effective as of January 1, 2014 (the “Effective Date”), by and between the PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS (the “Port”), and the SAN PATRICIO ECONOMIC DEVELOPMENT CORPORATION, a Texas non-profit corporation (the “Provider”).

RECITALS:

Whereas, the Port is a political subdivision of the State of Texas, operating as a navigation district pursuant to Article XVI, Section 59 of the Texas Constitution and the laws of the State of Texas, particularly, Chapters 60 and 62 of the Texas Water Code (the “Water Code”); and

Whereas, under Section 60.202 of the Water Code, the Port may set aside out of current income from its operations a promotion and development fund (“Development Fund”) of not more than five percent (5%) of its gross income from operations in each calendar year; and

Whereas, Section 60.203 of the Water Code provides that money in the Development Fund shall be spent by the Port Commission (*i.e.*, the governing body of the Port) or as the Port Commission may direct to pay any expenses connected with (1) any activity or matter incidental to the advertising, development, or promotion of the district or its ports, waterways, harbors, or terminals; (2) furthering the general welfare of the district and its facilities; or (3) the betterment of the district’s relations with steamship and rail lines, shippers, consignees of freight, governmental officials, or others interested or sought to be interested in [its] ports, waterways, harbors, or terminals; and

Whereas, Section 60.003 of the Water Code provides that a district may contract with any person necessary or convenient to the operation or development of the district’s ports and waterways; and

Whereas, the Port wishes to engage the Provider to provide the professional services and related items described in Exhibit A attached to this Agreement (“Exhibit A”) and incorporated herein; and

Whereas, the Port Commission believes that the expenditure of Port funds pursuant to this Agreement is consistent with the authority granted to the Port Commission in Section 60.203 of the Water Code; and

Whereas, the Provider wishes to provide the professional services and related items described in Exhibit A on the terms and for the consideration described in this Agreement;

NOW, THEREFORE, for and in consideration of the mutual covenants, rights, and obligations set forth herein and the benefits to be derived therefrom, the receipt and sufficiency of which each party acknowledges, the parties agree as follows:

1. Term. The term of this Agreement shall commence on the Effective Date and shall continue until the following December 31st, unless sooner terminated as provided in this Agreement.

2. Development Services. During the term of this Agreement, the Provider agrees to provide to or on behalf of the Port the professional services and related items described in Exhibit A (collectively, the “Development Services”) in accordance with the terms and conditions of this Agreement. Provider specifically agrees to include at least one Port representative in any economic development negotiations or discussions in which the Provider is involved concerning (i) a port-related business prospect or (ii) a business transaction which will ultimately require Port involvement, financial or otherwise.

3. Consideration. In consideration of the Development Services to be provided hereunder, the Port agrees to pay the Provider the total sum of Seventy Thousand and No/100 Dollars (\$70,000) (the “Contract Amount”) as follows: (i) 20% of the Contract Amount shall be payable to the Provider within ten (10) days after the execution of this Agreement by both parties; and (ii) the balance of the Contract Amount shall be payable to the Provider in four equal quarterly installments of 20% of the Contract Amount, each on or before the last days of March, June, September, and December during the term of this Agreement. The Provider agrees that any funds paid to it pursuant to this Agreement will be utilized solely for the purpose of providing Development Services.

4. Place for Payment. The funding required under this Agreement shall be mailed to the Provider at its address specified in Section 9 below, unless the Provider makes other arrangements for payment that are satisfactory to the Port.

5. Quarterly Reports. On a quarterly basis, the Provider shall submit to the Port a written activity report (the “Activity Report”) of its Development Services and accomplishments for that particular quarter. Except as otherwise provided in this Section, the form of the Activity Report shall include, at a minimum, a narrative summary of the Development Services rendered during the quarter, a summary of year-to-date expenditures incurred by the Provider in providing the Development Services, information regarding the current status of any prospective new port-related business generated by the Provider, information regarding the current status of any prospective expansion of any existing port-related business generated by the Provider, and any other information which is reasonably requested by the Port pertaining to the Development Services. Notwithstanding anything to the contrary contained in this Section 5, the Provider may exclude Confidential Information from an Activity Report if the Provider gives an oral report of the Confidential Information to the Port’s Executive Director or his designee contemporaneously with the delivery of the Activity Report from which such Confidential Information was excluded. For purposes of the preceding sentence, “Confidential Information” means (i) information regarding the current status of any prospective new port-related business generated by the Provider, if disclosure of such information to the public would, in the opinion of the Provider, jeopardize the realization of such business; or (ii) information regarding the current status of any prospective expansion of any existing port-related business generated by the Provider, if disclosure of such information to the public would, in the opinion of the Provider, jeopardize the realization of such expansion.

6. Records. The Provider shall maintain fiscal records and supporting documentation in the form of cancelled checks, payroll records, and invoices evidencing the expenditure of all funds received by the Provider pursuant to this Agreement. The Provider agrees to maintain proper accounting records reflecting the receipt and expenditure of funds paid to it by the Port pursuant to this Agreement in sufficient detail that a reasonable person could from a review of such records determine how all such funds were expended. Upon written request to do so, the Provider shall give the Port or its duly authorized representatives, at any reasonable time or times, access to all books, accounts, records, files or other papers belonging to or used by the Provider in connection with its performance of the Development Services. Failure to provide access to the foregoing documents shall constitute a breach of this Agreement by the Provider. The Provider agrees to keep in its possession for at least three (3) years after the termination of this Agreement all of the records described in this Section.

7. Performance Review. The Port may conduct a performance review on a semi-annual basis to evaluate the Provider's compliance with the provisions of this Agreement.

8. Early Termination. The Port shall have the right to terminate this Agreement any time prior to the expiration of the term specified in Section 1 if the Port determines that the Provider has breached or otherwise failed to comply with any terms of this Agreement. The Port shall give the Provider written notice of such termination at least thirty (30) days prior to the date of such termination. The notice shall include the reasons for such termination and the effective date of the termination. Furthermore, either party may terminate this Agreement at any time for any reason by giving written notice to the other party at least ninety (90) days prior to the termination date specified in such notice. Upon termination of this Agreement, the Port shall be liable to the Provider only for sums earned by the Provider prior to the date of termination.

9. Notices. All notices given pursuant to this Agreement shall be in writing, and if sent by mail shall be sent by certified mail, return receipt requested, postage prepaid, or by overnight delivery service, or by facsimile or electronic transmission as addressed below:

If to the Port:

Executive Director
Port of Corpus Christi Authority
P.O. Box 1541
Corpus Christi, Texas 78403
Ph: (361) 882-5633
Fax: (361) 882-7110

If to the Provider:

Executive Director
San Patricio County Economic Development Corporation
Box 238
Gregory, Texas 78359
Ph: (361) 643-4744
Fax: (361) 643-4394

or to such other address as may be designated in writing from time to time. All notices sent by certified mail are deemed received on the third business day after mailing. All notices sent by overnight delivery are deemed received on the next business day after being sent. All notices sent by facsimile or electronic transmission are deemed received on the day sent. Any party may change its address by giving notice to all other parties as set out herein.

10. Source of Funds. Any payments made to the Provider by the Port pursuant to this Agreement shall be made with funds in the Port's Development Fund.

11. Appropriations. Notwithstanding anything to the contrary contained in this Agreement, the parties acknowledge and understand that this Agreement is contingent upon the appropriation of funding by the Port Commission.

12. No Conflict of Interest. The Port and Provider each state independently that to the best of its knowledge no member of the Port Commission nor any officer, employee, or agent of the Port who will exercise any function or responsibility in connection with the carrying out of the provisions of this Agreement has any personal financial interest, direct or indirect, in this Agreement.

13. No Joint Enterprise or Liability. The parties do not intend, by entering into this Agreement, to create a partnership or joint enterprise with each other, and the Port shall at no time be responsible or liable for the acts of the Provider or the Provider's agents or employees. In no event shall the Port be liable (i) for the performance of any contracts made by the Provider with any other person or entity or (ii) for any damages, injuries, or losses charged to or adjudged against the Provider arising from its operations or the use or maintenance of its facilities. The Provider will be responsible for all costs and expenses incurred by it in providing the Development Services hereunder, and the Port shall be under no obligation to provide any additional funding or incur any other costs or expenses in connection with the Development Services beyond the Contract Amount.

14. Indemnity. The Provider agrees to defend, indemnify and hold harmless the Port, its Port Commissioners, employees and representatives for any claims or losses of any kind incurred by any of them because of or arising out of the Development Services performed by the Provider pursuant to this Agreement.

15. Confidential Information. The Provider agrees that any information given to the Provider by the Port concerning the financial or other affairs of the Port while in pursuit of the Provider's obligations under this Agreement will be held by the Provider in confidence and will not be revealed to any other person, entity or governmental body without the express written consent of the Port.

16. Severability. If any provision of this Agreement is held to be invalid, unconstitutional, or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held to be invalid, unconstitutional, or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid, unconstitutional, or unenforceable.

17. No Waiver of Rights. It is understood and agreed that no failure or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege under this Agreement.

18. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Venue for any action brought under this Agreement lies in Nueces County, Texas, exclusively.

19. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

20. Assignments and Successors. No party may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other party. Subject to the preceding sentence, this Agreement will apply to, be binding in all respects on and inure to the benefit of the successors and permitted assigns of the parties.

21. Headings. The titles and headings in this Agreement are used only for reference, and in no way define or limit the scope or intent of a provision of this Agreement.

22. Compliance with Applicable Laws. The Provider agrees to comply with all applicable federal, state and local laws and regulations while performing the Development Services.

23. Special Terms and Conditions. Any special terms and conditions pertaining to the subject matter of this Agreement are set forth in Exhibit B attached hereto, which is incorporated herein.

24. Entire Agreement and Modification. This Agreement supersedes all prior agreements between the parties with respect to its subject matter. This Agreement constitutes a complete and exclusive statement of the terms of the agreement between the parties with respect to the subject matter of this Agreement. There are no written or oral representations or understandings that are not fully expressed in this Agreement. This Agreement may not be amended, supplemented, or otherwise modified except by written agreement executed by the party to be charged with the change.

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IN WITNESS WHEREOF, the Port and Provider, acting under the authority of their respective governing bodies, have caused this Agreement to be executed by their duly authorized representatives on the dates set forth below, but effective for all purposes as of the Effective Date.

PORT:

PORT OF CORPUS CHRISTI AUTHORITY OF
NUECES COUNTY, TEXAS

By: _____

John P. LaRue
Executive Director

Date: _____

PROVIDER:

SAN PATRICIO ECONOMIC DEVELOPMENT
CORPORATION

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A

DEVELOPMENT SERVICES AND RELATED ITEMS

The Development Services to be provided to the Port by the Provider shall include the following:

1. assist the Port with the development of its La Quinta Trade Gateway Project;
2. assist the Port with the development of LNG Projects on Port-owned land;
3. assist with and provide support for the activities of the Port regarding the Rural Rail District;
4. ensure the Port's knowledge of and participation in all contacts, conversations and meetings with persons or entities inquiring about, interested in, or requiring Port of Corpus Christi land, facilities or services;
5. except as otherwise provided in Section 5 of the Agreement, include specifically in the Provider's quarterly Activity Reports information regarding all contacts, conversations and meetings with persons or entities inquiring about, interested in, or requiring Port of Corpus Christi land, facilities or services;
6. research and develop information regarding area economics, finance, education and training, housing, human relations, planning and development, and other similar matters of public concern to further the goal of the future growth of the Port of Corpus Christi and to assist the Port in the establishment and location of new industries and commercial and public enterprises on Port property;
7. disseminate the information described in item 6 above to the public through various and diverse educational processes such as the publication of the results of such research and development, conducting seminars, forums, discussion groups and participating in expositions, trade shows, conventions and other meetings;
8. aggressively promote the retention of all military facilities in the Corpus Christi Bay area, as well as the addition of new military facilities through contact with public officials, disseminating information, incentives, and any other appropriate activities;
9. promote San Patricio County to prospects for new port-related industries and enterprises, especially those that would substantially increase employment;
10. create and implement strategies and programs to keep and expand existing Port-related existing industries and enterprises; and
11. support the Port's state and federal legislative agenda with letters of support and testimony.

EXHIBIT B

SPECIAL TERMS AND CONDITIONS

The Provider also agrees as follows:

1. The Port shall be a member of the Provider during the term of this Agreement without having to pay any dues. The Port shall be entitled to appoint two representatives to the Provider's Board of Directors.
2. The Port shall have the status of an annual meeting sponsor at no additional cost to the Port.
3. The Provider shall prepare newsletter articles on community involvement, support, and initiatives in collaboration with Port staff.
4. The Port shall be recognized as a Provider member on the Provider's website, the Port's logo shall be displayed on the Provider's website, and the Provider's website shall contain a hyperlink to the Port's website under the Port's logo.

PORT DEVELOPMENT SERVICES AGREEMENT 2014

This Port Development Services Agreement (“Agreement”) is made and entered into effective as of January 1, 2014 (the “Effective Date”), by and between the PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS (the “Port”) and the ROBSTOWN AREA DEVELOPMENT COMMISSION (the “Provider”).

RECITALS:

Whereas, the Port is a political subdivision of the State of Texas, operating as a navigation district pursuant to Article XVI, Section 59 of the Texas Constitution and the laws of the State of Texas, particularly, Chapters 60 and 62 of the Texas Water Code (the “Water Code”); and

Whereas, under Section 60.202 of the Water Code the Port may set aside out of current income from its operations a promotion and development fund (“Development Fund”) of not more than five percent (5%) of its gross income from operations in each calendar year; and

Whereas, Section 60.203 of the Water Code provides that money in the Development Fund shall be spent by the Port Commission (*i.e.*, the governing body of the Port) or as the Port Commission may direct to pay any expenses connected with (1) any activity or matter incidental to the advertising, development, or promotion of the district or its ports, waterways, harbors, or terminals; (2) furthering the general welfare of the district and its facilities; or (3) the betterment of the district's relations with steamship and rail lines, shippers, consignees of freight, governmental officials, or others interested or sought to be interested in [its] ports, waterways, harbors, or terminals; and

Whereas, Section 60.003 of the Water Code provides that a district may contract with any person necessary or convenient to the operation or development of the district's ports and waterways; and

Whereas, the Port wishes to engage the Provider to provide the professional services and related items described in Exhibit A attached to this Agreement (“Exhibit A”) and incorporated herein; and

Whereas, the Port Commission believes that the expenditure of Port funds pursuant to this Agreement is consistent with the authority granted to the Port Commission in Section 60.203 of the Water Code; and

Whereas, the Provider wishes to provide the professional services and related items described in Exhibit A on the terms and for the consideration described in this Agreement;

NOW, THEREFORE, for and in consideration of the mutual covenants, rights, and obligations set forth herein and the benefits to be derived therefrom, the receipt and sufficiency of which each party acknowledges, the parties agree as follows:

1. Term. The term of this Agreement shall commence on the Effective Date and shall continue until the following December 31st, unless sooner terminated as provided in this Agreement.

2. Development Services. During the term of this Agreement, the Provider agrees to provide to or on behalf of the Port the professional services and related items described in Exhibit A (collectively, the “Development Services”) in accordance with the terms and conditions of this Agreement. The Provider specifically agrees to include at least one Port representative in any economic development negotiations or discussions in which the Provider is involved concerning (i) a port related business prospect or (ii) a business transaction which will ultimately require Port involvement, financial or otherwise.

3. Consideration. In consideration of the Development Services to be provided hereunder, Port agrees to pay the Provider the total sum of Thirty-Five Thousand and No/100 Dollars (\$35,000) (the “Contract Amount”) as follows: (i) 20% of the Contract Amount shall be payable to the Provider within ten (10) days after the execution of this Agreement by both parties; and (ii) the balance of the Contract Amount shall be payable to the Provider in four equal quarterly installments of 20% of the Contract Amount, each on or before the last days of March, June, September, and December during the term of this Agreement. The Provider agrees that any funds paid to it pursuant to this Agreement will be utilized solely for the purpose of providing Development Services.

4. Place for Payment. The funding required under this Agreement shall be mailed to the Provider at its address specified in Section 9 below, unless the Provider makes other arrangements for payment that are satisfactory to the Port.

5. Quarterly Reports. On a quarterly basis, the Provider shall submit to the Port a written activity report (the “Activity Report”) of its Development Services and accomplishments for that particular quarter. Except as otherwise provided in this Section, the form of the Activity Report shall include, at a minimum, a narrative summary of the Development Services rendered during the quarter, a summary of year-to-date expenditures incurred by the Provider in providing the Development Services, information regarding the current status of any prospective new port-related business generated by the Provider, information regarding the current status of any prospective expansion of any existing port-related business generated by the Provider, and any other information which is reasonably requested by the Port pertaining to the Development Services. Notwithstanding anything to the contrary contained in this Section 5, the Provider may exclude Confidential Information from an Activity Report if the Provider gives an oral report of the Confidential Information to the Port’s Executive Director or his designee contemporaneously with the delivery of the Activity Report from which such Confidential Information was excluded. For purposes of the preceding sentence. “Confidential Information” means (i) information regarding the current status of any prospective new port-related business generated by the Provider, if disclosure of such information to the public would, in the opinion of the Provider, jeopardize the realization of such business; or (ii) information regarding the current status of any prospective expansion of any existing port-related business generated by the Provider, if disclosure of such information to the public would, in the opinion of the Provider, jeopardize the realization of such expansion.

6. Records. The Provider shall maintain fiscal records and supporting documentation in the form of cancelled checks, payroll records, and invoices evidencing the expenditure of all funds received by the Provider pursuant to this Agreement. The Provider agrees to maintain proper accounting records reflecting the receipt and expenditure of funds paid to it by the Port pursuant to this Agreement in sufficient detail that a reasonable person could from a review of such records determine how all such funds were expended. Upon written request to do so, the Provider shall give the Port or its duly authorized representatives, at any reasonable time or times, access to all books, accounts, records, files or other papers belonging to or used by the Provider in connection with its performance of the Development Services. Failure to provide access to the foregoing documents shall constitute a breach of this Agreement by the Provider. The Provider agrees to keep in its possession for at least three (3) years after the termination of this Agreement all of the records described in this Section.

7. Performance Review. The Port may conduct a performance review on a semi-annual basis to evaluate the Provider's compliance with the provisions of this Agreement.

8. Early Termination. The Port shall have the right to terminate this Agreement any time prior to the expiration of the term specified in Section 1 if the Port determines that the Provider has breached or otherwise failed to comply with any terms of this Agreement. The Port shall give the Provider written notice of such termination at least thirty (30) days prior to the date of such termination. The notice shall include the reasons for such termination and the effective date of the termination. Furthermore, either party may terminate this Agreement at any time for any reason by giving written notice to the other party at least ninety (90) days prior to the termination date specified in such notice. Upon termination of this Agreement, the Port shall be liable to the Provider only for sums earned by the Provider prior to the date of termination.

9. Notices. All notices given pursuant to this Agreement shall be in writing, and if sent by mail shall be sent by certified mail, return receipt requested, postage prepaid, or by overnight delivery service, or by facsimile or electronic transmission as addressed below:

If to the Port:

Executive Director
Port of Corpus Christi Authority
P.O. Box 1541
Corpus Christi, Texas 78403
Ph: (361) 882-5633
Fax: (361) 882-7110

If to the Provider:

Executive Director
Robstown Area Development Commission
1150 East Main Ave.
Robstown, Texas 78380
Ph: (361) 387-3933
Fax: (361) 387-7280

or to such other address as may be designated in writing from time to time. All notices sent by certified mail are deemed received on the third business day after mailing. All notices sent by overnight delivery are deemed received on the next business day after being sent. All notices sent by facsimile or electronic transmission are deemed received on the day sent. Any party may change its address by giving notice to all other parties as set out herein.

10. Source of Funds. Any payments made to the Provider by the Port pursuant to this Agreement shall be made with funds in the Port's Development Fund.

11. Appropriations. Notwithstanding anything to the contrary contained in this Agreement, the parties acknowledge and understand that this Agreement is contingent upon the appropriation of funding by the Port Commission.

12. No Conflict of Interest. The Port and Provider each state independently that to the best of its knowledge no member of the Port Commission nor any officer, employee, or agent of the Port who will exercise any function or responsibility in connection with the carrying out of the provisions of this Agreement has any personal financial interest, direct or indirect, in this Agreement.

13. No Joint Enterprise or Liability. The parties do not intend, by entering into this Agreement, to create a partnership or joint enterprise with each other, and the Port shall at no time be responsible or liable for the acts of the Provider or the Provider's agents or employees. In no event shall the Port be liable (i) for the performance of any contracts made by the Provider with any other person or entity or (ii) for any damages, injuries, or losses charged to or adjudged against the Provider arising from its operations or the use or maintenance of its facilities. The Provider will be responsible for all costs and expenses incurred by it in providing the Development Services hereunder, and the Port shall be under no obligation to provide any additional funding or incur any other costs or expenses in connection with the Development Services beyond the Contract Amount.

14. Indemnity. The Provider agrees to defend, indemnify and hold harmless the Port, its Port Commissioners, employees and representatives for any claims or losses of any kind incurred by any of them because of or arising out of the Development Services performed by the Provider pursuant to this Agreement.

15. Confidential Information. The Provider agrees that any information given to the Provider by the Port concerning the financial or other affairs of the Port while in pursuit of the Provider's obligations under this Agreement will be held by the Provider in confidence and will not be revealed to any other person, entity or governmental body without the express written consent of the Port.

16. Severability. If any provision of this Agreement is held to be invalid, unconstitutional, or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held to be invalid, unconstitutional, or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid, unconstitutional, or unenforceable.

17. No Waiver of Rights. It is understood and agreed that no failure or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege under this Agreement.

18. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Venue for any action brought under this Agreement lies in Nueces County, Texas, exclusively.

19. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

20. Assignments and Successors. No party may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other party. Subject to the preceding sentence, this Agreement will apply to, be binding in all respects on and inure to the benefit of the successors and permitted assigns of the parties.

21. Headings. The titles and headings in this Agreement are used only for reference, and in no way define or limit the scope or intent of a provision of this Agreement.

22. Compliance with Applicable Laws. The Provider agrees to comply with all applicable federal, state and local laws and regulations while performing the Development Services.

23. Special Terms and Conditions. Any special terms and conditions pertaining to the subject matter of this Agreement are set forth in Exhibit B attached hereto, which is incorporated herein.

24. Entire Agreement and Modification. This Agreement supersedes all prior agreements between the parties with respect to its subject matter. This Agreement constitutes a complete and exclusive statement of the terms of the agreement between the parties with respect to the subject matter of this Agreement. There are no written or oral representations or understandings that are not fully expressed in this Agreement. This Agreement may not be amended, supplemented, or otherwise modified except by written agreement executed by the party to be charged with the change.

[The signature page follows this page]

IN WITNESS WHEREOF, the Port and Provider, acting under the authority of their respective governing bodies, have caused this Agreement to be executed by their duly authorized representatives on the dates set forth below, but effective for all purposes as of the Effective Date.

PORT:

PORT OF CORPUS CHRISTI AUTHORITY OF
NUECES COUNTY, TEXAS

By: _____
John P. LaRue
Executive Director

Date: _____

PROVIDER:

ROBSTOWN AREA DEVELOPMENT
COMMISSION

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A

DEVELOPMENT SERVICES AND RELATED ITEMS

The Development Services to be provided to the Port by the Provider shall include the following:

1. ensure the Port has knowledge of and participates in all contacts, conversations and meetings with persons or entities inquiring about, interested in, or requiring Port of Corpus Christi land, facilities or services;
2. include specifically in the Provider's quarterly Activity Reports information regarding all contacts, conversations and meetings with persons or entities inquiring about, interested in, or requiring Port of Corpus Christi land, facilities or services;
3. research and develop information regarding area economics, finance, education and training, housing, human relations, planning and development, and other similar matters of public concern to further the goal of the future growth of the Port of Corpus Christi and to assist the Port in the establishment and location of new industries and commercial and public enterprises on Port property;
4. disseminate information described in item 3 above to the public through various and diverse educational processes such as the publication of the results of such research and development, conducting seminars, forums, discussion groups and participating in expositions, trade shows, conventions and other meetings;
5. aggressively promote the retention of all military facilities in the Corpus Christi Bay area, as well as the addition of new military facilities through contact with public officials, disseminating information, and any other appropriate activities;
6. promote Nueces County to prospects for new port-related industries and enterprises, especially those that would substantially increase employment;
7. create and implement strategies and programs to keep and expand existing port-related industries and enterprises; and
8. participate in a local International Trade Conference for the South Texas community with the Port's involvement that focuses on export/import regulations, permit requirements, and business opportunities for local businesses.

EXHIBIT B

SPECIAL TERMS AND CONDITIONS

The Provider also agrees as follows:

1. The Port shall be a member of the Provider during the term of this Agreement without having to pay any dues. The Port shall be entitled to appoint two representatives to the Provider's Board of Directors.
2. The Port shall have the status of an annual meeting sponsor at no additional cost to the Port.
3. The Provider shall prepare newsletter articles on community involvement, support, and initiatives in collaboration with Port staff.
4. The Port shall be recognized as a Provider member on the Provider's website, the Port's logo shall be displayed on the Provider's website, and the Provider's website shall contain a hyperlink to the Port's website under the Port's logo.

PORT DEVELOPMENT SERVICES AGREEMENT 2014

This Port Development Services Agreement (“Agreement”) is made and entered into effective as of January 1, 2014 (the “Effective Date”), by and between the PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS (the “Port”), and the CORPUS CHRISTI CHAMBER OF COMMERCE, a Texas non-profit corporation (the “Provider”).

RECITALS:

Whereas, the Port is a political subdivision of the State of Texas, operating as a navigation district pursuant to Article XVI, Section 59 of the Texas Constitution and the laws of the State of Texas, particularly, Chapters 60 and 62 of the Texas Water Code (the “Water Code”); and

Whereas, under Section 60.202 of the Water Code the Port may set aside out of current income from its operations a promotion and development fund (“Development Fund”) of not more than five percent (5%) of its gross income from operations in each calendar year; and

Whereas, Section 60.203 of the Water Code provides that money in the Development Fund shall be spent by the Port Commission (*i.e.*, the governing body of the Port) or as the Port Commission may direct to pay any expenses connected with (1) any activity or matter incidental to the advertising, development, or promotion of the district or its ports, waterways, harbors, or terminals; (2) furthering the general welfare of the district and its facilities; or (3) the betterment of the district’s relations with steamship and rail lines, shippers, consignees of freight, governmental officials, or others interested or sought to be interested in [its] ports, waterways, harbors, or terminals; and

Whereas, Section 60.003 of the Water Code provides that a district may contract with any person necessary or convenient to the operation or development of the district’s ports and waterways; and

Whereas, the Port wishes to engage the Provider to provide the professional services and related items described in Exhibit A attached to this Agreement (“Exhibit A”) and incorporated herein; and

Whereas, the Port Commission believes that the expenditure of Port funds pursuant to this Agreement is consistent with the authority granted to the Port Commission in Section 60.203 of the Water Code; and

Whereas, the Provider wishes to provide the professional services and related items described in Exhibit A on the terms and for the consideration described in this Agreement;

NOW, THEREFORE, for and in consideration of the mutual covenants, rights, and obligations set forth herein and the benefits to be derived therefrom, the receipt and sufficiency of which each party acknowledges, the parties agree as follows:

1. Term. The term of this Agreement shall commence on the Effective Date and shall continue until the following December 31st, unless sooner terminated as provided in this Agreement.

2. Development Services. During the term of this Agreement, the Provider agrees to provide to or on behalf of the Port the professional services and related items described in Exhibit A (collectively, the “Development Services”) in accordance with the terms and conditions of this Agreement. The Provider specifically agrees to include at least one Port representative in any economic development negotiations or discussions in which the Provider is involved concerning (i) a port-related business prospect or (ii) a business transaction which will ultimately require Port involvement, financial or otherwise.

3. Consideration. In consideration of the Development Services to be provided hereunder, the Port agrees to pay the Provider the total sum of Forty-Five Thousand and No/100 Dollars (\$45,000.00) (the “Contract Amount”) as follows: the Contract Amount shall be payable to Provider within ten (10) days after the execution of this Agreement by both parties. Provider agrees that any funds paid to it pursuant to this Agreement will be utilized solely for the purpose of providing Development Services.

4. Place for Payment. The funding required under this Agreement shall be mailed to the Provider at its address specified in Section 9 below, unless the Provider makes other arrangements for payment that are satisfactory to the Port.

5. Quarterly Reports. On a quarterly basis, the Provider shall submit to the Port a written activity report (the “Activity Report”) of its Development Services and accomplishments for that particular quarter. Except as otherwise provided in this Section, the form of the Activity Report shall include, at a minimum, a narrative summary of the Development Services rendered during the quarter, a summary of year-to-date expenditures incurred by the Provider in providing the Development Services, information regarding the current status of any prospective new port-related business generated by the Provider, information regarding the current status of any prospective expansion of any existing port-related business generated by the Provider, and any other information which is reasonably requested by the Port pertaining to the Development Services. Notwithstanding anything to the contrary contained in this Section 5, the Provider may exclude Confidential Information from an Activity Report if the Provider gives an oral report of the Confidential Information to the Port’s Executive Director or his designee contemporaneously with the delivery of the Activity Report from which such Confidential Information was excluded. For purposes of the preceding sentence, “Confidential Information” means (i) information regarding the current status of any prospective new port-related business generated by the Provider, if disclosure of such information to the public would, in the opinion of the Provider, jeopardize the realization of such business, or (ii) information regarding the current status of any prospective expansion of any existing port-related business generated by the Provider, if disclosure of such information to the public would, in the opinion of the Provider, jeopardize the realization of such expansion.

6. Records. The Provider shall maintain fiscal records and supporting documentation in the form of cancelled checks, payroll records, and invoices evidencing the expenditure of all funds received by the Provider pursuant to this Agreement. The Provider agrees to maintain proper accounting records reflecting the receipt and expenditure of funds paid

to it by the Port pursuant to this Agreement in sufficient detail that a reasonable person could from a review of such records determine how all such funds were expended. Upon written request to do so, the Provider shall give the Port or its duly authorized representatives, at any reasonable time or times, access to all books, accounts, records, files or other papers belonging to or used by the Provider in connection with its performance of the Development Services. Failure to provide access to the foregoing documents shall constitute a breach of this Agreement by the Provider. The Provider agrees to keep in its possession for at least three (3) years after the termination of this Agreement all of the records described in this Section.

7. Performance Review. The Port may conduct a performance review on a semi-annual basis to evaluate the Provider's compliance with the provisions of this Agreement.

8. Early Termination. The Port shall have the right to terminate this Agreement any time prior to the expiration of the term specified in Section 1 if the Port determines that the Provider has breached or otherwise failed to comply with any terms of this Agreement. The Port shall give the Provider written notice of such termination at least thirty (30) days prior to the date of such termination. The notice shall include the reasons for such termination and the effective date of the termination. Furthermore, either party may terminate this Agreement at any time for any reason by giving written notice to the other party at least ninety (90) days prior to the termination date specified in such notice. Upon termination of this Agreement, the Port shall be liable to the Provider only for sums earned by the Provider prior to the date of termination.

9. Notices. All notices given pursuant to this Agreement shall be in writing, and if sent by mail shall be sent by certified mail, return receipt requested, postage prepaid, or by overnight delivery service, or by facsimile or electronic transmission as addressed below:

If to the Port:

Executive Director
Port of Corpus Christi Authority
P.O. Box 1541
Corpus Christi, Texas 78403
Ph: (361) 882-5633
Fax: (361) 882-7110

If to the Provider:

President & CEO
Corpus Christi Chamber of Commerce
1201 N. Shoreline
Corpus Christi, Texas 78401
Ph: (361) 881-1800
Fax: (361) 882-4256

or to such other address as may be designated in writing from time to time. All notices sent by certified mail are deemed received on the third business day after mailing. All notices sent by overnight delivery are deemed received on the next business day after being sent. All notices sent by facsimile or electronic transmission are deemed received on the day sent. Any party may change its address by giving notice to all other parties as set out herein.

10. Source of Funds. Any payments made to the Provider by the Port pursuant to this Agreement shall be made with funds in the Port's Development Fund.

11. Appropriations. Notwithstanding anything to the contrary contained in this Agreement, the parties acknowledge and understand that this Agreement is contingent upon the appropriation of funding by the Port Commission.

12. No Conflict of Interest. The Port and Provider each state independently that to the best of its knowledge no member of the Port Commission nor any officer, employee, or agent of the Port who will exercise any function or responsibility in connection with the carrying out of the provisions of this Agreement has any personal financial interest, direct or indirect, in this Agreement.

13. No Joint Enterprise or Liability. The parties do not intend, by entering into this Agreement, to create a partnership or joint enterprise with each other, and the Port shall at no time be responsible or liable for the acts of the Provider or the Provider's agents or employees. In no event shall the Port be liable (i) for the performance of any contracts made by the Provider with any other person or entity or (ii) for any damages, injuries, or losses charged to or adjudged against the Provider arising from its operations or the use or maintenance of its facilities. The Provider will be responsible for all costs and expenses incurred by it in providing the Development Services hereunder, and the Port shall be under no obligation to provide any additional funding or incur any other costs or expenses in connection with the Development Services beyond the Contract Amount.

14. Indemnity. The Provider agrees to defend, indemnify and hold harmless the Port, its Port Commissioners, employees and representatives for any claims or losses of any kind incurred by any of them because of or arising out of the Development Services performed by the Provider pursuant to this Agreement.

15. Confidential Information. The Provider agrees that any information given to the Provider by the Port concerning the financial or other affairs of the Port while in pursuit of the Provider's obligations under this Agreement will be held by the Provider in confidence and will not be revealed to any other person, entity or governmental body without the express written consent of the Port.

16. Severability. If any provision of this Agreement is held to be invalid, unconstitutional, or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held to be invalid, unconstitutional, or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid, unconstitutional, or unenforceable.

17. No Waiver of Rights. It is understood and agreed that no failure or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege under this Agreement.

18. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Venue for any action brought under this Agreement lies in Nueces County, Texas, exclusively.

19. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

20. Assignments and Successors. No party may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other party. Subject to the preceding sentence, this Agreement will apply to, be binding in all respects on and inure to the benefit of the successors and permitted assigns of the parties.

21. Headings. The titles and headings in this Agreement are used only for reference, and in no way define or limit the scope or intent of a provision of this Agreement.

22. Compliance with Applicable Laws. The Provider agrees to comply with all applicable federal, state and local laws and regulations while performing the Development Services.

23. Special Terms and Conditions. Any special terms and conditions pertaining to the subject matter of this Agreement are set forth in Exhibit B attached hereto, which is incorporated herein.

24. Entire Agreement and Modification. This Agreement supersedes all prior agreements between the parties with respect to its subject matter. This Agreement constitutes a complete and exclusive statement of the terms of the agreement between the parties with respect to the subject matter of this Agreement. There are no written or oral representations or understandings that are not fully expressed in this Agreement. This Agreement may not be amended, supplemented, or otherwise modified except by written agreement executed by the party to be charged with the change.

[The signature page follows this page]

IN WITNESS WHEREOF, the Port and Provider, acting under the authority of their respective governing bodies, have caused this Agreement to be executed by their duly authorized representatives on the dates set forth below, but effective for all purposes as of the Effective Date.

PORT:

PORT OF CORPUS CHRISTI AUTHORITY OF
NUECES COUNTY, TEXAS

By: _____
John P. LaRue
Executive Director

Date: _____

PROVIDER:

CORPUS CHRISTI CHAMBER OF COMMERCE

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A

DEVELOPMENT SERVICES AND RELATED ITEMS

The Development Services to be provided to the Port by the Provider shall include the following:

1. Provide support to the Port on its government relations activities at the local, state and federal levels;
2. Provide assistance for major port projects;
3. Top placement in quarterly newsletter, weekly emails and the Chamber webpage;
4. Tables and sponsorships at no additional charge at all Chamber functions;
5. Appointment of a Port Commissioner or staff member to the Chamber Board of Directors;
6. Provide assistance on state legislative issues; and
7. Provide assistance on windstorm insurance.

PORT DEVELOPMENT SERVICES AGREEMENT 2014

This Port Development Services Agreement (“Agreement”) is made and entered into effective as of January 1, 2014 (the “Effective Date”), by and between the PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS (the “Port”), and the CORPUS CHRISTI HISPANIC CHAMBER OF COMMERCE, a Texas non-profit corporation (the “Provider”).

RECITALS:

Whereas, the Port is a political subdivision of the State of Texas, operating as a navigation district pursuant to Article XVI, Section 59 of the Texas Constitution and the laws of the State of Texas, particularly, Chapters 60 and 62 of the Texas Water Code (the “Water Code”); and

Whereas, under Section 60.202 of the Water Code, the Port may set aside out of current income from its operations a promotion and development fund (“Development Fund”) of not more than five percent (5%) of its gross income from operations in each calendar year; and

Whereas, Section 60.203 of the Water Code provides that money in the Development Fund shall be spent by the Port Commission (*i.e.*, the governing body of the Port) or as the Port Commission may direct to pay any expenses connected with (1) any activity or matter incidental to the advertising, development, or promotion of the district or its ports, waterways, harbors, or terminals; (2) furthering the general welfare of the district and its facilities; or (3) the betterment of the district’s relations with steamship and rail lines, shippers, consignees of freight, governmental officials, or others interested or sought to be interested in [its] ports, waterways, harbors, or terminals; and

Whereas, Section 60.003 of the Water Code provides that a district may contract with any person necessary or convenient to the operation or development of the district’s ports and waterways; and

Whereas, the Port wishes to engage the Provider to provide the professional services and related items described in Exhibit A attached to this Agreement (“Exhibit A”) and incorporated herein; and

Whereas, the Port Commission believes that the expenditure of Port funds pursuant to this Agreement is consistent with the authority granted to the Port Commission in Section 60.203 of the Water Code; and

Whereas, the Provider wishes to provide the professional services and related items described in Exhibit A on the terms and for the consideration described in this Agreement;

NOW, THEREFORE, for and in consideration of the mutual covenants, rights, and obligations set forth herein and the benefits to be derived therefrom, the receipt and sufficiency of which each party acknowledges, the parties agree as follows:

1. Term. The term of this Agreement shall commence on the Effective Date and shall continue until the following December 31st, unless sooner terminated as provided in this Agreement.

2. Development Services. During the term of this Agreement, the Provider agrees to provide to or on behalf of the Port the professional services and related items described in Exhibit A (collectively, the “Development Services”) in accordance with the terms and conditions of this Agreement. The Provider specifically agrees to include at least one Port representative in any economic development negotiations or discussions in which the Provider is involved concerning (i) a port-related business prospect or (ii) a business transaction which will ultimately require Port involvement, financial or otherwise.

3. Consideration. In consideration of the Development Services to be provided hereunder, the Port agrees to pay the Provider the total sum of Forty-Five Thousand and No/100 Dollars (\$45,000.00) (the “Contract Amount”) as follows: (i) 20% of the Contract Amount shall be payable to Provider within ten (10) days after the execution of this Agreement by both parties; and (ii) the balance of the Contract Amount shall be payable to Provider in four equal quarterly installments of 20% of the Contract Amount, each on or before the last days of March, June, September, and December during the term of this Agreement. The Provider agrees that any funds paid to it pursuant to this Agreement will be utilized solely for the purpose of providing Development Services.

4. Place for Payment. The funding required under this Agreement shall be mailed to the Provider at its address specified in Section 9 below, unless the Provider makes other arrangements for payment that are satisfactory to the Port.

5. Quarterly Reports. On a quarterly basis, the Provider shall submit to the Port a written activity report (the “Activity Report”) of its Development Services and accomplishments for that particular quarter. Except as otherwise provided in this Section, the form of the Activity Report shall include, at a minimum, a narrative summary of the Development Services rendered during the quarter, a summary of year-to-date expenditures incurred by the Provider in providing the Development Services, information regarding the current status of any prospective new port-related business generated by the Provider, information regarding the current status of any prospective expansion of any existing port-related business generated by the Provider, and any other information which is reasonably requested by the Port pertaining to the Development Services. Notwithstanding anything to the contrary contained in this Section 5, the Provider may exclude Confidential Information from an Activity Report if the Provider gives an oral report of the Confidential Information to the Port’s Executive Director or his designee contemporaneously with the delivery of the Activity Report from which such Confidential Information was excluded. For purposes of the preceding sentence, “Confidential Information” means (i) information regarding the current status of any prospective new port-related business generated by the Provider, if disclosure of such information to the public would, in the opinion of the Provider, jeopardize the realization of such business or (ii) information regarding the current status of any prospective expansion of any existing port-related business generated by the Provider, if disclosure of such information to the public would, in the opinion of the Provider, jeopardize the realization of such expansion.

6. Records. The Provider shall maintain fiscal records and supporting documentation in the form of cancelled checks, payroll records, and invoices evidencing the expenditure of all funds received by the Provider pursuant to this Agreement. The Provider agrees to maintain proper accounting records reflecting the receipt and expenditure of funds paid to it by the Port pursuant to this Agreement in sufficient detail that a reasonable person could from a review of such records determine how all such funds were expended. Upon written request to do so, the Provider shall give the Port or its duly authorized representatives, at any reasonable time or times, access to all books, accounts, records, files or other papers belonging to or used by the Provider in connection with its performance of the Development Services. Failure to provide access to the foregoing documents shall constitute a breach of this Agreement by the Provider. The Provider agrees to keep in its possession for at least three (3) years after the termination of this Agreement all of the records described in this Section.

7. Performance Review. The Port may conduct a performance review on a semi-annual basis to evaluate the Provider's compliance with the provisions of this Agreement.

8. Early Termination. The Port shall have the right to terminate this Agreement any time prior to the expiration of the term specified in Section 1 if the Port determines that the Provider has breached or otherwise failed to comply with any terms of this Agreement. The Port shall give the Provider written notice of such termination at least thirty (30) days prior to the date of such termination. The notice shall include the reasons for such termination and the effective date of the termination. Furthermore, either party may terminate this Agreement at any time for any reason by giving written notice to the other party at least ninety (90) days prior to the termination date specified in such notice. Upon termination of this Agreement, the Port shall be liable to the Provider only for sums earned by the Provider prior to the date of termination.

9. Notices. All notices given pursuant to this Agreement shall be in writing, and if sent by mail shall be sent by certified mail, return receipt requested, postage prepaid, or by overnight delivery service, or by facsimile or electronic transmission as addressed below:

If to the Port:

Executive Director
Port of Corpus Christi Authority
P.O. Box 1541
Corpus Christi, Texas 78403
Ph: (361) 882-5633
Fax: (361) 882-7110

If to the Provider:

President
Corpus Christi Hispanic Chamber of Commerce
P.O. 5523
Corpus Christi, Texas 78465
Ph: (361) 887-7408
Fax: (361) 888-9473

or to such other address as may be designated in writing from time to time. All notices sent by certified mail are deemed received on the third business day after mailing. All notices sent by overnight delivery are deemed received on the next business day after being sent. All notices sent by facsimile or electronic transmission are deemed received on the day sent. Any party may change its address by giving notice to all other parties as set out herein.

10. Source of Funds. Any payments made to the Provider by the Port pursuant to this Agreement shall be made with funds in the Port's Development Fund.

11. Appropriations. Notwithstanding anything to the contrary contained in this Agreement, the parties acknowledge and understand that this Agreement is contingent upon the appropriation of funding by the Port Commission.

12. No Conflict of Interest. The Port and Provider each state independently that to the best of its knowledge no member of the Port Commission nor any officer, employee, or agent of the Port who will exercise any function or responsibility in connection with the carrying out of the provisions of this Agreement has any personal financial interest, direct or indirect, in this Agreement.

13. No Joint Enterprise or Liability. The parties do not intend, by entering into this Agreement, to create a partnership or joint enterprise with each other, and the Port shall at no time be responsible or liable for the acts of the Provider or the Provider's agents or employees. In no event shall the Port be liable (i) for the performance of any contracts made by the Provider with any other person or entity or (ii) for any damages, injuries, or losses charged to or adjudged against the Provider arising from its operations or the use or maintenance of its facilities. The Provider will be responsible for all costs and expenses incurred by it in providing the Development Services hereunder, and the Port shall be under no obligation to provide any additional funding or incur any other costs or expenses in connection with the Development Services beyond the Contract Amount.

14. Indemnity. The Provider agrees to defend, indemnify and hold harmless the Port, its Port Commissioners, employees and representatives for any claims or losses of any kind incurred by any of them because of or arising out of the Development Services performed by the Provider pursuant to this Agreement.

15. Confidential Information. The Provider agrees that any information given to the Provider by the Port concerning the financial or other affairs of the Port while in pursuit of the Provider's obligations under this Agreement will be held by the Provider in confidence and will not be revealed to any other person, entity or governmental body without the express written consent of the Port.

16. Severability. If any provision of this Agreement is held to be invalid, unconstitutional, or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held to be invalid, unconstitutional, or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid, unconstitutional, or unenforceable.

17. No Waiver of Rights. It is understood and agreed that no failure or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege under this Agreement.

18. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Venue for any action brought under this Agreement lies in Nueces County, Texas, exclusively.

19. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

20. Assignments and Successors. No party may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other party. Subject to the preceding sentence, this Agreement will apply to, be binding in all respects on and inure to the benefit of the successors and permitted assigns of the parties.

21. Headings. The titles and headings in this Agreement are used only for reference, and in no way define or limit the scope or intent of a provision of this Agreement.

22. Compliance with Applicable Laws. The Provider agrees to comply with all applicable federal, state and local laws and regulations while performing the Development Services.

23. Special Terms and Conditions. Any special terms and conditions pertaining to the subject matter of this Agreement are set forth in Exhibit B attached hereto, which is incorporated herein.

24. Entire Agreement and Modification. This Agreement supersedes all prior agreements between the parties with respect to its subject matter. This Agreement constitutes a complete and exclusive statement of the terms of the agreement between the parties with respect to the subject matter of this Agreement. There are no written or oral representations or understandings that are not fully expressed in this Agreement. This Agreement may not be amended, supplemented, or otherwise modified except by written agreement executed by the party to be charged with the change.

[The signature page follows this page]

IN WITNESS WHEREOF, the Port and Provider, acting under the authority of their respective governing bodies, have caused this Agreement to be executed by their duly authorized representatives on the dates set forth below, but effective for all purposes as of the Effective Date.

PORT:

PORT OF CORPUS CHRISTI AUTHORITY OF
NUECES COUNTY, TEXAS

By: _____
John P. LaRue
Executive Director

Date: _____

PROVIDER:

CORPUS CHRISTI HISPANIC CHAMBER OF
COMMERCE

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A

DEVELOPMENT SERVICES AND RELATED ITEMS

The Development Services to be provided to the Port by the Provider shall include the following:

1. Attending any meetings or functions needed to promote the mission of the Port which might necessitate domestic and/or international travel;
2. Assist the Port in its promotion at the local and state-wide levels;
3. Assist the Port in trade activities in Mexico and Latin America; and
4. Assist the Port in development of its state and national legislative agenda.

EXHIBIT B

SPECIAL TERMS AND CONDITIONS

The Provider also agrees that the Port will receive the following advertising services and benefits without any additional cost to the Port:

1. Annual dues (six representatives);
2. Annual banquet sponsor with extensive promotion package;
3. Full-page color advertising in Membership Directory;
4. Corporate partner recognition ads through partnerships with participating member media and member profile in VISION and Hispanic Business Today (two per year);
5. Group signage at all Provider events;
6. Sponsorship of one Monthly Mixer;
7. The Provider will prominently display the logo of both the Port of Corpus Christi and the Port of Corpus Christi Opportunities with a link to their website(s) on the Provider's website;
8. The Provider will create a 'Bid Opportunities' or 'Contacts for Contracts' page on its website sponsored by the Port with a hyperlink to the Port's www.portofcorpuschristiopportunities.com website;
9. The Provider will provide the Port with one reserved table at the Provider's annual banquet and one reserved table at any other Provider banquet;
10. The Provider will recognize the Port as a sponsor at each of the premier Chamber events and in the program or brochure for such event;
11. The Provider will include a permanent logo with link on the weekly member e-newsletter that is electronically distributed to the Provider's members;
12. The Port shall have one (1) team of four at the Provider's annual golf tournament;
and
13. The Port shall be entitled to appoint one member to the Provider's board.

PORT DEVELOPMENT SERVICES AGREEMENT

This agreement is between Port of Corpus Christi Authority of Nueces County, Texas (Authority), whose address is 222 Power Street, Corpus Christi, Texas 78403, and Coastal Bend Bays & Estuaries Program (Service Provider), whose address is 1305 Shoreline Blvd, Suite 210, Corpus Christi, Texas 78401, as follows:

1. PURPOSE: The Service Provider will provide to Authority the services described on Exhibit A attached hereto and incorporated herein by reference which are for the purpose of providing Authority services that are incidental to the development, promotion or advertising of Authority and its port, waterways, harbors and terminals or that are for the betterment of Authority's relations with steamship and rail lines, shippers, consignees of freight, governmental officials or others interested in Authority's port, waterways, harbors or terminals and which the Port Commission of Authority, by authorizing this agreement, has found to be for the benefit of the Authority or the public welfare of the citizens of Nueces County, Texas.

2. TERM AND CONSIDERATION: The term of this agreement is from the 1st day of January 2014, to the 31st day of December 2014. In consideration of Service Provider providing the services described below, Authority will pay to Service Provider the sum of Seventy-Five Thousand Dollars (\$75,000.00), which sum will be paid as follows: \$18,750.00 per quarter to be paid during January, April, July, and October of 2014, upon submission of an invoice from the Service Provider for services to be performed. All payments to the Service Provider by the Authority pursuant to this agreement shall be made with funds in the Authority's Promotion and Development Fund. The Service Provider shall also have the use of available office space on the second floor in Authority's Annex Building at no cost.

3. COSTS AND EXPENSES: Service Provider will be responsible for all costs and expenses associated with providing its services to Authority. Authority shall be under no obligation to provide any funding or incur any other costs or expenses in connection with the services to be provided other than the fixed sum and office space described in Section 1 of this agreement. Service Provider has no authority to bind the Authority to any contract, obligation or any other liability absent the Authority's written consent.

4. OBLIGATION LIMITED: This agreement shall be limited solely to the services described in Exhibit A. No obligation of Authority, expressed or implied, shall exist for funding any additional or different services by Service Provider not described in Exhibit A.

5. BOARD OF DIRECTORS: The Port will be entitled to appoint one (1) person to be a voting director of the board of directors of Service Provider, which person may be a Port Commissioner.

6. INDEPENDENT CONTRACTOR RELATIONSHIP: At all times during the term of this agreement, the Service Provider shall be an independent contractor to the Authority, and the Service Provider shall not in any event be deemed an employee, partner, joint venturer or other representative of the Authority. Any persons employed by the Service Provider shall at all times hereunder be deemed to be the employees of the Service Provider, and the Service Provider shall be solely liable for the payment of all wages, employment taxes or other benefits made available to such employees in connection with their employment by the Service Provider.

If required by law or statute, the Service Provider will provide workers' compensation insurance for all of its employees engaged in providing services to Authority. The Service Provider shall remain solely responsible for the supervision and performance of any such employees and of its volunteers in completing its obligations under this agreement.

7. RECORDS: The Service Provider agrees to maintain proper accounting records reflecting the receipt and expenditure of the funds paid to it by Authority in sufficient detail that a reasonable person could from a review of the said records determine the source and application of all funds paid the Service Provider by the Authority. In addition, if required to do so by the Authority, the Service Provider will provide the Authority a written report or reports which set forth the source and application of all funds paid the Service Provider by the Authority. The Service Provider will also make all reports to government or other entities necessary because of the nature of the services provided by the Service Provider.

8. COMPLIANCE: During the performance of this agreement, the Service Provider agrees to comply with all applicable federal, state or local laws or regulations.

9. NOTICE: All notices or other communications relating to this agreement will be made in writing and may be given by facsimile or electronic transmission addressed to the person to receive same, delivering the same to the person to be notified, or depositing the same in the United States mail, postage prepaid, certified return receipt requested, addressed as set forth in this paragraph. Until changed in writing, the notice addresses for the parties to this agreement hereto shall be as follows:

Authority: Port of Corpus Christi Authority
P. O. Box 1541
Corpus Christi, Texas 78403
Attn.: Executive Director

Service Provider: Coastal Bend Bays & Estuaries Program
1305 Shoreline Blvd., Suite 210
Corpus Christi, Texas 78401
Attn.: Executive Director

10. DEFAULT: This agreement may be terminated upon default by either party upon thirty (30) days written notice to the other party. No waiver of performance by either party shall be construed or operate as a waiver of any subsequent default in any terms, covenants, and conditions of this agreement.

11. GOVERNING LAW: This agreement shall be governed by and construed in accordance with the laws of the state of Texas, and it shall be performable in Nueces County, Texas.

12. SEVERABILITY: If for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this agreement shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this agreement, for it is the definite intent of the

parties that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

13. SUCCESSORS: This agreement shall be binding upon and shall insure to the benefit of the Authority and its successors and assigns and the Service Provider and its successors and assigns.

14. AMENDMENTS AND COUNTERPARTS: No amendments, modifications or other changes to this agreement shall be valid or effective without the written consent of the parties hereto. This agreement may be executed in one or more counterparts, each of which shall be deemed as original and all of which shall constitute but one and the same instrument.

EXECUTED in duplicate originals effective the 1st day of January 2014.

AUTHORITY:

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

By:_____

John P. LaRue
Executive Director

SERVICE PROVIDER:

COASTAL BEND BAYS & ESTUARIES
PROGRAM

By:_____

Ray Allen
Executive Director

EXHIBIT A TO SERVICES AGREEMENT

The professional services and benefits to be provided to the Authority by the Service Provider consist of the environmental protection of the Coastal Bend bays and estuaries through various projects which would be advantageous to the future growth and vitality of the Port of Corpus Christi Authority and benefit the public welfare in Nueces and San Patricio Counties and shall include the following:

1. conduct research and development of information regarding the environmental conditions of the Coastal Bend bays and estuaries;
2. disseminate above information to the public through various and diverse educational processes such as the publication of the results of such research and development, conducting seminars, forums, discussion groups and participating in expositions, trade shows, conventions and other meetings;
3. advise the Port Commissioners of the Authority quarterly on environmental matters impacting port operations;
4. annual meeting sponsor status;
5. newsletter articles on community involvement, support, and initiatives in collaboration with Port staff;
6. recognize the Authority as a member on the Coastal Bend Bays & Estuaries website and maintain hyperlink to the Authority's website;
7. support the Authority's legislative issues in Washington, D.C., through letters of support and testimonies for community grants, infrastructure funds such as the I-69 Highway, La Quinta Trade Gateway and the Corpus Christi Ship Channel Improvement projects/issues;
8. any and all other lawful activities, which tend to aid, assist, or otherwise encourage the economic development of the Authority.

End of Exhibit

DATE: December 10, 2013

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 23-A

**Approve an Easement with AEP Texas Central Company to
Provide Temporary Electrical Service to Property Leased by
voestalpine Texas Holdings, LLC, on the PCCA's La Quinta Property**

On April 30, 2013, the PCCA entered into a long-term lease agreement with voestalpine Texas Holding, LLC (voestalpine), for approximately 460.05 acres of the PCCA's La Quinta Trade Gateway property for the development, construction, and operation of a \$700 million hot-briquetted iron production facility. As voestalpine prepares to enter into the construction phase of its operations, temporary electrical service is needed for its construction activities. The electric service provider that voestalpine has selected, AEP Texas Central Company, has requested that it be granted an easement across a strip of PCCA property located adjacent to the east boundary of the voestalpine site as well as across a portion of the voestalpine leased site, as shown on the attached schematic, for the purpose of installing the poles, wires and necessary attachments to provide electricity to voestalpine's construction offices.

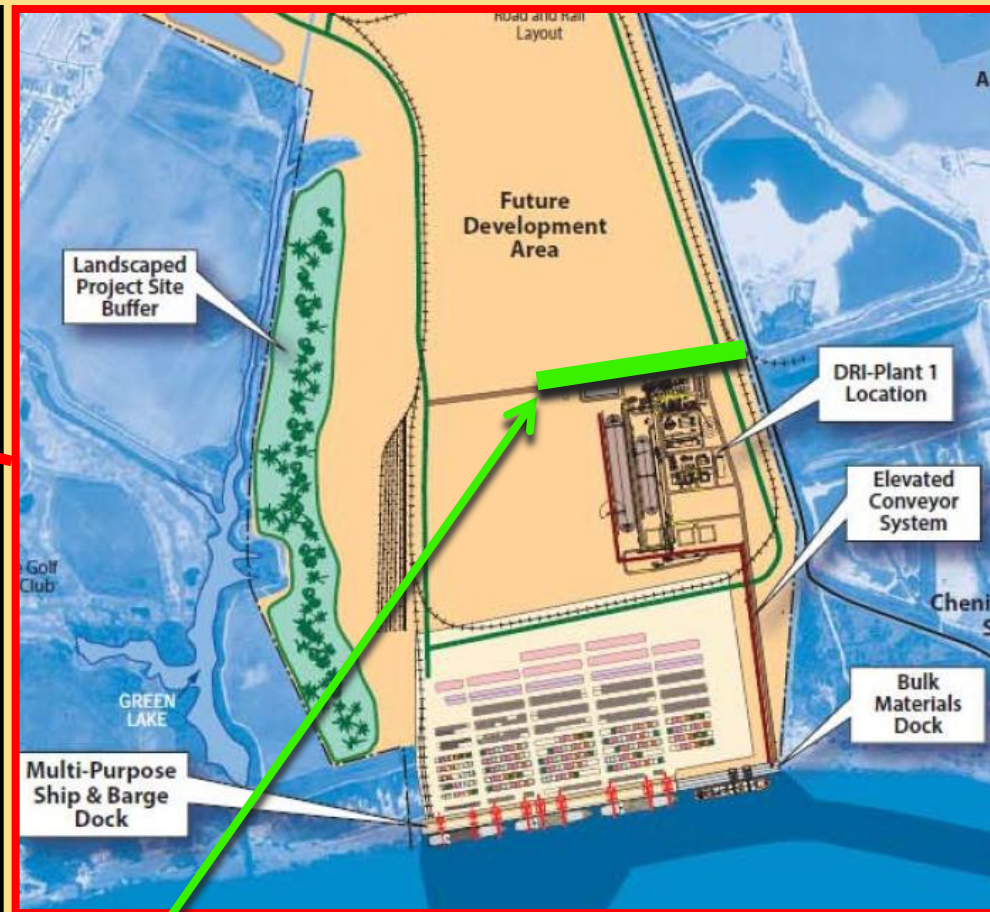
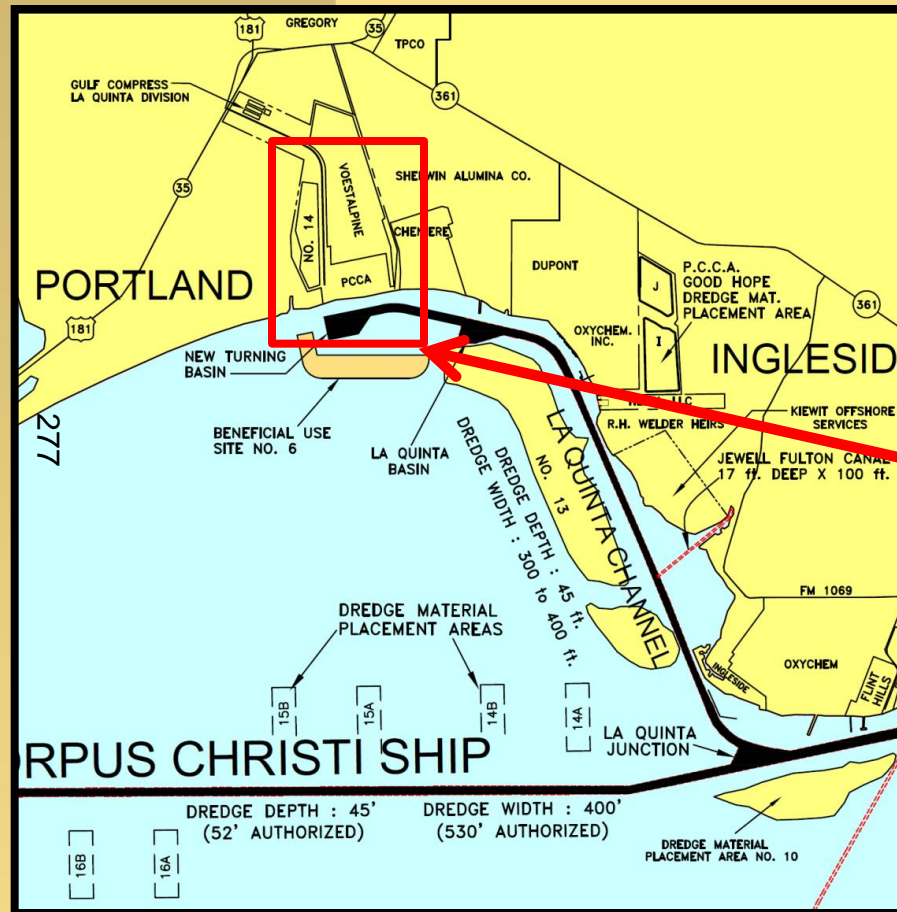
Staff has reviewed the proposed routing of the easement and has no objection to the plans. Because this easement is being requested by voestalpine in connection with its use of the leased premises for the purposes permitted under the lease agreement, there will be no fee charged by the PCCA for granting this easement. Once the easement area is no longer needed and has not been used for 12 consecutive months, the easement will terminate.

Staff and Bill Thomas, the PCCA's electrical service consultant, coordinated with representatives of AEP to draft the attached easement agreement and recommend approval of the attached easement agreement with AEP Texas Central Company.

LEAD CONTACT: David Krams; 885-6134; krams@pocca.com



AEP Easement for Temporary Electrical Service



GENERAL ROUTE
OF TEMPORARY
EASEMENT

EXHIBIT 1

EASEMENT AND RIGHT OF WAY

PORT OF CORPUS CHRISTI AUTHORITY ("Grantor"), for and in consideration of Ten & 00/100 Dollars (\$10.00), and other good and valuable consideration to Grantor in hand paid by **AEP TEXAS CENTRAL COMPANY**, a Texas corporation, whose address is P.O. Box 2121, Corpus Christi, Texas 78403 ("Grantee") the receipt and sufficiency of which is hereby acknowledged and confessed, has GRANTED, SOLD, and CONVEYED, and by these presents does GRANT, SELL, and CONVEY unto Grantee, its successors and assigns, a non-exclusive easement and right of way for electric distribution lines, consisting of poles made of wood, metal, or other materials, crossarms, static wires, guys, wire circuits, underground cables and conduits, communication circuits, metering equipment and all necessary or desirable appurtenances (including, but not limited to, transformers, meters, vaults, and service pedestals) over, under, across, and upon the following described land located in Nueces County, Texas, to wit:

See Exhibit "A, B, A-1 & B-1", attached and made a part hereof and incorporated herein the "Easement Area".

Together with the right of ingress and egress over, under, across and upon the Easement Area and Grantor's adjacent land for the purpose of constructing, operating, reconstructing on poles or burying and replacing underground cables and conduits (including necessary ditching and backfilling), enlarging, inspecting, patrolling, repairing, maintaining, upgrading and removing said lines, circuits, underground cables and conduits, poles, wires and appurtenances; the right to relocate in the Easement Area along the same general direction of said lines, cables, and conduits; and the right to remove from the Easement Area all structures, obstructions, and trees and parts thereof, using generally accepted vegetation management practices, (whether from the Easement Area or that could grow into the Easement Area) which may, in the reasonable judgment of Grantee, endanger or interfere with the safe and efficient operation and/or maintenance of said lines, cables, conduits or appurtenances or ingress and egress to, from or along the Easement Area.

Grantor reserves the right to use the Easement Area subject to said Easement and Right of Way in any way that will not interfere with Grantee's exercise of the rights hereby granted. However, Grantor shall not construct or permit to be constructed any house or other aboveground structure on or within the Easement Area containing Grantee's improvements without the express written consent of Grantee, which shall not be unreasonably withheld.

Upon Grantee's cessation of use of the Easement Area, or abandonment of same for a period of twelve (12) consecutive months, this Easement and Right of Way shall automatically cease and terminate, and the rights herein granted shall revert automatically to Grantor. Upon written request received from Grantor, within sixty (60) days of termination of the Easement, Grantee will file a document releasing the Easement and Right of Way in the Real Property Records of San Patricio County, Texas

TO HAVE AND TO HOLD the above described easement and rights unto the Grantee, its successors and assigns for so long as this agreement remains in force and effect. Grantor binds itself, assigns, and legal representatives to warrant and defend all and singular the above described easement and rights unto the said Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

EXECUTED this ____ day of November, 2013

GRANTOR:

PORT OF CORPUS CHRISTI AUTHORITY

By: _____
John P. LaRue, Executive Director

ACKNOWLEDGMENT

STATE OF TEXAS §
COUNTY OF NUECES §

This instrument was acknowledged before me on this ____ day, November, 2013, by John P. LaRue, Executive Director of the Port of Corpus Christi Authority.

Notary Public, State of Texas

(Printed Name)

Commission Expires: _____

AFTER RECORDING, PLEASE RETURN TO:

AEP
% Right-Of-Way Agent
P.O. Box 2121
Corpus Christi, Texas 78403



Govind Development, LLC
Engineering Division
9359 IH-37, Suite A • Corpus Christi, TX 78409
www.govinddevelopment.com
Office: (361) 241-2777 • Fax: (361) 241-2200

13VOE235

EXHIBIT "A"

October 2, 2013

METES AND BOUNDS DESCRIPTION OF AN ELECTRICAL EASEMENT

Being an electrical easment within a 930.28 acre tract recorded in Document No. 1998005467, Official Public Records of Nueces County, Texas, and this electrical easement being more particularly described by metes and bounds as follows:

Beginning at the east end centerline of this easement, said end point being on the east boundary of a Voestalpine 475.516 acre tract and having a State Plane Grid Coordinate of N 17,215,008.34', E 1,379,215.10', NAD'83, Texas South Zone in U.S. feet, and said corner bearing S 17-44-18 E, 5319.04 feet, S 82-11-48 W, 253.86 feet. from the northeast corner of said 930.28 acre tract;

Thence with the east boundary of this easement and said 475.516 acre tract, S 17-44-36 E, 5.08 feet, to the southeast corner of this easement;

Thence S 82-11-48 W with the south boundary of this easement, 1233.76 feet, to a turning point in this easement boundary;

Thence S 70-46-04 W with the south boundary of this easement, 8.12 feet, to a turning point in this easement boundary;

Thence S 07-46-30 E with an east boundary of this easement, 3.01 feet, to a turning point in this easement boundary;

Thence S 82-13-30 W with a south boundary of this easement, 14.31 feet, to the southwest corner of this easement;

Thence N 07-46-30 W with the west boundary of this easement, 15.00 feet, to the northwest corner of this easement;

Thence N 82-13-30 E with the north boundary of this easement, 14.31 feet, to a turning point in this easement boundary;

Thence S 07-46-30 E with a east boundary of this easement, 1.79 feet, to a turning point in this easement boundary;

Thence N 70-46-04 E, with a north boundary of this easement, 7.09 feet, to a turning point in this easement boundary;

Thence N 82-11-48 E with the north boundary of this easement, 1233.01 feet, to the northeast corner of this easement, said corner being on the east boundary of said 475.516 acre tract;

Thence S 17-44-36 E with the east boundary of this tract, 5.08 feet, to the point of beginning and containing 0.290 acres of land, more or less.

Notes:

1. Drawing accompanies this metes and bounds description.
2. Bearings are State Plane Grid.

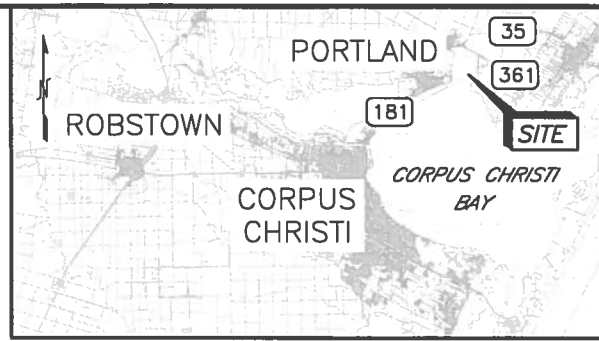
GOVIND DEVELOPMENT, LLC


George Rubalcaba, RPLS, LSLS

Survey Group Manager



10/02/2013



LOCATION PLAN

SCALE: NTS

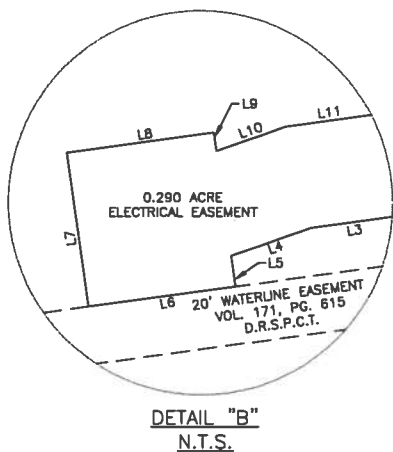
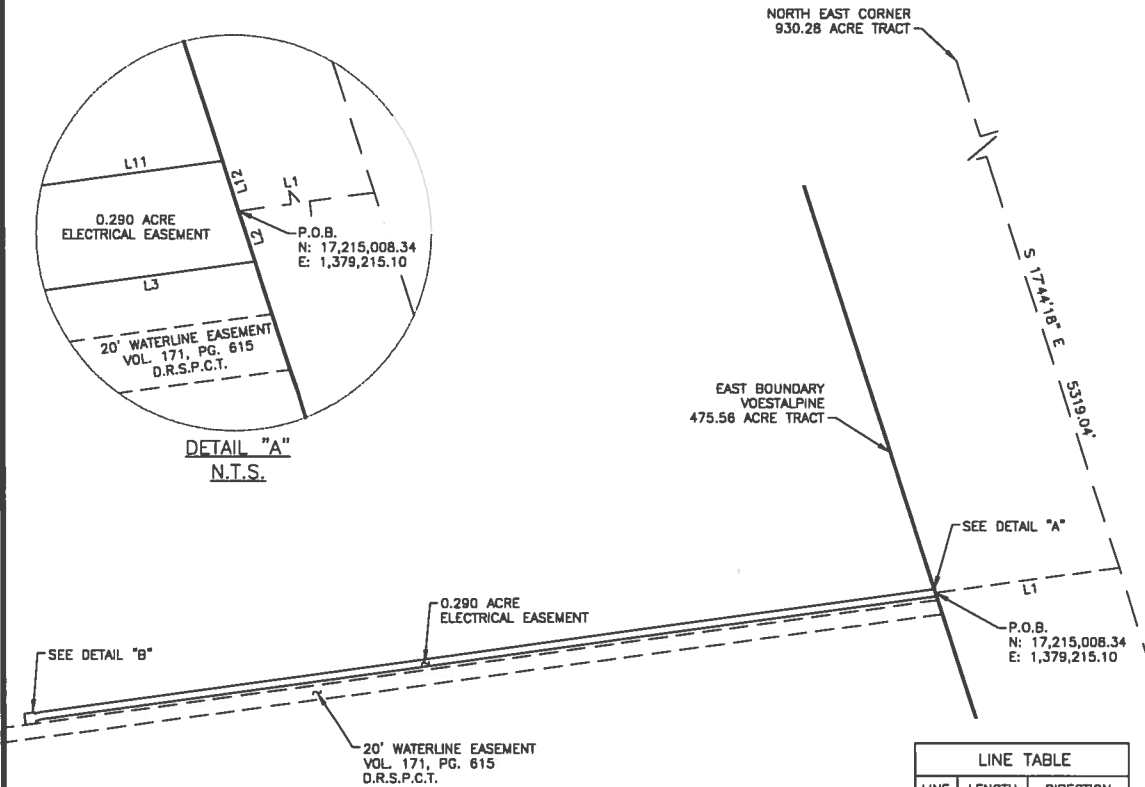
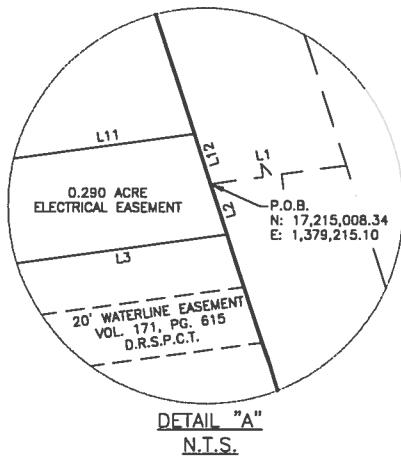


EXHIBIT "B"



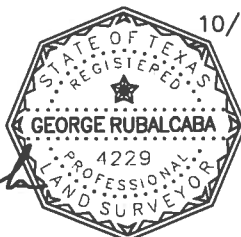
LINE TABLE		
LINE	LENGTH	DIRECTION
L1	253.86'	S82°11'48"W
L2	5.08'	S17°44'36"E
L3	1233.76'	S82°11'48"W
L4	8.12'	S70°46'04"W
L5	3.01'	S07°46'30"E
L6	14.31'	S82°13'30"W
L7	15.00'	N07°46'30"W
L8	14.31'	N82°13'30"E
L9	1.79'	S07°46'30"E
L10	7.09'	N70°46'04"E
L11	1233.01'	N82°11'48"E
L12	5.08'	S17°44'36"E

NOTES

- COORDINATES SHOWN ARE IN STATE PLANE GRID, NAD'83, TEXAS SOUTH ZONE IN U.S. FEET
- BEARINGS ARE STATE PLANE GRID.
- METES AND BOUNDS DESCRIPTION ACCOMPANIES THIS DRAWING.

I HEREBY STATE THAT THIS PLAT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, AS SURVEYED ON THE GROUND, SEPTEMBER 25, 2013

George Rubalcaba
GEORGE RUBALCABA
4229



10/02/13

	GOVIND DEVELOPMENT, LLC. TBP/LR FIRM NO. 10153400			
	VOESTALPINE 0.290 ACRE ELECTRICAL EASEMENT			
SAN PATRICIO COUNTY		TEXAS		
DR. BLJ	DATE:	SCALE: AS SHOWN	JOB NO.	
CK. GR	OCT. 2013	CLIENT APPROVAL	13VOE235	
APP. GR			DRAWING NO. SHT 1	



Govind Development, LLC
Engineering Division
9359 IH-37, Suite A • Corpus Christi, TX 78409

www.govinddevelopment.com
Office: (361) 241-2777 • Fax: (361) 241-2200

13VOE280

EXHIBIT "A-1"

November 14, 2013

**METES AND BOUNDS DESCRIPTION
OF AN
ELECTRICAL EASEMENT
ON PORT OF CORPUS CHRISTI AUTHORITY PROPERTY**

Being an electrical easement within a Port of Corpus Christi Authority 930.28 acre tract recorded in Document No. 1998005467, Official Public Records of Nueces County, Texas, and this electrical easement being more particularly described by metes and bounds as follows:

Beginning at the east end centerline of this easement, said end point being on the east boundary of said 930.28 acre tract, the same being the west boundary of a 29.59 acre tract recorded in Document No. 2004020957, Official Public Records of Nueces County, Texas, and having a State Plane Grid Coordinate of N 17,215,042.81', E 1,379,466.62', NAD'83, Texas South Zone in U.S. feet, and said corner bearing S 17-44-18 E, 5319.04 feet, from the northeast corner of said 930.28 acre tract;

Thence with the east boundary of this easement and said common boundary of said 930.28 acre tract and said 29.59 acre tract, S 17-44-18 E, 5.08 feet, to the southeast corner of this easement;

Thence S 82-11-48 W with the south boundary of this easement, 253.86 feet, to the southwest corner of this easement, said corner being on the east boundary of a Voestalpine 475.516 acre tract lying within said 930.28 acre tract;

Thence N 17-44-36 W with the west boundary of this easement, the same being the east boundary of said Voestalpine's 475.516 acre tract, 10.16 feet, to the northwest corner of this easement;

Thence N 82-11-48 E with the north boundary of this easement and running 10.00 feet north of and parallel to the south boundary of this easement, 253.86 feet, to the northeast corner of this easement, said corner being on the common boundary of said 930.28 acre tract and 29.59 acre tract;

Thence S 17-44-18 E with the east boundary of this easement, 5.08 feet, to the point of beginning and containing 0.058 acres of land, more or less.

Notes:

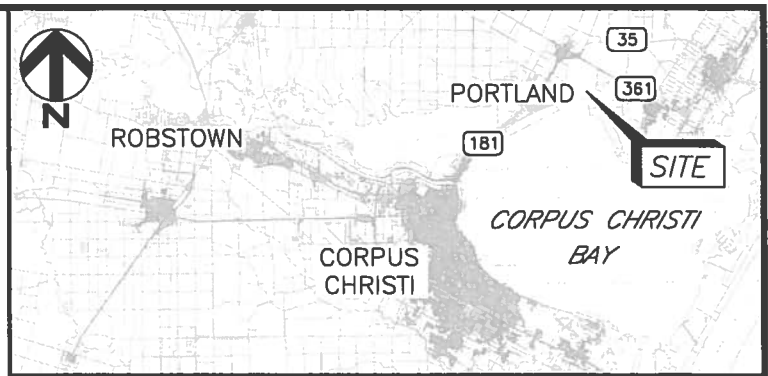
1. Drawing accompanies this metes and bounds description.
2. Bearings are State Plane Grid.

GOVIND DEVELOPMENT, LLC

George Rubalcaba
George Rubalcaba, RPLS, LSLS
Survey Group Manager



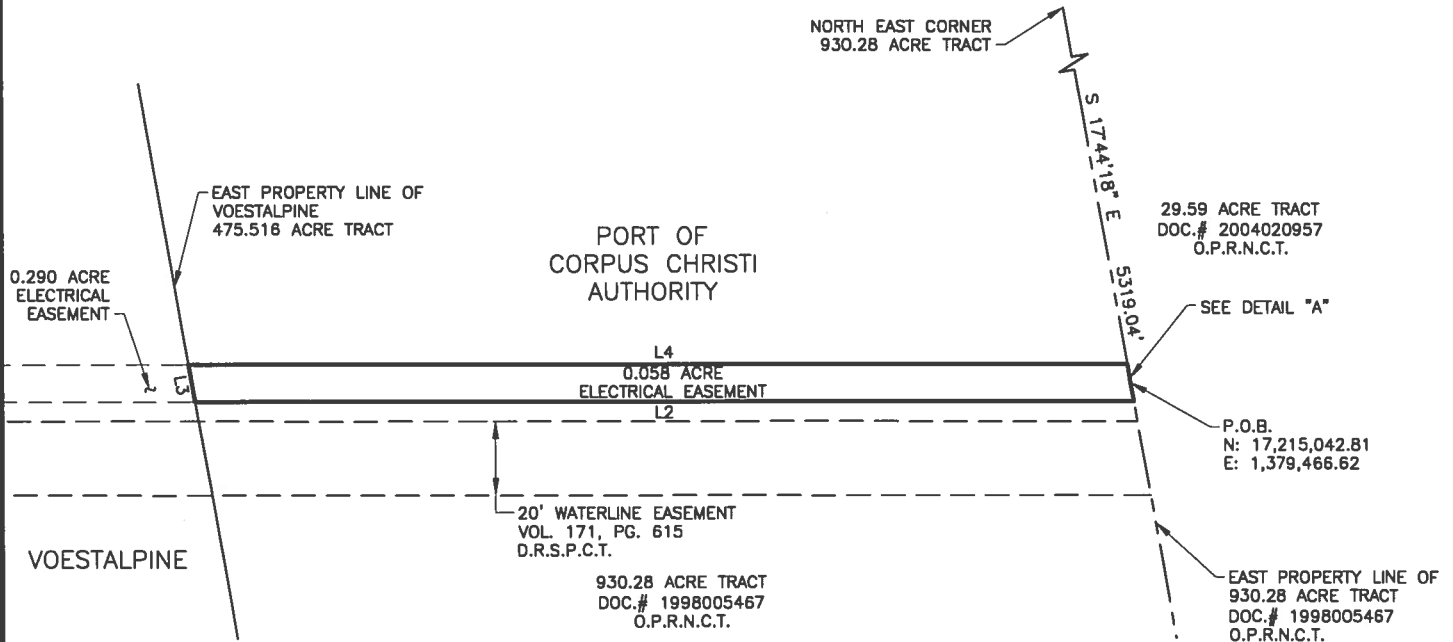
11/14/2013



LOCATION PLAN

SCALE: NTS

NORTH EAST CORNER
930.28 ACRE TRACT



LINE TABLE

LINE	BEARING	DISTANCE
L1	S17°44'18"E	5.08'
L2	S82°11'48"W	253.86'
L3	N17°44'36"W	10.16'
L4	N82°11'48"E	253.86'
L5	S17°44'18"E	5.08'

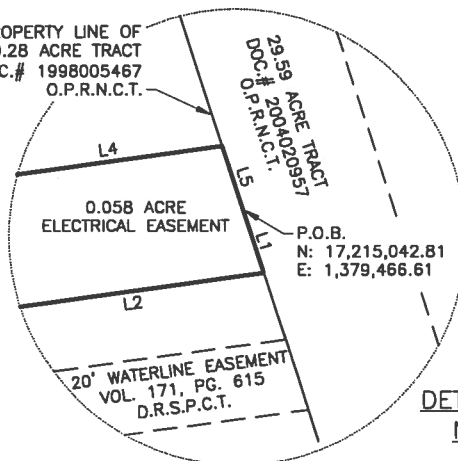
EXHIBIT "B-1"



NOTES

- COORDINATES SHOWN ARE IN STATE PLANE GRID, NAD'83, TEXAS SOUTH ZONE IN U.S. FEET
- BEARINGS ARE STATE PLANE GRID.
- METES AND BOUNDS DESCRIPTION ACCOMPANIES THIS DRAWING.

EAST PROPERTY LINE OF
930.28 ACRE TRACT
DOC.# 1998005467
O.P.R.N.C.T.

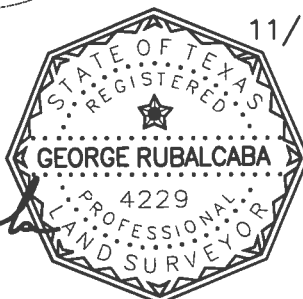


DETAIL "A" N.T.S.

11/14/13

I HEREBY STATE THAT THIS PLAT IS
TRUE AND CORRECT TO THE BEST OF
MY KNOWLEDGE, AS SURVEYED ON THE
GROUND, NOVEMBER 14, 2013

GEORGE RUBALCABA
4229



Govind Development, LLC.
Office: (361) 241-2777

GOVIND DEVELOPMENT, LLC.
TBPLE FIRM NO. 10193800

**VOESTALPINE
0.058 ACRE ELECTRICAL EASEMENT
ON P.O.C.A. PROPERTY**

SAN PATRICIO COUNTY

TEXAS

DR. BLJ
CK. GR
APP. GR

DATE:
NOV. 2013

SCALE AS SHOWN
CLIENT APPROVAL

JOB NO.
13VOE280

DRAWING NO.
SHT 1

DATE: December 10, 2013

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 23-B

**Approve Fire-Water Pipeline Easement with NuStar Energy, LP,
for a 12" Pipeline to NuStar's New Dock Facility
at the Former PCCA Cargo Dock 12**

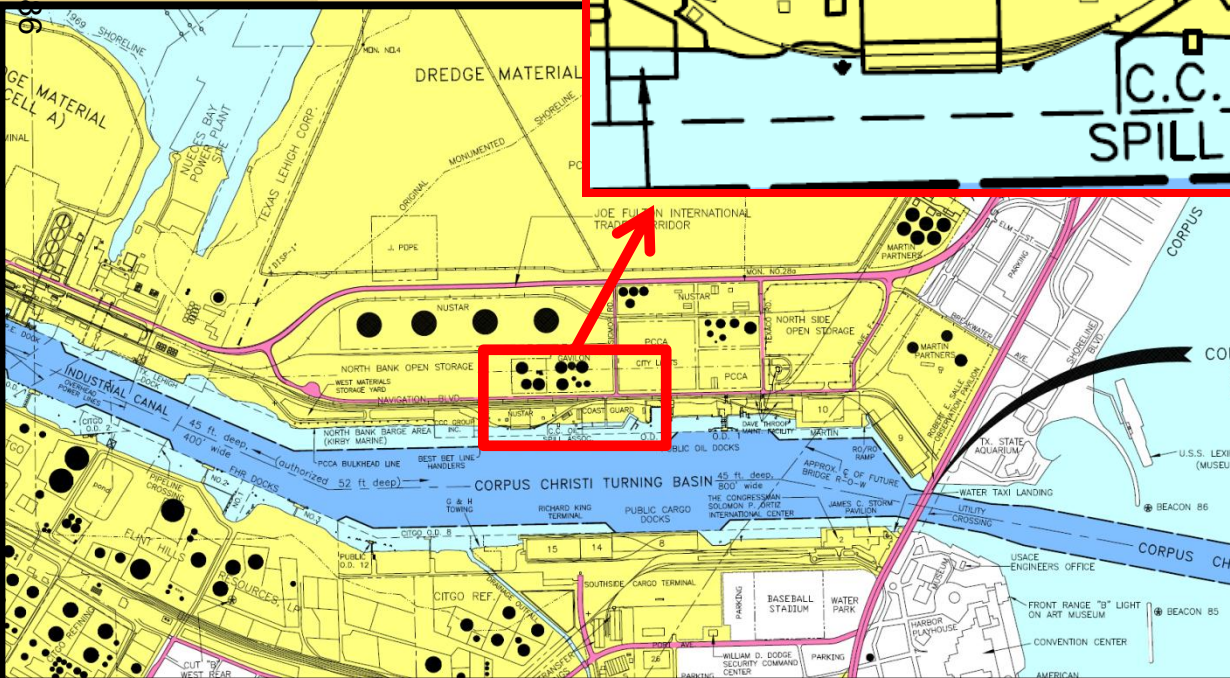
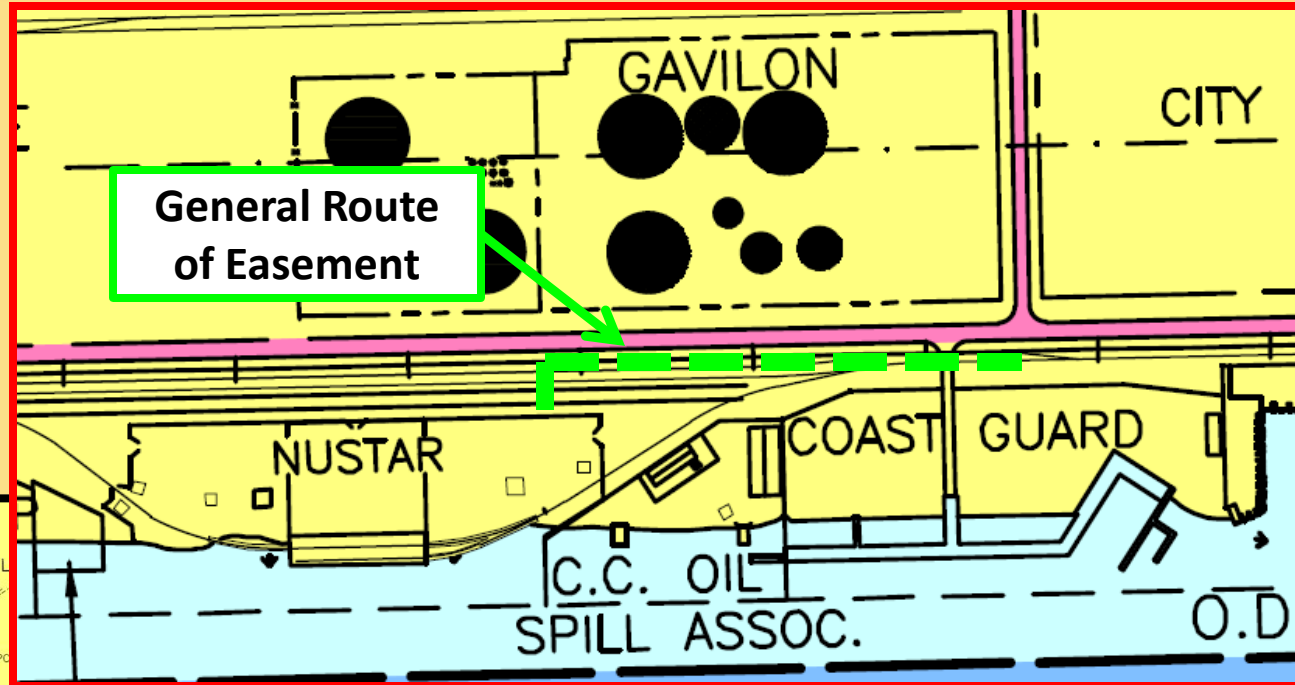
In May 2012, the Commission approved a lease with NuStar Energy, LP (NuStar), for 4.72 acres of land and existing facilities located at PCCA's Cargo Dock 12 for the construction, use, and maintenance of a private oil dock. The conversion of the dock is now nearing completion, and in order to support safe operations at the new private oil dock facility, NuStar plans to construct a 12-inch diameter pipeline to supply water to the fire suppression system installed at the dock. The route of the pipeline is depicted on the attached drawing.

Staff prepared the attached Pipeline Easement for NuStar's fire-water pipeline using our standard pipeline easement template. NuStar will pay the PCCA a fee of \$2,402.84 for the first 10 years of the easement based on a fee of \$61.25 per rod as determined by the current PCCA Pipeline and Utility Easement Fee Schedule A. This fee will be subject to adjustment every 10 years during the 30-year term.

PCCA staff has reviewed the route of the new pipeline provided by NuStar and has no objection to the proposal. Therefore, staff recommends approval of the attached Pipeline Easement Agreement with NuStar Energy, LP.

LEAD CONTACT: David Krams; 885-6134; krams@pocca.com

Fire Water Pipeline Easement to NuStar's New Dock Facility



PIPELINE EASEMENT

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

KNOW ALL MEN BY THESE PRESENTS THAT:

Port of Corpus Christi Authority of Nueces County, Texas, acting herein by and through its Port Commissioners hereunto duly authorized (hereinafter called "Authority") for good and valuable consideration as described below, and including the covenants and conditions herein made and provided to be kept and performed by Grantee, has **GRANTED AND CONVEYED** and by these presents does **GRANT AND CONVEY** to **NUSTAR LOGISTICS, L.P.**, a Delaware limited partnership, whose principal address is 19003 IH-10, San Antonio, Texas 78257 (hereinafter called "Grantee"), a non exclusive right-of-way and easement (the "Pipeline Easement") on and through the Authority's land located in Nueces County, Texas, to construct, lay, install, inspect, operate, maintain, alter, protect, repair, replace and remove the following buried pipelines: one (1) pipeline twelve inches (12") in nominal inside diameter for the transportation of water or fire suppression fluids over, under, through and across the Pipeline Easement hereby granted, (the "Pipelines"). The centerline of the Pipeline Easement is described on Exhibit A attached hereto, which is incorporated herein by reference for all purposes, and the route of the Pipeline Easement is depicted on Exhibit B attached hereto, which is incorporated herein by reference for all purposes.

During initial construction of the said Pipelines or during any subsequent period of maintenance, repair, modification, inspection and replacement of the Pipelines, Grantee shall have the right to use reasonably necessary additional work space on either side of the centerline of the Pipeline, which shall be coordinated with Authority in advance and shall not be unreasonably withheld. Following the initial construction of the Pipeline, the width of the Pipeline Easement shall be the width of the pipeline hereinafter referred to as the "Easement Area", with the centerline being the centerline of the pipeline as installed along the route described in Exhibit A and depicted in Exhibit B.

Within ninety (90) days after completion of the installation/construction of the Pipelines, NuStar shall furnish the Authority with "as built" drawings and other such pertinent information relating to the construction of the Pipeline as may be reasonably requested by the Authority. The period of initial construction of the Pipeline will terminate sixty (60) days after Grantee actually completes construction, or one year from the date hereof, whichever occurs first. In the event construction is not commenced within one year from the date hereof, this agreement (the "Agreement") and the Pipeline Easement will terminate, unless the period for commencement of construction is extended beyond one year by Authority.

TO HAVE AND TO HOLD unto Grantee, its successors and assigns, the rights and privileges hereby conveyed for thirty (30) years beginning on the 10th day of December, 2013, and ending at midnight on the 9th day of December, 2043, subject to the exceptions and reservations herein set forth, and upon the following covenants and conditions which are a part of the consideration for this grant, which covenants and conditions are and shall be construed as

covenants running with the land, and which covenants and conditions by its acceptance hereof Grantee covenants and agrees to keep and perform.

This Pipeline Easement is granted subject to the following:

A. Fee. For the first ten (10) years of the term of this Agreement, Grantee will pay to the Authority a fee in the amount of Two Thousand Four Hundred Two and 84/100 Dollars (\$2,402.84) based upon the Authority's current pipeline fee schedule for 39.23 linier rods of right of way as follows: payment for the twelve inch (12") nominal diameter Pipeline, payable in one advance. During each succeeding ten (10) year period during the term of this easement, the annual fee will be as set by the Port Commissioners of the Authority based upon Authority's then current schedule for the fee for pipelines of the said pipeline diameter. Grantee may prepay all annual installments due for each ten (10) year period at the beginning of each ten (10) year period.

B. Access. The rights of ingress and egress hereinabove referred to in Grantee shall be confined to the above-described easement and Grantee shall not have the right to cross Authority's adjacent land, store materials or equipment on Authority's adjacent land, or conduct any of Grantee's operations on Authority's adjacent land, unless the prior consent of the Authority is obtained in writing, which consent will not be unreasonably withheld, conditioned or delayed. Except in the case of an emergency, Grantee agrees to notify the Authority not less than seventy-two (72) hours prior to Grantee's employees, agents or contractors entering upon the easement for construction, maintenance, repairs or other operations. In the case of an emergency, necessitating entry upon the easement by Grantee, its employees, agents or contractors without first giving at least seventy-two (72) hours prior notice to Authority, Grantee agrees to notify the Authority of the nature and extent of any such emergency within twenty-four (24) hours after any such entry.

C. Construction, Maintenance and Use. Grantee shall construct and maintain the Pipeline in a good and workmanlike manner and in compliance with all applicable governmental and industry standards for construction and maintenance of the same. Warning signs for the existence of the Pipeline that conform to Federal and State laws applicable to such warning signs will be posted at the required locations along the Pipeline Easement.

No boring pit or receiving pit may be placed in the Pipeline Easement without the prior approval of the Authority's Director of Engineering.

All backfill placed in the Pipeline Easement must be compacted so as to prevent settlement or erosion. Grantee shall bury the Pipeline to a safe depth as is or may be reasonably required as a result of the presence on, or construction on, or adjacent to, the areas within the Pipeline Easement of any road, railroad, pipeline, or pole line. In refilling any hole or ditch; Grantee must compact the subsoil to ninety-five percent (95%) of original compaction. After any construction, repair or removal, Grantee shall compact, loosen, or otherwise condition the topsoil to the degree of compaction of non-disturbed topsoil so that there will be no settling or

compaction of soil and so that the land disturbed will be the same level as the surrounding lands which will maintain drainage previous to such work and prevent erosion.

Grantee shall promptly back-fill all excavations with top soil on top and bottom soil on bottom made by or for Grantee on the Pipeline Easements, Grantee shall use the double ditching method of trench construction whereby up to 18 inches of the top soil is segregated from the rest of the excavation and is used to backfill the top layers of the trench.

Grantee will immediately, notify the appropriate State and Federal agencies who regulate pipelines of the type in the Pipeline Easement, and no later than twenty-four (24) hours after discovery, notify Authority, of any visible or apparent contamination discovered in the Pipeline Easement during initial construction of the Pipeline.

Following completion of construction of the Pipeline, Grantee will immediately, notify the appropriate State and Federal agencies who regulate pipelines of the type in the Pipeline Easement, and no later than twenty-four (24) hours after discovery, notify Authority, of any visible or apparent contamination discovered in, on, under, or adjacent to the Pipeline Easement.

If, during, or after, completion of construction of the Pipeline, the contamination is coming from the Pipeline, then Grantee will immediately take all steps necessary to shut down the pipeline in the Pipeline Easement from which the contamination is coming, repair or replace the Pipeline, and restore the Pipeline Easement to the condition they were in prior to the discovery of the contamination. If the contamination is not coming from a pipeline in the Pipeline Easement, then Grantee and the Authority shall cooperate to determine the source of the contamination and advise the appropriate State and Federal agencies of the occurrence.

Grantee's use of the Pipeline Easement herein granted and its operations in relation to the Pipeline will at all times comply with all applicable laws, statutes, rules and regulations of federal, state and local government.

Grantee as a condition precedent to Grantee's right to enter upon and otherwise access the Pipeline Easement for construction purposes, shall furnish Authority all "issued for construction drawings" provided to its construction contractors for the construction of the Pipeline, as well as, any subsequent revisions thereto applicable to the Pipeline Easement (the "Issued For Construction Drawings"). Grantee is not permitted to enter upon the Pipeline Easement for construction purposes until Grantee has provided Authority with a current set of Issued For Construction Drawings. Grantee shall furnish Authority, upon completion of the installation of the pipeline in the Pipeline Easement, or any modification thereof, an as-built drawing of the location of the Pipeline and any modifications thereto.

Grantee shall be responsible for coordination of its construction and use in the Pipeline Easement with any other existing users and easement holders in or near the Pipeline Easement. Grantee shall promptly restore any portion of the right-of-way damaged by Grantee to its condition prior to such damage. All restoration work shall be appropriately tested at Grantee's

expense. Authority shall be promptly notified in writing of the method used and results of all tests of any such restoration work.

D. Reservations and Exceptions. The easements herein granted shall be subject to any and all easements heretofore granted by Authority to other parties which is either of record in Nueces County or physically evident on the property. The Authority reserves the right to grant easements upon, over, under and across its property within the Pipeline Easements, and to grant rights of use, leases and easements above, below and on the surface of the Pipeline Easement, provided that such grants shall not materially interfere with the rights granted herein.

E. Indemnity/Waiver.

(a) As used in this Section E. each of the following terms shall have the meanings set forth in this Section E. (a):

(1) “Beneficiary” means the intended recipient of the benefits of another party’s Indemnity, Waiver or obligation to Defend.

(2) “Claims” means all claims, damages (including actual, consequential, and punitive), losses, fines, penalties, liens, causes of action, suits, judgments, settlements and expenses [including court costs, attorney’s fees (including attorney’s fees in defending and/or settling a Claim and attorney’s fees to collect on this Indemnity), costs of investigation, and expert witnesses) of any nature, kind or description by, through or of any person or entity, including property loss or damage in, on, about or adjacent to the Pipeline Easements and right of way herein granted, bodily or personal injury, sickness, disease, and/or death (including bodily or personal injury and/or death of employees of an Indemnified Person or a Grantee Party).

(3) “Defend” means to oppose on behalf of another party a Claim in litigation, arbitration, mediation or other alternative dispute resolution proceeding and to pay all costs associated with the preparation or prosecution of such Defense.

(4) “Indemnify” means to protect and hold harmless a party from and against a potential Claim and/or to compensate a party for a Claim actually incurred.

(5) “Indemnified Persons” means the Authority, its Port Commissioners, directors, managers, employees and agents.

(6) “Grantee Parties” means the Grantee, its agents, contractors, employees, owners, invitees, or licensees.

(7) “Waive” means to knowingly and voluntarily relinquish a right and/or to release another party from liability.

(b) Subject to the terms of this Section F, Grantee shall Defend and Indemnify the Indemnified Persons from and against all Claims resulting from, arising out of, or alleged to have arisen out of or resulted from, in whole or in part, any of the following matters (these Claims being referred to herein as the “Indemnified Claims”):

(1) The conduct of Grantee’s business on the easement and right of way herein granted;

(2) Grantee’s breach of the terms and conditions of this Agreement;

(3) any bodily injury to or death of any employee of the Grantee Parties occurring in connection with constructing, installing, maintaining or removing the Pipeline; or

(4) any act, omission, willful misconduct, strict liability, breach of warranty, express or implied, or violation of any laws, ordinances, rules, regulations, or codes, now or hereafter existing and applicable to Grantee and its operations under this Agreement, of or by any Grantee Party, including the sole, joint, concurrent, or comparative negligence of any Grantee Party in connection with or pertaining to this Agreement.

(c) Subject to the terms of subparagraph (d) below, the Indemnities, Waivers and obligation to Defend in this Section E. shall be enforced to the fullest extent permitted by applicable law for the benefit of the applicable Beneficiary thereof, regardless of any extraordinary shifting of risks, and even if the applicable Claim is caused by the joint, concurrent, or comparative negligence of such Beneficiary, and regardless of whether liability without fault or strict liability is imposed upon or alleged against such Beneficiary; provided, however, that an Indemnity will not be enforced to the extent that a court of competent jurisdiction holds in a final judgment that the applicable Claim against a Beneficiary was caused by the willful misconduct or sole negligence of such Beneficiary.

(d) Notwithstanding anything to the contrary contained in this Section E., to the extent an Indemnified Claim arises out of the joint, concurrent, or comparative negligence, causation, responsibility or fault of the Indemnified Persons and the Grantee Parties, then the Grantee’s obligation to the Indemnified Persons shall only extend to the percentage of the total responsibility of the Grantee Parties in contributing to such Indemnified Claim.

(e) In claims against any Indemnified Person by or for an employee of a Grantee Party, the Grantee’s indemnification obligation under this Section E. shall not be limited by a limitation on the amount or type of damages, compensation or benefits payable by or for the Grantee Party under workers’ or workmen’s compensation acts, disability benefit acts, or other employee benefit acts. If an action for damages is brought by an injured employee of Grantee, a legal beneficiary, or an insurance carrier against an Indemnified Person liable to pay damages for the injury or death of such employee under Chapter 417 (Third-Party Liability), Texas Labor Code, that results in a judgment against the Indemnified Person or a settlement by the Indemnified Person, Grantee expressly agrees to reimburse

and hold harmless the Indemnified Person for the damages based on such judgment or settlement as provided in this Section E.

(f) Except as otherwise expressly limited in this Section E., it is the intent of the parties to this Agreement that all indemnity obligations and liabilities contracted for in this Agreement be without monetary limit and without regard to the cause or causes thereof (including pre-existing conditions on Authority's Property or as the result of an indemnification agreement with a third party), and will not be limited by damages paid under the Workers' Compensation Act. The indemnity contained in this Section E. applies, without limitation, to any violation by a Grantee Party of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA"), 42, U.S.C. Section 9601 et seq; the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. Section 6901 et seq; the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101 et seq; the Clean Air Act and Amendments of 1990, 41 U.S.C. Section 7401 et seq; the Clean Water Act of 1977, 33 U.S.C. Section 1251 et seq; the Oil Pollution Act of 1990, 33 U.S.C. Section 2701 et seq; the Toxic Substances Control Act, 15 U.S.C. Section 2606 the Texas Water Code; the Texas Solid Waste Disposal Act, Chapter 361, Texas Health and Safety Code; the Texas Clean Air Act, Chapter 382, Texas Health and Safety Code; the Oil Spill Prevention Act of 1991, Chapter 40, Texas Natural Resource Code, and Chapter 26, Texas Water Code; and the Texas Water Quality Act, Chapter 26, Texas Water Code; Authority's Tariffs, Rules and Regulations, and the Port of Corpus Christi Authority's Design and Construction Guidelines set forth in Authority's Real Estate Manual (collectively, "Environmental Laws, Rules and Regulations") in effect during the term of this Agreement and to the extent applicable to Grantee and its operations hereunder., and any and all matters arising out of any act, omission, event or circumstance existing or occurring during the term of this Agreement, regardless of whether the act, omission, event or circumstance constituted a violation of any of the Environmental Laws, Rules and Regulations at the time of its existence or occurrence.

(g) If any action or proceeding is brought against an Indemnified Person by reason of any Indemnified Claim described in this Section E., the Indemnified Person will be represented by its general counsel, or another attorney selected by the Indemnified Person and approved by Grantee, which approval will not be unreasonably withheld.

(h) If Grantee should fail or refuse, after prior written notice to Grantee that an Indemnified Person intends to make a settlement of an Indemnified Claim, to participate in the settlement of such Indemnified Claim, then the Indemnified Person may settle with the claimant without prejudice to the Indemnified Person's indemnity rights set forth herein, and a settlement after such notice to Grantee will constitute a settlement of the proportionate fault, including but not limited to negligence, of both Grantee and the Indemnified Person, which settlement may later be apportioned between Indemnified Person and Grantee.

(i) Grantee agrees to support its obligations to Indemnify and Defend the Indemnified Persons by the purchase of insurance, including contractually assumed liability coverage.

(j) To the fullest extent provided by this Section E., Grantee hereby Waives all Claims against the Indemnified Persons resulting from, arising out of, or alleged to have arisen out of or resulted from, in whole or in part, any of the Indemnified Claims.

F. Insurance. Without limiting the indemnity obligations or liabilities of Grantee, or its insurers, provided herein, Grantee agrees at all times this Agreement is in effect to carry and maintain at its sole expense policies of insurance (“the Policies”) of the types and in the minimum amounts as follows:

(a) For all its employees engaged in performing work, workers' compensation required by the Texas Workers' Compensation Code, and Employer's Liability insurance with limits of at least \$1,000,000.00 each employee accident and disease, or such similar insurance which is in accordance with state and federal law applicable to said employees.

(b) Commercial General Liability (CGL) coverage with policy limits of at least \$1,000,000.00 per occurrence and \$2,000,000 general aggregate in the right of way and easement.

(c) Business Auto Liability coverage for all owned, hired and non-owned vehicles, with a policy limit of \$1,000,000 (Combined Single Limit.)

(d) Umbrella liability coverage limits of not less than \$5,000,000.00 over and above the underlying primary coverage limits stated in subparagraph (a), (b) and (c) in this Section.

(e) Pollution Legal Liability including cleanup and defense costs for premises and operations including pollution of any body of water with limits of not less than \$5,000,000.00 per occurrence.

The minimum insurance protection amounts set forth in the Policies shall be increased from time to time upon request by Authority to an amount which is commercially reasonable at the time.

Authority shall be furnished, to Authority Attention: Insurance Manager, prior to Grantee taking possession or occupancy of the Leased Premises, as proof of the insurance required of Grantee a certificate or certificates of insurance (and the endorsements required in this paragraph shall be attached to the certificate or certificates of the insurance) describing the Policies, which certificates shall be issued in accordance with requirements established by the Texas Insurance Commission. Each of the Policies will be endorsed to (a) (except for Workers' Compensation and employer's liability insurance) name Authority, its Port Commissioners, officers, officials, employees and agents as an additional insured (b) provide that it will not be suspended, voided, canceled or reduced in coverage or limits without thirty (30) days' prior written notice to

Authority, Attention: Insurance Manager, and (c) provide that notwithstanding any language in any policy of insurance held by Authority ("Authority Insurance") to the effect that the Authority Insurance is primary, the policy or policies held by Grantee are primary coverage and the Authority Insurance is non-contributory.

Grantee shall deliver to Authority certificates of renewal at least ten (10) days following the expiration date of each of the Policies and certificates for new policies at least thirty (30) following the date of expiration or termination of any of the Policies. The deductible or self-insured retention for each of the Policies must be stated in the certificate of insurance if either exceeds \$50,000.00. The company writing each of the Policies must possess a current rating with A.M. Best Company of at least A: VI. If Grantee neglects or refuses to provide any insurance required herein, or if any insurance is canceled, Authority may procure such insurance at Grantee's expense, and Authority is entitled to reimbursement from Grantee for all amounts spent to procure and maintain the insurance, with interest on such expense at a rate of 10% annually from the date Grantee receives Authority's notice of payment until reimbursement.

G. Waiver of Subrogation. Grantee agrees that all insurance policies required herein shall include full Waivers of Subrogation in favor of Authority. Grantee agrees to have said insurance policies properly endorsed, if necessary, to prevent the invalidation of said insurance coverage by reason of said waiver.

H. Assignment. The rights herein granted may not be assigned without the prior written consent of the Authority, which consent will not be unreasonably withheld, conditioned or delayed; provided, however, Authority consents to assignment of this Agreement to any corporation or other entity which is an affiliate of, and controlled by, Grantee. An affiliate, as used herein, is a person or entity which is controlled by or the controlling interest of which is owned by the same persons or entities controlling Grantee. Notwithstanding the foregoing, Authority in Authority's absolute sole discretion may elect to withhold consent to any partial assignment of Grantee's rights under this Agreement. In the event of an assignment or partial assignment of this Agreement, any liability of Assignor or Assignee, to Authority under the terms of this Agreement shall be joint and several. The Pipeline Easements shall be deemed a covenant running with the land and shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. Assignment by Grantee shall not relieve Grantee from liability for the performance of the covenants and indemnities hereof.

I. Termination. This Agreement and all rights to use and occupy the Pipeline Easement shall terminate if the pipeline(s) shall cease to be used for the transmission of water or fire suppression fluids, collectively, out of any forty-eight (48) month period during the term of this Agreement or if Grantee shall at any time expressly abandon the Pipeline for the use of the same for the purposes herein granted. The Pipeline Easement and all of Grantee's interest hereunder, at the option of Authority, shall forthwith terminate upon breach by Grantee of any of the conditions hereof and the failure of Grantee to remedy the same within ninety (90) days after Grantee's receipt of written notice from the Authority so to do. Grantee agrees it will within ninety (90) days after the termination of this Agreement remove the Pipeline and all other equipment, facilities or appurtenances existing in the Pipeline Easement and restore the land in

the Pipeline Easements to substantially the same condition in which same existed prior to the existence of the Pipeline, equipment, facilities and appurtenances. In the event Grantee fails to remove the said Pipeline, equipment, facilities and appurtenances within the above-described time period, Authority may either declare the termination of Grantee's interest in the Pipeline, equipment, facilities and appurtenances and all of Grantee's interest therein shall thereupon terminate, or the Authority may cause the Pipeline, equipment, facilities and appurtenances, or any part thereof, to be removed and disposed of, and the lands of the Authority restored, all at the cost of Grantee. In the event of a breach of the requirements of Section K ("Compliance with Authority Security Requirements"), this Agreement and all of Grantee's interest hereunder, at the option of Authority, shall forthwith terminate in the event Grantee fails to remedy the same within ten (10) days after Grantee's receipt of written notice from the Authority of such breach.

J. Relocation. The Authority may require Grantee to remove, lower or relocate the Pipeline, equipment, facilities and appurtenances situated in the aforesaid Pipeline Easement in the event the same materially interferes with or will materially interfere with: (1) the development of Authority's lands; (2) any facility, facility modification, or proposed facility of Authority, Authority Lessee or Authority Franchisee; (3) any road or proposed road; or (4) any operation or proposed operation of Authority, Authority Lessee or Authority Franchisee; The Authority may also require Grantee to remove, lower or relocate the Pipeline, equipment, facilities and appurtenances situated in the aforesaid Pipeline Easement in the event the same materially interferes with or will materially interfere with any railroad or proposed railroad under which the Pipelines pass. In the event Authority requires Grantee to remove, lower or relocate pursuant to the provisions of this paragraph, the cost of such removal, lowering or relocation shall be paid solely by Grantee; and in such event, Authority will use its best efforts to provide Grantee with an alternate Pipeline Easement on Authority's land at no additional cost to Grantee; provided, however, Authority shall not be required to provide the alternate easement.

K. Compliance with Authority Security Requirements. Grantee, its employees, agents, representatives and subcontractors shall at all times comply with all Authority mandated security requirements and regulations pertaining to the Pipeline Easement and right of way location and access thereto, regardless of whether now existing or hereinafter imposed, pursuant to Authority's Tariffs (the "Security Measures"). Failure to comply with Authority's Security Measures will be grounds for terminating this Agreement as described in Paragraph I above. Authority's Security Measures applicable to the Pipeline Easement and right of way can be ascertained by contacting the Authority's Police Department.

L. Notice. All notices, demands, or requests from Grantee to Authority shall be given to Authority, Attention: Executive Director, P. O. Box 1541, Corpus Christi, Texas 78403, or at such other address as Authority shall request in writing. All notices, demands, or requests from Authority to Grantee shall be given to Grantee at 19003 IH-10, San Antonio, Texas 78257, or at such other address as Grantee shall request in writing.

The execution of this Agreement shall be conclusive of the agreement of Grantee to all of the terms and conditions hereof, whereupon this easement and all of its provisions shall extend to and be binding upon the legal representatives, successors and assigns of Grantee and Authority, respectively.

WITNESS this _____ day of _____, 2013.

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

By: _____

John P. LaRue
Executive Director

“Authority”

NUSTAR LOGISTICS, L.P.

By: NuStar GP, Inc. its general partner

By: _____

Name: Brad R. Ramsey
Title: Vice President

"Grantee"

STATE OF TEXAS §
 §
COUNTY OF NUECES §

This Agreement was acknowledged before me on the ____ day of _____, 2013, by JOHN P. LaRUE, Executive Director of Port of Corpus Christi Authority of Nueces County, Texas, on behalf of the Port.

NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

This Agreement was acknowledged before me on the ____ day of _____, 2013, by Brad R. Ramsey, the Vice President of NuStar GP, Inc., a Delaware corporation, general partner of NuStar Logistics, L.P., a Delaware limited partnership, on behalf of said limited partnership.

NOTARY PUBLIC, STATE OF TEXAS

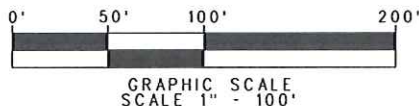


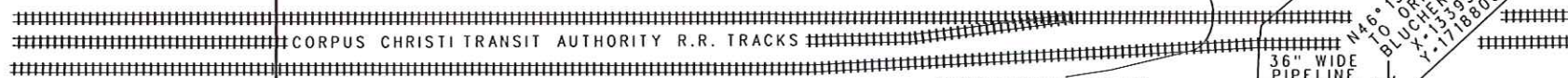
EXHIBIT A

NUECES CO NAV DISTRICT NO. 1
A- 2677

DEED LINE

NAVIGATION BOULEVARD

W.E. POPE
TO
NUECES COUNTY NAVIGATION DISTRICT NO. 1
VOL. 178, PG. 53
NUECES COUNTY DEED RECORDS
TRACT 2
DEED NO. 44681



S01°11'58"E
36.48'

S88°48'02"W 179.59'

S89°37'13"W 431.17'

36" WIDE
PIPELINE
EASEMENT

POB
X=1338261.25
Y=17186824.30

N75°19'27"E 485.80'

POT
X=1337651.31
Y=17186781.21

N81°15'08"E 1092.60'

EXISTING BENCH MARK
POCCA "CD12-2"
NAD 83
TEXAS SOUTH ZONE
X=1337181.36
Y=17186658.14

NUSTAR ENERGY, L.P.
LEASE OF
PORT OF CORPUS CHRISTI AUTHORITY
CARGO DOCK 12
4.33 ACRES APPROX.
CALLED 4.27 ACRES APPROX.
APRIL 2012

W.E. POPE
TO
NUECES COUNTY NAVIGATION DISTRICT NO. 1
MARCH 26, 1928
VOL. 178, PG. 53 D.R.
TRACT 1
DEED NO. 44681

CC OIL SPILL ASSOCIATION
LEASE FROM
PORT OF CORPUS CHRISTI AUTHORITY

UNITED STATES COAST GUARD

DEED LINE

PIPELINE LENGTH: 647.24 FEET OR 39.23 RODS

THIS SURVEY WAS COMPLETED WITHOUT THE BENEFIT
OF AN ABSTRACT OF TITLE. THERE MAY BE EASEMENTS
OR OTHER MATTERS OF RECORD NOT SHOWN.

BEARINGS ARE BASED ON GPS OBSERVATION
NAD 83 TEXAS SOUTH ZONE.
COORDINATES AND DISTANCES SHOWN HEREON ARE GRID

THE ABOVE PLAT WAS PREPARED FROM AN ACTUAL
SURVEY MADE ON THE GROUND UNDER MY SUPERVISION.
A LEGAL DESCRIPTION OF EVEN DATE ACCOMPANIES THIS PLAT.

W.E. POPE
TO UNITED STATES OF AMERICA
SEPT. 28, 1923
TRACT 2
VOL. 146, PG. 576
NUECES COUNTY DEED RECORDS
DEED NO. 14964



GEORGE A. GANEM, JR.
GANEM & KELLY SURVEYING, INC.
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS NO. 4681

DATE

11/18/2013

DRAWN BY	G&K/GKS	11-18-13
DRAWING APPR.	G&K/GKS	11-18-13
PROJECT APPR.		
ENG. APPR.		

SCALE: 1" = 100'

JOB NO: PC13-146

REVISION:

PREPARED BY:

GANEM & KELLY SURVEYING, INC.



LAMAR STREET, SUITE 5
POINT COMFORT, TEXAS 77978
(361) 987-2011



19003 IH-10 WEST
SAN ANTONIO, TEXAS 78257
Tel: (210) 918-2000
(800) 866-9060

12" WIDE PIPELINE EASEMENT

PORT OF CORPUS CHRISTI AUTHORITY

NUECES COUNTY, TEXAS

EXHIBIT "B"
NUSTAR ENERGY, LP
12 INCH WIDE PIPELINE EASEMENT
LEGAL DESCRIPTION

STATE OF TEXAS
COUNTY OF NUECES

BEING a 12 inch wide pipeline easement situated in the Nueces County Navigation District No. 1 Abstract 2677 and being out of that tract of land described in that deed from W. E. Pope to Nueces County Navigation District No. 1, Tract 1, dated March 26, 1928, recorded in Volume 178, Page 53 of the Deed Records of Nueces County, Texas situated in the Port of Corpus Christi Authority (POCCA or PCCA) and this centerline being more particularly described as follows:

BEGINNING at a point on an existing 20 inch diameter firewater line, said point having a Texas State Plane coordinate, NAD 83, Texas South Zone of X= 1338261.25 and Y= 17186824.30 and being located North 81°15'08"East for a distance of 1092.60 feet from a reference point being an existing (PCCA) brass disk in concrete marked "CD12-2" having a Texas State Plane coordinate NAD 83 Texas South Zone of X = 1337181.36 and Y = 17186658.14, said point also being located South 46° 13' 08" West for a distance of 1827.15 feet from a reference point known as the Conrad Blucher Monument designated No. 28-A located in a northerly line of the aforesaid "Tract 1" and having a Texas State Plane coordinate, NAD 83, Texas South Zone of X=1339580.43 and Y=17188088.51,

THENCE South 89° 37' 13" West for a distance of 431.17 feet to a point for angle,

THENCE South 88° 48' 02" West for a distance of 179.59 feet to a point for angle, and

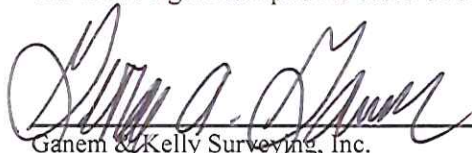
THENCE South 01° 11' 58" East for a distance of 36.48 feet to a point in the North line of the Nustar Energy, L.P. 4.33 acre lease for the POINT OF TERMINUS, said point being located North 75° 19' 27" East a distance of 485.80 feet from said reference point "CD12-2".

Reference is made to that plat, "Exhibit A", accompanying this legal description.

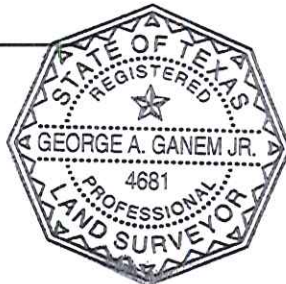
The above pipeline traverses the Port of Corpus Christi Authority tract for a distance of 647.24 feet or 39.23 rods.

Bearings are based on GPS Observation converted to Texas Coordinate System NAD83 South Zone. Coordinates and distances are grid.

The above legal description is based on an actual survey made on the ground under my supervision.


Ganem & Kelly Surveying, Inc.

By: George A. Ganem, Jr.
Registered Professional Land Surveyor
Texas No. 4681



DATE:



DATE: December 10, 2013

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NOS. 23-C, D, & E

**(C) -Approve an Easement and Right-of-Way Agreement with
AEP Texas Central Company for 10.445 Acres on the
PCCA's La Quinta Property in Order to Construct an Electrical Substation**

**(D) Approve an Easement and Right-of-Way Agreement with
AEP Texas Central Company for an
Access Road to AEP's Substation Easement**

**(E) Approve an Easement and Right-of-Way Agreement with
AEP Texas Central Company to Provide Transmission Lines to
Serve Its Substation to be Located on the PCCA's La Quinta Property**

Over the past several months, PCCA staff has been working with representatives of AEP Texas Central Company (AEP), voestalpine Texas Holding, LLC (voestalpine), and Corpus Christi Liquefaction, LLC (CCL), to coordinate the location and shape of the acreage for the electrical substation required for industrial development of the PCCA's La Quinta property. On November 12, 2013, the Port Commission approved amendments to both the CCL and voestalpine leases to accommodate for this future electrical substation. PCCA has now completed negotiations with AEP for easements on the La Quinta property for the 10.445-acre electric substation site, a 138 KV transmission power line, and a 60-foot wide roadway leading to the substation facility as shown on the attached drawing.

Because the 138 KV transmission line will be located within the lease premises of the voestalpine lease site and it is being constructed to serve voestalpine's plant, the consideration to be paid for that easement will be included in voestalpine's current rent. The substation, on the other hand, will be located on a separate 10.445-acre site and will be used exclusively by AEP. The substation site includes space to serve voestalpine's short-term and projected long-term needs, Cheniere's proposed LNG facility just east of the La Quinta property, and the projected electrical power needs of any future La Quinta property customers in the area. The consideration for the substation site will be paid by AEP in a lump sum payment of \$454,616.67 for the 80-year term of the agreement. The access road easement will be granted at no charge due to the fact that it serves as an essential means of access to the substation and because AEP has agreed to construct a substantial bridge at an estimated cost exceeding \$200,000 to connect the substation access road to the privately-owned La Quinta road located on the adjacent Sherwin Alumina property. Each agreement contains a provision for termination in the event it is no longer used for the purposes for which it was granted or should the facilities permitted under the agreement not be constructed. Should the easements be terminated early, the PCCA will retain any proceeds collected.

Staff recommends approval of the attached easement agreements with AEP Texas Central Company.

LEAD CONTACT: David Krams; 885-6134; krams@pocca.com

**ELECTRIC SUBSTATION EASEMENT
AND RIGHT OF WAY AGREEMENT**

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF SAN PATRICIO §

That the Port of Corpus Christi Authority of Nueces County, Texas, a political subdivision of the State of Texas, acting herein by and through its Port Commission (hereinafter called "*Grantor*"), for and in consideration of Ten (\$10.00) Dollars and other good and valuable consideration to Grantor in hand paid by AEP Texas Central Company, a Texas corporation (hereinafter, together with its successor and assigns, called "*Grantee*") the receipt and sufficiency of which is hereby acknowledged and confessed, has GRANTED, SOLD, and CONVEYED, and by these presents does GRANT, SELL, and CONVEY unto Grantee, its successors and assigns, an easement and right of way over, across and upon the property described in Exhibit A attached hereto and depicted on Exhibit B attached hereto (the "*Substation Easement*") for the purpose of constructing, operating, reconstructing, enlarging, inspecting, patrolling, repairing, maintaining, and removing an electric substation.

TO HAVE AND TO HOLD unto Grantee, including its successors and assigns, by, through and under Grantor, but not otherwise, the rights and privileges hereby conveyed for an initial term of eighty (80) years subject to the exceptions and reservations herein set forth, upon the following covenants and conditions which are a part of the consideration for this grant, and which covenants and conditions are and shall be construed as being covenants running with the land, and which covenants and conditions by its acceptance hereof Grantee, including its successor and assigns, covenant and agree to keep and perform.

This easement agreement is granted subject to the following:

(1) Access. Grantee has been granted and conveyed by separate instrument executed this same date a roadway easement which will provide Grantee with ingress and egress to the Substation Easement. Grantee's rights of ingress and egress to the Substation Easement shall be confined to the above-described roadway easement and Grantee shall not have the right to cross Grantor's adjacent land, store materials or equipment thereon or to conduct any of its operations thereon without the prior written consent of the Grantor.

(2) Construction, Maintenance and Use. Grantee shall construct, operate and maintain an electric substation on the Substation Easement (the "*Substation*"). Grantee agrees that the Substation shall at all times comply with all applicable laws, statutes, rules and regulations of federal, state and local governments. Grantee is granted the right to remove all vegetation from the Substation Easement and other obstructions which endanger or may unduly interfere with the safe operation of the Substation.

(3) Reservations and Exceptions. The Grantee's right to use the Substation Easement is exclusive and the Grantor shall have no right to use and/or grant to others easements, licenses, leases or other use agreements upon, over, under and across the Substation Easement during the term hereof. The Grantor understands and agrees that Grantee may, at its option, fence all or any part of the Substation Easement to control access to the property.

(4) Assignment. No assignment of this easement agreement shall be effective without the written consent of Grantor, which consent shall not be unreasonably withheld. If the Grantor elects to withhold its consent to a requested assignment, it must do so by providing Grantee with written notice thereof within thirty (30) days after the date it receives Grantee's request to consent to the assignment. If Grantor does not notify Grantee of its decision to

withhold its consent to a proposed assignment of this easement agreement within the thirty-day period described in the preceding sentence, the assignment shall be deemed to have been approved by Grantor. Grantee may, however, assign this easement agreement to any entity that is an affiliate of Grantee without Grantor's consent. An "*affiliate*" means, with respect to the Grantee, any other business entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the Grantee. For purposes of this definition, "*control*" means the beneficial ownership of fifty percent (50%) or more of the outstanding voting ownership interests of another business entity, or the ability to direct or cause the direction of management and policies of another business entity, whether through the ownership of securities or other ownership interests, by contract or otherwise.

(5) Termination. The Substation Easement herein granted shall terminate if Grantee shall at any time abandon the use of the same for the purposes herein granted or shall fail to complete construction of the Substation within three (3) years from the date of this easement agreement. This easement agreement and all of Grantee's interest hereunder, at the option of Grantor, shall forthwith terminate upon breach by Grantee or any of the covenants or conditions hereof and the failure of Grantee to remedy the same within ninety (90) days after written notice from the Grantor so to do. However, if such breach cannot be reasonably remedied within ninety (90) days, this easement agreement and Grantee's interest hereunder shall not terminate if Grantee furnishes Grantor a plan, reasonably acceptable to Grantor, for remedying such breach as expeditiously as reasonably possible and thereafter diligently and continuously prosecutes reasonable and prudent corrective measures to completion in accordance with such plan. Grantee agrees it will within one hundred twenty (120) days after the termination of this easement agreement remove all structures, fixtures, equipment, facilities or

appurtenances existing in the Substation Easement and shall restore Grantor's lands in the Substation Easement to the condition in which same existed prior to the existence of such structures, fixtures, equipment, facilities and appurtenances. In the event Grantee fails to so remove such structures, fixtures, equipment, facilities and appurtenances, the Grantor may either declare the termination of Grantee's interest in any such structures, fixtures, equipment, facilities and appurtenances and all of Grantee's interest therein shall thereupon terminate, or the Grantor may cause such structures, fixtures, equipment, facilities and appurtenances, or any part thereof at the Grantor's election, to be removed and the lands of the Grantor restored at the cost of Grantee.

(6) Severability; Reformation. If any provision of this easement agreement is or becomes invalid, illegal or incapable of being enforced or performed in the manner contemplated herein by a court of competent jurisdiction or by any applicable law or public policy, all other terms and provisions of this easement agreement shall nevertheless remain in full force and effect for so long as the economic or legal substance of the transactions contemplated by this easement agreement is not affected in any manner materially adverse to either party. Upon such determination that any provision is invalid, illegal or incapable of being enforced or performed in the manner contemplated herein, the parties shall negotiate in good faith to modify this easement agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated by this easement agreement are continued as originally contemplated to the greatest extent possible.

Grantor does hereby bind itself, its successors, assigns and legal representatives, to warrant and forever defend all and singular the above described rights, easement and right of way unto the said Grantee, its successors and assigns, against every person whomsoever lawfully

claiming or to claim the same or any part thereof by, through and under Grantor but not otherwise.

EXECUTED this _____ day of _____, 2013.

PORT OF CORPUS CHRISTI AUTHORITY OF
NUECES COUNTY, TEXAS

By: _____
John P. LaRue, Executive Director

AEP TEXAS CENTRAL COMPANY

By: _____
Dean A. Berry
Manager, Real Estate Asset Management
American Electric Power Service Corporation
Authorized Signer

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

 This instrument was acknowledged before me on the ____ of _____,
2013, by John P. LaRue, Executive Director, of the PORT OF CORPUS CHRISTI
AUTHORITY OF NUECES COUNTY, TEXAS, on behalf of the said Authority.

NOTARY PUBLIC, STATE OF TEXAS

THE STATE OF OHIO §
 §
COUNTY OF FRANKLIN §

 This instrument was acknowledged before me on the ____ of _____,
2013, by Dean A. Berry, Manager, Real Estate Asset Management of AEP TEXAS CENTRAL
COMPANY, a Texas corporation, on behalf of the said corporation.

NOTARY PUBLIC, STATE OF OHIO



**AEP TEXAS CENTRAL COMPANY
PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS
SAN PATRICIO COUNTY, TEXAS
10.445 ACRE TRACT**

EXHIBIT "A"

BEING a 10.445 acre tract of land lying in the T.T. Williamson Survey, Abstract 289, San Patricio County, Texas, same being a portion of a 930.28 acre tract of land described as "Tract II" and recorded in document number 458816, Real Property Records of San Patricio County, Texas, same also being described by a drawing (113182_Hecker_Sub.dwg dated December 5, 2013) attached to and made part hereof and more particularly described as follows:

COMMENCING at a 1/2" iron rod set with plastic cap stamped "CDS/MUERY S.A. TX." in the west line of a 328.9 acre tract of land described as "Tract I, Parcel 2A" and recorded in document number 502130, Real Property Records of San Patricio County, Texas, for an angle corner of the aforementioned 930.28 acre tract and the southeast corner of a 7.79 acre tract of land described as "Tract III" and recorded in document number 458816, Real Property Records of San Patricio County, Texas, from which a 2" pipe found bears N82°15'07"W a distance of 2.98 feet and a concrete monument with brass disc found for an angle corner of a 335.26 acre tract of land as described and recorded in volume 231, page 72, Deed Records of San Patricio County, Texas, bears N17°43'42"W a distance of 5,162.57 feet;

THENCE along the east line of the aforementioned 930.28 acre tract and the west line of the aforementioned 328.9 acre tract, S17°43'42"E a distance of 635.01 feet (Record – S17°15'37"E) to a 1/2" iron rod set with plastic cap stamped "CDS/MUERY S.A. TX." for the southeast corner of a concurrently described 0.346 of an acre access easement, from which a concrete monument with brass disc found for an angle corner of the aforementioned 335.26 acre tract, an interior angle corner of said 328.9 acre tract, and an angle corner of said 930.28 acre tract bears S17°43'42"E a distance of 6,431.18 feet (Record – S17°15'37"E);

THENCE leaving the east line of the aforementioned 930.28 acre tract and the west line of the aforementioned 328.9 acre tract, along the south line of the aforementioned 0.346 of an acre tract, S72°15'24"W a distance of 251.51 feet to a 1/2" iron rod set with plastic cap stamped "CDS/MUERY S.A. TX." for the southwest corner of the aforementioned 0.346 of an acre tract, a northeast corner of a 460.05 acre lease tract and the **PLACE OF BEGINNING** of the herein described 10.445 acre tract;

THENCE along a north line of the aforementioned 460.05 acre tract, S72°15'24"W a distance of 700.00 feet to a 1/2" iron rod set with plastic cap stamped "CDS/MUERY S.A. TX." for an interior corner of said 460.05 acre tract and the southwest corner of the herein described 10.445 acre tract;

THENCE along an east line of the aforementioned 460.05 acre tract, N17°44'36"W a distance of 650.00 feet to a 1/2" iron rod set with plastic cap stamped "CDS/MUERY S.A. TX." for an interior corner of said 60.05 acre tract and the northwest corner of the herein described 10.445 acre tract;

THENCE along a south line of the aforementioned 460.05 acre tract, N72°15'24"E a distance of 700.00 feet to a 5/8" iron rod found with plastic cap for the most northerly east corner of said 460.05 acre tract and the northeast corner of the herein described 10.445 acre tract;

AEP TEXAS CENTRAL COMPANY
PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS
SAN PATRICIO COUNTY, TEXAS
10.445 ACRE TRACT

THENCE S17°44'36"E a distance of 650.00 feet to the **PLACE OF BEGINNING** and containing 10.445 acres of land.

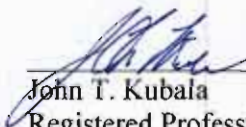
The bearing basis for this survey is Grid North, Texas State Plane Coordinate System, NAD 1983(HARN), South Zone.

THE STATE OF TEXAS
KNOWN TO ALL MEN BY THESE PRESENTS:
COUNTY OF BEXAR

I, John T. Kubala, a Registered Professional Land Surveyor, do hereby certify that the above field notes were prepared using information obtained by an on the ground survey made under my direction and supervision in October thru December 2013.

Date 5th day of December, 2013 A.D.





John T. Kubala
Registered Professional Land Surveyor
No. 4505 - State of Texas

LEGEND

- - DENOTES 1/2" IRON ROD SET WITH PLASTIC CAP STAMPED "CDS/MUERY S.A. TX."
- - DENOTES FOUND MONUMENTATION
- - - DENOTES EDGE OF PAVEMENT
- POB - DENOTES PLACE OF BEGINNING
- POC - DENOTES PLACE OF COMMENCEMENT
- R - DENOTES PROPERTY LINES
- R.O.W. - DENOTES RIGHT-OF-WAY LINE
- DOC. # - DENOTES DOCUMENT NUMBER
- D.R.S.P.C. - DEED RECORDS OF SAN PATRICIO COUNTY, TEXAS
- R.P.R.S.P.C. - REAL PROPERTY RECORDS OF SAN PATRICIO COUNTY, TEXAS
- (RECORD) - RECORD CALL TAKEN FROM DOC. NO. 458816, R.P.R.S.P.C.

CONCRETE MONUMENT WITH BRASS DISC FOUND FOR AN ANGLE CORNER OF 335.26 ACRES VOL. 231, PG. 72 D.R.S.P.C.

UNION PACIFIC RAILROAD

EXHIBIT "B"

LEGAL DESC. NO. 113182_Hecker_Sub.docx
CDS JOB NO. 113182

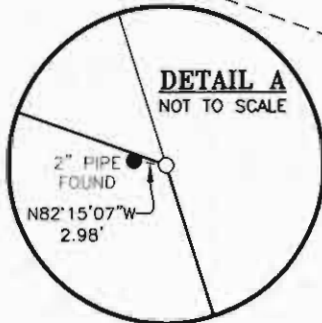
BEARING BASIS: GRID NORTH,
TEXAS STATE PLANE COORDINATE SYSTEM,
NAD 1983, SOUTH ZONE

81.25 ACRES
TRACT 5
DOC. #391196
R.P.R.S.P.C.

7.79 ACRES
TRACT III
DOC. #458816
R.P.R.S.P.C.

328.9 ACRES
TRACT 1, PARCEL 2A
DOC. #502130
R.P.R.S.P.C.

DETAIL A NOT TO SCALE



460.05 ACRE
LEASE TRACT

5/8" IRON ROD
FOUND WITH
PLASTIC CAP

SEE
DETAIL A

POC

930.28 ACRES
TRACT II
DOC. #458816
R.P.R.S.P.C.

CONCURRENTLY DESCRIBED
D.346 OF AN ACRE ACCESS EASEMENT

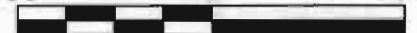
460.05 ACRE
LEASE TRACT

POB
TEXAS STATE PLANE
COORDINATES
US SURVEY FEET
NORTH 17,219,427.23
EAST 1,377,801.23



10.445 ACRE TRACT
AEP TEXAS CENTRAL COMPANY
T.T. WILLIAMSON SURVEY
ABSTRACT 289
SAN PATRICIO COUNTY, TEXAS

300' 150' 0 300'



SCALE IN FEET

**ACCESS ROAD EASEMENT
AND RIGHT OF WAY AGREEMENT**

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF SAN PATRICIO §

That the Port of Corpus Christi Authority of Nueces County, Texas, a political subdivision of the State of Texas, acting herein by and through its Port Commission (hereinafter called "*Grantor*"), for and in consideration of Ten (\$10.00) Dollars and other good and valuable consideration to Grantor in hand paid by AEP Texas Central Company, a Texas corporation (hereinafter, together with its successor and assigns, called "*Grantee*") the receipt and sufficiency of which is hereby acknowledged and confessed, has GRANTED, SOLD, and CONVEYED, and by these presents does GRANT, SELL, and CONVEY unto Grantee, its successors and assigns, an easement and right of way over, across and upon the property described in Exhibit A attached hereto and depicted on Exhibit B attached hereto (the "*Access Easement*") for the purpose of constructing, operating, reconstructing, enlarging, inspecting, patrolling, repairing, and maintaining a roadway to provide ingress and egress to the substation easement and the transmission easement depicted and identified on the attached Exhibit B. The substation easement and utility easement have been granted and conveyed to Grantee by separate instrument executed this same date.

TO HAVE AND TO HOLD unto Grantee, including its successors and assigns, by, through and under Grantor, but not otherwise, the rights and privileges hereby conveyed for a term of eighty (80) years subject to the exceptions and reservations herein set forth, upon the following covenants and conditions which are a part of the consideration for this grant, and which covenants and conditions are and shall be construed as being covenants running with the

land, and which covenants and conditions by its acceptance hereof Grantee, including its successor and assigns, covenant and agree to keep and perform.

This easement agreement is granted subject to the following:

(1) Access. Grantee's rights of ingress and egress to the substation easement and the transmission easement under the terms of this easement agreement shall be confined to the Access Easement, and Grantee shall not have the right to cross Grantor's adjacent land, store materials or equipment thereon or to conduct any of its operations thereon, without the prior written consent of the Grantor.

(2) Construction, Maintenance and Use. Grantee shall construct and maintain an all-weather road on the Access Easement (the "*Access Road*"). The Access Road shall have a minimum width of twenty (20) feet. The Access Road will be constructed to a load bearing capacity of 18,000 pounds per axle. The road cross section of the Access Road shall not be crowned, but shall slope down to the south. The Access Road shall have a minimum section of at least one course asphalt surface treatment, nine (9) inch caliche base, and a six (6) inch cement stabilized sand subbase or greater as determined by Grantee's design engineers. Upon completion of the Access Road or any modifications thereto, Grantee shall furnish Grantor with an as-built survey thereof. Grantee agrees that the Access Road shall at all times comply with all applicable laws, statutes, rules and regulations of federal, state and local governments.

Grantor and its agents, contractors, employees, invitees, and licensees shall be permitted to use the Access Road to the extent such use does not interfere with the use thereof by Grantee, provided however, such users shall reimburse Grantee for any costs and expenses incurred by Grantee to repair any damage to the Access Road caused by such use. Grantor agrees to abide by and to require its agents, contractors, employees, invitees and licensees to

abide by, all reasonable safety and security requirements imposed by Grantee with respect to Grantor's use of the Access Road, including, but not limited to, speed and load weight restrictions. Corpus Christi Liquefaction, LLC, shall also be permitted to use the Access Road during the term of its construction laydown area lease agreement with Grantor dated January 8, 2013, to the extent such use does not interfere with the use of the road by Grantee and otherwise complies with the terms of this easement agreement.

(3) Reservations and Exceptions. The Grantor reserves the right to use and/or grant easements upon, over, under and across the Access Easement provided such uses and easements are subject to this easement agreement and shall not unreasonably interfere with the use of the Access Road by Grantee. All easements, licenses, leases or other use agreements hereafter granted by the Grantor that cross or cover any part of the Access Easement shall provide that (a) the recipient shall notify Grantee in writing at least thirty (30) days in advance of any proposed construction over, under, or across the Access Road, and (b) such person shall abide by any reasonable requests or instructions of Grantee regarding such construction to safeguard Grantee's safe operation of the Access Road and to avoid interference therewith.

(4) Assignment. No assignment of this easement agreement shall be effective without the written consent of Grantor, which consent shall not be unreasonably withheld. If the Grantor elects to withhold its consent to requested assignment, it must do so by providing Grantee with written notice thereof within thirty (30) days after the date it receives Grantee's request to consent to the assignment. If Grantor does not notify Grantee of its decision to withhold its consent to a proposed assignment of this easement agreement within the thirty-day period described in the preceding sentence, the assignment shall be deemed to have been approved by Grantor. Grantee may, however, assign this easement agreement to any entity that

is an affiliate of Grantee without Grantor's consent. An "*affiliate*" means, with respect to the Grantee, any other business entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the Grantee. For purposes of this definition, "*control*" means the beneficial ownership of fifty percent (50%) or more of the outstanding voting ownership interests of another business entity, or the ability to direct or cause the direction of management and policies of another business entity, whether through the ownership of securities or other ownership interests, by contract or otherwise.

(5) Termination. The Access Easement herein granted shall terminate if Grantee shall at any time abandon the use of the same for the purposes herein granted or shall fail to complete construction of the Access Road within three (3) years from the date of this easement agreement. This easement agreement and all of Grantee's interest hereunder, at the option of Grantor, shall forthwith terminate upon breach by Grantee of any of the covenants or conditions hereof and the failure of Grantee to remedy the same within ninety (90) days after written notice from the Grantor to do so. However, if such breach cannot be reasonably remedied within ninety (90) days, this easement agreement and Grantee's interest hereunder shall not terminate if Grantee furnishes Grantor a plan, reasonably acceptable to Grantor, for remedying such breach as expeditiously as reasonably possible and thereafter diligently and continuously prosecutes reasonable and prudent corrective measures to completion in accordance with such plan.

(6) Severability; Reformation. If any provision of this easement agreement is or becomes invalid, illegal or incapable of being enforced or performed in the manner contemplated herein by a court of competent jurisdiction or by any applicable law or public policy, all other terms and provisions of this easement agreement shall nevertheless remain in

full force and effect for so long as the economic or legal substance of the transactions contemplated by this easement agreement is not affected in any manner materially adverse to either party. Upon such determination that any provision is invalid, illegal or incapable of being enforced or performed in the manner contemplated herein, the parties shall negotiate in good faith to modify this easement agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated by this easement agreement are continued as originally contemplated to the greatest extent possible.

Grantor does hereby bind itself, its successors, assigns and legal representatives, to warrant and forever defend all and singular the above described rights, easement and right of way unto the said Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof by, through and under Grantor but not otherwise.

EXECUTED this _____ day of _____, 2013.

PORT OF CORPUS CHRISTI AUTHORITY OF
NUECES COUNTY, TEXAS

By: _____
John P. LaRue, Executive Director

AEP TEXAS CENTRAL COMPANY

By: _____
Dean A. Berry
Manager, Real Estate Asset Management
American Electric Power Service Corporation
Authorized Signer

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

This instrument was acknowledged before me on the ____ of _____,
2013, by John P. LaRue, Executive Director of the PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS, on behalf of the said Authority.

NOTARY PUBLIC, STATE OF TEXAS

THE STATE OF OHIO §
 §
COUNTY OF FRANKLIN §

This instrument was acknowledged before me on the ____ of _____,
2013, by Dean A. Berry, Manager, Real Estate Asset Management of AEP TEXAS CENTRAL
COMPANY, a Texas corporation, on behalf of the said corporation.

NOTARY PUBLIC, STATE OF OHIO

EXHIBIT A

**AEP TEXAS CENTRAL COMPANY
PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS
SAN PATRICIO COUNTY, TEXAS
0.346 OF AN ACRE ACCESS EASEMENT**

EXHIBIT "A"

BEING a 0.346 of an acre tract of land lying in the T.T. Williamson Survey, Abstract 289, San Patricio County, Texas, same being a portion of a 930.28 acre tract of land described as "Tract II" and recorded in document number 458816, Real Property Records of San Patricio County, Texas, same also being described by a drawing (113182__Access_Esmt.dwg dated December 5, 2013) attached to and made part hereof and more particularly described as follows:

COMMENCING at a 1/2" iron rod set with plastic cap stamped "CDS/MUERY S.A. TX." in the west line of a 328.9 acre tract of land described as "Tract I, Parcel 2A" and recorded in document number 502130, Real Property Records of San Patricio County, Texas, for an angle corner of the aforementioned 930.28 acre tract and the southeast corner of a 7.79 acre tract of land described as "Tract III" and recorded in document number 458816, Real Property Records of San Patricio County, Texas, from which a 2" pipe found bears N82°15'07"W a distance of 2.98 feet and a concrete monument with brass disc found for an angle corner of a 335.26 acre tract of land as described and recorded in volume 231, page 72, Deed Records of San Patricio County, Texas, bears N17°43'42"W a distance of 5,162.57 feet;

THENCE along the east line of the aforementioned 930.28 acre tract and the west line of the aforementioned 328.9 acre tract, S17°43'42"E a distance of 575.01 feet (Record – S17°15'37"E) to a 1/2" iron rod set with plastic cap stamped "CDS/MUERY S.A. TX." for the **PLACE OF BEGINNING** and the northeast corner of the herein described 0.346 of an acre tract;

THENCE continuing along the east line of the aforementioned 930.28 acre tract and the west line of the aforementioned 328.9 acre tract, S17°43'42"E a distance of 60.00 feet (Record – S17°15'37"E) to a 1/2" iron rod set with plastic cap stamped "CDS/MUERY S.A. TX." for the southeast corner of the herein described 0.346 of an acre tract, from which a concrete monument with brass disc found for an angle corner of the aforementioned 335.26 acre tract, an angle corner of said 930.28 acre tract, and an interior angle corner of said 328.9 acre tract bears S17°43'42"E a distance of 6,431.18 feet (Record – S17°15'37"E);

THENCE leaving the east line of the aforementioned 930.28 acre tract and the west line of the aforementioned 328.9 acre tract, S72°15'24"W a distance of 251.51 feet to a 1/2" iron rod set with plastic cap stamped "CDS/MUERY S.A. TX." for the southeast corner of a concurrently described 10.445 acre tract, a northeast corner of a 460.05 acre lease tract, and the southwest corner of the herein described 0.346 of an acre tract;

THENCE along the east line of the aforementioned 10.445 acre tract, N17°44'36"W a distance of 60.00 feet to a 1/2" iron rod set with plastic cap stamped "CDS/MUERY S.A. TX." for the northwest corner of the herein described 0.46 of acre tract, from which a 5/8" iron rod found with plastic cap for the most northerly east corner of the aforementioned 460.05 acre tract and the northeast corner of said 10.445 acre tract bears N17°44'36"W a distance of 590.00 feet for the northeast corner of said 10.445 acre tract;

**AEP TEXAS CENTRAL COMPANY
PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS
SAN PATRICIO COUNTY, TEXAS
0.346 OF AN ACRE ACCESS EASEMENT**

THENCE leaving the east line of the aforementioned 10.445 acre tract, N72°15'24"E a distance of 251.52 feet to the **PLACE OF BEGINNING** and containing 0.346 of acre of land.


The bearing basis for this survey is Grid North, Texas State Plane Coordinate System, NAD 1983(HARN), South Zone.

**THE STATE OF TEXAS
KNOWN TO ALL MEN BY THESE PRESENTS:
COUNTY OF BEXAR**

I, John T. Kubala, a Registered Professional Land Surveyor, do hereby certify that the above field notes were prepared using information obtained by an on the ground survey made under my direction and supervision in October thru December 2013.

Date 5TH day of DECEMBER, 2013 A.D.





John T. Kubala
Registered Professional Land Surveyor
No. 4505 - State of Texas

EXHIBIT B

LINE BEARING DISTANCE

(RECORD-S17°15'37"E)
 L1 S17°43'42"E 60.00'
 L2 S72°15'24"W 251.51'
 L3 N17°44'36"W 60.00'
 L4 N72°15'24"E 251.52'

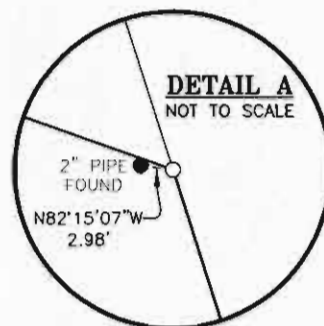
EXHIBIT "B"

LEGAL DESC. NO. 113182_Hecker_Access_Esmt.docx
 CDS JOB NO. 113182

BEARING BASIS: GRID NORTH,
 TEXAS STATE PLANE COORDINATE SYSTEM,
 NAD 1983, SOUTH ZONE

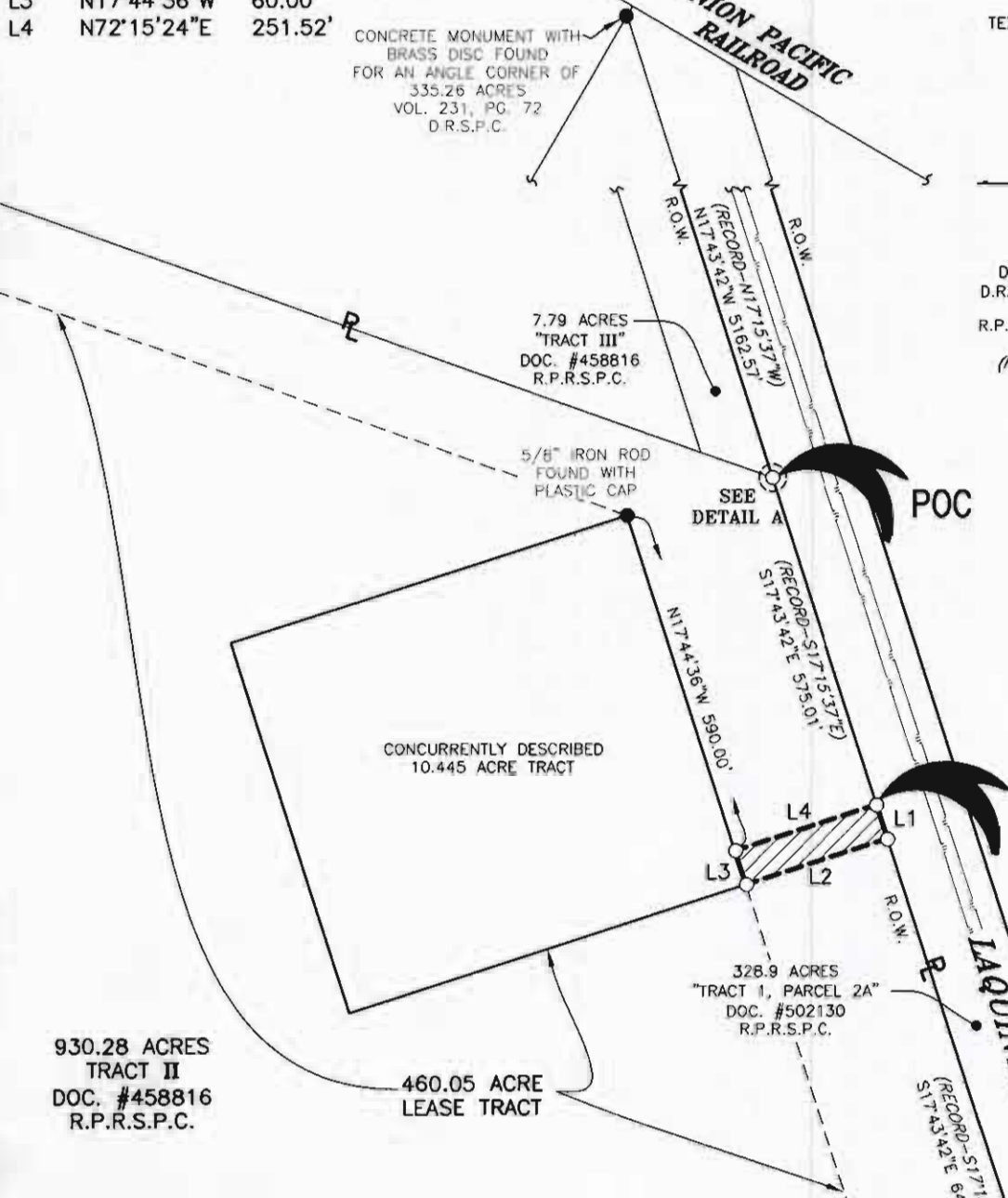
LEGEND

- - DENOTES 1/2" IRON ROD SET WITH PLASTIC CAP STAMPED "CDS/MUERY S.A. TX."
- - DENOTES FOUND MONUMENTATION
- - - - - DENOTES EDGE OF PAVEMENT
- POB - DENOTES PLACE OF BEGINNING
- POC - DENOTES PLACE OF COMMENCEMENT
- R - DENOTES PROPERTY LINES
- R.O.W. - DENOTES RIGHT-OF-WAY LINE
- DOC. # - DENOTES DOCUMENT NUMBER
- D.R.S.P.C. - DEED RECORDS OF SAN PATRICIO COUNTY, TEXAS
- R.P.R.S.P.C. - REAL PROPERTY RECORDS OF SAN PATRICIO COUNTY, TEXAS
- (RECORD) - RECORD CALL TAKEN FROM DOC. NO. 458816, R.P.R.S.P.C.



POB

TEXAS STATE PLANE
 COORDINATES
 US SURVEY FEET
 NORTH 17,219,561.03
 EAST 1,378,022.51



0.346 OF AN ACRE
 ACCESS EASEMENT
 AEP TEXAS CENTRAL COMPANY
 T.T. WILLIAMSON SURVEY
 ABSTRACT 289
 SAN PATRICIO COUNTY, TEXAS

300' 150' 0 300'
 SCALE IN FEET

**TRANSMISSION LINES EASEMENT
AND RIGHT OF WAY AGREEMENT**

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF SAN PATRICIO §

That the Port of Corpus Christi Authority of Nueces County, Texas, a political subdivision of the State of Texas, acting herein by and through its Port Commission (hereinafter called "*Grantor*"), for and in consideration of Ten (\$10.00) Dollars and other good and valuable consideration to Grantor in hand paid by AEP Texas Central Company, a Texas corporation (hereinafter, together with its successor and assigns, called "*Grantee*") the receipt and sufficiency of which is hereby acknowledged and confessed, has GRANTED, SOLD, and CONVEYED, and by these presents does GRANT, SELL, and CONVEY unto Grantee, its successors and assigns, an easement and right of way over, across and upon the property described in Exhibit A attached hereto and depicted in Exhibit B attached hereto (the "*Transmission Easement*") for the purpose of constructing, operating reconstructing, enlarging, replacing, upgrading, inspecting, patrolling, repairing, maintaining, and removing electric transmission lines consisting of poles or towers made of wood, metal or other materials, wires, circuits, static wires, communications circuits, crossarms, insulators, guy wires, and all other necessary or desirable appurtenances (the "*Transmission Lines*").

TO HAVE AND TO HOLD unto Grantee, including its successors and assigns, by, through and under Grantor, but not otherwise, the rights and privileges hereby conveyed for a term of eighty (80) years subject to the exceptions and reservations herein set forth, upon the following covenants and conditions which are a part of the consideration for this grant, and which covenants and conditions are and shall be construed as being covenants running with the

land, and which covenants and conditions by its acceptance hereof Grantee, including its successor and assigns, covenant and agree to keep and perform.

This easement agreement is granted subject to the following:

(1) Voestalpine's Approval. The Transmission Easement is on property which Grantor has leased to Voestalpine Texas Holding, LLC ("*Voestalpine*") pursuant to a lease agreement made effective as of May 1, 2013 (the "*Lease Agreement*"). Under section 2.09(a) of the Lease Agreement, Voestalpine must approve the location of any utility easements on the leased premises, and Voestalpine is executing this easement agreement to evidence its approval of the location of the Transmission Easement and its consent to Grantee's construction, maintenance and use of the Transmission Lines within the Transmission Easement in accordance with the terms of this easement agreement.

(2) Type and Clearance of Transmission Lines. The Transmission Lines shall be high voltage electric transmission lines, together with static wires, communication circuits and other appurtenances as deemed appropriate by Grantee. The minimum vertical above-ground clearance of the Transmission Lines' conductors shall meet or exceed applicable vertical clearance requirements of the National Electrical Safety Code (NESC") and other applicable laws, rules and regulations. All electrical conductors shall be installed and operated with a minimum ground level clearance of thirty-six feet (36').

(3) Access. Grantee may access the Transmission Easement via the access easement and the substation easement which have been granted and conveyed to Grantee by separate instruments executed this same date. Grantee shall not have the right to cross Grantor's adjacent land, store materials or equipment thereon or to conduct any of its operations thereon without the prior written consent of Grantor.

(4) Construction, Maintenance and Use. Grantee shall construct and maintain the Transmission Lines in a good and workmanlike manner and in compliance with all applicable governmental and industry standards for construction and maintenance of the same. Grantee shall be responsible for coordination of its construction, maintenance and use of the Transmission Lines with Voestalpine. Upon completion of the installation of the Transmission Lines or any modification thereto Grantee shall furnish Grantor with an as-built survey thereof. Grantee agrees that its use of the Transmission Lines shall at all times comply with all applicable laws, statutes, rules and regulations of federal, state and local governments. Grantee shall promptly restore any portion of the Transmission Easement damaged by Grantee.

(5) Reservations and Exceptions. Subject to the restrictions in the following sentence, Grantor reserves the right to use and/or grant easements upon, over, under and across the Transmission Easement provided such uses and easements are subject to this easement agreement and shall not unreasonably interfere with Grantee's use of the Transmission Easement. Grantor shall not construct (or permit any third party to construct) any above-ground structures or other obstructions, or excavate or change the grade within the Transmission Easement, without Grantee's consent; and Grantee shall have the right to remove any structures or obstructions constructed within the Transmission Easement in violation of this provision. The foregoing restrictions would not, however, prevent the construction of roads or parking lots or below-ground pipelines in the Transmission Easement. All easements, licenses, leases or other use agreements hereafter granted by the Grantor that cross or cover any part of the Transmission Easement shall provide that (a) the proposed recipient shall notify Grantee in writing at least thirty (30) days in advance of any proposed construction over, under, across or upon the Transmission Easement, and (b) such person shall abide by any reasonable requests or

instructions of Grantee regarding such construction to safeguard Grantee's safe operation of the Transmission Lines and to avoid interference therewith.

(6) Assignment. No assignment of this easement agreement shall be effective without the written consent of Grantor, which consent shall not be unreasonably withheld. If the Grantor elects to withhold its consent to a requested assignment, it must do so by providing Grantee with written notice thereof within thirty (30) days after the date it receives Grantee's request to consent to the assignment. If Grantor does not notify Grantee of its decision to withhold its consent to a proposed assignment of this easement agreement within the thirty-day period described in the preceding sentence, the assignment shall be deemed to have been approved by Grantor. Grantee may, however, assign this easement agreement to any entity that is an affiliate of Grantee without Grantor's consent. An "*affiliate*" means, with respect to the Grantee, any other business entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the Grantee. For purposes of this definition, "*control*" means the beneficial ownership of fifty percent (50%) or more of the outstanding voting ownership interests of another business entity, or the ability to direct or cause the direction of management and policies of another business entity, whether through the ownership of securities or other ownership interests, by contract or otherwise.

(7) Termination. The Transmission Easement herein granted shall terminate if Grantee shall at any time abandon the use of the same for the purposes herein granted or shall fail to complete construction of the Transmission Lines within three (3) years from the date of this easement agreement. This easement agreement and all of Grantee's interest hereunder, at the option of Grantor, shall forthwith terminate upon breach by Grantee or any of the covenants or conditions hereof and the failure of Grantee to remedy the same within ninety (90) days after

written notice from the Grantor so to do. However, if such breach cannot be reasonably remedied within ninety (90) days, this easement agreement and Grantee's interest hereunder shall not terminate if Grantee furnishes Grantor a plan, reasonably acceptable to Grantor, for remedying such breach as expeditiously as reasonably possible and thereafter diligently and continuously prosecutes reasonable and prudent corrective measures to completion in accordance with such plan. Grantee agrees it will within one hundred twenty (120) days after the termination of this easement agreement remove all of Transmission Lines (including poles, towers and guy wires) in the Utility Easement and shall restore Grantor's lands in the Transmission Easement to the condition in which same existed prior to the existence of the Transmission Lines. In the event Grantee fails to so remove the Transmission Lines, the Grantor may either declare the termination of Grantee's interest in the Transmission Lines and all of Grantee's interest therein shall thereupon terminate, or the Grantor may cause the Transmission Lines, or any part thereof at the Grantor's election, to be removed and the lands of the Grantor restored at the cost of Grantee.

(8) Severability; Reformation. If any provision of this easement agreement is or becomes invalid, illegal or incapable of being enforced or performed in the manner contemplated herein by a court of competent jurisdiction or by any applicable law or public policy, all other terms and provisions of this easement agreement shall nevertheless remain in full force and effect for so long as the economic or legal substance of the transactions contemplated by this easement agreement is not affected in any manner materially adverse to either party. Upon such determination that any provision is invalid, illegal or incapable of being enforced or performed in the manner contemplated herein, the parties shall negotiate in good faith to modify this easement agreement so as to effect the original intent of the parties as closely

as possible in a mutually acceptable manner in order that the transactions contemplated by this easement agreement are continued as originally contemplated to the greatest extent possible.

Grantor does hereby bind itself, its successors, assigns and legal representatives, to warrant and forever defend all and singular the above described rights, easement and right of way unto the said Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof by, through and under Grantor but not otherwise.

EXECUTED this _____ day of _____, 2013.

PORT OF CORPUS CHRISTI AUTHORITY OF
NUECES COUNTY, TEXAS

By: _____
John P. LaRue

AEP TEXAS CENTRAL COMPANY

By: _____
Thomas Schaffer

Voestalpine Texas Holdings, LLC, hereby consents to this easement agreement this _____ day of _____, 2013.

VOESTALPINE TEXAS HOLDINGS, LLC

By: _____

By: _____

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

This instrument was acknowledged before me on the _____ of _____, 2013 by John P. LaRue, Executive Director of the PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS, on behalf of the said Authority.

NOTARY PUBLIC, STATE OF TEXAS

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ of _____, 2013, by Thomas Schaffer, Manager Transmission Right of Way of AEP TEXAS CENTRAL COMPANY, a Texas corporation, on behalf of the said corporation.

NOTARY PUBLIC, STATE OF TEXAS

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

This instrument was acknowledged before me on the _____ of _____, 2013, by _____, _____ of VOESTALPINE TEXAS HOLDINGS, LLC, and by _____, _____ of VOESTALPINE TEXAS HOLDINGS, LLC, on behalf of the said limited liability company.

NOTARY PUBLIC, STATE OF TEXAS

EXHIBIT A

DRAFT

**AEP TEXAS CENTRAL COMPANY
PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS
SAN PATRICIO COUNTY, TEXAS
4.825 ACRE TRANSMISSION LINE EASEMENT**

EXHIBIT "A"

BEING a 4.825 acre tract of land lying in the T.T. Williamson Survey, Abstract 289 and the J. Gerraghty Survey, Abstract 139, San Patricio County, Texas, same being a portion of a 930.28 acre tract of land described as "Tract II" and recorded in document number 458816, Real Property Records of San Patricio County, Texas, same also being described by a drawing (113182__Trans_Esmt.dwg dated November 7, 2013) attached to and made part hereof and more particularly described as follows:

BEGINNING at a 1/2" iron rod set with plastic cap stamped "CDS/MUERY S.A. TX." in the east line of a 100.111 acre tract of land as described and recorded in document number 487126, Real Property Records of San Patricio County, Texas, for the northwest corner of the aforementioned 930.28 acre tract, the most southerly southwest corner of an 81.25 acre tract of land described a "Tract Five" and recorded in document number 391196, Real Property Records of San Patricio County, Texas, and the northwest corner of the herein described 4.825 acre tract;

THENCE leaving the east line of the aforementioned 100.111 acre tract, along the north line of the aforementioned 930.28 acre tract and a south line of the aforementioned 81.25 acre tract, S70°27'41"E, passing a 5/8" iron rod found at a distance of 3.13 feet, and continuing a total distance of 119.88 feet (Record – S70°00'E) to a 1/2" iron rod set with plastic cap stamped "CDS/MUERY S.A. TX." for an angle corner of the herein described 4.825 acre tract;

THENCE leaving the north line of the aforementioned 930.28 acre tract and a south line of the aforementioned 81.25 acre tract, S27°50'13"E a distance of 208.43 feet to a 1/2" iron rod set with plastic cap stamped "CDS/MUERY S.A. TX." in the north line of a 460.05 acre lease tract for an interior angle corner of the herein described 4.825 acre tract;

THENCE along the north line of the aforementioned 460.05 acre tract, S70°28'50"E a distance of 1,869.95 feet to a 5/8" iron rod found with plastic cap for the most northerly east corner of said 460.05 acre tract, the northeast corner of a concurrently described 10.445 acre tract, and the east corner of the herein described 4.825 acre tract;

THENCE along a south line of the aforementioned 460.05 acre tract and the north line of the aforementioned 10.445 acre tract, S72°15'24"W a distance of 165.16 feet to a 1/2" iron rod set with plastic cap stamped "CDS/MUERY S.A. TX." for an angle corner of the herein described 4.825 acre tract;

THENCE leaving a south line of the aforementioned 460.05 acre tract and the north line of the aforementioned 10.445 acre tract, N70°28'50"W a distance of 1,777.53 feet to a 1/2" iron rod set with plastic cap stamped "CDS/MUERY S.A. TX." for an angle corner of the herein described 4.825 acre tract;

THENCE N27°50'13"W a distance of 310.99 feet to a 1/2" iron rod set with plastic cap stamped "CDS/MUERY S.A. TX." in the west line of the aforementioned 930.28 acre tract and the east line of the aforementioned 100.111 acre tract for an angle corner of the herein described 4.825 acre tract;

**AEP TEXAS CENTRAL COMPANY
PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS
SAN PATRICIO COUNTY, TEXAS
4.825 ACRE TRANSMISSION LINE EASEMENT**

THENCE along the west line of the aforementioned 930.28 acre tract and the east line of the aforementioned 100.111 acre tract, N09°29'00"E, passing a 5/8" iron rod found at a distance of 29.57 feet, and continuing a total distance of 31.03 feet (Record – N9°57'45"E) to the **PLACE OF BEGINNING** and containing 4.825 acre tract of land.

The bearing basis for this survey is Grid North, Texas State Plane Coordinate System, NAD 1983(HARN), South Zone.

**THE STATE OF TEXAS
KNOWN TO ALL MEN BY THESE PRESENTS:
COUNTY OF BEXAR**

I, John T. Kubala, a Registered Professional Land Surveyor, do hereby certify that the above field notes were prepared using information obtained by an on the ground survey made under my direction and supervision in October thru November 2013.

Date _____ day of _____, 2013 A.D.

REVIEW SET

THIS DOCUMENT WAS PREPARED FOR
REVIEW ONLY. UPON ACCEPTANCE THE
CORNERS WILL BE SET AND THE DOCUMENT
SIGNED WITH CURRENT DATE BY THE SURVEYOR.
"REVIEW SET" DOCUMENTS WILL BE REPLACED
WITH FINAL DOCUMENT SET PRIOR TO FILING.

John T. Kubala
Registered Professional Land Surveyor
No. 4505 - State of Texas

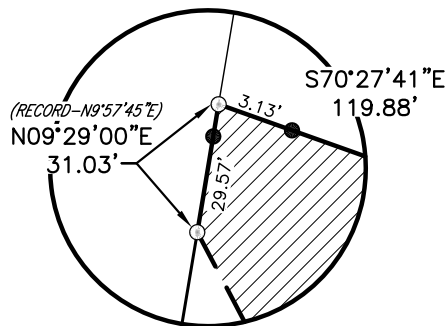
EXHIBIT B

DRAFT

EXHIBIT "B"

LEGAL DESC. NO. 113182_Trans_Esmt.docx
CDS JOB NO. 113182

BEARING BASIS: GRID NORTH, TEXAS STATE
PLANE COORDINATE SYSTEM,
NAD 1983, SOUTH ZONE



DETAIL A
NOT TO SCALE

J. GERRAGHTY SURVEY
ABSTRACT 139

POB
TEXAS STATE PLANE
COORDINATES
US SURVEY FEET
NORTH 17,219,560.37
EAST 1,378,022.72

100.111 ACRES
DOC. #487126
R.P.R.S.P.C.

SEE
DETAIL A

(RECORD-S70°00'E)
S70°27'41"E
119.88'

N27°50'13"W
310.99'

S27°50'13"E
208.43'

T.T. WILLIAMSON SURVEY
ABSTRACT 287

930.28 ACRES
"TRACT II"
DOC. #458816
R.P.R.S.P.C.

81.25 ACRES
"TRACT FIVE"
DOC. #391196
R.P.R.S.P.C.

REVIEW SET

THIS DOCUMENT WAS PREPARED FOR
REVIEW ONLY. UPON ACCEPTANCE THE
CORNERS WILL BE SET AND THE DOCUMENT
SIGNED WITH CURRENT DATE BY THE SURVEYOR.
"REVIEW SET" DOCUMENTS WILL BE REPLACED
WITH FINAL DOCUMENT SET PRIOR TO FILING.

T.T. WILLIAMSON SURVEY
ABSTRACT 289

460.05 ACRE
LEASE TRACT

5/8" IRON ROD
FOUND WITH
PLASTIC CAP

S72°15'24"W
165.16'

CONCURRENTLY DESCRIBED
10.445 ACRE TRACT

LEGEND

- - DENOTES 1/2" IRON ROD SET WITH PLASTIC
CAP STAMPED "CDS/MUERY S.A. TX."
- - DENOTES 5/8" IRON ROD FOUND
- POB - DENOTES PLACE OF BEGINNING
- P - DENOTES PROPERTY LINES
- S - DENOTES SURVEY LINES
- R.O.W. - DENOTES RIGHT-OF-WAY LINE
- DOC. # - DENOTES DOCUMENT NUMBER
- R.P.R.S.P.C. - REAL PROPERTY RECORDS OF SAN
PATRICIO COUNTY, TEXAS
- (RECORD) - RECORD CALL TAKEN FROM DOC.
NO. 458816, R.P.R.S.P.C.

300' 150' 0 300'

4.825 ACRE
TRANSMISSION LINE EASEMENT
AEP TEXAS CENTRAL COMPANY
T.T. WILLIAMSON SURVEY
ABSTRACT 289 AND
J. GERRAGHTY SURVEY
ABSTRACT 139
SAN PATRICIO COUNTY, TEXAS

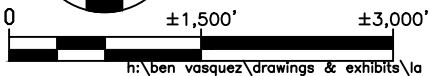
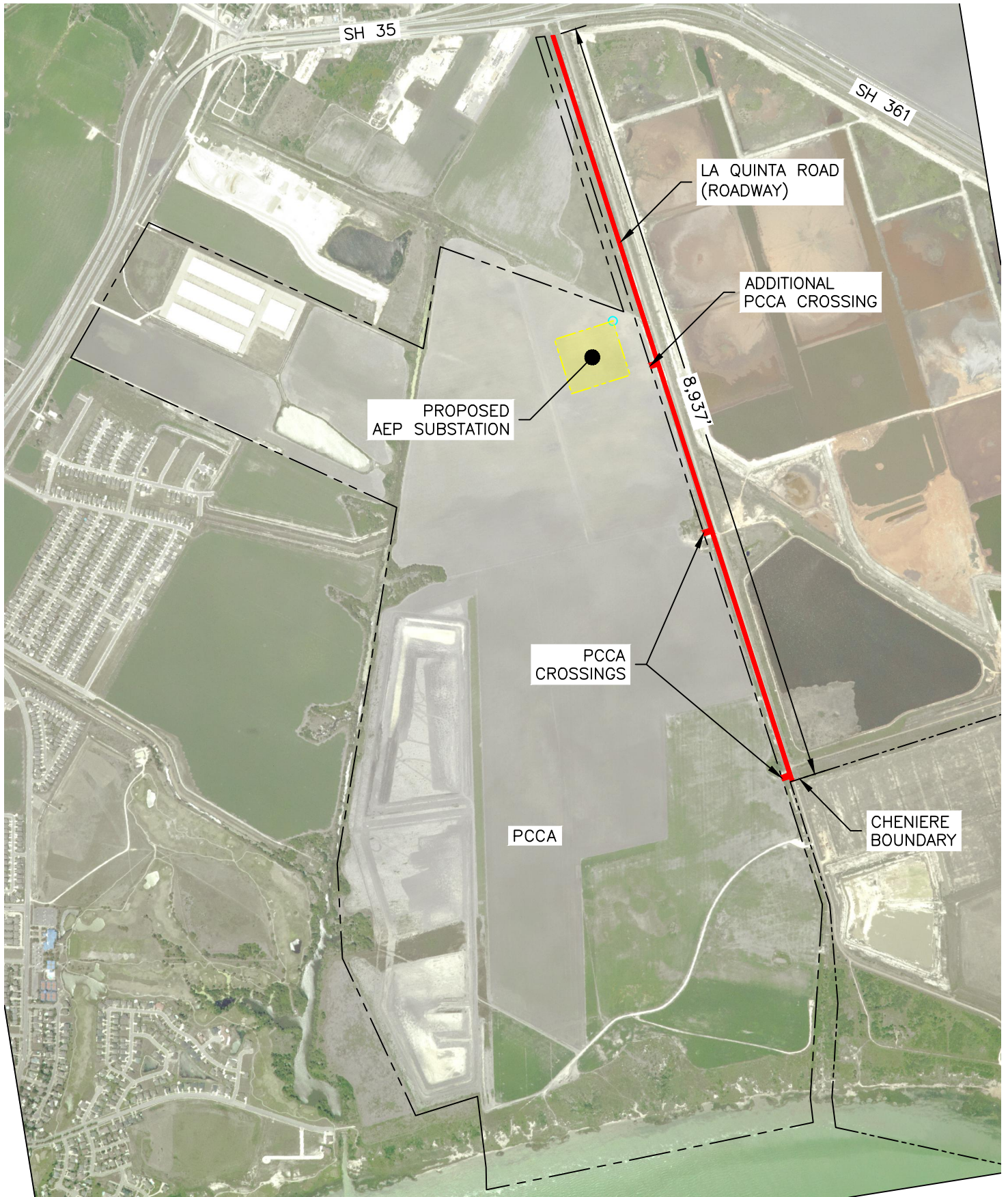
DATE: December 10, 2013**FROM:** John LaRue; 885-6189; john@pocca.com***AGENDA ITEM NO. 23-F*****Approve Amended and Restated Easement Agreement with
Sherwin Alumina Company, LLC, for PCCA's Access from
SH-35 to its La Quinta Property Via La Quinta Road**

Soon after the PCCA purchased the La Quinta Property in 1998, staff identified a need for access to the property from the private roadway running along the east boundary of the tract and the Commission approved an agreement with Reynolds Metals Company allowing the PCCA to use its private road for access to and from the PCCA property by PCCA employees and lessees performing farming and ranching operations on the PCCA property. The land and the roadway are now owned by Sherwin Alumina Company, LLC (Sherwin), and on March 12, 2013, the Port Commission approved an easement agreement with Sherwin that opened the use of La Quinta Road for purposes other than farming and ranching. There is a large drainage ditch, also located on Sherwin property, running between the roadway and the eastern boundary of the PCCA La Quinta property, and it is crossed at two locations providing access from the roadway to the PCCA property. The PCCA is now requesting an amendment to the easement agreement with Sherwin to add an additional crossing of the ditch at a location directly east of the proposed AEP electrical substation planned to serve the PCCA, voestalpine, Cheniere, and other potential PCCA customers and nearby industry. See attached exhibit.

Staff has approached representatives of Sherwin with a proposal to amend the Easement Agreement to add the additional crossing. Sherwin is receptive to the proposal; and Sherwin, reportedly, is also granting similar easements to AEP and Cheniere for this crossing location. Accordingly, staff has prepared a new survey of the roadway easement which includes the three access points and has negotiated the attached amended and restated easement agreement for your consideration. There will be no fee payable to Sherwin in connection with the execution of this agreement.

Staff recommends approval of the attached Amended and Restated Easement Agreement with Sherwin Alumina Company, LLC.

LEAD CONTACT: David Krams; 885-6134; krams@pocca.com



h:\ben vasquez\drawings & exhibits\la quinta\road use agreement.dwg



PORT CORPUS CHRISTI
335

PORT OF CORPUS CHRISTI AUTHORITY

ROAD USE AGREEMENT

SCALE: 1"=±1,500'
DWN. BY: BEN V

EXHIBIT "A"

DATE: 2013/12/03
TIME: 10:15:18

AMENDED AND RESTATED EASEMENT AGREEMENT

THIS AMENDED AND RESTATED EASEMENT AGREEMENT ("Agreement") is made and entered into effective as of December 10, 2013 (the "Effective Date") between **SHERWIN ALUMINA COMPANY LLC** ("Sherwin") and the **PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS** (the "Authority"),

WHEREAS, pursuant to that certain Easement Agreement by and among Sherwin and the Authority dated March 12, 2013 ("Original Easement Agreement"), Sherwin granted to the Authority and its tenants a permanent non-exclusive easement over and across a portion of a private road owned by Sherwin for ingress to and egress from property owned by the Authority and situated adjacent to Sherwin property commonly known as La Quinta Road (the "Roadway") and a drainage ditch (the "drainage ditch") alongside the Roadway, situated in San Patricio County, Texas, as more particularly described in "Exhibit A" and shown on "Exhibit B" attached hereto and incorporated herein by reference; and

WHEREAS, the Authority and Sherwin wish to amend and restate the Original Easement Agreement to provide a more accurate description of the property subject to the easement; and

NOW, THEREFORE, in consideration of the promises and the mutual covenants herein contained, and for other valuable consideration, the receipt and sufficiency of which is acknowledged, Sherwin and the Authority agree to amend and restate the Original Easement Agreement in its entirety as follows:

1. Sherwin hereby grants and the Authority hereby accepts on behalf of itself and its tenants a permanent non-exclusive easement to use the Roadway in connection with operations of Authority, including, but not limited to, the right to use the Roadway for construction of improvements on Authority owned land and access for operations of Authority's tenants, including but not limited to, construction of improvements on the land leased by them from Authority, and farming and ranching, subject to the terms and conditions set forth in this Agreement, and subject to all prior and future easements, agreements and restrictions affecting the Roadway.

2. The Roadway located upon the Sherwin property does not adjoin the eastern boundary of Authority's adjacent lands and there is a drainage ditch of varying width located between the western edge of the Roadway and the eastern boundary of the Authority's lands. In connection with the use of the Roadway and for the purpose of providing access across the drainage ditch to Authority's adjacent land, Sherwin hereby grants and the Authority hereby accepts the right to use and maintain any existing bridges and the right in the future to construct and maintain any additional bridges crossing the drainage ditch, all such bridges to be constructed and maintained at the sole expense of the Authority at locations mutually agreed upon by Sherwin and the Authority and built to design standards acceptable to Sherwin. Sherwin grants and the Authority hereby accepts a permanent non-exclusive easement to use the bridge(s) in connection with operations of Authority, including, but not limited to, the right to use the bridge(s) for construction of improvements on Authority owned land and for operations of Authority's tenants, including but not

limited to, construction of improvements on the land leased by them from Authority and for farming and ranching operations, all such use subject to the terms and conditions set forth in this Agreement, and subject to all prior and future easements, agreements and restrictions affecting the drainage ditch and the Roadway.

3. The use of the Roadway and bridges by the Authority or its tenants is at the sole risk of the Authority or its tenants. To the extent permitted by law, Authority shall protect, defend and indemnify Sherwin, its officers, directors employees, agents and representatives, and their respective successors and assigns, from and against any and all losses, damages, liabilities, claims, actions, fees, costs and expenses (including, but not limited to, reasonable attorney's fees) which, either directly or indirectly, are in any way connected with, arise out of or result from (a) the rights, privileges and authority hereby granted and/or (b) the use of the Roadway by Authority or its tenants, including, but not limited to, actual or alleged bodily injury (including death) or damage or destruction of any property.

4 The Authority shall cooperate, and will require its tenants to cooperate, with Sherwin in maintaining the status of the Roadway as a private road. The Authority and its tenants shall not interfere with Sherwin's efforts to erect and maintain private road signs at the entrances to the Roadway and will require its tenants to cooperate with Sherwin in maintaining a lockable gate at the entrance to the Roadway.

5. Sherwin hereby expressly reserves the right to use the Roadway and the right to permit others to use the Roadway.

6. The Authority shall not assign any of the rights herein granted, in whole or in part without the prior written consent of Sherwin.

7. Nothing contained in this Agreement will be deemed to be a gift or dedication of any portion of the Roadway to the general public or for any public purpose whatsoever, it being the intention of the parties that this Agreement be strictly limited to and for the purposes expressed herein.

8. The terms "tenants of the Authority," "the Authority's tenants" and similar references shall be construed to mean those persons leasing the Authority's property which adjoins the Roadway and their successors in interest.

9. Any notice required or permitted hereunder shall be given in writing sent by United States Postal Service certified mail, postage prepaid, sent to the following:

To Sherwin:	Sherwin Alumina Company LLC
	P.O. Box 9911
	Corpus Christi, TX 78469
	Attn: Plant Engineering

To the Authority: Port of Corpus Christi Authority of Nueces County, Texas
P.O. Box 1541
Corpus Christi, Texas 73403
Attn: Director of Engineering Services

The addresses set forth above may be changed by notice in the manner set forth.

10. This Agreement constitutes an amendment to, and a complete restatement of, the Original Easement Agreement. This Agreement embodies the complete agreement between the parties hereto and cannot be varied or terminated except by the written agreement of the parties.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives effective as of the Effective Date.

SHERWIN ALUMINA COMPANY LLC

By: _____
Michael Douglas
Engineering Director

**PORT OF CORPUS CHRISTI AUTHORITY OF
NUECES COUNTY, TEXAS**

By: _____
John P. LaRue
Executive Director

STATE OF TEXAS §
 §
COUNTY OF NUECES §

This instrument was acknowledged before me on the ____ day of December, 2013, by JOHN P. LARUE, Executive Director of the Port of Corpus Christi Authority of Nueces County, Texas, on behalf of the Authority.

NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of December 2013, by Michael Douglas, Engineering Director of SHERWIN ALUMINA COMPANY LLC, on behalf of said company.

NOTARY PUBLIC, STATE OF TEXAS



Govind Development, LLC
Engineering Division
9359 IH-37, Suite A • Corpus Christi, TX 78409

www.govinddevelopment.com
Office: (361) 241-2777 • Fax: (361) 241-2200

13POC093

November 26, 2013

**EXHIBIT A
METES AND BOUNDS DESCRIPTION
OF A
8.539 ACRE ACCESS EASEMENT**

Being an access easement containing 8.539 acres of land, more or less, out of a 29.59 acre tract described in Exhibit A as Tract II in Document No. 2004020957, Official Public Records of Nueces County, Texas, and this 8.539 acre tract access easement being more particularly described by metes and bounds as follows:

Beginning at the northeast corner of this easement, said corner having a State Plane Grid Coordinate of N 17,223,307.75', E 1,376,939.45', NAD'83, Texas South Zone in U.S. feet, and said corner being on the north boundary of said 29.59 acre tract, the same being the south right-of-way line of Texas Highway No. 35, and bearing S 84-29-40 W, 37.97 feet, from a found concrete monument at the northeast corner of said 29.59 acre tract, the same being the northwest corner of a 832.0 acre tract recorded in Document No. 200100017, Official Public Records of Nueces County, Texas;

Thence leaving said south right-of-way line of State Highway 35 and entering said 29.59 acre tract, S 17-47-56 E with the east boundary of this easement, 8944.93 feet, to the southeast corner of this easement, said corner being on the south boundary of said 29.59 acre tract, the same being the north boundary of a 212.20 acre tract recorded in Document 2001000017, Official Public Records of Nueces County, Texas, and bearing S 72-17-19 W, 19.39 feet, from a found 5/8-inch iron rod for the southeast corner of said 29.59 acre tract;

Thence S 72-17-19 W with the south boundary of this easement and said 29.59 acre tract, the same being the north boundary of said 212.20 acre tract, 40.00 feet, to a found 5/8-inch iron rod for the southwest corner of this easement, the same being the northwest corner of said 212.20 acre tract and said corner being on the east boundary of a 28.91 acre drainage easement recorded in Clerk File No. 523132, Real Property Records of San Patricio County, Texas;

Thence N 17-47-56 W with the west boundary of this easement, the same being the east boundary of said 28.91 acre drainage easement and running 40.00 feet west of and parallel to the east boundary of this easement, 40.80 feet, to an interior corner of this easement;

Thence S 72-12-04 W with a south boundary of this easement and crossing said 28.91 acre drainage easement, 80.35 feet, to a southwest corner of this easement, said corner being on the west boundary of said 29.59 acre tract and said 28.91 acre drainage easement, the same being the east boundary of a 930.28 acre tract recorded in Document No. 1998005467, Official Public Records of Nueces County, Texas;

Thence N 17-44- 18 W with the west boundary of this easement and said 29.59 acre tract and said 28.91 acre drainage easement, the same being the east boundary of said 930.28 acre tract, 60.00 feet, to a northwest corner of this easement;

Thence N 72-12-04 E with a north boundary of this easement, 80.28 feet, to an interior corner of this easement, said corner being on the east boundary of said 28.91 acre drainage easement;

Thence N 17-47-56 W with the west boundary of this easement, the same being the east boundary of said 28.91 acre drainage easement and running 40.00 feet west of and parallel to the east boundary of this easement, 2880.00 feet, to an interior corner of this easement;

Thence S 72-12-04 W with a south boundary of this easement and crossing said 28.91 acre drainage easement, 77.24 feet, to a southwest corner of this easement, said corner being on the west boundary of said 29.59 acre tract and said 28.91 acre drainage easement, the same being the east boundary of said 930.28 acre tract;

Thence N 17-44-18 W with the west boundary of this easement and said 29.59 acre tract and said 28.91 acre drainage easement, the same being the east boundary of said 930.28 acre tract, 60.00 feet, to a northwest corner of this easement;

Thence N 72-12-04 E with a north boundary of this easement, 77.18 feet, to an interior corner of this easement, said corner being on the east boundary of said 28.91 acre drainage easement;

Thence N 17-47-56 W with the west boundary of this easement, the same being the east boundary of said 28.91 acre drainage easement and running 40.00 feet west of and parallel to the east boundary of this easement, 1945.62 feet, to an interior corner of this easement;

Thence S 72-12-04 W with a south boundary of this easement and crossing said 28.91 acre drainage easement, 75.18 feet, to a southwest corner of this easement, the same being the southeast corner of a 0.346 acre AEP access easement, said corner being on the west boundary of said 29.59 acre tract and said 28.91 acre drainage easement, the same being the east boundary of said 930.28 acre tract;

Thence N 17-44-18 W with the west boundary of this easement and said 29.59 acre tract and said 28.91 acre drainage easement, the same being the east boundary of said 930.28 acre tract and said 0.346 acre AEP access easement, 60.00 feet, to a northeast corner of this easement, the same being the northeast corner of said AEP access easement;

Thence N 72-12-04 E with a north boundary of this easement, 75.10 feet, to an interior corner of this easement, said corner being on the east boundary of said 28.91 acre drainage easement;

Thence N 17-47-56 W with the west boundary of this easement, the same being the east boundary of said 28.91 acre drainage easement and running 40.00 feet west of and parallel to the east boundary of this easement, at 3846.55 feet pass the northeast corner of said 28.91 acre drainage easement, in all 3907.16 feet, to the northwest corner of this easement, said corner being on the north boundary of said 29.59 acre tract, the same being the south right-of-way line of State Highway 35;

Thence N 84-29-40 E with the north boundary of this easement and said 29.59 acre tract, the same being the south right-of-way line of State Highway 35, 40.93 feet, to the point of beginning and containing 8.539 acres of land, more or less.

GOVIND DEVELOPMENT, LLC

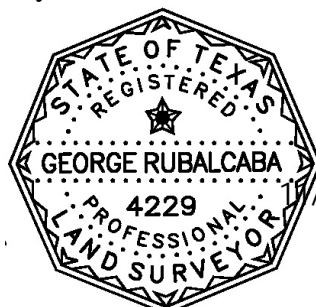


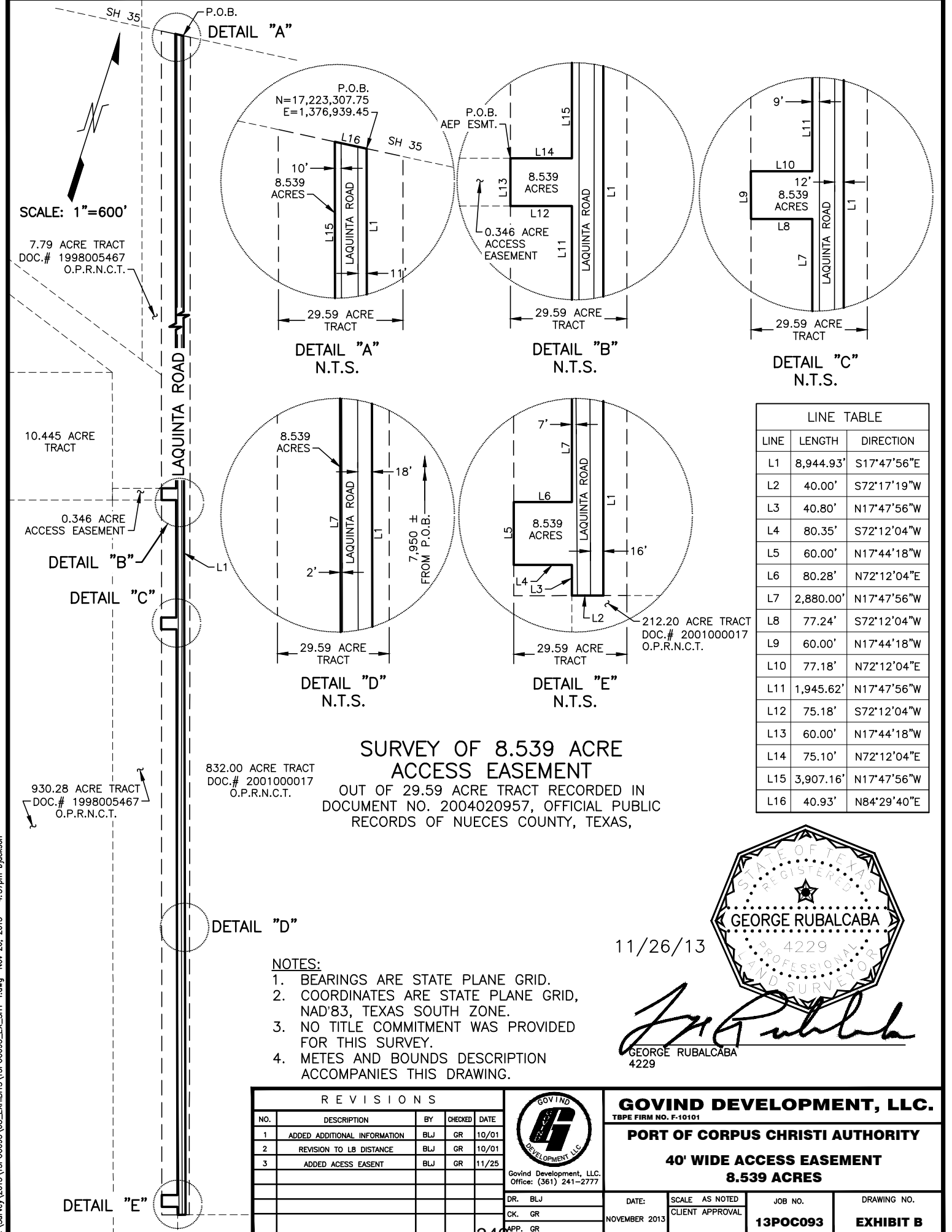
George Rubalcaba, RPLS, LSLS

Survey Group Manager

Notes:

1. Bearings are State Plane Grid, NAD'83.
2. Drawing Exhibit B accompanies this metes and bounds description.





SCALE: 1"=600'

7.79 ACRE TRACT
DOC.# 1998005467
O.P.R.N.C.T.

10.445 ACRE TRACT

0.346 ACRE ACCESS EASEMENT

930.28 ACRE TRACT
DOC.# 1998005467
O.P.R.N.C.T.

832.00 ACRE TRACT
DOC.# 2001000017
O.P.R.N.C.T.

SURVEY OF 8.539 ACRE ACCESS EASEMENT
OUT OF 29.59 ACRE TRACT RECORDED IN
DOCUMENT NO. 2004020957, OFFICIAL PUBLIC
RECORDS OF NUECES COUNTY, TEXAS,

LINE TABLE		
LINE	LENGTH	DIRECTION
L1	8,944.93'	S17°47'56"E
L2	40.00'	S72°17'19"W
L3	40.80'	N17°47'56"W
L4	80.35'	S72°12'04"W
L5	60.00'	N17°44'18"W
L6	80.28'	N72°12'04"E
L7	2,880.00'	N17°47'56"W
L8	77.24'	S72°12'04"W
L9	60.00'	N17°44'18"W
L10	77.18'	N72°12'04"E
L11	1,945.62'	N17°47'56"W
L12	75.18'	S72°12'04"W
L13	60.00'	N17°44'18"W
L14	75.10'	N72°12'04"E
L15	3,907.16'	N17°47'56"W
L16	40.93'	N84°29'40"E

- NOTES:**
1. BEARINGS ARE STATE PLANE GRID.
 2. COORDINATES ARE STATE PLANE GRID, NAD'83, TEXAS SOUTH ZONE.
 3. NO TITLE COMMITMENT WAS PROVIDED FOR THIS SURVEY.
 4. METES AND BOUNDS DESCRIPTION ACCOMPANIES THIS DRAWING.

11/26/13

STATE OF TEXAS
REGISTERED
GEORGE RUBALCABA
4229
PROFESSIONAL
LAND SURVEYOR

George Rubalcaba
GEORGE RUBALCABA
4229

REVISIONS				
NO.	DESCRIPTION	BY	CHECKED	DATE
1	ADDED ADDITIONAL INFORMATION	BLJ	GR	10/01
2	REVISION TO L8 DISTANCE	BLJ	GR	10/01
3	ADDED ACCESS EASEMENT	BLJ	GR	11/25

GOVIND
DEVELOPMENT, LLC.
Govind Development, LLC.
Office: (361) 241-2777

GOVIND DEVELOPMENT, LLC.
TSPF FIRM NO. F-10101
PORT OF CORPUS CHRISTI AUTHORITY
40' WIDE ACCESS EASEMENT
8.539 ACRES

DR. BLJ	DATE: NOVEMBER 2013	SCALE AS NOTED CLIENT APPROVAL	JOB NO. 13POC093	DRAWING NO. EXHIBIT B
---------	---------------------	-----------------------------------	----------------------------	---------------------------------

DATE: December 10, 2013

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 23-G

**Award a Contract to Affolter Contracting Company Inc., the
Lowest and Best Bidder Based on Bids Received on November 13, 2013,
for Savage Lane Railroad Drainage Improvements**

The PCCA owns the right-of-way along the Savage Lane railroad line extending from Up River Road to Highway 44. Severe erosion caused by water draining from adjacent property is evident along portions of this steep banked right-of-way. In the past, this erosion has caused washouts that block drainage and in some areas has covered the railroad tracks with mud and water. Drainage improvements and bank stabilization are required to prevent further washouts. Work on this project was initiated in 1992, and the right-of-way is maintained with recurring follow-up maintenance.

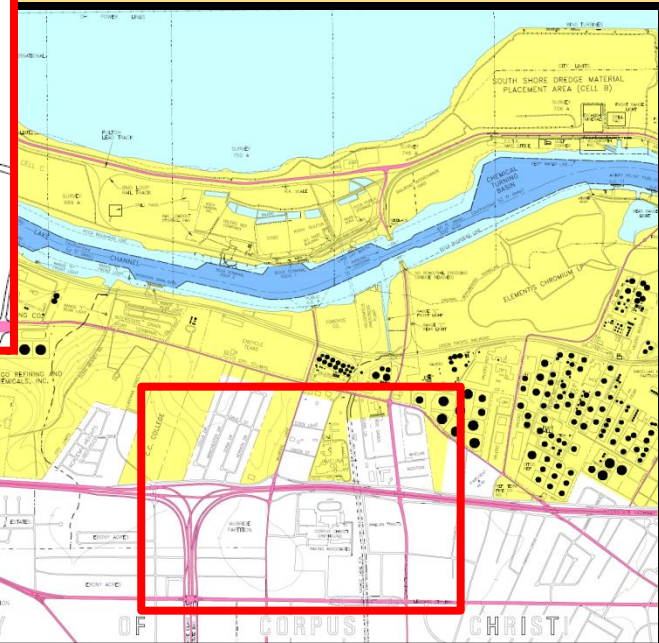
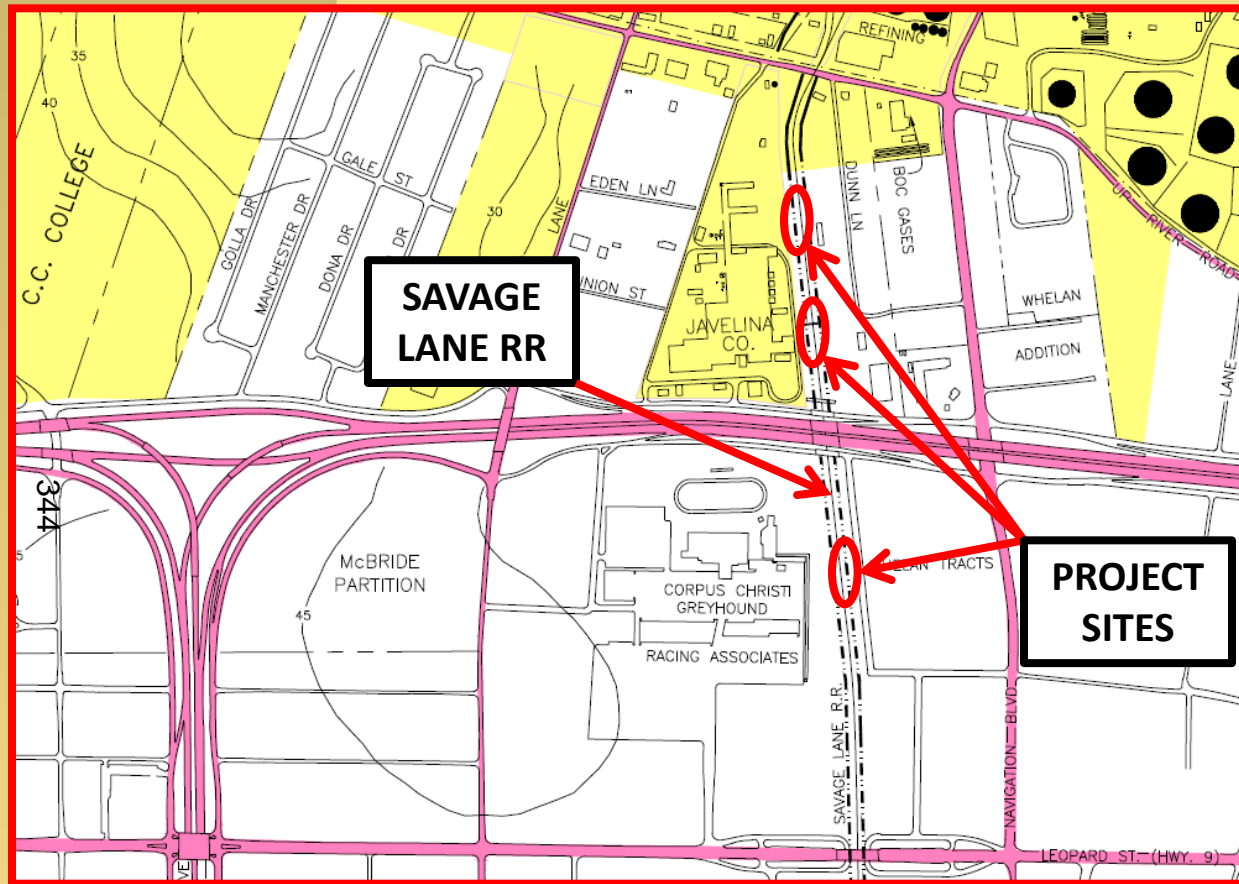
The scope of work for the 2014 Savage Lane Railroad drainage improvements includes filling, grading, seeding, and installing slope protection geomat in selected areas as shown on the attached exhibit.

On November 13, 2013, we received five responses to our Notice to Bidders (see attached bid tabulation sheet). The apparent low bid was submitted by Affolter Contracting Company Inc. (Affolter) in the amount of \$64,691.00. James Affolter is the president of Affolter Contracting Company Inc. out of Texas City, Texas, and has been in business since 1955. Affolter is currently working for the PCCA on the Rincon Canal B site improvement project. They are ahead of schedule on that project and staff is pleased with their work.

Staff recommends a contract be awarded to Affolter Contracting Company Inc. in the total amount of \$64,691.00 for the base bid work. Staff further recommends that the Director of Engineering Services be granted a 10% contingency in accordance with the standard contingency guidelines for marine and rehabilitation projects.

LEAD CONTACT: David Krams; 885-6134; krams@pocca.com

Savage Lane Railroad Drainage Improvements





BID TABULATION FOR SAVAGE LANE RAILROAD DRAINAGE IMPROVEMENTS (RE-BID)
PROJECT NO. 13-022A
Bid Opening: November 13, 2013 at 2:00 p.m.

Company Name	Bid Bond or Check	Base Bid ^A	Time of Delivery*	Addendum No 1
Affolter Contracting Company, Inc.	5% Bid Bond	\$64,691.00	30	X
CAS Companies, LP	5% Bid Bond	\$88,931.71	45	X
Ram-Bro Contracting, Inc.	5% Bid Bond	\$96,770.00	60	X
Garrett Construction	5% Bid Bond	\$112,000.00	40	X
H&S Constructors, Inc.	5% Bid Bond	\$117,000.00	90	X

*In calendar days

^A BASE BID: Includes slope protection, grading and drainage improvements in select areas. This is a Lump Sum bid item.

Read By: Jacob Morales, P.E.

Tabulated By: Bert Perez, P.E.

Checked & Prepared By: Melinda Maldonado

Date: November 13, 2013

DATE: December 10, 2013

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 23-H

**Increase Contingency under PCCA's Contract with
J. Carroll Weaver Inc. for La Quinta Road and Rail Project
to Add Unpaved Service Access Roads**

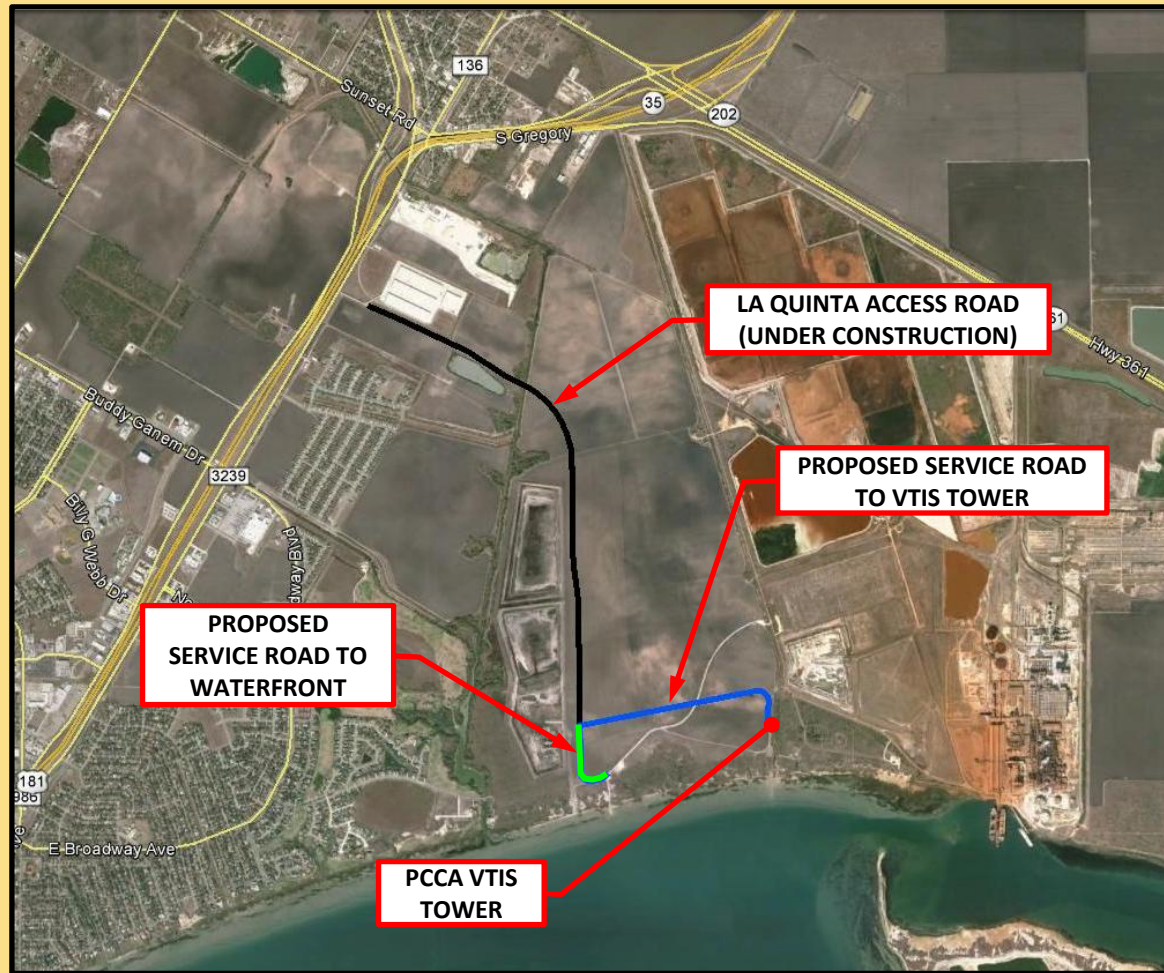
On May 14, 2013, the Port Commission approved a \$3,184,642.19 contract with J. Carroll Weaver Inc. (Weaver) to construct a road and bridge at the La Quinta project site. The project is now near completion. The new access road begins at Gulf Compress just off the US 181 access road, crosses the Green Lake drainage ditch, then generally runs along the east side of Dredge Material Placement Area 14 and terminates near the southeast corner of the voestalpine Texas Holdings, LLC, lease site. Now that voestalpine appears to be moving forward with development of the first phase of their facility, which includes a conveyor corridor from their main site to their east dock, access to the PCCA communication tower and waterfront area, which were previously accessed by marginally improved pathways through the voestalpine lease premises, will be cut off. Therefore, alternative roadways will be necessary to gain access to the waterfront and the VTIS tower from the new access road. Staff designed new road extensions and negotiated a price of \$339,665.63 with Weaver to complete the work. The road extension will consist of a 20-foot wide, 6-inch thick limestone base road, approximately 5,813 feet long extending south to the waterfront and westward along the boundary of the voestalpine lease to the PCCA communication tower. See attached Exhibit.

At the time of contract award, the Port Commission approved a contingency of \$95,539.26 or 3% of the contract amount. To date, \$12,883.50 of that contingency has been expended. Staff requests that an additional contingency of \$300,000 be approved for this contract, for a total contingency of \$395,539.26, to allow a change order to be finalized with J. Carroll Weaver Inc. for this road extension.

Staff recommends approval of an increase in contingency in the amount of \$300,000 and further recommends approval of the attached Change Order No. 3 with J. Carroll Weaver Inc. in the amount of \$339,665.63 for construction of approximately 5,813 linear feet of unpaved limestone service roads.

LEAD CONTACT: David Krams; 885-6134; krams@pocca.com

La Quinta Road and Bridge Project – Service Access Road Addition





La Quinta Road and Bridge Project – Service Access Road Addition

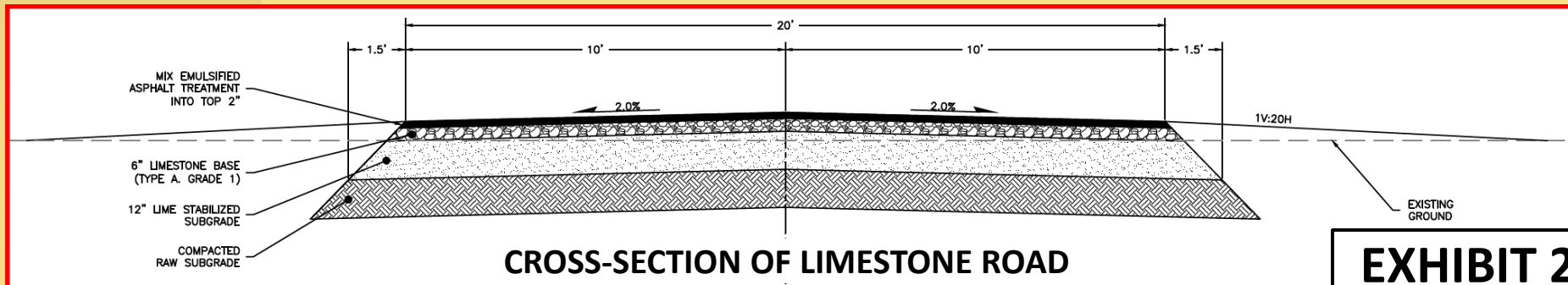
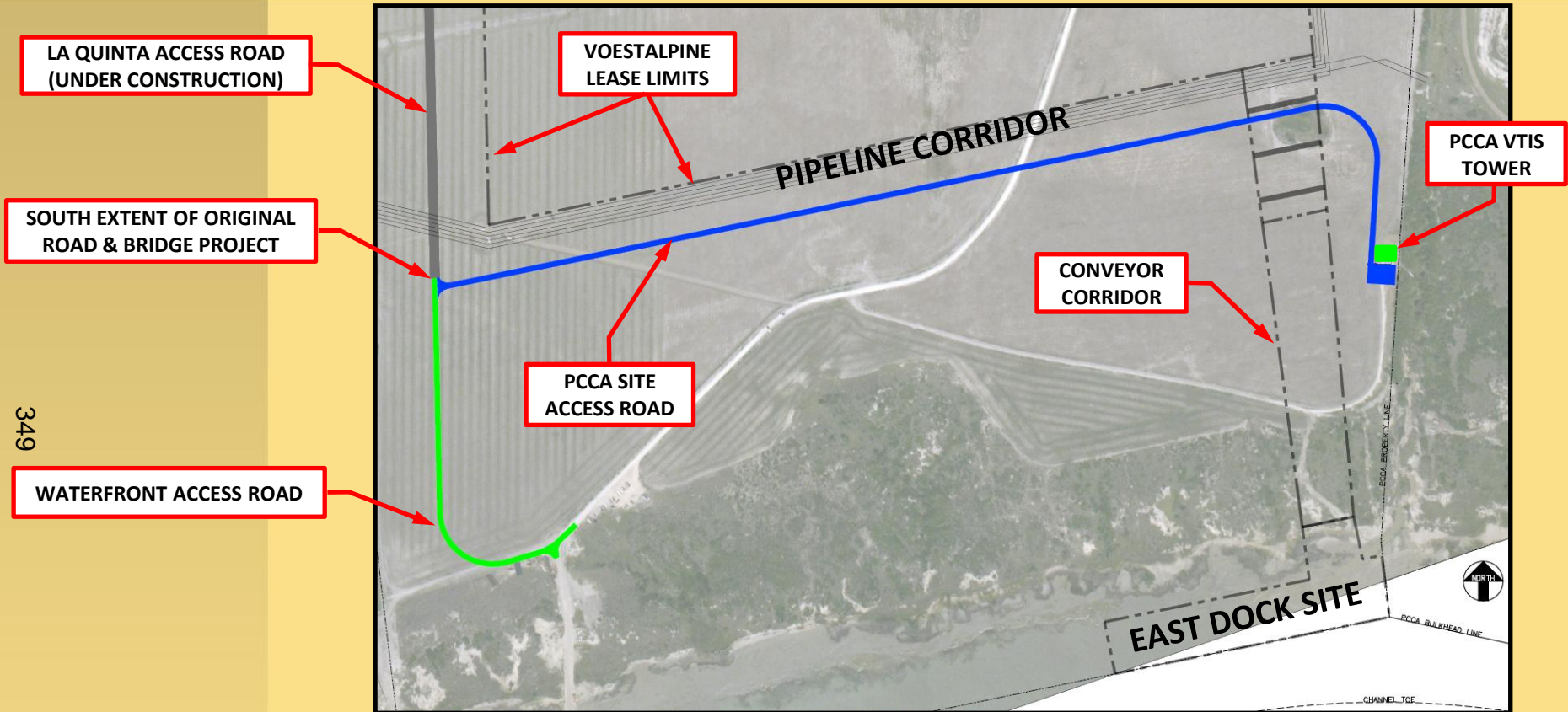
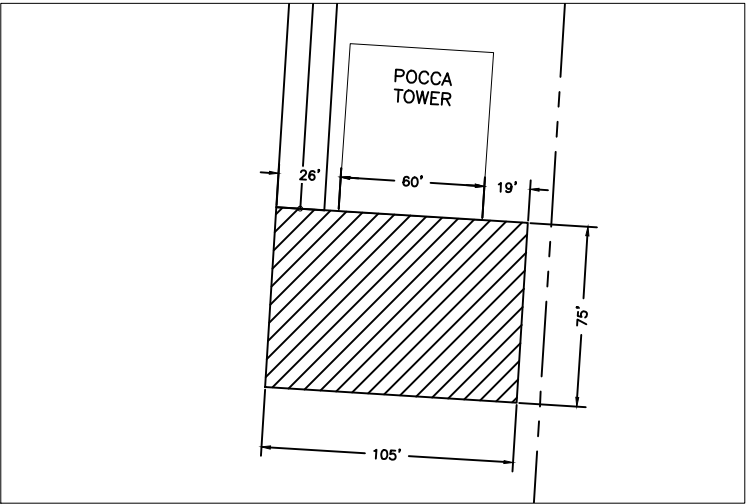
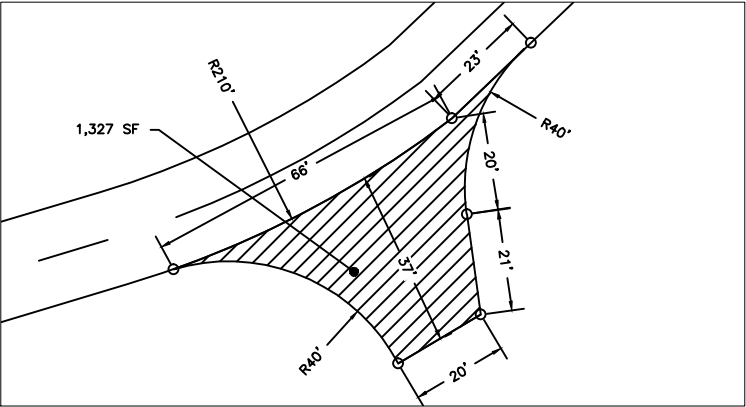


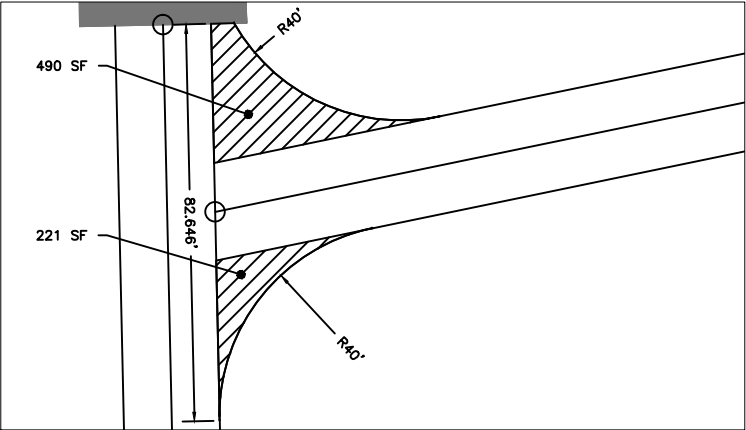
EXHIBIT 2



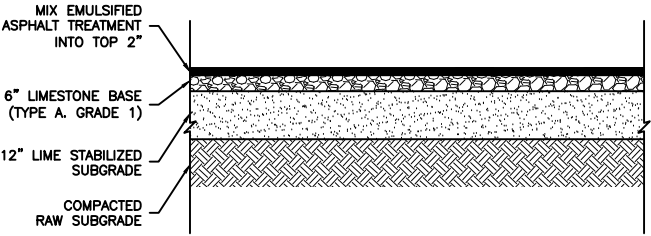
02
01 01
PARKING/TURNAROUND
SCALE
0 40' 80'



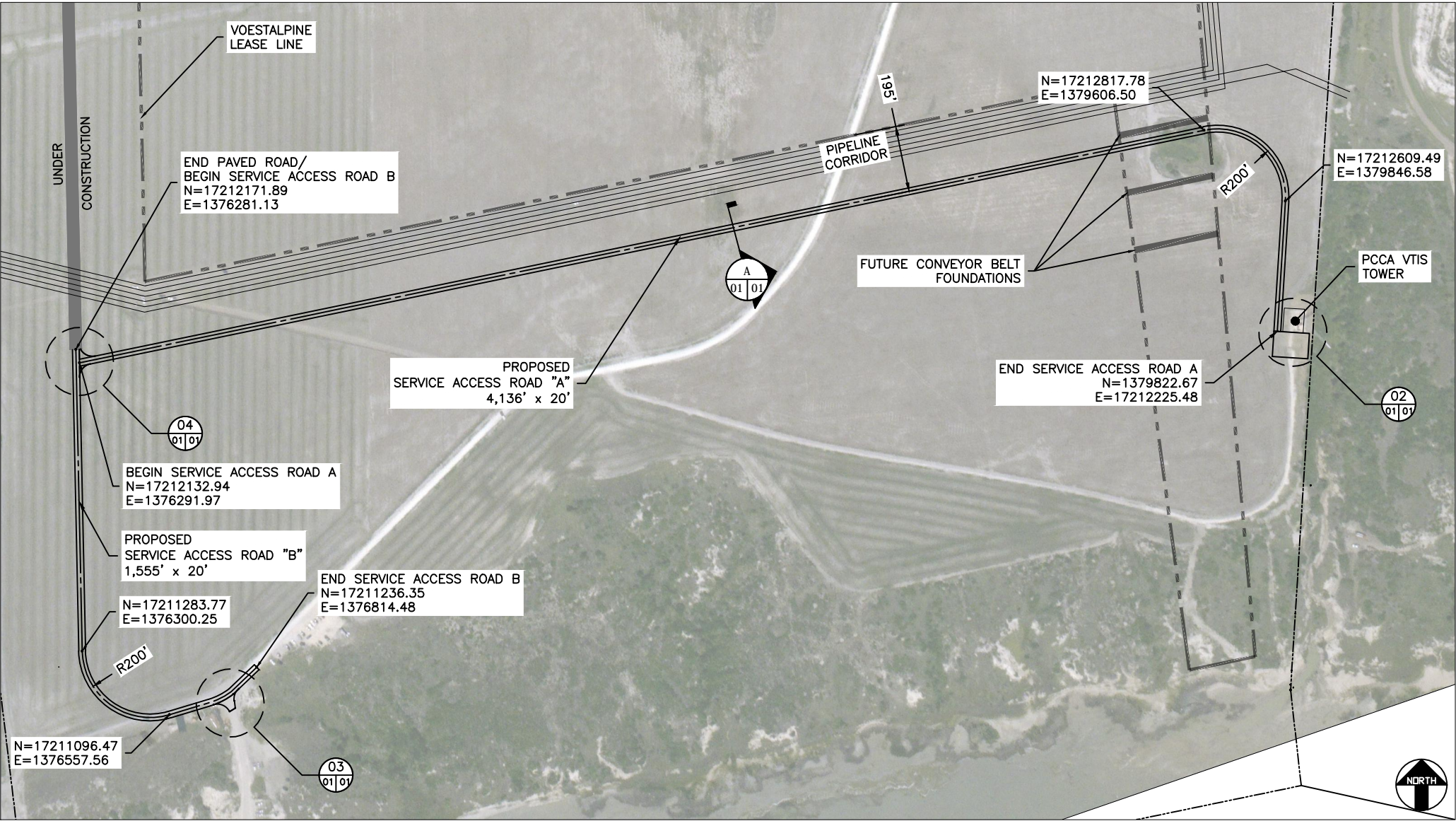
03
01 01
TURNAROUND
SCALE
0 20' 40'



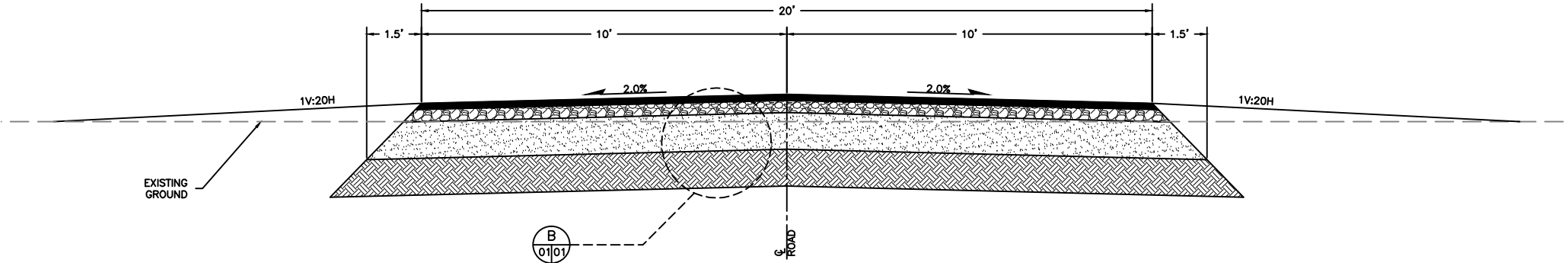
04
01 01
UNPAVED INTERSECTION
SCALE
0 20' 40'



B
01 01
PAVEMENT DESIGN DETAIL
NOT TO SCALE



01
01 01
PLAN
SCALE
0 200' 400'



A
01 01
TYPICAL SECTION
NOT TO SCALE

PCCA PROJ. #07-037C

SHEET 01 OF 01

THIS DOCUMENT IS
RELEASED FOR THE
PURPOSE OF REVIEW.
IT IS NOT TO BE USED
FOR CONSTRUCTION,
BIDDING, PERMITTING,
ETC...

NO.	DATE	REVISION



PORT OF CORPUS CHRISTI AUTHORITY		
LA QUINTA PROPOSED UNPAVED SERVICE ACCESS ROADS CHANGE ORDER 3		
SCALE: AS NOTED	PLAN & DETAILS	DATE: 12/4/2013
DWN. BY: BEN		DWG. NO. 07-037C C03-01

CHANGE ORDER

Change Order No. 3
Date: December 10, 2013
Page: 1 of 1

PROJECT: La Quinta Road/Bridge Project
PROJECT NUMBER: 07-037C
CONTRACTOR: J. Carroll Weaver, Inc.

This contract is modified to include the changes listed below, and the contract price and/or contract time will be changed to reflect these modifications:

Furnish, place and construct, approximately 5813 LF of 20' wide, 6" thick limestone base road that extends southward from the project termination point to the waterfront and westward to the PCCA communication tower, in accordance with attached Dwg. No. 07-037C CO3-01 dated December 4, 2013.

Increase in Contract Price: \$ 339,665.63
Increase in Contract Time: 60 days

Original Contract Amount: \$ 3,184,642.19
Total Amount of Previous Change Orders: \$ 12,883.50
Amount of this Change Order: \$ 339,665.63
Revised Contract Amount: \$ 3,537,191.32

Notice to Proceed Date: June 11, 2013
Original Contract Time: 180 days
Previous Changes in Contract Time: 12 days
Calendar Days for this Change Order: 60 days
Revised Contract Time: 252 days
Required Completion Date: February 18, 2014

The change in contract price incorporates all costs for this Change Order including but not limited to the following—direct and indirect costs, overhead, profit, insurance, bonds, labor, materials, equipment, supervision, and delays. This Change Order is accepted and executed by the Port of Corpus Christi Authority and J. Carroll Weaver, Inc. as signed by their duly authorized representatives below.

Port of Corpus Christi Authority

J. Carroll Weaver, Inc.

By: _____
Daniel J. Koesema, P.E.
Senior Project Engineer

By: _____
Bennie Vickers
Vice President

By: _____
David L. Krams, P.E.
Director of Engineering Services

Date: _____

Date: December 10, 2013

DATE: December 10, 2013

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 23-I

**Approve Professional Services Purchase Order with
Maverick Engineering Inc. for Additional Engineering Services
Associated with the Fire and Waterline Rehabilitation Project
at the Inner Harbor Dock Facilities**

Earlier this year, Maverick Engineering Inc. (MEI) performed inspections, evaluations, and engineering to prepare bid documents for rehabilitation of the fire and waterlines at the Inner Harbor dock facilities. In November 2013, the Commission awarded a \$450,000 contract to H&S Constructors Inc. for this project which includes work at Oil Docks 1, 2, 6, and 12 and at Cargo Docks 1 and 2. To assist in the administration and inspection of this project, staff requested a proposal from MEI to perform additional engineering services during the construction phase. Work will generally consist of on-site construction observation, inspections, and field recommendations, and will be performed on a time and material basis at an estimated cost of \$10,000. Also, during final design, staff requested that MEI perform design services beyond the original scope of work to include an additive bid item for applying a moisture barrier coating on the under-dock concrete surfaces at Cargo Docks 1 and 2. This additional design work totaled \$8,832.

Staff recommends approval of an additional professional services purchase order to MEI in an amount not to exceed \$20,000 for the additional services performed during the design phase and the remaining as-needed engineering services during construction. If approved, total professional services purchase orders with MEI for this project would be \$69,877.

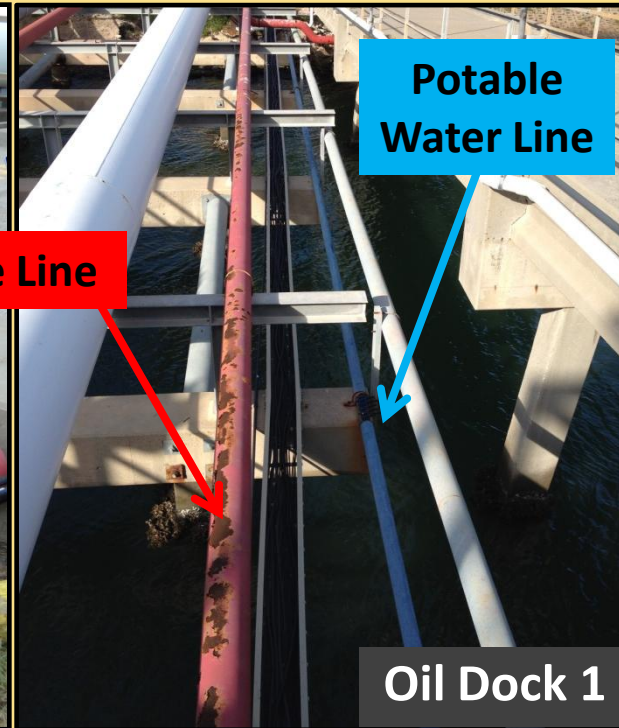
LEAD CONTACT: David Krams; 885-6134; krams@pocca.com



Fire & Water Line Rehabilitation at Inner Harbor Dock Facilities

Oil Docks 1 & 2

Oil Dock 1



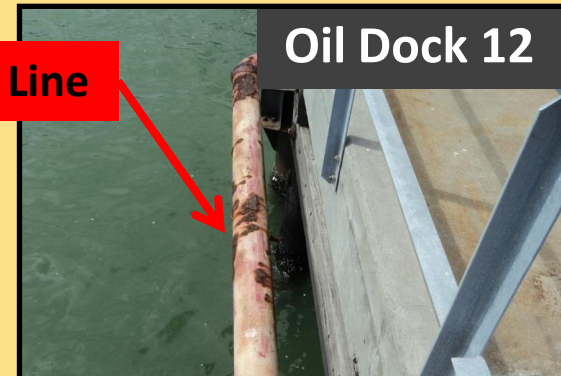
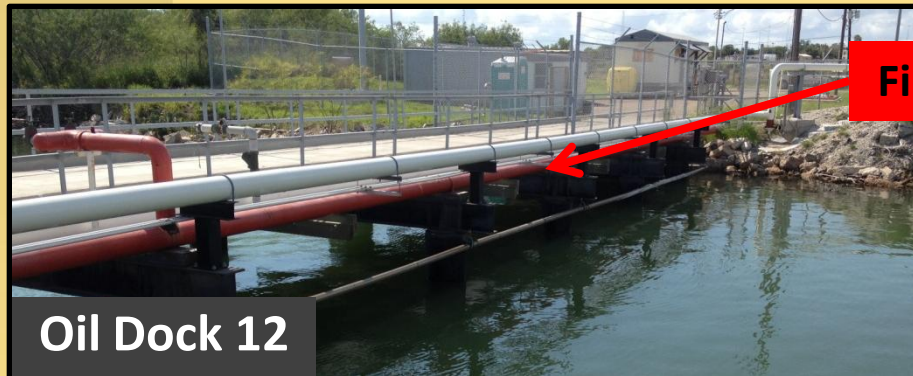
TYPICAL EXISTING CONDITIONS

Fire & Water Line Rehabilitation at Inner Harbor Dock Facilities

Oil Docks 6 & 12



TYPICAL EXISTING CONDITIONS



Fire & Water Line Rehabilitation at Inner Harbor Dock Facilities Cargo Docks 1 & 2



TYPICAL EXISTING CONDITIONS

DATE: December 10, 2013

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 23-J

**Approve a Professional Services Purchase Order with
Sage Environmental Consulting, LP, for Environmental Services
Supporting Air Permitting at the Bulk Terminal**

PCCA maintains two air permits at the Bulk Terminal: Permit #47881 for loading and unloading operations that occur using the gantry crane at Bulk Dock 1 and Permit #9498 for operations at the Bulk Dock 2 facility, which has a system of conveyor belts that can load and unload to and from trucks, railcars, and vessels. Due to planned expansion activities, these permits need to be amended from time to time; and, since the public has expressed significant interest in our operations at the Bulk Terminal regarding potentially handling coal, the permit amendment process can be fairly extensive.

In 2012, PCCA staff conducted consultant interviews with several air permitting companies who could assist the PCCA with permitting amendment activities at the Bulk Terminal. Staff selected Sage Environmental Consulting, L.P. (Sage), and entered into a Consulting Master Services Agreement with Sage on November 30, 2012, with a scope of work that included an update to the Permit Amendment for Bulk Dock 1 that was already in place with the Texas Commission on Environmental Quality (TCEQ), development of an amendment application for Bulk Dock 2, and several other air permitting compliance activities. The fee for this scope of work was \$48,509, and much of the activity has been completed. Then on August 13, 2013, the Commission approved an amendment to the scope of work and a Professional Services Purchase Order in the amount of \$32,000.00.

Through the course of the budget and strategic planning processes, different permitting scenarios have been investigated to determine the best strategy for the air permit amendment for Bulk Dock 2 with regards to projected business and future cargoes. Development of the permit amendment strategy includes running various air modeling iterations to determine compliance with applicable air quality standards. As such, additional monies are needed to run the additional air modeling iterations to incorporate into a final permit amendment to be submitted to the TCEQ by early 2014. Additionally, staff feels it is essential to meet with the TCEQ prior to delivering our permit amendment to review the modeling and permit strategy with them. Fees for the additional work are estimated to be \$12,000.

Staff recommends approval of an additional professional services purchase order in the amount of \$12,000 with Sage Environmental Consulting, L.P., to amend the original scope of work as described above, which will bring the total contract amount to \$92,509.

LEAD CONTACT: David Krams; 885-6134; krams@pocca.com

DATE: December 10, 2013

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 23-K

Approve Purchase of KleinPort Property Management Module

Over the course of the past several years, the PCCA has experienced an increase in the number and complexity of transactions involving PCCA owned real estate. To help manage the workload of reviewing PCCA agreements, sending notices of expiration or renewal of those agreements and monitoring periodic rent increases or minimum throughput rent payments, Engineering Staff, in conjunction with a local consulting firm has developed a database and geographic information system (GIS) capable of tracking certain aspects of leases and easements and generate reports to alert staff of expiring or renewing agreements in order to verify that the terms and conditions of those agreements are being adhered to by the Lessee or Grantee. The GIS system, while a useful tool, is not designed to accommodate more complex leases having multiple revenue streams such as base rent, railcar rent, non-marine cargo rent, minimum throughput obligations and automatic periodic rental adjustments. With approximately 600 active agreements to manage, an improved system is needed.

In July of 2012, the Port Commission approved the purchase of an upgraded version of the software system known as KleinPort N-Tier with enhanced capabilities for use by the PCCA for managing automated billing functions of the Harbormaster's office and the Accounting Department. This system has been installed and is operating well. Klein also offers a Property Management Module (software system) that is designed to work with our GIS system and our accounting system. The system has a billing function that can automatically send notices of rent increases or notices of minimum throughput rents due. The system is designed to seamlessly manage properties, agreements and related billing activities to ensure a greater return on assets and to better accommodate complex lease provisions. We believe this software system will help us better manage our real estate assets.

The 2013 PCCA budget included \$100,000 for the purchase of the software, but no expenditures have been made to date. Staff has been coordinating with representatives of Klein to develop a system tailored to the specifications of the PCCA. The estimated cost of the software is between \$70,000 and \$80,000 dollars and training and other professional services to be provided by Klein for implementation of the software is estimated to be in the range of \$30,000 to \$50,000 dollars. Based upon the estimated figures provided, the PCCA 2014 budget includes \$150,000 for the purchase of the software and its implementation. Staff recommends approval of funds for the purchase and implementation of the KleinPort N-Tier Property Management Module in the amount not to exceed \$150,000.00.

LEAD CONTACT: David Krams; 885-6134; krams@pocca.com

DATE: December 10, 2013

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 24

EXECUTIVE DIRECTOR'S REPORT



Port of Corpus Christi Authority

**Monthly Safety Data Report
November 2013**

Safety	POCCA Employees Total		BMD Personnel		Maintenance Personnel		PD Personnel		Admin. & Annex Personnel	
	Month	YTD	Month	YTD	Month	YTD	Month	YTD	Month	YTD
Number of Employees	166		18		40		44		64	
Hours Worked	26,319	301,122	3,491	36,664	5,752	64,324	7,042	87,572	10,034	112,362
First Aid Cases	0	13	0	0	0	9	0	3	0	1
Recordable Injuries	0	4	0	0	0	4	0	0	0	0
Recordable Illnesses	0	1	0	0	0	1	0	0	0	0
Lost Time Cases	0	4	0	0	0	4	0	0	0	0
Number of Days Lost	30	247	0	0	30	247	0	0	0	0
Restricted Cases	0	1	0	0	0	1	0	0	0	0
Number of Days Restricted	30	87	0	0	30	87	0	0	0	0
TOTAL RECORDABLES	0	6	0	0	0	6	0	0	0	0
INCIDENT RATE (As of 1-1-13)		3.99		0.00		18.60		0.00		0.00
Types of Injuries										
Slips/Trips/Falls	0	2	0	0	0	2	0	0	0	0
Struck By	0	3	0	0	0	3	0	0	0	0
Strains/Sprains	0	3	0	0	0	2	0	1	0	0
Cuts/Lacerations/Punctures	0	1	0	0	0	0	0	1	0	0
Back Injuries	0	0	0	0	0	0	0	0	0	0
Heat Stress	0	1	0	0	0	1	0	0	0	0
Insect Bites	0	1	0	0	0	0	0	0	0	1
Other	0	3	0	0	0	3	0	1	0	1
TOTAL	0	18	0	0	0	13	0	3	0	2
Days Since Last Lost Time Case 127										
Hours Since Last Lost Time Case 164,698										
Days Since Last Recordable Injury/Illness 87										
Hours Since Last Recordable Injury/Illness 73,657										
12 Month Rolling Average										
Date of Last Lost Time Case Friday, July 26, 2013	Date of Last Recordable Wednesday, September 04, 2013		December 2012 - November 2013:				325,016 Hours Worked			
			Occupational Injury/Illness Rate:				5.53			

12 MONTH AVG OSHA Injury/Illness RATE December 2012 - November 2013



POCCA

Average of three NAICS industries - Total Avg. of 4.3

-Support Activities for Transportation (NAICS 488) - IIR Avg. of 3.8
 -Repair and Maintenance (NAICS 811) - IIR Avg. of 3.4
 -Warehousing and Storage (NAICS 493) - IIR Avg. 5.7

HUMAN RESOURCES

General:

New Hires: Jose Conde and David Lopez both hires as Maintenance Workers in the Maintenance Department.

There were (8) random and (1) post-accident drug tests conducted.

Employee meetings were held with the American Family Life Assurance Company (AFLAC) representative to discuss the following:

1. Section 125 of the IRS (Cafeteria Plan) - Employees may save on payroll taxes by pre-taxing their certain qualified medical benefits through payroll deductions.
2. Flexible Spending Account (FSA) - Employees may set aside up to \$2,5000 to be pre-tax annually though payroll for qualified unreimbursed medical expenses (co-pays, deductibles, over-the-counter medications etc)
3. AFLAC Benefits - AFLAC offers an array of benefits that employees may purchase through payroll deductions.

Also met with managers/supervisors: Human Relations, Recruitment, Staffing and Employee Development.

Attended the Management Development Advisory Committee at Del Mar College. The purpose of this committee is to review the Degree requirements and discuss changes recommended by the department heads.

Contract Participation:

As of the end of November there is a total of (359) vendors registered on the established (E-Bid System) web site for businesses doing and wanting to do business with the PCCA. Of the vendors registered (144) are target group vendors. The Target group vendors are: Disadvantaged Business Enterprise (DBE), Historically Underutilized Business (HUB), Minority Business Enterprise (MBE) Woman Owned Business (WOB) and Small Business Enterprise (SBE).

**Port of Corpus Christi Authority
Organizational Chart
November 30, 2013**

DEPARTMENTS	Exempt	Non-Exempt	Temporary	Total
Executive Director	3	0	0	3
Human Resources	2	3	0	5
Managing Director	2	0	0	2
Engineering Services	12	2	0	14
Finance & Admin.	1	1	0	2
Accounting	3	7	0	10
Information Tech	6	0	0	6
Business Development	3	0	1	4
Communications	3	0	0	3
Operations	7	0	0	7
Maintenance	2	39	0	41
Harbormaster's Office	1	8	0	9
Bulk Handling Facility	3	15	0	18
Security/Police Dept.	5	38	0	43
TOTAL	53	113	1	167

E - EXEMPT

NE - NON-EXEMPT

H - HOURLY

T - TEMPORARIES

COMMUNICATIONS

November Events:

- APLA 2013 Conference
- Gulf Ports Fall Conference
- Visit of Chinese delegation
- Port Golf Tournament
- Budget review meetings
- Wellness Meeting with A&M Corpus Christi
- Wellness Luncheon
- Boys & Girls Club CPO Interviews
- Port Users Reception Planning Meeting
- Menger Advisory Team Meeting
- Tree For All Meeting w/Home Depot
- Boys & Girls Club Board Meeting
- Wellness Board Meeting
- CVB monthly meeting

Employee & Community Events:

- | | |
|-------------------------------------|-------------------|
| • Friends of Ark | November 9, 2013 |
| • World Affairs Council / Bin Li | November 13, 2013 |
| • CC Chamber of Commerce | November 13, 2013 |
| • Chinese Delegation Dinner | November 13, 2013 |
| • CC Hispanic Chamber Gala & Awards | November 14, 2013 |
| • CC Black Chamber Reception | November 16, 2013 |
| • Citizens Award Dinner | November 18, 2013 |

November Projects:

- Web Development
 - Providing blog style updates with original content and links to publications featuring our Port. This provides great benefits to SEO (Search Engine Optimization) and inspires mentions and sharing between entities. Eight original content stories published – see below under marketing.
 - Recording Web Stats (Google Analytics 10.27 – 11.26.2013) (Wow, all numbers are up, again!)
 - 10,996 total Visits!! with 6,567 Unique Visitors; 56.6% New Visitors, 43.4% Returning Visitors
 - Top Visitor Locations/# of Visitors (86 total locations) :
 - United States : 10,042
 - Mexico : 157
 - Colombia : 98
 - Canada : 81
 - India : 68
 - United Kingdom : 36

- Top Traffic Sources :
 - Direct : 4,959
 - Search
 - Google : 3,880
 - Bing : 920
 - Yahoo : 453
 - Referrals : 705
 - 1) t21.com.mx : 135
 - 2) portofcorpuschristi.com : 98
 - 3) Irad : 42
- Web Ranking (Alexa.com three month avg.) :
 - 3,439,987 This ranking has consistently increased since our website modernization. Our site ranked well beyond 40 millionth in the world before the update.
 - Sites linking in (Alexa.com three month average) : 147
- Social Media
 - Facebook – 117 Likes;
 - 3,309 Total reach of people for November
 - Twitter – 149 Followers;
 - 29 mentions and retweets for November
 - LinkedIn
 - G+
- Photography / Videography / Documentary
 - CCSC and CC Bay Beauty Photos w/vessels
 - General photos of Port operations/resources/abilities
 - Wind Turbine ops on North and Southside
 - Visiting delegation photos
 - Employee Field Photos for Who's Who
 - Video Production
 - Update of Flyover/Tour Initiatives for affiliate holiday party
- Public Relations / Media Relations
 - Coordinated various interviews for national media inquires with Port Executive Staff
 - Coordinate composition and distribution of "Our Port" newsletter
 - Prepared various Port presentations for Port staff representing the port at conferences
 - Adding new contacts to lists for distribution of press release and newsletter
 - Highlight of Port Police Department employees for "Who's Who @Our Port" newsletter
 - Adding new contacts to lists for distribution of press release and newsletter
 - Assistance with media inquiries for Port information
 - Coordinate, assist, and provide tour for CCTV crew re:Wind Turbine growth in Texas
- Marketing
 - Creating/Writing and Publishing Original Content for <http://portofcorpuschristi.com>
 - [Challenges and Opportunities discussed at successful Eagle Ford Shale Conference](#)

- [Free Trade Alliance TourCorpus Christi's Eagle Ford Edge](#)
- [Port Corpus Christi applauds House of Representatives Members](#)
- [Converted Pipeline to send oil to Trafigura's terminal at Port Corpus Christi](#)
- [Booming oil fields and emerging export leaders](#)
- [voestalpine Texas development at Port Corpus Christi part of groups major expansion plans](#)
- [Major South Texas Investment from Trafigura](#)
- SEO (Search Engine Optimization) trying to improve our ranks in search results (It's working!)
- Social Media research
- Assist General Presentation updates
- Creating, Writing, and Compilation of stories and photos for Our Port newsletter
- Tracking and maintaining a list of Port Corpus Christi in the news 24 mentions for November, see attached PortCCNews list
- Multimedia content production
- Supporting the mission and the promotion of Port Corpus Christi; The Port of the Lone Star State, as part of Our Port's award winning Communications Department

November Media Coverage:

10.30.2013	San Antonio Express	Five years into boom, S. Texas sees struggles, opportunities
11.01.2013	FuelFix	Corpus Christi port an Eagle Ford export hub
11.07.2013	Caller Times San Antonio Business	San Antonio trade alliance members touring Port of Corpus Christi
11.07.2013	Journal	Corpus Christi thrives as Eagle Ford oil and gas heads to its port
11.08.2013	Topix	San Antonio trade alliance members touring Port of Corpus Christi
11.08.2013	NBC News	Eagle Ford Shale giving Port Corpus Christi an edge on Houston
11.08.2013	KRISTV San Antonio Business	Eagle Ford Shale Giving Port of Corpus Christi an Edge on Houston
11.08.2013	Journal	Energy Transfer Partners converts pipeline to carry crude to Corpus Christi terminal
11.10.2013	Dredging Today	Port Corpus Christi Commends House of Representatives (USA)
11.10.2013	Houston Chronicle	Port of Corpus Christi navigates a boom
11.10.2013	San Antonio Express	Corpus port now awash in oil-related business
11.12.2013	Topix	Port of Corpus Christi to deliberate Harbor Island
11.12.2013	Caller Times Steel Times	Harbor Island's future still uncertain in Port Aransas
11.14.2013	International San Antonio Business	Voestalpine plans major expansion outside of Europe
11.14.2013	Journal	Five Minutes with Jeff Kopp, director of oil for Trafigura North America
11.17.2013	San Antonio Express Austin American	Eagle Ford oil transforming Corpus Christi port
11.17.2013	Statesman	Eagle Ford oil transforming Corpus Christi port
11.18.2013	Houston Chronicle	Corpus Christi port
11.18.2013	FuelFix	Eagle Ford oil transforming Corpus Christi port
11.18.2013	ChemInfo	Oil Transforming Corpus Christi
11.20.2013	Caller Times Raymondville	Corpus Christi photos
11.20.2013	Chronicle	Corpus Christi oil exports booming
11.22.2013	KHITV	Unanimous vote for moratorium on Harbor Island development

11.27.2013 Port A South Jetty

LaRue: Port notes community desires in making decisions

Marketing of the Port – MDR:**November Marketing Projects:**

The Communications Department is wrapping up a year and preparing for 2014. We are working on new ad materials for 2014, to include social media buttons for Facebook, Twitter, Google + and LinkedIn. We will also be finalizing the media plan for 2014, which will include media geared toward wind energy, Eagle Ford Shale, heavy lift and breakbulk, and reaching Latin American, Chinese and European audiences. We continue to participate in the START initiative, and had our first e-newsletter go out to over 9,000 people. We look forward to bolstering our relationships with Port of Laredo and Port San Antonio in 2014.

November Current Projects:

- START Initiatives/eBlast
- 2014 Media Planning
- 2014 Ad Creative
- Christmas Collateral
- Port Protocol Manual
- AAPA Profile Update
- Gulf Port Environmental Summit
- POCCA Mascot Graphics
- Account Advising

November 2013 Editorial Focus Ad Content:

- *American Jrnl of Transportation* /Breakbulk Quarterly Review /Improving your supply chain logistics.
- *Breakbulk Magazine* /Bonus Distrib. @ Breakbulk S. America /Oversized cargo? We're all over it.
- *Expansion Solutions* /Top 5 Awards/START editorial /The Port of the Lone Star State.
- *Global Trade Magazine*/ Revisiting rail/truck connections /The Port of the Lone Star State.
- *Panama Maritime Review* /2013 Edition /To reach great depths, DIG DEEP.
- *Shale Magazine*/ Bonus Ad /Eagle Ford Shale Cargo? We're all over it.
- *CentralAmericaDate.com*/ Cargo, Transportation, Logistics /Su alianza logística en Texas
- *Expansion Solutions*/ Homepage Skyscraper /Partner with The Port of the Lone Star State.
- *LatinTrade.com* /Infrastructure /Mejoramos su cadena logística

December 2013 Media Editorial Focus Ad Content:

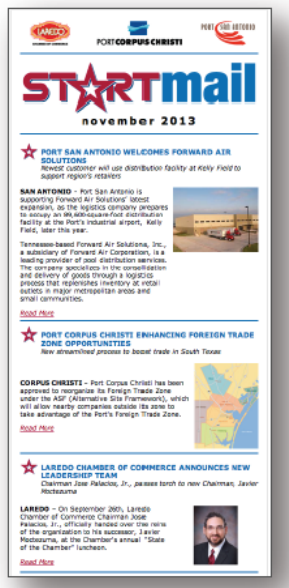
- *Logistics Management*/ Buyers Guide Listing/ Text Listing with Logo
- *Supply Chain Management* /Buyers Guide Listing /Text Listing with Logo
- *CentralAmericaData.com* /Cargo Transp. & Logistics /Su Alianza Logistica en Texas
- *ExpansionSolutionsMagazine.com* /Homepage Skyscraper /Partner with The Port of the Lone Star StateTM

Expansion Solutions Magazine: 7th Annual Awards of Excellence:

We are proud to announce that Port Corpus Christi was awarded *Expansion Solutions Magazine* top five award in the Ports category for 2013. Awards recognize economic development organizations that showed progress and potential in the area of development by recruiting, retaining or assisting growing businesses. Other winners in the Ports category included Port of Portland, Port of South Louisiana, South Jersey Port Corporation and our friends, Port San Antonio.



Current Marketing Developments:



A snippet of the first START e-newsletter. Port Corpus Christi featured a story on the expansion of the Foreign Trade Zone Service Area. Stories link back to the START website at southtexastrade.com.



Port Corpus Christi Christmas cards will be in the mail soon! A very Lone Star Christmas!

GOVERNMENT AFFAIRS

During November 2013, Government Affairs promoted and protected port and regional interests at the local, state and federal levels of government.

LOCAL

- Attended South Texas Water Symposium to discuss water needs for our community; several presentations were given by elected officials.
- Attended Meet/Greet event for Representative J M Lozano.
- Attended Distinguished Award dinner featuring John Sharp as guest speaker honoring Representative Todd Hunter.

STATE

- The Texas Senate released interim charges relating to Agricultural, Rural Affairs & Homeland Security, Health & Human Services and Business & Commerce committees. Government Affairs continues to work with members of Texas Legislature and port consultants to monitor issues affecting port during the interim session.
- Attended Gulf Ports Association of the Americas meeting, various presentations were given including AAPA on federal legislation affecting ports, WRRDA, etc. Government Affairs is assisting with planning Hit the Hill event in February-March 2014.

FEDERAL

- The House-Senate conference committee that will pass the final WRRDA bill (H.R. 3080) held their first hearing in November. Government Affairs sent letters outlining the port's priorities/key provisions to Chairman Shuster and other members of the committee and to our congressional delegation.
- Coordinated meeting with the Military Surface Deployment and Distribution Command (SDDC) representative and port staff to discuss the future of port's planning orders.
- Working with congressional offices and consultants to monitor appropriation bills, WRDA, USACE funding, MAP 21/Freight Network, Harbor Maintenance Trust Fund, Port Security Grant Program funding, etc.



MEMORANDUM

To: Nelda Olivo
From: Hugo Berlanga
Re: December Activity Report
Date: December 3, 2013

Below, please find an update on issues of interest to the Port. Also, please find a brief summary of those activities conducted by Berlanga Business Consultants on behalf of the Port:

All statewide propositions were passed by voters, most notable the passage of Prop 6. Prop 6; passing with 76 percent of the vote, will finance projects that are in the state's water plan with \$2 billion from the Rainy Day Fund.

The special election to replace Sen. Tommy Williams (R-The Woodlands) will be held on May 10th. Reps. Creighton (R-Conroe) and Toth (R-The Woodlands) are vying for the vacant seat.

Sen. Leticia Van de Putte (D-San Antonio) announced her candidacy for Lt. Governor; she will face the winner of a crowded republican field. The race to replace Sen. Wendy Davis (D-Fort Worth), who is running for Governor, is very crowded. Two democrats and three republicans have announced for the open seat. Libby Willis, community leader, and Mike Martinez, energy executive, are the democrats running. Tony Pompa, Arlington School Board Trustee, Konni Burton, Tea Party candidate, and former Rep. Mark Shelton are the republicans in the race.

Speaker Straus has yet to announce any Interim Charges for the House.

Lt. Governor Dewhurst announced some Interim Charges for the Senate below:

Economic Development Committee

1. Study current legislative and regulatory barriers that could impede capital investment, growth, and expansion of Texas businesses. Make recommendations for reducing barriers to entry for professions regulated by Texas Department of Licensing and Regulation, including deregulation, additional reciprocity, and credit for military service.

2. Project and examine the costs and economic impact to Texas businesses in complying with the federal health care law. Make recommendations on options for state government intervention to reduce the negative impact of the federal health care law on Texas business.

State Affairs Committee

- 1, Examine the negative economic impact on Texas business from legal issues involving threatened and actual patent litigation by "patent assertion entities" (PAEs). Consider the effects of PAE actions on innovation and economic development in Texas, paying particular attention to threats and lawsuits involving software and technology patent claims. Make recommendations on how the State of Texas can address problems related to frivolous legal actions and unsubstantiated patent claims asserted against legitimate business enterprises in light of the relevant federal jurisdiction, laws, regulations, and court rules in patent cases.

Veteran Affairs & Military Installations Committee

1. Investigate the impact of federal actions (including the federal government shutdown, sequestration, military force reductions, and potential base closure or realignment) on active-duty service members, the Texas Military Department, veterans, their families, defense-related contractors, small businesses, local governments, and state agencies.
2. Monitor and examine efforts to provide employment and workforce opportunities for veterans, service members, and their families. Make recommendations on how best to continue collaborating with and supporting our honored veterans as they re-enter the civilian workforce, including improving employment opportunities for veterans at all state agencies.
3. Provide an update on the State Strike Force teams' progress and recommendations on any additional steps necessary to ensure that veterans promptly receive all federal disability benefits to which they are entitled.

Agriculture, Rural Affairs & Homeland Security Committee

1. Examine the current regulatory and insurance requirements for the storage of ammonium nitrate, including the role of the State Chemist and the Texas Department of Insurance. Make recommendations on the changes to current law that are needed to eliminate duplication or inconsistencies, improve transparency, and protect Texans' safety without creating an undue burden on Texas businesses.
2. Examine the role of state and local governments regarding recovery operations across the state in the event of a disaster. Study and make recommendations to identify essential personnel and resources needed to increase existing response capabilities. Make recommendation on how state, local governments and

businesses can work together in order to assist with the rebuilding/recovery of affected jurisdictions in the event of a disaster.

Health & Human Services Committee

1. Review the Department of Family and Protective Services' efforts to reduce child fatalities. Review the process by which the Department of Family and Protective Services collects and uses data to evaluate agency performance and improve outcomes for children in the Child Protective Services system. Make recommendations to ensure the process effectively uses data to strategically improve caseworker performance, and identify and improve upon deficiencies within the system and improve overall outcomes for children and reduce child fatalities.

Business & Commerce Committee

1. Review the administrative and financial state of the Texas Windstorm Insurance Association (TWIA). Specifically, review management's business practices that result in continued administrative oversight by the Texas Department of Insurance, and determine alternative financial methods to fund probable maximum loss of a 1 in 75 or 1 in 100 year event. Monitor litigation developments. Develop and evaluate plans to reduce TWIA's total insured exposure. Monitor and make recommendations regarding an exposure reduction clearinghouse under development at TWIA, which aims to assist the transfer of TWIA policies to the free market. Study and make recommendations regarding the qualifications for building inspectors conducting inspections for the TWIA and other building inspectors statewide. Consider expanding the types of professionals qualified to conduct inspections and the appropriate entity to oversee inspectors.
 2. Review the Texas FAIR Plan's organizational and financial structure as the state's insurer of last resort for residential homeowner's insurance coverage. In particular, study the structural relationship to TWIA, cause of its current debt, and available coverages and rates compared to the private market. Evaluate proposals to reduce the total insured exposure of the FAIR Plan.
- BBC will continue to work with Port staff to coordinate all legislative lobbying efforts;
 - BBC will continue communication with the members and staff of Senate IGR, Senate Natural Resources, Senate State Affairs, the Lt. Governor's office and House Transportation & Speaker's Office;
 - BBC will continue to send notices regarding meetings and articles of interest to the Port via fax and/or e-mail.

Memorandum for Nelda Olivo, Manager of Government Affairs, Port of Corpus Christi Authority

From **Randy Erben**

Date: November 30, 2013

Re: Activities on behalf of Port of Corpus Christi during November 2013

November 1: Preparation and transmission of memoranda to POCCA representatives regarding GAO reports and congressional activities.

November 4: Conferences with Daniel Hodge, First Assistant Attorney General, regarding electric and port issues; conferences with Rep. Davis (House Appropriations Committee) and staff regarding port appropriations issues; preparation and transmission of memoranda to POCCA representatives regarding interim committee hearings, Texas Register state agency rules, political activities and Nueces County delegation newsletters.

November 5: Conferences with Rep. Guerra regarding port issues; preparation and transmission of memoranda to POCCA representatives regarding congressional activities, interim state committee hearings, GAO reports, and Nueces County delegation newsletters.

November 6: Conferences with staff of Sen. Campbell regarding port issues; preparation and transmission of memoranda to POCCA representatives regarding congressional activities and Nueces County delegation newsletters.

November 7: Conferences with Sen. Uresti's staff regarding Senate Homeland Security Committee interim charges; conferences with Rep. Carter (House Appropriations Committee) and staff regarding port appropriations issues; conferences with Reps. Dennis Bonnen, Greg Bonnen, Goldman, and Thompson, and staffs, regarding port issues; conferences with committee members and staff regarding same; preparation and transmission of memoranda to POCCA representatives regarding congressional activities, Nueces County delegation newsletters, and interim legislative committee hearings.

November 8: Conferences with Rep. Price (House Appropriations Committee) and staff, regarding port appropriations issues; conferences with Rep. Sheets (House Insurance Committee) regarding TWIA insurance issues; preparation and transmission of memoranda to POCCA representatives regarding congressional activities, political activities, interim legislative committee hearings and Nueces County delegation newsletters.

November 11: Preparation and transmission of memoranda to POCCA representatives regarding Nueces County delegation newsletters, congressional activities, and interim hearings.

November 12: Attendance at House Select Committee on Transparency in State Agency Operations hearing; conferences with members and staff regarding same; preparation and transmission of memoranda to POCCA representatives regarding same; preparation and transmission of memoranda to POCCA representatives regarding Nueces County delegation newsletters, congressional activities, and interim hearings.

November 13: Conferences with Reps. King and Murphy and staff regarding port issues; preparation and transmission of memoranda to POCCA representatives regarding congressional activities, interim hearings, and Nueces County delegation newsletters.

November 14: Conferences with Reps. Geren, Frullo, Howard, Coleman, Aycock, and Farney, and staffs, regarding port issues; preparation and transmission of memoranda to POCCA representatives regarding congressional activities, interim hearings, and Nueces County delegation newsletters.

November 15: Preparation and transmission of memoranda to POCCA representatives regarding congressional activities, political activities, and interim state legislative hearings.

November 18: Conferences with Sen. Campbell and staff regarding port issues; preparation and transmission of memoranda to POCCA representatives regarding congressional activities and interim state legislative hearings.

November 19: Conferences with Rep. Miller and Senate staff regarding port issues; conferences with Rep. Pickett (transportation bill author) regarding port funding from mobility fund; preparation and transmission of memoranda to POCCA representatives regarding congressional activities and Nueces County delegation newsletters.

November 20: Conferences with Sen. Carona regarding port issues and interim charges; preparation and transmission of memoranda to POCCA representatives regarding congressional activities, interim hearings, and Nueces County delegation newsletters.

November 21: Conferences with Reps. Taylor and Laubenberg, and Sen. Rodriguez, regarding port issues; preparation and transmission of memoranda to POCCA representatives regarding congressional activities, Senate interim charges, Nueces County delegation newsletters, and political activities.

November 25: Attendance at Senate Natural Resources Committee meeting on electric markets; conferences with Senators and staff.

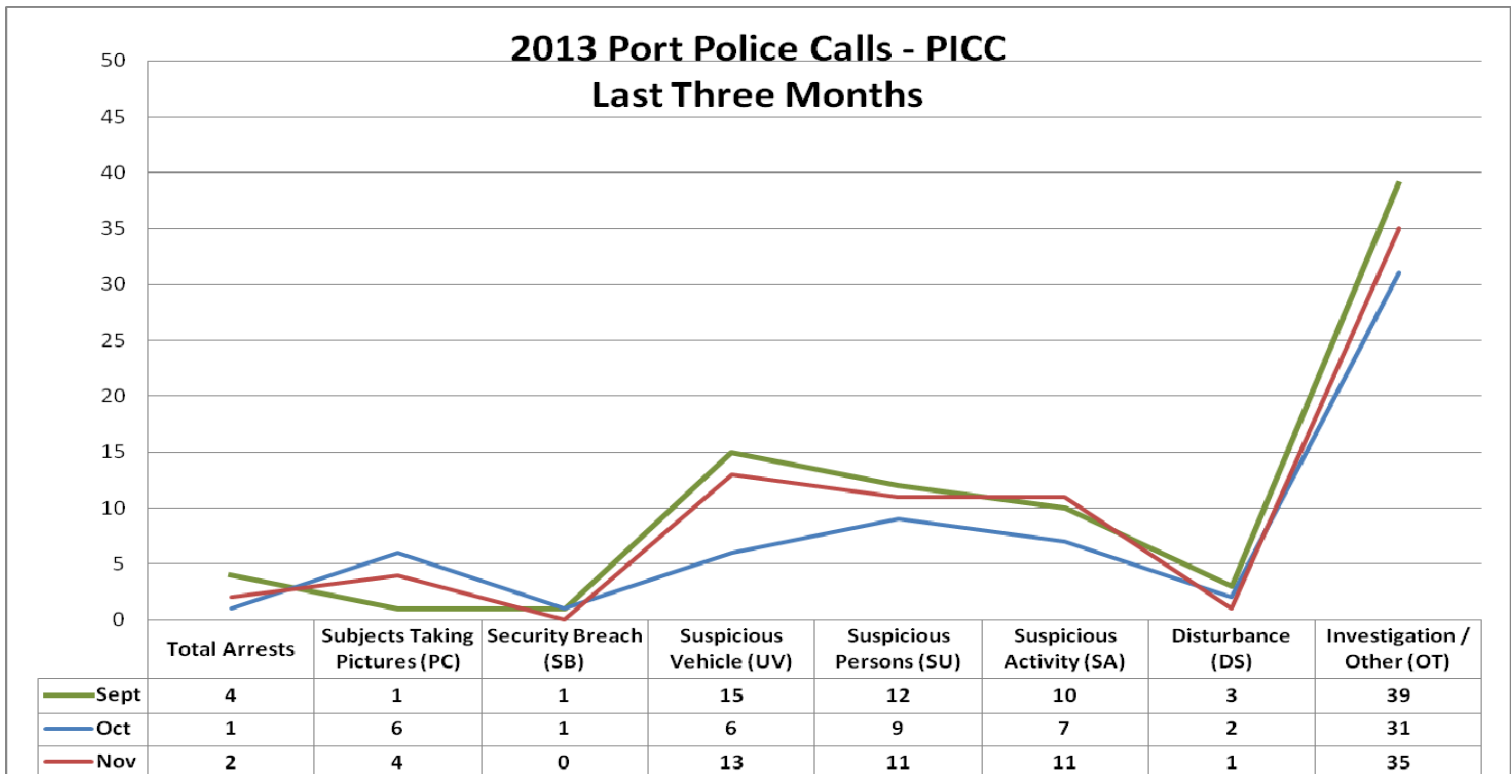
November 1-30: Conferences with Sen. Hinojosa, Rep. Hunter, Rep. Herrero, and Rep. Lozano, and staffs, regarding port issues.
Review of, and legal research on, legislation affecting Port of Corpus Christi.
Review of homeland security legislation and appropriations on federal level and interim studies relating to port issues on state level.

BUSINESS DEVELOPMENT

- Actively participated within the 33rd Latin American Petrochemical Congress, with over 900 worldwide registered participants in Cartagena, Colombia. Within the Port's booth we received European, Latin American and Asian companies requesting information on petrochemical tank storage as well as land availability for future expansions within our port premises.
- In addition, travelled to the port of Barranquilla to meet with one of the private terminals who are interested in pursuing an MOU with PCCA to expand their import/export cargo operations. We have a similar private terminal requesting an MOU from the port of Cartagena. We should have the documents available for signing by our Commissioners within the month of February.
- Working with three different companies, Korean, European and Indian, currently handling pipe through our port and who plan to increase volumes/shipments within 2014.
- The wind cargo increased towards the end of this year. In November we handled seven vessels discharging wind components from South America as well as other vessels loading wind components for European destinations. We also attended the AWEA Offshore Wind Conference which took place in Rhode Island and the Texas Renewables Association Conference in San Antonio.
- Received the visit from various exporters/importers from the San Antonio area sponsored by the Free Trade Alliance. We toured the port premises, hosted a lunch for them and our Chairman and Executive Director presented our overall port capabilities.
- Attended an invitation from the Laredo Manufacturers Association to participate within their yearly scholarship event. Had a good opportunity to continue dialogue with various Freight Forwarders and exporters to keep PCC in mind for our intended cargo projects into Latin America for 2014.
- Received over 40 prospect/business inquiries during the month to discuss port capabilities as well as cargo/land lease opportunities.
- Attended event with stevedoring company in Houston whose primary handling cargo is steel pipe. One of their clients is interested in pursuing discharge operations through PCC.
- Maintenance work for Port Tariff 100-A & Bulk Tariff 1-A including: continued to work monthly program for accurate billing of long-term storage.
- The logistics entity which will be exporting an oil rig, from PCC to Dos Bocas port in Mexico confirmed that the shipment is to take place within the first week of December. We anticipate four additional oil-rig shipments for next year.
- Working with Latin American entity who is interested in exporting frac sand through PCC for their domestic consumption.
- Working with frac sand prospect who is interested in transporting the product via barge into PCC.
- Working with a Latin American third party logistics provider who is interested in pursuing a long term lease and construct a warehouse to handle various types of cargoes to export and import.
- We have concluded the documents to sign an MOU with a very important cross border entity to be able to expand our marketing-cargo prospects for 2014. We anticipate having the signing ceremony in January.

OPERATIONS

PORT POLICE



HARBORMASTER

Ship Arrivals

November 2013

<u>Tankers</u>	<u>Freighters</u>	<u>YTD ships</u>
88	35	1328

November 2012

<u>Tankers</u>	<u>Freighters</u>	<u>2012 YTD</u>
78	38	1068

Barge Arrivals

November 2013

<u>Tank barges</u>	<u>Freight barges</u>	<u>YTD Barges</u>
466	25	4864

November 2012

<u>Tank barges</u>	<u>Freight barges</u>	<u>2012 YTD</u>
413	22	3931

Shifting

November 2013

<u>Tankers</u>	<u>Freighters</u>
22	1
<u>Tank barges</u>	<u>Freight Barges</u>
967	32

November 2012

<u>Tankers</u>	<u>Freighters</u>
17	3
<u>Tank barges</u>	<u>Freight Barges</u>
876	14

Average Daily Vessel Arrivals

	<u>November2013</u>	<u>November2012</u>
Ships:	4.10	3.74
Barges:	16.37	14.03

Channel disruptions**November2013:**

There were 67.5 hours of channel disruption in November. 46.5 hours due to fog, 13.0 hours due to high winds and 8 hours 1 way traffic for rig movements. During these disruptions 18 inbound vessels and 8 outbound vessels were delayed.

November2012:

There were 16.08 hours of channel disruption. 8.50 hours for high winds and 7.58 hours for a rig movement. A total of 4 Outbound and 4 Inbound vessels were delayed.

BULK TERMINAL**Current Projects:**

- Working on BMD 1, replacing bull rail, etc.
- Replacing three-quarter belt covers with full belt covers on CB #9
- Gantry step replacement
- Getting ready for PLC installation at Gantry Crane
- Dust control for all pads and roads

Current Activity:

- Railcars:
 - Loaded: 151 railcars loaded for a total of 16,693.40 Short Ton pet coke
 - Unloaded: 11 railcars unloaded for a total of 1,100 Short Tons pet coke
- Bulk Dock #1:
 - 14,149.27 Short Tons Sand
- Bulk Dock #2:
 - 66,056.368 Short Tons Pet Coke
- Pads:
 - 117,524.55 Short Tons Pet Coke

OPERATIONS COORDINATOR**Insurance:**

- Worked on various insurance issues throughout the month as follows:
 - Met with the Audit Committee to discuss the PCCA Workers Compensation renewal.
 - Currently working on the PCCA Statement of Values (SOV) for the 2014 property insurance renewals.

Port Damage Claims:

- On October 31st a track hoe operated by a HAAS Construction had damaged a railroad control box that controls the railroad crossing arms. The repairs will be billed to HAAS Construction upon completion.
- Previous outstanding damage claims have been paid. Total recovered to date is **\$62,645**.

MAINTENANCE

- Performed preventative maintenance (PM) on vehicles, safe boat and equipment at the Maintenance Department.
- Performed routine inspection and PM on lights, water outlets.
- Performed grounds keeping port wide.
- Over saw janitorial service on all port facilities.
- Replaced drywall, tape and float and painted the janitor closet at the Police Department.
- Removed and installed new a/c unit at BMD office.
- Replaced flooring, tiles, and drywall on the Amtex security office behind the police department.
- Installed barricades to close the old Navigation road to the lift bridge.
- Continued to demolish the office space at POCCA 2 building.(Turner Building)
- Readjusted height on the boat lift ramp for safe boats.

FOREIGN TRADE ZONE

- A meeting was held on Friday, November 15 with zone operators and local Customs and Border Protection (CBP) officers. CBP reviewed end-of-year reporting requirements, weekly entry and zone-to-zone transfer procedures and the 2014 compliance schedule. Operators were also briefed on items discussed at the Gulf Coast Refinery forum meeting being held in Houston on Wednesday, November 13.
- Customs recently relocated to their new offices on Highway 44 as of November 25. Customs has been meeting with their stakeholders regarding the moving scheduled and transition to their new offices.
- FTZ Manager continues to work and coordinate meetings with companies interested in doing business in the area and Port Corpus Christi.

ORTIZ CENTER

November brought with it an increase in sales as the venue welcomed over 3,300 guests through our doors. On November 7th, Ducks Unlimited hosted their annual fundraiser. For the 4th year in a row the event welcomed over 500 guests into our ballroom for a night of dinner, drinks, and fun. At the events closing, the client coordinator extended great kudos to all of our staff for exceeding his expectations.

The Corpus Christi Hispanic Chamber of Commerce held their 75th Anniversary Gala at the Ortiz Center on November 14th with over 300 guests in attendance. The evening brought with it elegance and class as attendees were dressed in their best and were offered a table side dining experience.

BACALA was our largest event this month with over 700 attendees. Dr. Ben Carson was the VIP speaker during the luncheon and hosted attendees for a VIP book signing in one of our smaller rooms. Ovations Executive Chef Phil Ferry offered Apple Walnut Raisin Stuffed Pork Loin accompanied by Potatoes Dauphinaise and Fresh Asparagus Spears to all of the events attendees. The luncheon was a huge success for all involved and we look forward to hosting this group for years to come.

We successfully accomplished our goals for November 2013 and have effectively set the stage for December 2013 to end strong. Our End of Month projections are positive and anticipated year end is favorable.

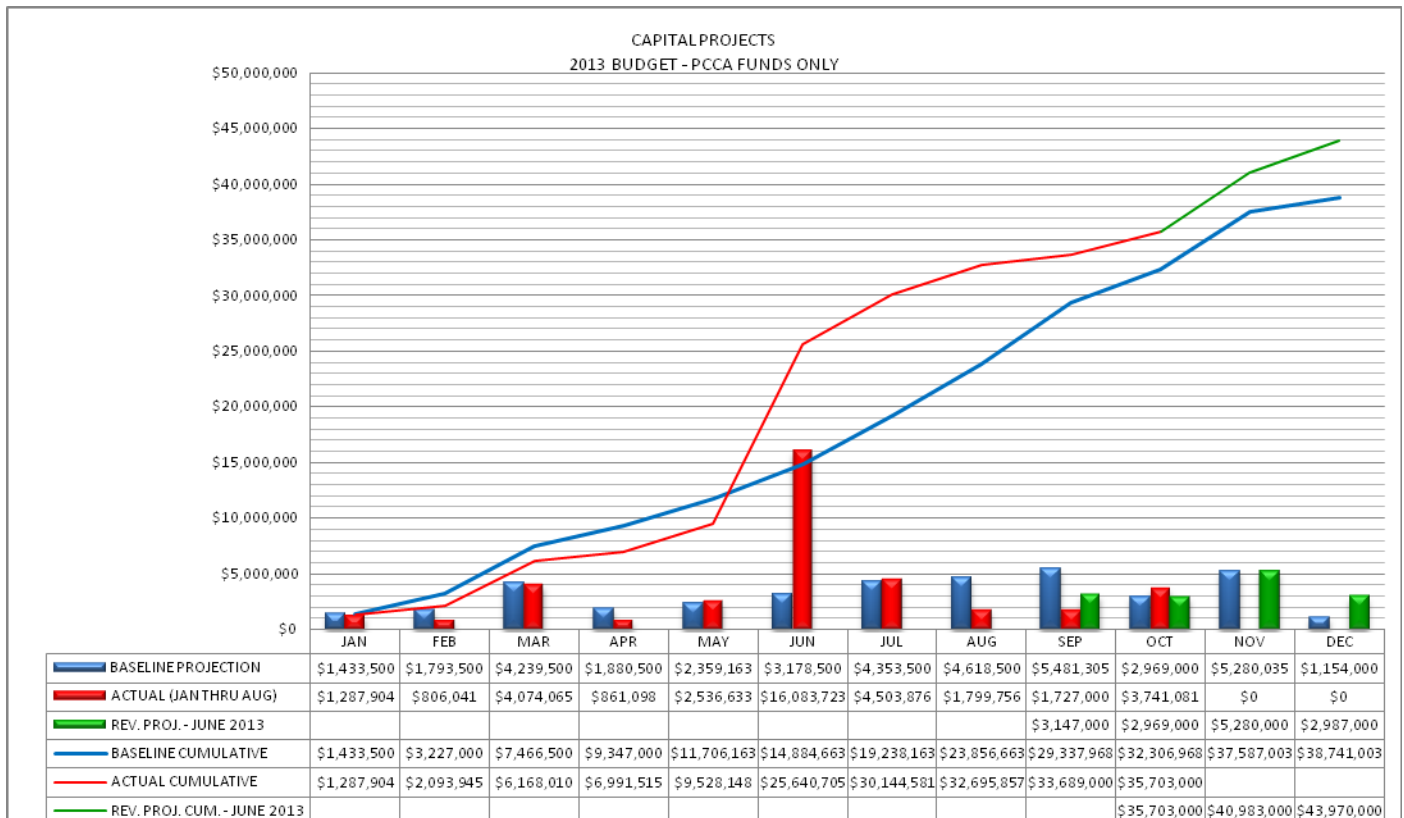
2012	Guest Attendance	Number of Events	Revenue	2013	Guest Attendance	Number of Events	Revenue
January	4,547	35	\$93,000	January	3,356	25	\$89,498
February	5,720	45	\$218,900	February	4,442	34	\$134,776
March	9,695	39	\$171,500	March	5,108	27	\$132,429
1st Quarter	19,962	119	\$483,400	1st Quarter	12,906	86	\$356,703
April	5,621	44	\$137,300	April	4,857	32	\$132,008
May	8,009	59	\$221,900	May	6,238	41	\$227,471
June	4,831	29	\$131,100	June	5,662	41	\$165,143
2nd Quarter	18,461	132	\$490,300	2nd Quarter	16,757	114	\$524,622
July	3,323	34	\$134,200	July	1,327	20	\$61,424
August	5,107	38	\$157,800	August	2,460	29	\$73,043
September	7,917	30	\$165,700	September	4,562	30	\$117,913
3rd Quarter	16,347	102	\$457,700	3rd Quarter	8,349	79	\$252,380
October	7,120	52	\$204,500	October	5,847	39	\$177,754
November	5,487	25	\$181,200	November	3,376	44	N/A
December	5,546	36	\$286,900	December			
4th Quarter	18,153	113	\$672,600	4th Quarter			
Totals	72,923	466	\$2,104,000	Totals			

ENGINEERING SERVICES

As of November 30, 2013, the Port of Corpus Christi Authority Department of Engineering Services had completed 58 projects and has 77 projects in progress. These projects consist of 73 Capital, 35 Maintenance, and 27 Professional Service projects. During November, \$2,280,000 was invoiced for ongoing work. To date this year approximately \$39,499,000 has been invoiced for work performed. Below is a table detailing the 2013 budget amount, the "to date" cost, and year-end forecast for the capital, maintenance and professional services.

Engineering Services November 2013 Report				
Project Type	No. of Projects	2013 Budget Amount	Expended to Date	Year-End Forecast
Capital	98	\$39,917,771	\$35,703,000	\$43,560,000
Maintenance	38	\$3,335,000	\$2,214,000	\$3,094,000
Professional Services	48	\$1,285,000	\$1,582,000	\$1,679,000
Total	178	\$44,537,771	\$39,499,000	\$48,333,000

Below is a graphic representation of the 2013 Capital Project Budget and a forecast of monthly project expenditure of the capital projects throughout the year. An actual monthly project expenditure tracking line is included to follow the progress as the year develops.



See next page for significant changes between Baseline & Revised Projection.

*Significant changes between Baseline & Revised Projection:

1. Increase due to purchase of M&G Property.
2. Increased cost for pipeline relocations at La Quinta.
3. Decrease due to the denial of Security Grant Extensions.
4. Viola Dock Upgrades Project: Less work accomplished in 2012 than budgeted.
5. Deepen La Quinta Ship Channel Extension project - partial funds deferred to 2014 due to delay in Federal Assumption of Maintenance project.
6. Nueces River Rail Yard – Phase I project - more funds deferred to 2014 due to later than anticipated Notice to Proceed.
7. Nueces River Rail Yard – Phase II project - more funds deferred to 2014 due to delay in agreement with TxDOT.

The status of the following listed projects currently in progress is provided for your information:

CAPITAL PROJECTS

Security Grant Improvements Projects

Grant Ten: Grant was not extended. Design of CCSC and NRRY Surveillance projects will be considered for Grant 13 application

Grant Eleven: Fencing for the Nueces River Rail Yard (NRRY) project has been awarded. Surveillance cameras bids will be in the January commission agenda.

Grant Thirteen: The Port was granted 2.3 million dollars in of the 2013 FEMA Security Grant funds.

Fire Pressurization on Oil Docks (08-046A)

Project 98% complete, contractor working on start up and testing. Completion anticipated for early December.

Nueces River Rail Yard – Phase I (09-037A)

The open water habitat mitigation site has been completed. Haas-Anderson is 99% complete with the box culvert extensions placement through the M&G plant site and complete with the storm water detention basin. Embankment for the rail yard is approximately 25% complete.

Nueces River Rail Yard – Phase II (13-043A)

CH2M Hill is complete with the preliminary phase, and will soon begin work on the final design.

Permian Yard Drainage Improvements (09-041A)

Notice of Award has been issued to CAS Companies. Notice to Proceed has been issued. Pipeline owners are currently completing adjustment of lines.

Tule Lake Public Barge Dock – Oil Dock 14 (13-032A)

Staff has reviewed the preliminary design of the new public barge dock by HDR. The COE permit has been submitted.

La Quinta Road/Bridge Project (07-037C)

Contractor began work in June. Bridge piles have been driven and beams have been set. Flexible base has been placed on the entire length of road. Project is scheduled to be complete early 2014.

Bulk Dock 1- Fender Replacement (11-019A)

Contractor has completed concrete repairs and fender installation on first two spans and is presently making repairs and coring holes for following three spans. Dock availability is limited due to vessel traffic at BMD-1.

Replace PLC and Drives on Gantry Crane (12-022A)

KST Electric has taken delivery of equipment and begun fabrication of the drive panels in Manor, Texas. Looking into relocating the Hold & Close transformers because there is limited space in the Gantry Crane machinery room for the new panels.

West Barge Mooring Area (13-051A)

Staff submitted permit amendment to COE and Govind Development is performing surveying operations for barge fleet site development.

Repair Fire Water Lines at Oil Docks 1, 2, 6 & 12 (13-028A & 13-030A)

Notice of Award has been issued and H & S Constructors is getting their insurance paperwork in order.

MAINTENANCE PROJECTS

Replace Stairs on Gantry Crane (11-035A)

The contractor that fabricated and delivered the stairs, platforms and handrails to the Bulk Terminal has filed for bankruptcy. A new contractor is being sought by the bonding company.

Maintenance Painting at Bulk Terminal (13-049A)

Maintenance painting is occurring at Bulk Terminal as needed.

Fulton Lead Track Rail Grinding (12-030B)

Pre-construction meeting has been conducted and rail grinding is scheduled for the beginning of 2014.

Facility Railroad Track Maintenance (13-016A)

Pre-construction meeting has been conducted. Staff has and is reviewing submittals. Contractor is ordering materials.

Structural Repairs at Oil Dock 11 (13-030A)

Notice of Award has been issued and H2O Construction is getting their insurance paperwork in order.

ENVIRONMENTAL/PROFESSIONAL PROJECTS

Monitoring of Remediation of Harbor Island Exxon Terminal (09-002B)

In accordance with the Site Remediation Agreement between PCCA and Exxon, soils and groundwater at the site have been cleaned up to 1% Total Petroleum Hydrocarbons. RRC has accepted the final report requesting closure of the site and all that remains to be completed is to deed record the property which was approved by the commission at the October meeting. The deed recordation is pending final approval from the RCC.

In order to have a residential closure for the property, PCCA has been advised by RRC that a cap of the site is required.

Environmental Management System (13-025A)

The Port just completed a recertification audit with NQA, Inc. on June 6, 2013. Our EMS Program is ISO 14001 certified for the sixth year. Current initiatives under the EMS Program include electrical consumption, water consumption, and measures to reduce spills. PCCA also has environmental management programs to reduce air emissions from our fleet and reduce pollution that could be caused by Contractor's environmental performance during painting and blasting operations. Other initiatives resulting from the EMS program include the Gulf Port's Environmental Summit and the Growing Greener Initiative. The Annual Management Review will be performed in December 2013 and Senior Management will be advised on the progress of the EMS program and provide input to its continued adequacy and efficiency.

Assumption of Maintenance for Deepening the La Quinta Channel Extension (11-050B)

A Memorandum of Agreement (MOA) between the Department of the Army and the Port of Corpus Christi Authority was executed on November 26, 2013. The MOA authorizes the federal government to assume responsibility for operation and maintenance of the La Quinta Ship Channel Extension, following the deepening of the channel extension from -39' to -45' by the Port.

DREDGING

Channel Improvement Project (98-012A, 04-027A, 09-048B/C)

In November 2007, Congress passed WRDA of 2007 authorizing the Port's Channel Improvement Project.

The project include in following improvements:

1. Widening the CCSC to 530' from Port Aransas to the Harbor Bridge.
2. Adding 200'-wide barge shelves on both sides of the ship channel across Corpus Christi Bay.
3. Extending La Quinta Channel by 7400' at a depth of -39' MLT.
4. Deepening all reaches of CCSC (excluding La Quinta) from -45' MLT to -52' MLT.
5. Constructing Ecosystem Restoration projects near Port Aransas and Ingleside on the Bay.

Project received congressional appropriation in FY2009 for the construction phase of the project, officially ending the Pre-Construction Engineering and Design phase. A Project Partnership Agreement (PPA) was executed in October 2009 for the La Quinta Channel Extension & Ecosystem Restoration. Construction of Contract No. 1 was completed in 2010 to construct DMPA 14. Fifty-eight million in federal funds were appropriated in May 2011 enabling the COE to solicit additional construction contracts. COE awarded two (2) contracts in September 2011; one to extend the La Quinta Ship Channel and the other to construct the Ecosystem Restoration project adjacent to Ingleside-on-the-Bay, Texas. The dredging associated with La Quinta Ship Channel Extension is about 95% complete and is scheduled for completion late October 2013. The Ecosystem Restoration project is 100% complete.

Deepening and widening of the CCSC and the addition of barge shelves underwent re-evaluation and the studies were complete in early 2013. The re-evaluation confirmed these two project components are still in the Federal interest. The COE Director of Civil Works approved the re-evaluation report (all components) and recommended the project to Congress to increase the authorized project cost to \$344,610,000. The re-authorization is pending approval through the next WRDA Bill currently scheduled for late 2013/early 2014.

MASTER AGREEMENTS AND SERVICE ORDERS

Listed below are the Master Agreements implemented in 2013 including Service Order Values:

HDR, Inc. (13-01)	\$1,265,839
Freese and Nichols, Inc. (13-02)	\$82,811
Govind Development, LLC (13-03)	\$324,800
Naismith Engineering, Inc. (13-04)	\$205,000
CH2M Hill (13-05)	\$1,283,325
RVE, Inc. (13-06)	\$136,422
LNV, Inc. (13-07)	\$70,000

UPCOMING BID OPENINGS

Grant 11 - Purchase of Cameras (11-043F)	December 20, 2013
Disposal of Stockpiles from Inner Harbor Sites (13-063A)	December 20, 2013



PORTCORPUSCHRISTI

Port of Corpus Christi Authority

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STATEMENT OF NET POSITION HIGHLIGHTS:

Assets:

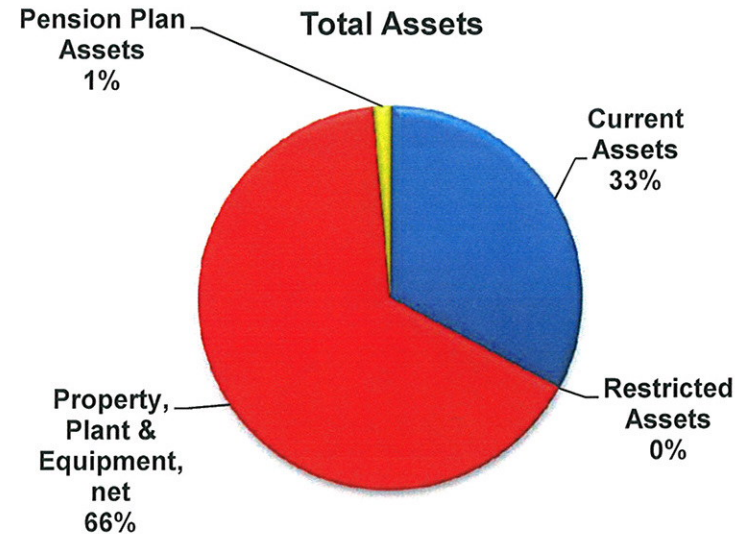
Current Assets:	
Unrestricted Cash:	
Cash in Bank	\$ 1,320,412
Investments	\$ 126,495,844
Unrestricted Cash	\$ 127,816,256
Accounts Receivable	\$ 9,950,323
Other	\$ 3,030,506
Current Assets	\$ 140,797,085
Restricted Assets	\$ 252,775
Property, Plant & Equipment, net	\$ 282,042,750
Pension Plan Assets	\$ 6,472,489
Total Assets	\$ 429,565,099

Liabilities:

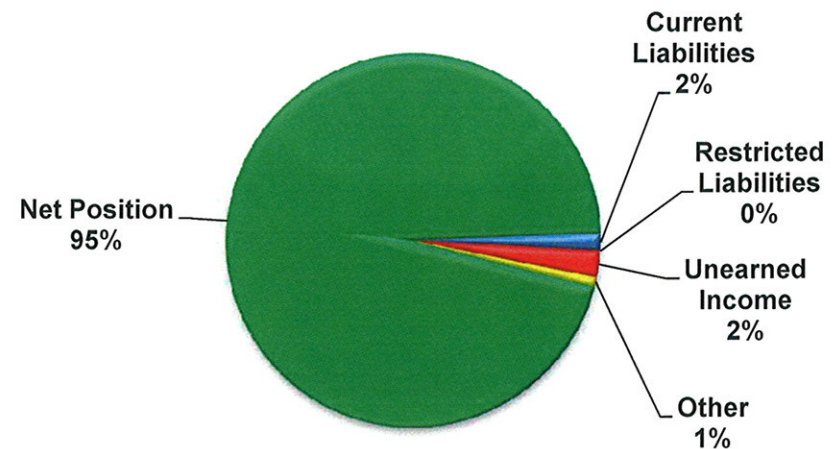
Current Liabilities	\$ 6,386,999
Restricted Liabilities	\$ 323
Unearned Income	\$ 9,651,499
Other	\$ 3,501,238
Total Liabilities	\$ 19,540,059

Net Position:

Investment in Net Assets	\$ 272,391,251
Restricted Net Position	\$ 252,775
Unrestricted Net Position	\$ 137,381,014
Total Net Position	\$ 410,025,040



Total Liabilities/Net Position



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OPERATIONS:

Tonnage (Short Tons):	Month	2013 Y-T-D	2012 Y-T-D
Bulk Grain	389,389	2,449,681	2,056,874
Break Bulk	32,293	337,168	357,568
Dry Bulk	622,806	6,466,441	5,761,930
Liquid Bulk	12,809	301,887	437,889
Chemicals	105,987	1,539,108	1,596,301
Petroleum Coke	104,273	828,036	789,060
Petroleum	6,826,225	61,716,446	52,247,075
Total	8,093,782	73,638,767	63,246,697

	Actual	Budget	Variance
Operating Revenue:			
Month	\$ 6,051,191	\$ 5,049,533	\$ 1,001,658
Y-T-D	\$ 64,148,651	\$ 49,759,633	\$ 14,389,018

Operating Expenses:			
Month	\$ (2,662,537)	\$ (2,986,536)	\$ 323,999
Y-T-D	\$ (27,253,259)	\$ (30,858,972)	\$ 3,605,713

Operating Income (Loss) Before Depreciation:			
Month	\$ 3,388,654	\$ 2,062,997	\$ 1,325,657
Y-T-D	\$ 36,895,392	\$ 18,900,661	\$ 17,994,731

Depreciation:			
Month	\$ (937,232)	\$ (912,199)	\$ (25,033)
Y-T-D	\$ (9,402,572)	\$ (9,122,145)	\$ (280,427)

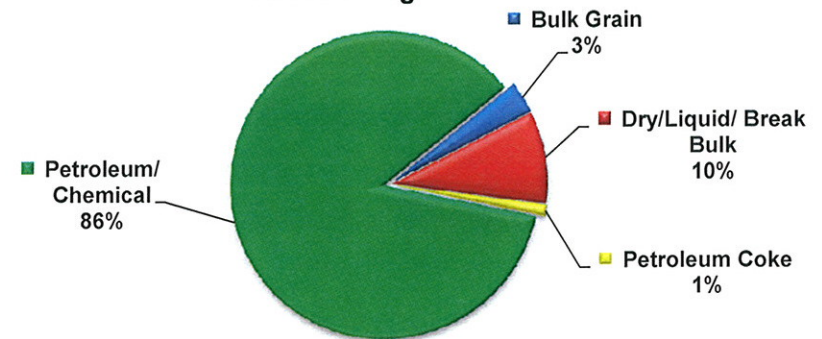
Other Revenue (Expenses):			
Month	\$ 120,098	\$ 96,105	\$ 23,993
Y-T-D	\$ 556,182	\$ 281,254	\$ 274,928

Income (Loss) Before Capital Contributions:			
Month	\$ 2,571,520	\$ 1,246,903	\$ 1,324,617
Y-T-D	\$ 28,049,002	\$ 10,059,770	\$ 17,989,232

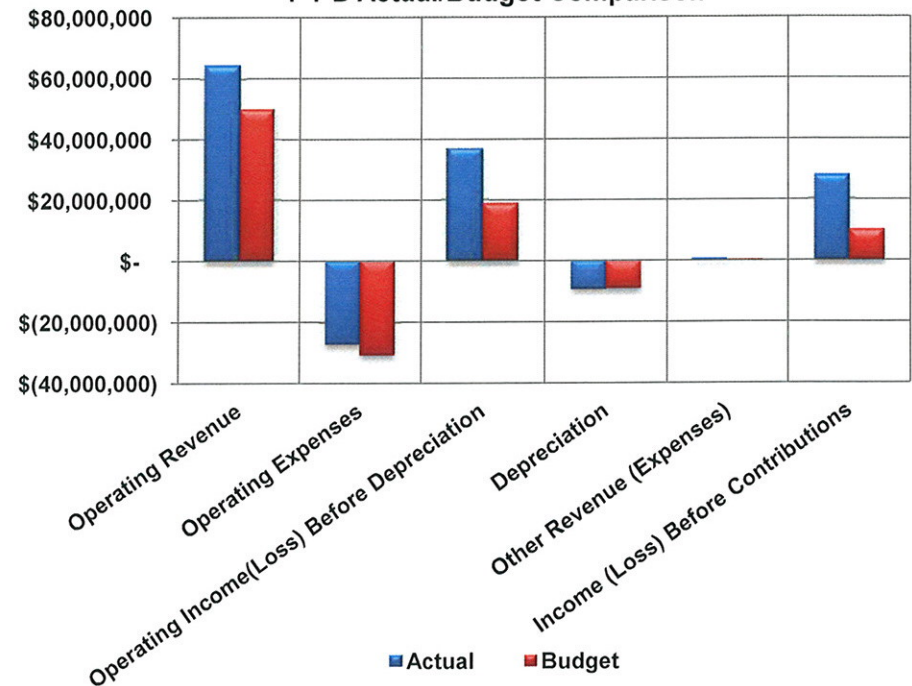
Capital Contributions			
Month	\$ -	\$ -	\$ -
Y-T-D	\$ 5,362,485	\$ 10,205,794	\$ (4,843,309)

Change in Net Assets			
Month	\$ 2,571,520	\$ 1,246,903	\$ 1,324,617
Y-T-D	\$ 33,411,487	\$ 20,265,564	\$ 13,145,923

Y-T-D Tonnage



Y-T-D Actual/Budget Comparison



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DIVISION SUMMARY:

	Operating Revenues	Operating Expenses	Operating Income (Loss) Before Depreciation		Other Revenue (Expenses)	Income (Loss) Before Contributions	Budget	Variance
Oil Docks-Public								
Month	\$ 2,204,941	\$ (97,980)	\$ 2,106,961	\$ (81,730)	\$ -	\$ 2,025,231	\$ 1,528,056	\$ 497,175
Y-T-D	\$ 20,187,322	\$ (686,594)	\$ 19,500,728	\$ (815,360)	\$ -	\$ 18,685,368	\$ 14,799,033	\$ 3,886,335
Oil Docks-Private								
Month	\$ 918,608	\$ (3,984)	\$ 914,624	\$ (205)	\$ -	\$ 914,419	\$ 905,824	\$ 8,595
Y-T-D	\$ 9,539,422	\$ (42,016)	\$ 9,497,406	\$ (2,052)	\$ -	\$ 9,495,354	\$ 8,777,532	\$ 717,822
Dry Cargo Docks								
Month	\$ 427,499	\$ (67,444)	\$ 360,055	\$ (138,698)	\$ -	\$ 221,357	\$ 81,431	\$ 139,926
Y-T-D	\$ 3,604,920	\$ (655,295)	\$ 2,949,625	\$ (1,412,896)	\$ -	\$ 1,536,729	\$ 814,144	\$ 722,585
Conference Center								
Month	\$ 181,955	\$ (151,111)	\$ 30,844	\$ (24,713)	\$ 1,686	\$ 7,817	\$ (20,988)	\$ 28,805
Y-T-D	\$ 1,342,431	\$ (1,525,525)	\$ (183,094)	\$ (247,167)	\$ 8,196	\$ (422,065)	\$ (404,248)	\$ (17,817)
Bulk Terminal								
Month	\$ 962,137	\$ (244,989)	\$ 717,148	\$ (79,314)	\$ -	\$ 637,834	\$ 457,066	\$ 180,768
Y-T-D	\$ 8,861,070	\$ (2,758,312)	\$ 6,102,758	\$ (796,790)	\$ 6,161	\$ 5,312,129	\$ 4,495,146	\$ 816,983
Property and Buildings								
Month	\$ 454,480	\$ (154,315)	\$ 300,165	\$ (329,318)	\$ -	\$ (29,153)	\$ (102,556)	\$ 73,403
Y-T-D	\$ 12,116,372	\$ (1,596,907)	\$ 10,519,465	\$ (3,308,720)	\$ 78,854	\$ 7,289,599	\$ (880,796)	\$ 8,170,395
Other Facilities								
Month	\$ 273,870	\$ (95,106)	\$ 178,764	\$ (44,847)	\$ -	\$ 133,917	\$ (10,220)	\$ 144,137
Y-T-D	\$ 2,211,301	\$ (1,497,155)	\$ 714,146	\$ (380,430)	\$ -	\$ 333,716	\$ 275,752	\$ 57,964
Port Security								
Month	\$ 626,718	\$ (466,317)	\$ 160,401	\$ (183,709)	\$ 1	\$ (23,307)	\$ (213,846)	\$ 190,539
Y-T-D	\$ 6,178,295	\$ (4,489,796)	\$ 1,688,499	\$ (1,906,688)	\$ 8,996	\$ (209,193)	\$ (2,294,471)	\$ 2,085,278
General and Administrative								
Month	\$ 983	\$ (1,381,291)	\$ (1,380,308)	\$ (54,698)	\$ 118,411	\$ (1,316,595)	\$ (1,377,864)	\$ 61,269
Y-T-D	\$ 107,518	\$ (14,001,659)	\$ (13,894,141)	\$ (532,469)	\$ 453,975	\$ (13,972,635)	\$ (15,522,322)	\$ 1,549,687
Total								
Month	\$ 6,051,191	\$ (2,662,537)	\$ 3,388,654	\$ (937,232)	\$ 120,098	\$ 2,571,520	\$ 1,246,903	\$ 1,324,617
Y-T-D	\$ 64,148,651	\$ (27,253,259)	\$ 36,895,392	\$ (9,402,572)	\$ 556,182	\$ 28,049,002	\$ 10,059,770	\$ 17,989,232

**Port of Corpus Christi Authority
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CAPITAL PROJECTS:

Project Description	Annual Budget	Y-T-D Actual	Balance Remaining
<i>Authority Oil Docks</i>			
New Fire Barge Dock	\$ 390,000	\$ 61,926	\$ 328,074
Fire System Pressurization at Avery Point Oil Docks	360,000	571,933	(211,933)
Tule Lake Barge Oil Dock at M&G	350,000	173,980	176,020
Viola Barge Dock Upgrades	200,000	1,124,031	(924,031)
Hoist Foundation & Gangway Support at OD's 4, 7 & 11	100,000	3,086	96,914
Barge Fender Panel Replacement at Oil Dock 1	-	74,610	(74,610)
Barge Breasting Structures at Oil Dock 12	-	229,534	(229,534)
Oil Dock 6 Upgrades	-	13	(13)
New Barge Oil Dock (North Bank)	-	17,059	(17,059)
	1,400,000	2,256,172	(856,172)
<i>Bulk Terminal</i>			
Replacement of Fendering on Bulk Dock 1	1,225,000	887,873	337,127
Replace Programmable Logic Controller & Drives on Gantry Crane	520,000	70,329	449,671
Bulk Terminal Rail Replacement/Upgrade	300,000	75,308	224,692
New Public Pad-Design/Prepare/Permit	250,000	15,820	234,180
Conveyor Belts 6/9 Rail Loadout Modifications	200,000	-	200,000
Full Covers on Conveyor Belts	160,000	781	159,219
Purchase New Digging Bucket for Gantry Crane	150,000	-	150,000
Replacement of Rail Dump Filtration System	25,000	-	25,000
Bulk Terminal Siren Warning System	-	13,274	(13,274)
	2,830,000	1,063,385	1,766,615

**Port of Corpus Christi Authority
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CAPITAL PROJECTS:

Project Description	Annual Budget	Y-T-D Actual	Balance Remaining
<i>Conference Center</i>			
Miscellaneous Purchases	\$ 120,000	\$ -	\$ 120,000
	120,000	-	120,000
<i>Canals and Basins</i>			
Security Enhancements - Grant #9	6,443,827	1,420,136	5,023,691
Deepen La Quinta Extension to 45'	4,500,000	39,416	4,460,584
Security Enhancements - Grant #8	3,705,663	3,726,812	(21,149)
Security Enhancements - Grant #10	1,984,476	653,237	1,331,239
Security Enhancements - Grant #11	913,805	19,549	894,256
Coastal Impact Assistance- Pelican Island Erosion Protection	400,000	359,179	40,821
La Quinta Channel Extension/Ecosystem Restoration Phase I	300,000	2,323	297,677
West Barge Mooring Area	200,000	87,215	112,785
Relocation of Suntide DMPA Drainage to Viola Turning Basin	100,000	14,500	85,500
	18,547,771	6,322,367	12,225,404
<i>Property and Buildings</i>			
Purchase of Land	2,000,000	13,767,456	(11,767,456)
Rincon Industrial Park Infrastructure Improvements	500,000	1,446,029	(946,029)
Permian Yard Drainage Improvements	400,000	37,040	362,960
Replace A/C's in Annex/Administration Buildings	200,000	198,227	1,773
Development of 10 Acre Martin Midstream Property	100,000	-	100,000
Indian Point Mitigation Reserve-Conceptual Design and Planning	50,000	31,671	18,329
Recertification of City's Storm Protection Levee System	50,000	-	50,000
Administration/Annex Building Improvements	30,000	-	30,000
Joe Fulton International Corridor, Phase II	-	(206,661)	206,661
Electrical Service Upgrades at the Maintenance Facility	-	2,625	(2,625)
Upgrades to Administration/Annex Building Elevators	-	34,797	(34,797)
Installation of CNG Vehicle Refueling Appliance	-	21,828	(21,828)
	3,330,000	15,333,012	(12,003,012)

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CAPITAL PROJECTS:

Project Description	Annual Budget	Y-T-D Actual	Balance Remaining
<i>La Quinta</i>			
La Quinta Property Access Road	\$ 3,400,000	\$ 1,590,225	\$ 1,809,775
Relocate Three Pipelines on La Quinta Property	3,000,000	5,354,034	(2,354,034)
Terminal Mitigation & Buffer Area Creation	100,000	-	100,000
Purchase of Mineral Rights	-	327,429	(327,429)
La Quinta Rail (San Patricio Rural Rail District)	-	34,250	(34,250)
	6,500,000	7,305,938	(805,938)
<i>Railroads</i>			
Construction of Nueces River Rail Yard Phase I	5,000,000	1,723,675	3,276,325
Nueces River Rail Yard Phase II	750,000	474,826	275,174
M&G Railroad and Site Improvements	300,000	-	300,000
	6,050,000	2,198,501	3,851,499
<i>Administration</i>			
JD Edwards Software Upgrade	300,000	-	300,000
File Server Hardware/Software - Administration	126,000	27,386	98,614
KleinPort System Property Management Software	100,000	-	100,000
KleinPort A/R-Harbormaster Software Upgrade	-	155,355	(155,355)
Router Hardware	24,000	-	24,000
Photo Copier-Engineering	22,000	24,174	(2,174)
Photo Copier-Accounting	22,000	20,161	1,839
Kronos Timekeeping Software Upgrade-Human Resources	14,000	-	14,000
Wireless Service Upgrade - Administration Building	10,000	-	10,000
Wireless Service Upgrade - Annex Building	10,000	-	10,000
A/V Equipment - Administration Building	6,000	-	6,000
	634,000	227,076	406,924

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CAPITAL PROJECTS:

Project Description	Annual Budget	Y-T-D Actual	Balance Remaining
<i>Port Operations</i>			
Purchase of Equipment:			
Street Sweepers - Maintenance Department	\$ 360,000	\$ 298,222	\$ 61,778
Dump Trucks (2) - Maintenance Department	170,000	157,910	12,090
Tractor Mowers (7) - Maintenance Department	150,000	178,162	(28,162)
Tractor Mower - Maintenance Department	75,000	93,266	(18,266)
Dump Truck - Bulk Terminal	85,000	95,105	(10,105)
Work Boat	45,000	31,900	13,100
Mules (2) - Security Department	25,000	18,250	6,750
Storm Water Sampling Equipment	-	28,439	(28,439)
SUBTOTAL	910,000	901,254	8,746
Purchase of Vehicles:			
One Ton Crew Cab Pickups (2) - Maintenance Department	56,000	31,910	24,090
1/2 Ton Crew Cab Pickups (2) - Bulk Terminal	50,000	47,294	2,706
Sport Utility Vehicles (2) - Security Department	70,000	58,582	11,418
Sport Utility Vehicle - Engineering	34,000	-	34,000
Compact Truck - Security Guards	20,000	-	20,000
SUBTOTAL	230,000	137,786	92,214
Photo Copier - Bulk Terminal	5,200	5,083	117
SUBTOTAL	5,200	5,083	117
Photo Copier - Harbor Master	-	5,083	(5,083)
SUBTOTAL	-	5,083	(5,083)
	1,145,200	1,049,206	95,994
Total 2013 Capital Budget Expenditures	\$ 40,556,971	\$ 35,755,657	\$ 4,801,314

**Port of Corpus Christi Authority
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TERMS & DEFINITIONS:

Current Assets	Unrestricted cash and investments, accounts receivables, grant receivables, accrued revenues, inventory, prepaid expenses
Restricted Assets	Restricted cash and investments for law enforcement seizure accounts and LEOSE (Law Enforcement Officer Standards & Education) funds and NSI personal property inventory
Property, Plant & Equipment	Capitalized fixed assets and contruction in prograss, net of accumulated depreciation
Pension Plan Assets	Contributions made by the Port to the pension plan in excess of the actuarially determined rate
Current Liabilities	Accounts payables, accrued expenses, deferred income, worker compensation claims liability, and estimated incurred but not reported claims on employee health benefits
Restricted Liabilities	Section 125 benefits plan deposits
L-T Unearned Lease Income	Deferred lease revenue - Gulf Compress La Quinta warehouses
Other Long-Term Debt	Accrued vacation and sick leave, and other post-employment benefits
Net Position	Total net position; total assets less total liabilities

Divisions:

Oil Docks-Public	Oil docks for public use by Port customers
Oil Docks-Private	Oil docks for exclusive use by private industries
Dry Cargo Docks	Dry cargo docks owned both by the Port and private industries, transfer facility and storage yards
Conference Center	Ortiz Center
Bulk Terminal	Bulk docks 1 and 2, public storage pad and leased storage pads
Property & Buildings	Port property, leased elevator and grain bagging facility, Joe Fulton corridor and other Port roadways, refrigerated warehouse facility
Other Facilities	Service docks owned both by the Port and private industries, bulk docks owned by private industries, railroads, canals and basins, fire fighting response vessel, foreign trade zone, and refinery terminal fire company
Port Security	Port security to include the marine division, Port security guards and Amtex
General & Administrative	Executive director, managing director, communications, human resources, business development, finance & administration, engineering services, government affairs and operations

AGENDA ITEM NO. 25

No Attachment

AGENDA ITEM NO. 26

No Attachment

AGENDA ITEM NO. 27

No Attachment

AGENDA ITEM NO. 28

No Attachment