

PHILADELPHIA REGIONAL PORT AUTHORITY

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

September 22, 2006

Philadelphia Regional Port Authority Board Members Present:

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

Philadelphia Regional Port Authority Board Members Absent:

John Cuff, Harry Williams

Philadelphia Regional Port Authority Staff Present:

James T. McDermott, Jr., Robert Blackburn, Don Brennan, Jack Dempsey, George Fedorijczuk, Edward Henderson, Gregory Iannarelli, Charles Lawrence, William McLaughlin, Joseph Menta, Joseph Petruzzi, Marian Simpson, James Walsh, Nicholas Walsh

Commonwealth of Pennsylvania:

Herb Packer, Joseph Lawruck

Others:

State Rep. Bill Keller, Michael Meehan, Chuck McDonald

The September meeting of the Board of Directors of the Philadelphia Regional Port Authority was held on September 22, 2006 at 9:30 a.m. in the office of the Philadelphia Regional Port Authority, 3460 North Delaware Avenue, Philadelphia, PA.

Chairman Preski immediately adjourned to an executive session.

The public session was reconvened and the first order of business was the approval of the May 19, 2006 meeting minutes. A motion for the minutes was made, seconded and approved.

**Philadelphia Regional Port Authority
Minutes of the Board Meeting
September 22, 2006
Page 2**

RESOLUTIONS:

#2006-22 Contract with Malady & Wooten Public Affairs, LLP

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 renew the services of Malady & Wooten Public Affairs, LLP (“M&W, LLP”) to represent the Authority on matters relating to state appropriations in the areas of transportation, infrastructure and port security; and

WHEREAS, the staff of the Authority has determined that M&W, LLP 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 M&W, LLP 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; but in any event such agreement shall provide for total payments to M&W, LLP, inclusive of all expenses for which M&W, LLP is to be reimbursed by the Authority, to be not greater than the amounts described in Exhibit “A” on a one-year basis not to exceed Three Thousand Dollars (\$3,000.00) per month from July 1, 2006 through June 30, 2007.
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

**Philadelphia Regional Port Authority
Minutes of the Board Meeting
September 22, 2006
Page 3**

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 arrangements.

The motion was made, seconded and approved. Resolution No. 2006-22 and Exhibit "A" on file with the Authority.

#2006-23 Contract for Public Relations and Port Promotion Initiatives with Davis Advertising, Inc.

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. 291, 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 staff of the Authority desires to continue producing the PRPA Port Newsletter, ("Port Watch"); and

WHEREAS, Davis Advertising, Inc. (the "Contractor") will continue to assist with other public relations initiatives to promote PRPA and its mission (which information is attached hereto as Exhibit "A") and which Exhibit is made a part hereof by reference; and

WHEREAS, the Board of the Authority on January 12, 2001, based on information provided by its staff, authorized the retention of Davis Advertising, Inc. to enhance the Authority's public relations and communications efforts; and

WHEREAS, the Board of the Authority in Resolution No. 2005-31 authorized the renewal of the contract with Davis Advertising through June 30, 2006; and

WHEREAS, the staff of the Authority wishes to renew the contract with Davis Advertising, Inc. effective July 1, 2006 to June 30, 2007; and

WHEREAS, the staff of the Authority has determined that Davis Advertising, Inc. 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 services described in Exhibit "A", inclusive of all services, supplies and materials as may be necessary or desirable with respect thereto, but in any event such agreement shall provide for total payments to the Contractor, inclusive of all expenses for which such Contractor is to be reimbursed by the Authority, to be not greater than \$40,000.
2. The Executive Director of the Authority, with the advise 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 arrangements.

The motion was made, seconded and approved with Mr. Chad Rubin abstaining from voting. Resolution #2006-23 and Exhibit "A" on file with the Authority.

**#2006-24 Philadelphia Regional Port Authority Operating Budget for Fiscal
Year 2006-2007**

The motion was made, seconded as follows:

A motion for the recommendation of the Board for the submission of the Philadelphia Regional Port Authority's Operating Budget for Fiscal Year 2006-2007 to the Governor's Office for approval.

The motion was made, seconded and approved. Resolution No. 2006-24 on file with the Authority.

**Philadelphia Regional Port Authority
Minutes of the Board Meeting
September 22, 2006
Page 5**

#2006-25 Foreign Trade Zone Operating Agreement

The motion was made, seconded as follows:

WHEREAS, the Philadelphia Regional Port Authority (the “Authority”) was established under 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 responsibilities; and

WHEREAS, by way of resolution 1996-14, the Board authorized the staff of the Authority to enter into an agreement allowing subzone operations; and

WHEREAS, the contract entered into in 1996 by and between the Authority and Sun Company, Inc. (the “Contractor”) is up for renewal; and

WHEREAS, the Board of the Authority has determined based upon the information as set forth in Exhibit “A” attached hereto and incorporated herein by reference to authorize entering into a Foreign-Trade Zone Operator’s Agreement with Sun Company, Inc.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority enter into an agreement with the Contractor to perform the services as may be necessary to carry out the operation of the Foreign-Trade subzone, as designated by the Foreign-Trade Zone Board. The terms of the agreement require the Authority collect \$20,000 annually from Sun Company, Inc.
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 of other instruments as may be necessary to effectuate the purposes of this Resolution.

The motion was made, seconded and approved. Resolution No. 2006-25 and Exhibit “A” on file with the Authority.

**Philadelphia Regional Port Authority
Minutes of the Board Meeting
September 22, 2006
Page 6**

#2006-26 Establishment and Reaffirmation of Board Committees

The motion was made and seconded as follows:

WHEREAS, the Philadelphia Regional Port Authority (the “Authority”) was established under 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”); and

WHEREAS, the Board, pursuant to the Bylaws of the Authority, by resolution may establish one or more standing or special committees; and

WHEREAS, the Board of the Authority has determined, to establish and reaffirm its committees as set forth in Exhibit “A” attached hereto and incorporated herein by reference.

NOW, THEREFORE, BE IT RESOLVED:

1. That the committees in Exhibit “A” are hereby established and reaffirmed.

The motion was made, seconded and approved. Resolution No. 2006-26 and Exhibit “A” on file with the Authority.

#2006-27 Dredge Disposal Demonstration Project Grant

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, adequate dredge disposal infrastructure is a critical component of a successful port; and

WHEREAS, based upon projected dredge disposal placement requirements, there exists a need for improved Pennsylvania based dredge disposal facilities; and

WHEREAS, the United States Army Corps of Engineers, in conjunction with the Commonwealth of Pennsylvania, through its Department of Environmental Protection (“PaDEP”) and Bennett Branch Watershed Association are participating in the planning, design and construction of a Railcar Track Expansion and a Material Transfer Station at the Fort Mifflin Dredge Material Confined Disposal Facility (“Project”); and

**Philadelphia Regional Port Authority
Minutes of the Board Meeting
September 22, 2006
Page 7**

WHEREAS, the Project is expected to dramatically increase the ability to place dredge disposal material in the Commonwealth of Pennsylvania; and

WHEREAS, changes in the scope of work and site placement have caused an increase in the cost of the Project;

WHEREAS, the Commonwealth of Pennsylvania has designated funding in the Capital Budget Act for the Authority to use for dredging and this Project; and

WHEREAS, the staff of the Authority has determined that the viability of the Project will enhance the necessary dredge disposal capabilities in the Commonwealth of Pennsylvania; and

WHEREAS, Bennett Branch Watershed Association is the non-federal sponsor and recipient of the funding from PaDEP; 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 grant funds for the planning, design and construction of a Railcar Track Expansion and a Material Transfer Station at the Fort Mifflin Dredge Material Confined Disposal Facility and demonstration project.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority enter into a grant agreement with the Bennett Branch Watershed Association to provide supplemental funding for the planning, design and construction of a Railcar Track Expansion and a Material Transfer Station at the Fort Mifflin Dredge Material Confined Disposal Facility and to conduct a demonstration of the project capabilities as described in Exhibit "A" in the amount not to exceed \$600,000.
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 of other instruments as may be necessary to effectuate the purposes of this Resolution.

The motion was made, seconded and approved. Resolution No. 2006-27 and Exhibit "A" on file with the Authority.

**Philadelphia Regional Port Authority
Minutes of the Board Meeting
September 22, 2006
Page 8**

#2006-28 Contract for Fire Protection Engineering Services with Triad Fire Protection Engineering Corp.

The motion was made and 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 contacts 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 in Resolution No. 2004-02 to contract with Triad Fire Protection Engineering, Corp. to obtain the professional services of Triad Fire Protection Engineering Corp. to perform on-call engineering services at various PRPA facilities; and

WHEREAS, the Board of the Authority determined in Resolution No. 2005-37 to renew the contract with Triad Fire Protection Engineering, Inc.:

WHEREAS, the staff of the Authority proposes to renew their contract for the engineering services (which information is attached herein as Exhibit “A” and incorporated herein by reference); and

WHEREAS, the staff of the Authority has determined that Triad Fire Protection Engineering 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 on-call engineering services, inclusive of all expenses, for a maximum amount of \$100,000.

**Philadelphia Regional Port Authority
Minutes of the Board Meeting
September 22, 2006
Page 9**

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. 2006-28 and Exhibit "A" on file with the Authority.

**#2006-29 Amendment to the Lease with Dependable Distribution, Inc.
For Pier 84 South**

The motion was made and 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 for the leasing, management and operation of port facilities, as such are defined in the PRPA Act; and

WHEREAS, Section 11 (c) of the PRPA Act provides that the Authority may negotiate and execute leases for its port facilities, port-related projects, or any part thereof by approval of the majority of its Board and permits the Authority to execute contracts in furtherance of its powers and duties with respect to port facilities; and

WHEREAS, the Board of the Authority has determined, on the basis of information provide by the staff of the Authority, to amend the Lease by and between the Authority and Dependable Distribution, Inc. for Pier 84 South.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority amend the Lease incorporating the terms as outlined in Exhibit "A" attached to this Resolution (the "Amended Lease").
2. The Executive Director of the Authority, with the advice of the Chief Counsel is hereby authorized and directed to negotiate the specific terms and conditions of the Amendment to the Lease and the Executive Director is hereby authorized and directed to execute, acknowledge and deliver on behalf of the Authority any

**Philadelphia Regional Port Authority
Minutes of the Board Meeting
September 22, 2006
Page 10**

agreements, documents or other instruments as may be necessary to effectuate such arrangements.

The motion was made, seconded and approved. Resolution No. 2006-29 and Exhibit "A" on file with the Authority.

#2006-30 Project Management Agreement with Fastship for Design and Development Plan for Marine Cargo Terminal

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 Authority will be receiving a grant to be used solely for the purpose of construction, by and for a Philadelphia based company established to operate high-speed advanced design vessels for the transport of high-value, time sensitive cargoes in the foreign commerce of the United States, of a marine cargo terminal network for high speed commercial vessels capable of supporting military sealift requirements ("Grant"); and

WHEREAS, Fastship, Inc. (the "Contractor") is a Philadelphia based company established to operate high-speed advance design vessels; and

WHEREAS, the Contractor proposes to provide project management services and related deliverables for the design and development plan of a marine terminal in compliance with the Grant as outlined in Exhibit "A" which information is attached hereto as and incorporated herein by reference; and

WHEREAS, the staff of the Authority has determined that the Contractor has the requisite expertise and capability to provide the services herein described; 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 enter into a professional services contract with the Contractor for project management services and related deliverables for the design and development plan of a marine cargo terminal consistent with the Grant.

**Philadelphia Regional Port Authority
Minutes of the Board Meeting
September 22, 2006
Page 11**

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority enter into an agreement with the Contractor for project management services for the design and development of a marine cargo terminal consistent with the Grant as described in Exhibit "A" in the amount not to exceed \$761,800.
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 of other instruments as may be necessary to effectuate the purposes of this Resolution.

The motion was made, seconded and approved. Resolution No. 2006-30 and Exhibit "A" on file with the Authority.

#2006-31 Design and Development of Marine Cargo Terminal

The motion was made and 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, pursuant to the Emergency Supplemental Appropriations Act of 2005 (P.L. 109-13), the Navy was directed to provide to the Authority a grant in the amount of \$40 million from previously appropriated funds, to be used solely for the purpose of construction, by and for a Philadelphia based company established to operate high-speed advanced design vessels for the transport of high-value, time sensitive cargoes in the foreign commerce of the United States, of a marine cargo terminal network for high speed commercial vessels capable of supporting military sealift requirements; and

**Philadelphia Regional Port Authority
Minutes of the Board Meeting
September 22, 2006
Page 12**

WHEREAS, the Board of the Authority has determined, on the basis of information provided (which information is attached hereto as Exhibit “A” and incorporated herein by reference) to accept the grant for the purposes outlined in the Emergency Supplemental Appropriations Act.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority enter into a grant agreement in the amount of \$40 million, to be used solely for the purpose of construction, by and for a Philadelphia based company established to operate high-speed advanced design vessels for the transport of high-value, time sensitive cargoes in the foreign commerce of the United States, of a marine cargo terminal network for high speed commercial vessels capable of supporting military sealift requirements as described in Exhibit “A”.
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 of other instruments as may be necessary to effectuate the purposes of this Resolution.

The motion was made, seconded and approved. Resolution No. 2006-31 and Exhibit “A” on file with the Authority.

#2006-32 Amendment to Contracting, Procurement and Leasing Policies and Procedures

THIS RESOLUTION WAS TABLED

#2006-33 Contract for Engineering Services with Schoor DePalma

The motion was made and 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

**Philadelphia Regional Port Authority
Minutes of the Board Meeting
September 22, 2006
Page 13**

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 Schoor DePalma to obtain the engineering services described herein; and

WHEREAS, the staff of the Authority has determined that Schoor DePalma (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 engineering 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. 2006-33 and Exhibit “A” on file with the Authority.

#2006-34 **To Authorize the Philadelphia Regional Port Authority to Lease Pier 122 to Growmark, Inc.**

THIS RESOLUTION WAS TABLED

#2006-35 **Amendment to the Lease with Dependable Distribution, Inc. for Six-Year Renewal**

THIS RESOLUTION WAS TABLED

**Philadelphia Regional Port Authority
Minutes of the Board Meeting
September 22, 2006
Page 14**

**#2006-36 Contract for Real Estate Appraisal Services with
Keystone Appraisal Company**

The motion was made and 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 Keystone Appraisal Company (the “Contractor”) to perform on-call real estate appraisal services described in Exhibit “A” attached and incorporated herein by reference; and

WHEREAS, the staff of the Authority has determined that 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 on-call real estate appraisal 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. 2006-36 and Exhibit “A” on file with the Authority.

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

Respectfully Submitted,

Marian F. Simpson
Secretary to the Board