

PHILADELPHIA REGIONAL PORT AUTHORITY

**Minutes of the Philadelphia Regional Port Authority
Board of Directors Meeting**

January 20, 2006

Philadelphia Regional Port Authority Board Members Present:

Chairman Brian Preski, Boise Butler, John Cuff, Frank Gillen, Thomas Kelly, Charles Marshall, James McErlane, Chad Rubin, Herb Vederman, Harry Williams

Philadelphia Regional Port Authority Board Members Absent:

Michael Rashid

Philadelphia Regional Port Authority Staff Present:

James T. McDermott, Jr., Robert Blackburn, Jack Dempsey, George Fedorijczuk, Edward Henderson, Gregory Iannarelli, William McLaughlin, Marian Simpson, Michael Scott, Nicholas Walsh

Commonwealth of Pennsylvania:

Joseph Lawruk (via telephone)

Others:

Michael Meehan, Chuck McDonald, Don Brennan, Tim O'Neill

The January meeting of the Board of Directors of the Philadelphia Regional Port Authority was held on January 20, 2006 at 9:30 a.m. in the office of the Philadelphia Regional Port Authority, 3460 North Delaware Avenue, Philadelphia, PA.

Chairman Brian Preski called the meeting to order and immediately adjourned to an Executive Session.

The Public Session was reconvened and the first order of business was the approval of the minutes for the December 16, 2005 meeting. A motion was made, seconded and approved.

RESOLUTIONS:

**#01 Contract with TranSystems Corp. for the Design of Refrigerated Loading Dock
Enclosure**

Mr. Scott said the Authority is proposing to construct a new 20,000 s.f. refrigerated loading dock at the Packer Avenue Marine Terminal. It would connect the existing refrigerated Building 1A with Building 2A. This would give the terminal the ability to handle additional refrigerated cargo. Staff recommends retaining TranSystems Corp. to perform project design and provide technical advice during the construction phase.

The motion was made, seconded as follows:

WHEREAS, the Philadelphia Regional Port Authority (the “Authority”) has been authorized under Section 6 of the Act of July 10, 1989, P.L. 55 P.S. Sections 697.1-697.24 of the General Assembly of the Commonwealth of Pennsylvania (the “PRPA Act”) to make and enter into contracts in furtherance of its purposes; and

WHEREAS, Section 11(d) of the PRPA Act sets out procedures whereby such contracts may be awarded for professional services in furtherance of the powers and duties of the Authority without competitive bidding; and

WHEREAS, the Board of the Authority has determined, on the basis of information provided to it (which information is attached hereto as Exhibit “A” and incorporated herein by reference), to obtain the professional services of TranSystems Corp to perform the project design and provide technical advice during the construction phase; and

WHEREAS, the staff of the Authority has determined that TranSystems Corp (the “Contractor”) has the requisite expertise and capacity to provide the services herein described.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority enter into an agreement with the Contractor to perform the professional services described in Exhibit “A”. The agreement shall provide for total payments to the Contractor for design services, inclusive of all expenses, for a maximum amount of \$50,000.

2. The Executive Director of the Authority, with the advice of its Chief Counsel, is hereby authorized and directed to negotiate the specific terms and conditions of the agreement, and the Executive Director is hereby authorized and directed to execute, acknowledge and deliver on behalf of the Authority any agreements, documents or other instruments as may be necessary to effectuate the purposes of this resolution.

The motion was made, seconded and approved. Resolution No. 2006-01 and Exhibit “A” on file with the Authority.

#02 Contract with Gottlieb, Barnett & Bridges, LLC for Engineering and Service for Multi-Purpose Gantry Crane and Crane Rail Capacity Study

Mr. Scott said based on expected increased future operations at the Tioga Marine Terminal, it is projected that operations at the terminal will require the addition of a new multi-purpose gantry crane and will also necessitate a study of the capacity of the crane beam. Staff is recommending amending the present contract with GBB for the additional scope of services. Also, included in the scope of work, is a detailed survey to ensure that the dock is capable of handling the additional weight.

Mr. McDermott added that the primary beneficiary of the crane is Camden Iron & Metal and staff will prepare this contract, but will not proceed until the Authority learns that the appropriate funding from the Commonwealth is coming to benefit Camden Iron & Metal.

The motion was made, seconded as follows:

WHEREAS, the Philadelphia Regional Port Authority (the "Authority") has been authorized under Section 6 of the Act of July 10, 1989, P.L. 55 P.S. Sections 697.1-697.24 of the General Assembly of the Commonwealth of Pennsylvania (the "PRPA Act") to make and enter into contracts in furtherance of its purposes; and

WHEREAS, Section 11(d) of the PRPA Act sets out procedures whereby such contracts may be awarded for professional services in furtherance of its powers and duties; and

WHEREAS, the Board of the Authority has determined, on the basis of information provided by its staff, to obtain professional engineering services for a multi-purpose gantry crane and to conduct a crane rail study as described in Exhibit "A" attached hereto and incorporated herein by reference; and

WHEREAS, the staff of the Authority has determined that Gottlieb, Barnett & Bridges, LLC (the "Contractor") has the requisite expertise and capacity to provide the services.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority is authorized to amend the contract with Gottlieb, Barnett & Bridges, LLC to perform the services described in Exhibit "A", inclusive of all such services, supplies and materials as may be necessary or desirable with respect thereto to a maximum fee not to exceed \$82,000.

2. The Executive Director of the Authority, with the advice of its Chief Counsel, is hereby authorized and directed to negotiate the specific terms and conditions of the agreement by which the services shall be provided as noted above, and the Executive Director is hereby authorized and directed to execute, acknowledge and deliver on behalf of the Authority any agreements, documents or other instruments as may be necessary to effectuate such an arrangement.

The motion was made, seconded and approved. Resolution No. 2006-03 and Exhibit "A" on file with the Authority.

#03 Contract with Gottlieb, Barnett & Bridges, LLC for Engineering Services for the Crane Electrification at Packer Avenue Marine Terminal

Mr. Scott said with the acquisition of two new electric gantry cranes at the Packer Avenue Marine Terminal it is necessary to provide power service to the new cranes as well as provide electricity to the two existing cranes. The electrification of the terminal and cranes will

provide the PRPA with a more efficient, environmentally compliant and cost-effective means of powering the cranes.

The motion was made, seconded as follows:

WHEREAS, the Philadelphia Regional Port Authority (the "Authority") has been authorized under Section 6 of the Act of July 10, 1989, P.L. 55 P.S. Sections 697.1-697.24 of the General Assembly of the Commonwealth of Pennsylvania (the "PRPA Act") to make and enter into contracts with respect to port facilities, as such are defined in the PRPA Act, and generally in furtherance of the purposes as stated in the PRPA Act; and

WHEREAS, Section 11(d) of the PRPA Act sets out procedures whereby such contracts may be awarded for professional services in furtherance of the powers and duties of the Authority without competitive bidding; and

WHEREAS, the Board of the Authority has determined on the basis of information provided by its staff (which information is attached hereto as Exhibit "A" and incorporated by reference) to obtain the professional services of Gottlieb, Barnett & Bridges, LLC (the "Contractor") for engineering services for the crane electrification at Packer Avenue Marine Terminal; and

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority enter into an agreement with the Contractor to perform the professional services as described in Exhibit "A" inclusive of all services, supplies, materials and expenses as may be necessary or desirable with respect thereto in an amount not to exceed \$275,000.

2. The Executive Director of the Authority, with the advice of its Chief Counsel, is hereby authorized and directed to negotiate the specific terms and conditions of any agreements necessary to implement this Resolution, and the Executive Director is hereby authorized and directed to execute, acknowledge and deliver on behalf of the Authority any agreements, documents or other instruments as may be necessary to effectuate such arrangements.

The motion was made, seconded and approved. Resolution No. 2006-03 and Exhibit "A" on file with the Authority.

#04 Contract with Urban Engineers for Engineering for the Refurbishment of Pier 84

Mr. Scott said with the partial collapse of Pier 84 apron on August 25, 2004 and the investigation that followed, staff is proposing an emergency contract with Urban Engineers, Inc. to begin work on the refurbishment of the pier. Urban Engineers will perform inspections and surveys, prepare plans and specs, and provide construction management for this work.

Chairman Preski said there were discussions in Executive Session regarding Urban Engineers' contract for this emergency work. The Board's concern is that if this had been an

RFP process would Urban Engineers' prices have been lower and because of the emergency situation was their price for this work inflated. The Board wishes staff to communicate to Urban Engineers and other firms doing business with the Authority that if emergency prices are inflated there is reason for concern in future contracts.

The motion was made, seconded as follows:

WHEREAS, the Philadelphia Regional Port authority (the "Authority") has been authorized under Section 6 of the Act of July 10, 1989, P.L. 55 P.S. Sections 697.1- 697.24 of the General Assembly of the Commonwealth of Pennsylvania (the "PRPA Act") to make and enter into contracts in furtherance of its purposes; and

WHEREAS, Section 11(d) of the PRPA Act sets out procedures whereby such contracts may be awarded for professional services in furtherance of the powers and duties of the Authority without competitive bidding; and

WHEREAS, the Board of the Authority has determined, on the basis of information provided to it (which information is attached hereto as Exhibit "A" and incorporated herein by reference), to obtain the professional services of Urban Engineers, Inc. to perform emergency inspections and surveys, prepare plans and specs, and provide construction management for this work; and

WHEREAS, the staff of the Authority has determined that Urban Engineers, Inc. (the "Contractor") has the requisite expertise and capacity to provide the services herein described.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority enter into agreement with the Contractor to perform the professional services described in Exhibit "A". The agreement shall provide for total payments to the Contractor for services, inclusive of all expenses, for a maximum amount of \$1,220,000.
2. The Executive Director of the Authority, with the advice of its Chief Counsel, is hereby authorized and directed to negotiate the specific terms and conditions of the agreement, and the Executive Director is hereby authorized and directed to execute, acknowledge and deliver on behalf of the Authority any agreements, documents or other instruments as may be necessary to effectuate the purposes of this resolution.

The motion was made, seconded and approved. Resolution No. 2006-04 and Exhibit "A" on file with the Authority. Mr. Rubin abstained from voting on this Resolution.

**#2006-05 Contract with Wolf, Block, Schorr & Solis-Cohen Law Firm for PRPA
Legal Services**

Mr. McDermott said Wolf, Block, Schorr & Solis-Cohen will bring an expertise to the Authority that is needed.

The motion was made, seconded as follows:

That the law firm of Wolf, Block, Schorr & Solis-Cohen be retained by the Authority as its outside counsel. Chief Counsel to the Authority is authorized and directed to negotiate the specific terms and conditions of the services to be provided, and the Executive Director is authorized and directed to execute, acknowledge and deliver any agreements necessary from time to time to effectuate such arrangements.

The motion was made, seconded and approved. Resolution No. 2006-05 on file with the Authority. Mr. Chad Rubin abstained from voting on this Resolution.

#2006-06 Renewal Contract with Gahagan & Bryant for Engineering Services

Mr. McDermott said this is a renewal of the contract with Gahagan & Bryant. They will provide an on-call arrangement, allowing PRPA to request, on short notice, dredge consultation services, strategic planning analysis and permit support services. This firm provides the Authority with top-notch expertise. Mr. Callegari, who is retired from the Army Corp of Engineers, is the Authority's liaison with that agency. He is key in helping the Authority with maintenance dredging issues.

The motion was made, seconded as follows:

WHEREAS, the Philadelphia Regional Port Authority (the "Authority") has been authorized under Section 6 of the Act of July 10, 1989, P.L. 55 P.S. Sections 697.1 – 697.24 of the General Assembly of the Commonwealth of Pennsylvania (the "PRPA Act") to make and enter into contracts in furtherance of its purposes; and

WHEREAS, Section 11(d) of the PRPA Act sets out procedures whereby such contracts may be awarded for professional services in furtherance of the powers and duties of the Authority without competitive bidding; and

WHEREAS, the Board of the Authority has determined to contract with Gahagan & Bryant to provide an on-call arrangement for dredge consultation services, strategic planning analysis and permit support services; and

WHEREAS, staff has determined that Gahagan & Bryant has the requisite expertise and capacity to provide the services herein described.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority enter into an agreement with the Contractor to perform the professional services described in Exhibit "A". The agreement shall provide for total payments to the Contractor for on-call services, inclusive of all expenses, for a maximum amount of \$100,000.

2. The Executive Director of the Authority, with the advice of its Chief Counsel, is hereby authorized and directed to negotiate the specific terms and conditions of the agreement and the Executive Director is hereby authorized and directed to execute, acknowledge and deliver on behalf of the Authority any agreements, documents or other instruments as may be necessary to effectuate the purposes of this Resolution.

The motion was made, seconded and approved. Resolution No. 2006-06 and Exhibit "A" on file with the Authority.

#2006-07 Approval of the Pennsylvania Global Railroad Settlement

Chairman Preski said this Resolution was discussed in Executive Session. He added that Mr. Marshall with his long experience in the railroad business, recommends approval of this Resolution.

Chairman Preski also said that there are many other provisions in this settlement that do not relate to the PRPA. Therefore, he made an oral motion that approval of this Resolution is contingent upon the fact that the approval of the settlement is only as it relates to the PRPA.

The motions were made, seconded as follows:

WHEREAS, the Philadelphia Regional Port Authority has been authorized, under Section 6 of the Act of July 10, 1989, P.L. 291, 55 P.S. Section 697.1, et seq. of the General Assembly of the Commonwealth of Pennsylvania (the "PRPA Act") to, among other things, acquire, develop and maintain the property necessary or desirable for carrying out the purposes of the Authority; and

WHEREAS, in December 2002, the Authority entered into an agreement with CSX Transportation Lines and other parties outlining the acquisition of Piers 122 & 124, the Whiskey Yard and the Savage Yard (the "Properties"); and

WHEREAS, on August 20, 2004, by Resolution 2004-13, the Board authorized the exercise of eminent domain to obtain the Properties; and

WHEREAS, Declarations of Taking were filed to acquire the Properties; and

WHEREAS, Norfolk Southern, CSX Transportation, Inc. and Consolidated Rail Corporation ("the Railroads") contested the acquisitions by eminent domain; and

WHEREAS, resolution of the eminent domain proceedings by the United States District Court has not occurred at this time; and

WHEREAS, the Commonwealth of Pennsylvania, the City of Philadelphia and the Philadelphia Authority for Industrial Development in addition to the Authority (the "Governmental Entities") have contested disputes with the Railroads; and

WHEREAS, the governmental entities and the railroads have met to achieve a global settlement of all outstanding disputes; and

WHEREAS, the railroads have submitted a Letter of Intent outlining a resolution of all disputed matters for review and approval by the governmental entities; and

WHEREAS, the Board of the Authority has determined based upon the information provided by its staff to participate in the global resolution as outlined in the Letter of Intent, a copy of which is attached hereto as Exhibit "A".

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority execute the letter of intent attached as Exhibit "A".
2. The Executive Director of the Authority, with the advice of its Chief Chief Counsel, is hereby authorized and directed to negotiate the specific terms and conditions of any agreements necessary to finalize the settlement as outlined in the Letter of Intent and the Executive Director is hereby authorized and directed to execute, acknowledge and deliver on behalf of the Authority any agreements, documents or other instruments as may be necessary to effectuate such arrangements.

The motions were made, seconded and approved. Resolution No. 2006-07 and Exhibit "A" on file with the Authority.

#2006-08 To Accept Rail Freight Assistance Grant

Mr. Walsh said a grant application was submitted to the Commonwealth of Pennsylvania Department of Transportation ("PennDot") seeking funding to conduct rail repairs to restore rail service to Tioga Marine Terminal. PennDot will award \$79,000 in grant funds to be matched by PRPA in the amount of \$34,000 to conduct rail repairs at the Tioga Terminal.

The motion was made, seconded as follows:

WHEREAS, the Philadelphia Regional Port Authority has been authorized, under Section 6 of the Act of July 10, 1989, P.L. 291, 55 P.S. Section 697.1, et seq. of the General Assembly of the Commonwealth of Pennsylvania (the "PRPA Act") to apply for and accept grants; and

WHEREAS, the Commonwealth of Pennsylvania, Department of Transportation ("PennDot") administers a rail freight assistance program; and

WHEREAS, the Authority submitted a grant application seeking funds to conduct rail repairs to restore rail service to the Tioga Marine Terminal; and

WHEREAS, PennDot has notified the Authority of an award of a grant to the Authority in the amount of \$79,000 for the repairs sought; and

WHEREAS, the staff of the Authority has reviewed the conditions of the grant and recommends the Authority accept the grant; and

WHEREAS, the Board of the Authority based upon the information provided by staff and contained in Exhibit "A" attached hereto and incorporated by reference authorizes acceptance of the grant.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority hereby authorizes its staff to execute the grant agreement with PennDot.

2. The Executive Director of the Authority, with the advice of its Chief Counsel, is hereby authorized and directed to negotiate the specific terms and conditions of the grant agreement and the Executive Director is hereby authorized and directed to execute, acknowledge and deliver on behalf of the Authority any agreements, documents or other instruments as may be necessary to effectuate such arrangements.

The motion was made, seconded and approved. Resolution No. 2006-08 and Exhibit "A" on file with the Authority.

#2006-09 Authorization for Land Acquisition

Mr. McDermott said this is an opportunity for the Authority to acquire some properties west of the Port Administration Building that could be used for multiple purposes. Staff is hopeful for a new tenant with this opportunity.

The motion was made, seconded as follows:

WHEREAS, the Philadelphia Regional Port Authority has been authorized, under Section 6 of the Act of July 10, 1989, P.L. 291, 55 P.S. Section 697.1, et seq. of the General Assembly of the Commonwealth of Pennsylvania (the "PRPA Act") to acquire property necessary or desirable for carrying out the purposes of the Authority; and

WHEREAS, the Authority has identified additional land near its Tioga Marine Terminal that, if acquired by the Authority, could be developed as an auxiliary site to the Tioga Marine Terminal; and

WHEREAS, the additional land is currently owned by the City of Philadelphia (the "City"); and

WHEREAS, preliminary discussions by the staff of the Authority with representatives from the City to acquire the land have been favorable; and

WHEREAS, the Board of the Authority has determined based upon the information provided by its staff (which information is attached hereto as Exhibit "A" and incorporated by reference) to authorize acquisition of additional land presently owned by the City.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority enter into an agreement with the City and others to acquire land near the Tioga Marine Terminal as described in Exhibit "A" in an amount not to exceed \$1.8 million dollars.

2. The Executive Director of the Authority, with the advice of its Chief Counsel, is hereby authorized and directed to negotiate the specific terms and conditions of any agreements necessary to implement this Resolution and the Executive Director is hereby authorized and directed to execute, acknowledge and deliver on behalf of the Authority any agreements, documents or other instruments as may be necessary to effectuate such arrangements.

The motion was made, seconded and approved. Resolution No. 2006-09 and Exhibit "A" on file with the Authority.

Chairman Preski pointed out the new Procurement Progress Report and congratulated staff for a fine job in the daily operations at the port.

Mr. McLaughlin asked that board members remain after the meeting for a photograph signing the Rail Freight Agreement.

There being no further business to come before the Board the meeting was adjourned.

Respectfully submitted,

Marian Simpson
Secretary for the Board