

AMENDED

PHILADELPHIA REGIONAL PORT AUTHORITY

**MINUTES OF THE PHILADELPHIA REGIONAL PORT AUTHORITY
BOARD OF DIRECTORS MEETING**

MAY 18, 2007

Philadelphia Regional Port Authority Board Members Present:

Chairman Brian Preski, Anthony Aliano, Boise Butler, John Cuff (via telephone), Frank Gillen, Thomas Kelly, James McErlane, Michael Rashid, Chad Rubin, Herb Vederman (via telephone), Harry Williams

Philadelphia Regional Port Authority Staff Present:

James T. McDermott, Jr., Robert Blackburn, Don Brennan, Jack Dempsey, Frances Kelly, Edward Henderson, Gregory Iannarelli, Charles Lawrence, Sean Mahoney, William McLaughlin, Joseph Menta, Joseph Petruzzi, Donna Powell, Marian Simpson, Nicholas Walsh

Commonwealth of Pennsylvania:

Rep. Bill Keller, Herb Packer, Joseph Lawruk

Others:

Michael Meehan, Chuck McDonald, Tim O'Neill

The May meeting of the Board of Directors of the Philadelphia Regional Port Authority was held on May 18, 2007 at 9:30 a.m. in the office of the Philadelphia Regional Port Authority, 3460 North Delaware Avenue, Philadelphia, PA.

Chairman Preski called the meeting to order and the first order of business was the approval of the meeting minutes of the February 16, 2007. A motion for approval was made, seconded and approved. Chairman Preski welcomed PRPA's new board member Tony Aliano, Chief of Staff, to Rep. Sam Smith, Republican Leader of the House of Representatives. Mr. Aliano said he looked forward to working with the Board and staff of PRPA and he appreciates the opportunity. He added that his door is always open to all. He also said he had the pleasure of working with Chairman Preski for many years. Chairman Preski added that Mr. Aliano replaces Charles Marshall, who was one of the original-founding members. He suggested that a dinner be held in his Mr. Marshall's honor. A Resolution of appreciation was prepared in his honor. He added that Mr. Aliano would abstain from voting on the minutes and the reaffirmation resolutions before the board today.

**Philadelphia Regional Port Authority
Minutes of the Board Meeting
May 18, 2007
Page 2**

Reaffirmation Resolutions:

#2007-12 Amendment of License Agreement with Astro Holdings, Inc. for a Portion of Pier 98 Annex.

Mr. Blackburn said there are several long and short-term opportunities at Pier 98 Annex. Astro Holdings is now leasing ten (10) acres to store equipment and they have requested extending the ten acres to twenty acres (20). Staff recommends leasing the additional acreage, as it will give more operational room at Packer Avenue.

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 6(a)(5) of the PRPA Act provides that the Authority may acquire, by gift or otherwise, purchase, hold, receive, lease, sublease and use any franchise, license, property, real, personal or mixed, tangible or intangible, or any interest therein, necessary or desirable for carrying out the purposes of the Authority; and

WHEREAS, Philadelphia Industrial Development Corporation issued two requests for proposals for the sale of 8.18 acres of land located at the South West Corner of Fort Mifflin Road & Penrose Ferry Road and 11.7 acres of land located at the South East of Fort Mifflin Road and Hog Island Road (the “Properties”); and

WHEREAS, the acquisition of both sites would enhance the ability of the Authority to develop a breakbulk terminal on the Schuylkill River; 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 authorize submission of requests for proposals to acquire the Properties and execute any documents necessary to acquire the Properties.

**Philadelphia Regional Port Authority
Minutes of the Board Meeting
May 18, 2007
Page 3**

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority submit Requests for Proposals for the acquisition of the properties and execute any documents necessary to acquire the properties.
2. The Executive Director of the Authority, with the advice of its Chief Counsel, is hereby authorized and directed to submit requests for proposals and negotiate the specific terms and conditions of any agreement necessary to acquire the Properties, 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. 2007-12 and Exhibit "A" on file with the Authority. Mr. Aliano abstained from voting and Mr. Marshall voted yes via fax.

#2007-13 Authorize Submission of Requests for Proposals to Acquire Two Parcels of Land and Provide Authority to Acquire Land

Mr. McDermott said the Board authorized staff to respond to a City RFP by PIDC to acquire land across the Schuylkill River from Girard Point directly across from Pier 3 known as the Victory Gardens and the Emerson Land Fill. It is the staff's idea to acquire these lands to relocate an existing tenant on Pier 3. This would allow Pier 3 to become large enough to create a new bulk facility for the Port Authority.

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 6(a)(5) of the PRPA Act provides that the Authority may acquire, by gift or otherwise, purchase, hold, receive, lease, sublease and use any franchise, license, property, real, personal or mixed, tangible or intangible, or any interest therein, necessary or desirable for carrying out the purposes of the Authority; and

**Philadelphia Regional Port Authority
Minutes of the Board Meeting
May 18, 2007
Page 4**

WHEREAS, Philadelphia Industrial Development Corporation issued two requests for proposals for the sale of 8.18 acres of land located at the South West Corner of Fort Mifflin Road & Penrose Ferry Road and 11.7 acres of land located at the South East of Fort Mifflin Road and Hog Island Road (the “Properties”); and

WHEREAS, the acquisition of both sites would enhance the ability of the Authority to develop a breakbulk terminal on the Schuylkill River; 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 authorize submission of requests for proposals to acquire the Properties and execute any documents necessary to acquire the Properties.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority submit requests for proposals for the acquisition of the properties and execute any documents necessary to acquire the properties.
2. The Executive Director of the Authority, with the advice of its Chief Counsel, is hereby authorized and directed to submit requests for proposals and negotiate the specific terms and conditions of any agreement necessary to acquire the Properties, 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 with Mr. Aliano abstaining from voting. Mr. Marshall voted via fax. Resolution No. 2007-13 and Exhibit “A” on file with the Authority.

#2007-14 Renewal of Contract with PIERS for Computer Data

Mr. Walsh said PIERS is a division of Commonwealth Business Media, Inc. The core of the PIERS database is detailed transaction information gathered from the bills of lading and manifests documenting the import-export trade that begins or ends at U. S. ports. PIERS verifies and enhances this data to create reliable intelligence about exporters, importers, cargoes, shipping lines and regional markets. PIERS has an exclusive contract with the U.S. Government to extract this data. Access to PIERS data is an essential part of PRPA’s Strategic Planning and Marketing initiatives.

**Philadelphia Regional Port Authority
Minutes of the Board Meeting
May 18, 2007
Page 5**

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, on the basis of information provided to it (which information is attached hereto as Exhibit “A” and incorporated herein by reference), to renew the contract with PIERS to perform data services; and

WHEREAS, the staff of the Authority has determined that PIERS (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 computer services for a maximum amount of \$89,964.00 effective through March 12, 2008.
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 with Mr. Aliano abstaining from voting. Mr. Marshall voted via fax. Resolution No. 2007-14 and Exhibit “A” on file with the Authority.

**Philadelphia Regional Port Authority
Minutes of the Board Meeting
May 18, 2007
Page 6**

Chairman Preski then called and Executive Session.

The Public Session was reconvened and Chairman Preski moved onto the remaining resolutions on the agenda.

RESOLUTIONS:

#2007-15 Authorization to Purchase 3200 East Tioga Street

Mr. Brennan said the PRPA has an opportunity to purchase an 8.5 acre parcel of land directly behind the Port Administration Building for the price of \$1.6 Million. The property is currently owned by the City of Philadelphia and staff has negotiated an agreement of sale and intends to lease this land to Imperium Renewables, a Seattle-based biodiesel fuel company. Staff has had very productive meetings with the company, Councilwoman Joan L. Krajewski and her staff, as well as leaders and members of the community. The community has given the PRPA the ok and signed off on the project. Staff is respectfully recommending the purchase of the property.

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 6(a)(5) of the PRPA Act provides that the Authority may acquire, by gift or otherwise, purchase, hold, receive, lease, sublease and use any franchise, license, property, real, personal or mixed, tangible or intangible, or any interest therein, necessary or desirable for carrying out the purposes of the Authority; and

WHEREAS, the City of Philadelphia is the owner of approximately 8.5 acres of land, known as 3200 East Tioga Street (“Property”); and

WHEREAS, the City of Philadelphia, through the Philadelphia Authority of Industrial Development is willing to convey the Property to the Authority under the terms outlined in Exhibit “A” which information is attached hereto and incorporated herein by reference for the amount of \$1,600,000; and

Philadelphia Regional Port Authority
Minutes of the Board Meeting
May 18, 2007
Page 7

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 authorize acquisition of the Property and execution of any documents necessary to acquire the Properties.

NOW, THEREFORE, BE IT RESOLVED:

1. the Authority enter into an Agreement for the acquisition of the Property and execute any documents necessary to acquire the Property for the amount not to exceed \$1,600,000.
2. The Executive Director of the Authority, with the advice of its Chief Counsel, is hereby authorized and directed to submit requests for proposals and negotiate the specific terms and conditions of any agreement necessary to acquire the Properties, 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. 2007-15 and Exhibit "A" on file with the Authority.

**#2007-16 Settlement Agreement with Penn City Investment, Inc. &
Penn Warehousing & Distribution, Inc.**

Mr. Henderson said in consideration of their loss from the partial collapse of Pier 80, staff is recommending the institution and retroactive reimbursement of the CPI increases applied to base rent and cargo tonnage fees under the lease with Penn City Investments, Inc. ("PCI"). Additionally, staff recommends eliminating uncollected tonnage fees at Pier 82 for discharged cargo with subsequent storage into facilities covered under the PCI lease. This waiver will end when Pier 80 is dredged in the fall of 2007.

Chairman Preski added that when dredging is completed the Board will review all PRPA leases.

Philadelphia Regional Port Authority
Minutes of the Board Meeting
May 18, 2007
Page 8

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 (c) of the PRPA Act provides that the Authority may negotiate and execute leases for its port facilities, port-related projects, or any part

thereby 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 Authority and Penn City Investments, Inc. (“PCI”) are parties to a Lease and Operating Agreement for the occupancy and use of Piers 38-40, Pier 78 South, Pier 78 South Annex, Pier 80 South and a portion of Pier 80 South Annex; and

WHEREAS, the Authority and Penn Warehousing and Distribution, Inc., (“PWD”) are parties to an Amended and Restated Lease and Operating Agreement for the occupancy and use of Pier 82 South; and

WHEREAS, the Authority, PCI and PWD disagree as to outstanding fees that are owed resulting from vessels being diverted from Pier 80 South to Pier 82 South and seek a resolution of this issue; 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 approve the settlement of the outstanding fees.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority enter into a settlement with PCI and PWD with regard to outstanding fees as outlined 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.

**Philadelphia Regional Port Authority
Minutes of the Board Meeting
May 18, 2007
Page 9**

The motion was made, seconded and approved. Resolution No. 2007-16 and Exhibit "A" on file with the Authority.

**##2007-17 Settlement Agreement and Amendment of Lease with
Penn City Investments, Inc.**

Mr. Blackburn said staff is recommending the Board approve settling the outstanding rental and cargo fees and amending the lease to incorporate the terms described in Exhibit "A".

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 (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 Authority and Penn City Investments, Inc. ("PCI") are parties to a Lease and Operating Agreement for the occupancy and use of Piers 38-40, Pier 78 South, Pier 78 South Annex, Pier 80 South and a Portion of Pier 80 South Annex ("Lease"); and

WHEREAS, the Authority is the owner of Pier 74 South Annex which is adjacent to Pier 78 South and Pier 78 South Annex; and

WHEREAS, the Authority is constructing a new Paper Warehouse upon Pier 74 South Annex; and

WHEREAS, PCI and the Authority desire to add Pier 74 South Annex to the lease, amend the lease terms and reach a settlement on the outstanding base rent and cargo fees owed; 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 approve the entering into a settlement and lease amendment.

**Philadelphia Regional Port Authority
Minutes of the Board Meeting
May 18, 2007
Page 10**

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority enter into a settlement and lease amendment consistent with the terms outlined 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. 2007-17 and Exhibit "A" on file with the Authority.

#2007-18 Renewal of Access Control Security Service

Mr. Henderson said PRPA entered into a contract with ePortation to supply an access control system for the Tioga Marine Terminal. Over the past year, ePortation has successfully implemented a card-activated access control system at the Tioga Marine south gate. Staff is recommending that PRPA renew the contract with ePortation for the continued support of the access control system at Tioga Marine Terminal.

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 an 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, there exists a need for a scalable access control system capable of validating multiple forms of identification to provide access to terminals; and

WHEREAS, the Board of the Authority determined in Resolution No. 2006-14 to contract with ePortation, Inc. (the "Contractor") to provide access control solution services; and

Philadelphia Regional Port Authority
Minutes of the Board Meeting
May 18, 2007
Page 11

WHEREAS, staff is recommending renewing the contract with ePortation to continue providing access control by implementing an access control system capable of providing access validation from multiple sources of identification (which information is attached hereto as Exhibit “A” and incorporated herein by reference); 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 renew the contract with the Contractor.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority enter into agreement with the Contractor for the development, implementation and support of an access control service at the Tioga Marine Terminal as described in Exhibit “A” in the amount not to exceed \$55,000.00.
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. 2007-18 and Exhibit “A” on file with the Authority.

#2007-19 Participation in All-Hazards Emergency Preparedness and Tactical Incident Response Project

Chairman Preski said he and Chad Rubin would be abstaining from voting on this Resolution and asked Mr. McErlane to chair the meeting for this Resolution.

Mr. Henderson said there is a need for better information and communications between first responders and operational staff at the Port’s facilities. This recommendation is to fund the first phase of the project. Funds will come from a security grant and staff is requesting that the board permit staff to negotiate with the contractor for the project.

The motion was made, seconded as follows:

Philadelphia Regional Port Authority
Minutes of the Board Meeting
May 1, 2007
Page 12

WHEREAS, the Philadelphia Regional Port Authority (the “Authority”) was created 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 promote the health, safety, employment, business opportunities and general welfare of the people of this Commonwealth; and

WHEREAS, in furtherance of its mission, the Authority works in conjunction with local governments, related Commonwealth agencies and private enterprise to achieve effective coordination of port facilities and port-related facilities and projects within the port zone along the Delaware River; and

WHEREAS, the City of Philadelphia and Southeastern Transportation Authority are preparing to conduct an all-hazards emergency preparedness and tactical incident responses project (“Emergency Response Project”); and

WHEREAS, the participation in the Emergency Response Project will enhance coordination of local responders; and

WHEREAS, Sys Technologies has been identified to perform the installation and implementation of a uniform communication platform for utilization in support of the Emergency Response Project; and

WHEREAS, the Board of the Authority has determined, on the basis of information provided to it, to authorize staff to participate in the Emergency Response Project, to include purchase of a uniform communication platform and to provide funding in an amount not to exceed Three Hundred Thousand Dollars;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority participate in the Emergency Response Project, to include purchase of a uniform communication platform and to provide funding in an amount not to exceed Three Hundred Thousand 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 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.

Philadelphia Regional Port Authority
Minutes of the Board Meeting
May 18, 2007
Page 13

The motion was made, seconded and approved with Chairman Preski and Chad Rubin abstaining from voting. Resolution No. 2007-19 on file with the Authority.

#2007-20 Authorizing the Staff of the PRPA to Cooperate with Penn Warehousing and Distribution in Responding to the Request for Proposal from UPM Kymmene

Mr. McErlane said UPM Kymmene is the company that left the Authority and went to Baltimore. Staff is recommending that the Authority cooperate with Penn Warehousing and Distribution in responding to the Request for Proposal issued by UPM Kymmene, a major forest products shipper.

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 697.4 of the General Assembly of the Commonwealth of Pennsylvania (the “PRPA Act”) authorizing the Authority to take steps to expand industrial and commercial activities within established regional port zone along the Delaware River; 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) ;that it is in the best interest of the Authority that the staff cooperate with Penn Warehousing & Distribution, Inc., in responding to the Request for Proposal issued by UPM Kymmene, a major forest products shipper.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority authorize the staff to cooperate with Penn Warehousing & Warehousing Distribution, Inc. in responding to the Request for Proposal Issued by UPM Kymmene, a major forest products shipper.
2. The Board expresses its intent that every best effort be expended by the Authority to achieve a successful outcome to this initiative.

The motion was made, seconded and approved. Resolution No. 2007-20 and Exhibit “A” on file with the Authority.

Philadelphia Regional Port Authority
Minutes of the Board Meeting
May 18, 2007
Page 14

Presentation: Pier 74

Mr. Lawrence said Pier 74 is located just north of the Authority's Forest Products Center at Pier 78. PRPA had ground breaking in 2005 and accepted bids in September 2006. The bid price came in high on a 200, 000 sq. ft. warehouse and at that point was reduced by negotiations to 115,000 sq. ft. The design and construction teams are in place with the capability to expand the warehouse to 200,000 sq. ft. when the appropriate time comes to expand. The notice to proceed was issued on May 1, 2007 with an expected completion date of October 2008.

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

Respectfully Submitted.

Secretary to the Board

