

**RESOLUTION ADOPTING PROMOTION AND DEVELOPMENT FUND POLICY  
AND MATTERS RELATED THERETO**

WHEREAS, Port of Corpus Christi Authority of Nueces County, Texas (“PCCA”) established the Port of Corpus Christi Promotion and 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, at a public meeting held on December 12, 2023, the Port Commission adopted a Resolution authorizing the funding of the Port of Corpus Christi Promotion and Development Fund for the calendar year 2024 (the “2024 P&D Resolution”); and

WHEREAS, the attached Promotion and Development Fund Policy (“P&D Policy”) was presented to PCCA’s Audit Committee on June 12, 2024; and

WHEREAS, the Port Commission did on this date review the P&D Policy in a properly posted public meeting;

NOW, THEREFORE, BE IT RESOLVED BY THE PORT COMMISSION OF THE PORT OF CORPUS CHRISTI AUTHORITY AS FOLLOWS:

Section 1. The Port Commission hereby approves and adopts the P&D Policy. The P&D Policy is attached to this resolution as “Attachment One”.

Section 2. The Port Commission hereby approves the Amended 2024 P&D Resolution to incorporate the P&D Policy. The Amended 2024 P&D Resolution is attached to this resolution as “Attachment Two”.

Section 3. The Port Commission hereby approves the First Amendment to the Second Amended and Restated Operating Rules of the Port Commission of the Port of Corpus Christi Authority of Nueces County, Texas, to incorporate the P&D Policy. The First Amendment to the Second Amended and Restated Operating Rules of the Port Commission of the Port of Corpus Christi Authority of Nueces County, Texas, is attached to this resolution as “Attachment Three”.

Section 4. This resolution is adopted by the Port Commission this 20<sup>th</sup> day of August, 2024.

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**Port of Corpus Christi Authority  
PROMOTION AND DEVELOPMENT FUND POLICY  
August 20, 2024**

**I. Purpose.**

A. The State of Texas has granted the Port of Corpus Christi Authority (the “Port Authority”) the authority to set aside and use a portion of its income from operations for certain promotion and development activities, subject to the control of its Port Commission.

B. This Promotion and Development Fund Policy (the “P&D Policy”) is implemented for the purpose of ensuring compliance with state law, advancement of the Port Authority’s interests, prudent financial management, business control, and accountability, and applies to all Port Commissioners and Port Authority staff members.

**II. Definitions.**

A. “Approval Authority” means the Port Commission and persons properly delegated the authority to review, evaluate, approve, and disapprove requests for expenditures from the P&D Fund.

B. “P&D Fund” means the promotion and development fund of the Port Authority created pursuant to Texas Water Code Sec. 60.204.

C. “P&D Priorities” means the P&D Fund expenditure priorities described in Section V below.

D. “P&D Statute” means Texas Water Code Chapter 60 Subchapter H “Promotion and Development Fund in Certain Districts”.

E. “Port of Corpus Christi” means the maritime complex along the Corpus Christi Ship Channel and the La Quinta Ship Channel, including the Port Authority’s public terminals as well as privately-owned facilities.

**III. Establishment of P&D Fund.**

A. The P&D Statute authorizes the Port Authority to set aside up to five percent of its gross income from operations in each calendar year for the purposes described therein and below. Each calendar year, the Port Authority shall adopt a resolution establishing the P&D Fund for the calendar year. The resolution shall specify the maximum percentage or amount of operating revenues to set aside as the P&D Fund.

B. The P&D Fund shall be kept separate from all other funds and accounts of the Port Authority.

C. The P&D Fund shall be under the exclusive control of the Port Commission, which shall have full responsibility for auditing, approving, and safeguarding the expenditure of money from the P&D Fund. In order to meet these obligations, the Port Commission may delegate Port Authority staff members certain authority to act on its behalf.

D. All P&D Fund disbursements require Approval Authority authorization. The Approval Authority shall exercise due diligence when evaluating requests for disbursements, including balancing the benefits of making the proposed expenditure against the Port Authority's other financial and operational needs and resources, and considering the authority and limitations on expenditures stated in the P&D Statute and this P&D Policy.

E. P&D Fund expenditures shall be accounted for using generally-accepted accounting principles, transparent, and subject to audit.

#### IV. P&D Fund Purposes.

A. Pursuant to the P&D Statute, the P&D Fund shall be used for the following purposes:

1. Developing and promoting the Port Authority and the Port of Corpus Christi;
2. Furthering the general welfare of the Port Authority and the Port of Corpus Christi; and
3. Improving the Port Authority's relations with parties that are interested in or that may be interested in the Port of Corpus Christi.

B. The Port Authority may conduct programs, initiatives, and activities to support the P&D Priorities. In addition, Port Commissioners, Port Authority staff members, and representatives of external organizations may request that the Port Authority assist programs, initiatives, and activities that support the P&D Priorities, through contributions of funds or in-kind services.

#### V. P&D Priorities.

Requests for P&D Fund disbursements corresponding to the following P&D Priorities shall, to the extent practicable, be preferred by an Approving Authority as it balances the anticipated benefit of a proposed P&D Fund expenditure against the Port Authority's other financial and operational needs and resources.

A. Community Vitality. The Port Authority is committed to supporting community-based organizations to promote the Port Authority, the Port of Corpus Christi, and the general welfare of the region. Expenditures related to this priority focus on programs, initiatives, and activities that enhance the overall quality of life in the community, fostering a sense of belonging and cultural vibrancy.

B. Education and Workforce Development. The Port Authority promotes education and workforce development-related programs in order to generate and support employment with the Port Authority, and grow the Port of Corpus Christi and regional businesses and employment. Expenditures related to this priority focus on programs, initiatives, and activities that contribute to the enhancement of educational opportunities and the development of a skilled workforce.

C. Sustainability and Environmental. The Port Authority is committed to promoting environmental protection and stewardship aimed at air quality improvement, marsh creation, pollution prevention and remediation, storm-water management, sustainability, and waste reduction. Expenditures related to this priority focus on programs, initiatives, and activities that promote environmental conservation, sustainable practices and responsible resource management.

D. Economic Development. The Port Authority promotes economic development programs in order to generate and support economic growth in the Port of Corpus Christi and the region. Expenditures related to this priority focus on programs, initiatives, and activities that stimulate economic growth, job creation and overall prosperity in the community.

E. Healthcare and Safety. The Port Authority is committed to supporting healthcare and safety-related programs aimed at protecting and improving the overall wellbeing of the community. Expenditures related to this priority focus on programs, initiatives, and activities that prioritize the well-being and safety of community members, promoting both physical and mental health.

VI. Financial and Other Support.

A. Programs, Initiatives, and Activities.

1. The Port Authority may initiate and invest in programs, initiatives, and activities that are aligned with the P&D Statute and P&D Priorities, and approved in accordance with the P&D Policy to assure responsible use of and accounting for P&D Fund resources.

2. Port Commissioners, Port Authority staff members, and representatives of external organizations may request that the Port Authority assist with programs, initiatives, and activities that support P&D Priorities, whether sponsored by the community or otherwise, through contribution of P&D funds.

3. The Port Authority should endeavor to receive appropriate recognition for providing funding for external programs, initiatives, and activities supported by the Port Authority.

B. Grants.

1. The Port Authority may award P&D Fund-supported grants to organizations carrying out activities, programs, or services that help support the P&D Priorities, develop and strengthen partnerships, and create greater value for our region.

2. Grants shall not be awarded to entities that are not in good standing with the Texas Secretary of State, Texas Comptroller, or Internal Revenue Service; for-profit entities; labor or religious organizations; groups that discriminate on the basis of age, race, sex, sexual orientation or national origin; political action committees or candidates; or individuals.

C. Organizational Support Agreements.

1. The Port Authority may enter into P&D Fund-supported organizational support agreements with non-profit organizations carrying out activities, programs, or services that help support the P&D Priorities. These organizations may include chambers of commerce, economic development corporations, workforce development, environmental, and transportation organizations, and other community, regional and business groups.

2. The Port Authority's organizational support agreements should require these groups provide periodic written reports documenting the organization's activities and accounting for use of Port Authority P&D funds to the Port Authority staff member designated in the applicable agreement to receive such reports.

3. Organizational support agreements shall not be awarded to entities that are not in good standing with the Texas Secretary of State, Texas Comptroller, or Internal Revenue Service; for-profit entities; labor or religious organizations; groups that discriminate on the basis of age, race, sex, sexual orientation or national origin; political action committees or candidates; or individuals.

D. Sponsorships.

1. The Port Authority may provide sponsorship support from the P&D Fund for events and activities that help support the P&D Priorities.

2. Sponsorships should generally be used to provide opportunities for Port Commissioners and Port Authority staff members to promote the Port Authority and the Port of Corpus Christi and improve the Port Authority's relations with those who are interested or may be interested in the Port of Corpus Christi.

3. Sponsorships may include Port Authority-led events and monetary support of events organized by third parties or with the assistance of the Port Authority.

F. Other Activities. The Port Authority reserves the right to engage in other activities which are supported by the P&D Fund, consistent with the P&D Statute, aligned with the P&D Priorities, and approved by an Approval Authority.

VII. Limitation of P&D Disbursements.

A. Expenses incurred by the Port Authority to conduct its routine operations and customarily approved, audited, and paid for out of regular funds of the Port Authority shall not be paid by P&D Fund disbursement.

VIII. Port Commission Expenditure Authority, Delegation, and Directives.

A. Approval of P&D Fund Expenditures and Budget. Each year the Port Commission shall approve the budget for all activities and costs to be paid from the P&D Fund, and review and approve appropriate individual items, including all contracts subject to Port Commission approval by law, and may delegate review and approval of items to Port Authority staff as it deems appropriate.

B. Delegation of Authority to Port Commission Audit Committee. The Port Commission hereby delegates to the Port Commission Audit Committee the following duties:

1. Oversight of financial reviews of the P&D Fund, including periodic audits conducted by an independent auditor as determined by the Audit Committee; and

2. Oversight of related P&D Fund financial matters, including the following:

a. The integrity of P&D Fund financial statements;

b. P&D Fund accounting reporting processes and controls; and

c. The qualifications, independence, and performance of the P&D Fund's independent auditor as well as the frequency and scope of the P&D Fund audits.

3. Review of all P&D Fund expenditure requests in excess of the CEO's authority in Section VIII.C. The Port Commission Audit Committee shall provide the Port Commission with a recommendation to approve or disapprove each such request.

C. Delegation of Authority to Chief Executive Officer and Designees. Except with respect to its approval of contracts otherwise subject to Port Commission approval by law, or as otherwise provided by this P&D Policy and other Port Commission-approved policies, the Port Commission hereby delegates to the CEO, and his or her designees as set forth in writing, the review, prioritization, analysis, and approval or disapproval of requests for expenditure of P&D Funds, including the programs, initiatives, and activities set forth herein. The CEO's authority is limited to P&D Fund expenditures of One Hundred and Fifty Thousand Dollars (\$150,000) or less.

D. Delegation to the Chief Financial Officer. The Port Commission hereby delegates to the CFO the creation and execution of P&D Fund accounting procedures and practices consistent with this P&D Policy, the P&D Statute, and accounting best practices.

E. P&D Fund Reporting. Port Authority staff members shall provide the Port Commission with regular reports, no less frequently than quarterly, setting forth all expenditures from the P&D Fund, in such detail as the Port Commission requires, for the previous quarter and for such other periods as the Port Commission directs.

1. Without limiting the foregoing, such reports shall include information regarding:

a. Grants, organizational support agreements, sponsorships, and similar spending;

b. Total expenditures from the P&D Fund, including year-to-date summary information by category of expenditure; and

c. Other matters as requested by the Port Commission.

2. Periodic reports concerning P&D Fund expenditures shall be prepared for the public and made available to the public on the Port Authority's website.

F. P&D Policy Exceptions.

1. Exceptions to this P&D Policy applicable to Port Commissioner requests require action by the Port Commission in public session.

2. All other exceptions shall be approved by the Approval Authority with such delegated power.

3. All expenditures resulting from approved exceptions shall be subject to the same reporting requirements as other approved expenditures from the P&D Fund.

IX. Management of P&D Fund Budgeting, Requests, and the Approval Process.

A. Budgeting.

1. Each Port Authority department that anticipates P&D Fund expenses in the following year should develop a budget of these expenditures in conjunction with the Port Authority's annual budget process. Port Authority staff should recommend reasonably detailed P&D Fund budget-line items for the forthcoming year, for Port Commission action at the Port Commission meeting during which the annual operating budget of the Port Authority is reviewed and acted on.

2. The Port Authority should endeavor to limit P&D Fund expenditures to the amounts set forth in the annual operating budget adopted by the Port Commission. In no event shall P&D Fund expenditures exceed the maximum percentage or amount of operating revenues set aside by the Port Commission as the P&D Fund.

3. Budgets should be reforecast periodically by the applicable budget owner, and each reforecast should be shown on subsequent monthly reports, along with explanations for significant variances from the original approved annual budget line items.

B. External Requests for P&D Fund Expenditures.

1. All external requests for use of P&D Funds shall be submitted in writing to the Port Authority. P&D Fund request forms shall be available to the public and should be the preferred method for submitting a request for P&D Funds.

2. External requests not made in writing or lacking adequate justification may be disapproved by the Port Authority.

C. Evaluation and Approval or Disapproval of Funding Requests.

1. Every request for a P&D Fund expenditure shall be evaluated to determine whether it falls within the P&D Priorities and the budget adopted by the Port Commission and whether it properly serves the interests of the Port Authority. Each approved expenditure shall include a description of the expected impact of the expenditure and how the expenditure is consistent with the P&D Priorities and state whether the amount being requested is within the budget of the applicable budget owner.

2. Port Commissioners, and persons with applicable delegated Approval Authority, shall review and take action on such requests in accordance with this P&D Policy and the budget guidelines adopted by the Port Commission.

3. Any request for funding exceeding One Hundred and Fifty Thousand Dollars (\$150,000) shall be approved by the Port Commission during public session prior to payment.

4. Except as hereafter provided, the action of the Approval Authority is final. If the Approval Authority disapproves a request or fails to act on any request, the request shall be considered denied, provided however if the Port Commission or Approval Authority disapproves or fails to act on a Port Commissioner request, two (2) Port Commissioners may direct the CEO in writing to place the request on an agenda for consideration and possible action at a public session of the Port Commission.

X. P&D Policy Responsibility.

1. The Port Commission Audit Committee shall evaluate this P&D Policy's effectiveness and recommend updates as needed to the Port Commission for possible action at regularly scheduled meetings.

2. The Director of Community Relations is responsible for implementation of this P&D Policy and is the contact for staff members seeking its interpretation.

XI. Adoption.

This Promotion and Development Fund Policy was adopted by the Port Commission on August 20, 2024.

**AMENDED RESOLUTION AUTHORIZING FUNDING OF THE  
PORT OF CORPUS CHRISTI PROMOTION AND DEVELOPMENT FUND FOR 2024  
AND MATTERS RELATING THERETO**

WHEREAS, Port of Corpus Christi Authority of Nueces County, Texas (“**PCCA**”) established the Port of Corpus Christi Promotion and 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 (collectively, “**P&D Expenses**”); and

WHEREAS, Section 60.205 of the Water Code provides that Subchapter H authorizes disbursements from the promotion and 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. During the calendar year 2024, PCCA shall set aside out of current income from its operations a promotion and development fund of the lesser of (i) not more than Five Million Nine Hundred Thousand Dollars (\$5,900,000), and (ii) five percent (5%) of its gross income from operations in 2024 (the “**P&D Fund**”).

Section 2. Money in the P&D Fund shall be used to pay P&D Expenses according to the PCCA Promotion and Development Fund Policy adopted by the Port Commission on August 20, 2024.

Section 3. This Amended Resolution was adopted by the Port Commission of the Port of Corpus Christi Authority of Nueces County, Texas, at a public meeting of the Port Commission held on August 20, 2024.

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**FIRST AMENDMENT TO THE  
SECOND AMENDED AND RESTATED OPERATING RULES  
OF THE PORT COMMISSION OF THE  
PORT OF CORPUS CHRISTI AUTHORITY  
OF NUECES COUNTY, TEXAS**

The undersigned Chairman and Secretary of the Port Commission of the Port of Corpus Christi Authority of Nueces County, Texas, do hereby certify that at a duly called meeting of the Port Commission held on August 20, 2024, at least two-thirds of all Port Commissioners voted to amend the Section 11(c) of the Second Amended and Restated Operating Rules of the Port Commission (“Operating Rules”) to read as follows:

Section 11.     General Powers, Authority, Duties, and Responsibilities of the Port Commission.

The Port Commission is vested with all powers, authority, duties, and responsibilities permitted by law for the governance, policymaking, and performance oversight of PCCA and its properties. The Port Commission’s powers, authority, duties, and responsibilities include:

      c.     the authority to approve all expenditures from PCCA’s Promotion and Development Fund not delegated to the CEO in PCCA’s Promotion and Development Fund Policy

SIGNED by the Chairman and Secretary of the Port Commission on the dates set forth opposite their signatures below.

\_\_\_\_\_  
Date signed

\_\_\_\_\_  
David P. Engel, Chairman

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Date signed

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Gabe Guerra, Secretary