

**PORT OF GALVESTON  
REQUEST FOR DISCUSSION AND  
TRUSTEES ACTION**

**BUSINESS ITEM**

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**PREPARED BY:** Jeffrey Thomas Chief Engineer September 26, 2023

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**SUBJECT: Consider And Approve Resolution of The Board of Trustees of The Galveston Wharves Approving and Accepting Three Grants Approved by the Texas Port Authority Advisory Committee and Recommended for Approval by the State of Texas Acting Through the Texas Department of Transportation**

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**BACKGROUND:** In July, the Port submitted a letter to TXDOT recommending existing Port Mission Plan projects to be considered for TXDOT’s Maritime Infrastructure Program (MIP; \$200M) and Seaport Connectivity Program (SCP; \$40M) The projects that port identified were: 1.) Rehabilitation of Pier 39-40 and Slip 38 and 40 Closure walls to revitalize the West Port’s largest cargo berth (MIP; Project Cost: \$50.1M), 2.) Rehabilitation of a section of Old Port Industrial Rd from 33<sup>rd</sup> Street to 41<sup>st</sup> Street (SCP; Project Cost: \$3.1M), and 3.) Improvements to the Walkway over Harborside at Cruise Terminal 25 (SCP; Project Cost: 4.8M). In July, the Port Authority Advisory Committee voted to recommend these projects to be funded by the MIP and the SCP along with projects from other Ports.

On September 28 the Texas Transportation Commission (TTC) will vote to approve the recommendation made by the PAAC. Contingent on an approval from the TTC, the Port will have to enter into Advanced Funding Agreements (AFA) with TXDOT, for each project, to become eligible for reimbursement from TXDOT. To execute the AFAs, the Board of Trustees must approve a resolution to commit the local funding for the projects and be responsible for project overruns.

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**RECOMMENDATIONS:** The Board of Trustees is respectfully requested to listen to the briefing of the Port Director and Approve a Resolution of The Board of Trustees of The Galveston Wharves Approving and Accepting Three Grants Approved by the Texas Port Authority Advisory Committee and Recommended for Approval by the State of Texas Acting Through the Texas Department of Transportation

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**Respectfully Submitted By:**

  
Rodger Rees, Port Director/CEO

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**DATE ACTION TAKEN:** \_\_\_\_\_

Approved: \_\_\_\_\_ Motion By: \_\_\_\_\_  
Disapproved: \_\_\_\_\_ Seconded By: \_\_\_\_\_  
Deferred To: \_\_\_\_\_ Unanimous: Yes \_\_\_\_\_ No \_\_\_\_\_  
Incorporated into Minutes: \_\_\_\_\_ By: \_\_\_\_\_

**GALVESTON WHARVES**  
**CONSIDER AND APPROVE RESOLUTION OF THE BOARD OF TRUSTEES OF THE GALVESTON WHARVES APPROVING AND ACCEPTING THREE GRANTS APPROVED BY THE TEXAS PORT AUTHORITY ADVISORY COMMITTEE AND RECOMMENDED FOR APPROVAL BY THE STATE OF TEXAS ACTING THROUGH THE TEXAS DEPARTMENT OF TRANSPORTATION**

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**Background**

As part of the Galveston Wharves' 2019 Masterplan, the need for an internal Port road was identified. The road would stretch the length of the Port and provide a supplemental route parallel to Harborside which would serve as an alternate route to Harborside for Port related traffic. The Masterplan also proposed projects to rehabilitate West Port marine structures and consolidate the west end through the land reclamation of the existing slips

In July, the Port submitted a letter to TXDOT recommending existing Port Mission Plan projects to be considered for TXDOT's Maritime Infrastructure Program (MIP; \$200M) and Seaport Connectivity Program (SCP; \$40M) The projects that port identified were:

1. Rehabilitation of Pier 39-40 and Slip 38 and 40 Closure walls to revitalize the West Port's largest cargo berth (MIP; Project Cost: \$50.1M)
2. Rehabilitation of a section of Old Port Industrial Rd from 33<sup>rd</sup> Street to 41<sup>st</sup> Street (SCP; Project Cost: \$3.1M)
3. Improvements to the Walkway over Harborside at Cruise Terminal 25 (SCP; Project Cost: 4.8M)

In July, the Port Authority Advisory Committee voted to recommend these projects to be funded by the MIP and the SCP along with projects from other Ports.

**Current Situation**

On September 28 the Texas Transportation Commission (TTC) will vote to approve the recommendation made by the PAAC. Contingent on an approval from the TTC, the Port will have to enter into Advanced Funding Agreements (AFA) with TXDOT, for each project, to become eligible for reimbursement from TXDOT. To execute the AFAs, the Board of Trustees must approve a resolution to commit the local funding for the projects and be responsible for project overruns. The table on the next page shows the local match for the projects.

<u>Project Name</u>	<u>Total Project Cost</u>	<u>25% Local Match, plus overruns (To Be Paid by Wharves)</u>
West End Cargo Expansion Project	\$50,112,659.00	\$14,130,726.00
Old Port Industrial Internal Roadway Project	\$3,150,000.00	\$654,813.00
Cruise Terminal Walkway Circulation Improvements Project	\$4,850,000.00	\$1,002,408.00
Total Project Costs	\$58,112,659.00	\$15,787,947.00

### **Fiscal Impact**

Pending the approval of the Texas Transportation Commission, the future cost of approving the resolution is \$15,787,587.00, plus any cost over runs, which will be paid during design and construction of the project described above. The resolution will also allow the Port to become eligible for \$42,324,712.00 in reimbursements for the projects.

### **Staff Recommendation**

The Board of Trustees is respectfully requested to listen to the briefing of the Port Director and Approve a Resolution of The Board of Trustees of The Galveston Wharves Approving and Accepting Three Grants Approved by the Texas Port Authority Advisory Committee and Recommended for Approval by the State of Texas Acting Through the Texas Department of Transportation

**A RESOLUTION APPROVING AND AGREEING TO ACCEPT GRANTS APPROVED BY THE TEXAS PORT AUTHORITY ADVISORY COMMITTEE AND RECOMMENDED FOR APPROVAL BY THE TEXAS DEPARTMENT OF TRANSPORTATION**

WHEREAS, the Port Authority Advisory Committee (“PAAC”) is charged by the Texas Legislature with reviewing projects eligible to be funded under Chapter 55, Texas Transportation Code, and making recommendations concerning said projects to the Texas Department of Transportation (“TXDOT”); and

WHEREAS, the Board of Trustees of the Galveston Wharves (“Wharves”) submitted applications for grant funding to the PAAC for the following three projects at the Port of Galveston:

1. The “West End Cargo Expansion Project” includes the construction of a new 1,340-foot berth, with the installation of closure walls, existing bulkhead replacement, dredging, concrete paving between the existing bulkhead and new bulkhead walls, fenders, bollards and utilities. The total cost of this project is \$50,112,659.00.
2. The “Old Port Industrial Internal Roadway Project” includes Phase 3 of the Port’s Cruise Corridor Project, which includes improvements to Old Port Industrial Road between 33<sup>rd</sup> and 37<sup>th</sup> Streets. The total cost of this project is \$3,150,000.00.
3. The “Cruise Terminal Walkway Circulation Improvements Project” includes improvements to the existing elevated walkway from the Shearn Moody Plaza Garage to Cruise Terminal No. 25 at the Port, including air conditioning, elevators, escalators, structural repairs and pedestrian improvements at both ends of the walkway, so that the walkway may be used by cruise passengers and members of the public. The total cost of this project is \$4,850,000.00.

WHEREAS, the PAAC has reviewed and recommended approval to TXDOT to fully fund grants for all three of the projects described above; and

WHEREAS, if approved by TXDOT the grants will require a 25% local match by the Wharves, plus cost overruns; and

WHEREAS, the Port Director/CEO and Wharves staff recommended that the Board of Trustees agree to accept and implement the proposed grants for the three projects described above, if approved by TXDOT.

NOW THEREFORE, BE IT RESOLVED that the Board of Trustees of the Galveston Wharves supports the approval of the grants to fully fund the West End Cargo Expansion Project, the Old Port Industrial Internal Roadway Project, and the Cruise Terminal Walkway Circulation

Improvements Project, and, if the grants are approved, to authorize the use of Wharves funds to fund the 25% local match requirements plus any cost overruns in the following projects:

<u>Project Name</u>	<u>Total Project Cost</u>	<u>State Funding (Not To Exceed)</u>	<u>25% Local Match, plus Cost overruns (To Be Paid by Wharves)</u>
West End Cargo Expansion Project (Maritime Infrastructure Program)	\$50,112,659.00	\$35,981,933.00	\$14,130,726.00
Old Port Industrial Internal Roadway Project (Seaport Connectivity Program)	\$3,150,000.00	\$2,495,187.00	\$654,813.00
Cruise Terminal Walkway Circulation Improvements Project (Seaport Connectivity Program)	\$4,850,000.00	\$3,847,592.00	\$1,002,408.00
Total Project Costs	\$58,112,659.00	\$42,324,712.00	\$15,787,947.00

BE IT FURTHER RESOLVED that the Port Director/CEO is authorized to execute documents and agreements reasonably required by TXDOT to accept and implement the grants for these three projects, following review and approval by Legal Counsel.

ADOPTED BY THE BOARD OF TRUSTEES OF THE GALVESTON WHARVES at its Regular Monthly Meeting held on September 26, 2023

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Chairman, Board of Trustees