

PHILADELPHIA REGIONAL PORT AUTHORITY

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

JUNE 1, 2007

Philadelphia Regional Port Authority Board Members Present:

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

Philadelphia Regional Port Authority Board Members Absent:

Chad Rubin

Philadelphia Regional Port Authority Staff Present:

James T. McDermott, Jr., Robert Blackburn, Jack Dempsey, Don Brennan, Barbara Coleman, Francis Kelly, Edward Henderson, Donna Houston, Gregory Iannarelli, Lisa Magee, William McLaughlin, Joseph Menta, Joseph Petruzzi, Donna Powell, Marian Simpson, James Walsh, Nicholas Walsh

Commonwealth of Pennsylvania:

Rep. Bill Keller, Herb Packer

Others:

Michael Meehan, Chuck McDonald, Tim O'Neill, Tom Holt, Sr., Tom Holt, Jr., Paul Breeman, George Longo, Dennis Rochford, Uwe Schulz, James Paylor, Lance Geren and Dante Mattioni

The June Meeting of the Board of Directors of the Philadelphia Regional Port Authority was held on June 1, 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 May 18, 2007. Chairman Preski noted that there should be a change in the minutes to reflect that the three reaffirmation resolution votes were taken before adjournment into Executive Session. The minutes were made, seconded and approved as amended.

Chairman Preski requested a roll call. The roll call was as follows:

Mr. Aliano – Present
Mr. Butler – Present
Mr. Cuff – Present
Mr. Gillen- Present
Mr. Kelly – Present
Mr. McErlane – Present
Mr. Preski – Present
Mr. Rubin – Present
Mr. Vederman –Present (via telephone)
Mr. Williams – Present

Chairman Preski said the Board would dispense with an Executive Session.

RESOLUTIONS:

#2007-21 – Establishment of Non-Federal Sponsor for Delaware River Main Channel Deepening Project

Mr. Blackburn said that Resolutions #2007-21 and #2007-22 represent the necessary steps that need to be taken to make PRPA’s position official as the non-federal sponsor of the channel deepening project. Essentially, Resolution #2007-21 confirms the Board’s recognition as such and Resolution #2007-22 allows the staff to officially proceed with the transfer of the sponsorship from the Delaware River Port Authority.

The motion was made and seconded with the following roll call:

Mr. Aliano – Yes
Mr. Butler – Yes
Mr. Cuff – Yes
Mr. Gillen – Yes
Mr. Kelly – Yes
Mr. McErlane – Yes
Mr. Preski – Yes
Mr. Rashid – Yes
Mr. Vederman – Yes
Mr. Williams – Yes

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, the Delaware River Port Authority (“DRPA”) authorized the transfer of DRPA’s status as Non-Federal Sponsor of the United States Army Corps of Engineers’ Delaware River Main Channel Deepening Project to the Authority; and

WHEREAS, dredging the main channel to forty-five feet is a vital element to the sustained growth of the Port of Philadelphia and the Commonwealth as a whole; and

WHEREAS, the Board of the Authority authorizes staff to take all steps necessary to designate the Authority as Non-Federal Sponsor to the United States Army Corps of Engineers’ Delaware River Main Channel Deepening Project.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority take all steps necessary to designate the Authority as Non-Federal Sponsor to the United States Army Corps of Engineers’ Delaware River Main Channel Deepening Project.
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 and all necessary agreements, 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. 2007-21 on file with the Authority.

#2007-22 Negotiations with Delaware River Port Authority to accept Non-Federal Sponsor Funding for the Delaware River Main Channel Deepening Project

Chairman Preski noted that Mr. Blackburn explained both Resolutions and asked if there were any questions, comments or any objection to using the prior roll call for this Resolution. There were no questions, comments or objections to the prior roll call.

The motion was made and seconded as follows:

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, the Delaware River Port Authority (“DRPA”) authorized the transfer of DRPA’s status as Non-Federal Sponsor to the United States Army Corps of Engineers’ Delaware River Main Channel Deepening Project to the Authority (“Project”);

WHEREAS, dredging the main channel to forty five feet is a vital element to the sustained growth of the Port of Philadelphia and the Commonwealth as a whole; and

WHEREAS, the Board of the Authority authorizes staff to negotiate and execute any agreement necessary to accept funding and related files in held by the DRPA for the Project;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority negotiate and execute any agreement necessary to accept funding and related files in held by the DRPA for the Project.
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 and all necessary agreements, 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. 2007-22 on file with the Authority.

#2007-23 – Authorizing the Issuance of Bonds of the Authority to Finance Projects and Authorizing Related Matters

Chairman Preski said he would like to offer an Oral Amendment to this Resolution. He noted that the PRPA is not in receipt of Governor Rendell’s letter authorizing the bond issue. As a consequence, the Board must approve a Board Resolution contingent on the Governor’s authorization. The Oral Amendment would state that no funds would be expended from the bond for the Food Distribution Center. He added that the addendum to this Resolution does have a line item for funding for the Food Distribution Center, but his amendment would neutralize that item. Chairman Preski said, for the record, that when the Governor visited the Port for the announcement of the dredging project he said that the Food Distribution Center would not be located at

the Navy Yard, Parcel 9 or 9A, but rather it would be renovated at its existing location. He further added that he believes this Resolution should be adopted with the caveat, with respect to the Food Distribution Center, that PRPA follows what the Governor has said and that no funds be expended from the bond proceedings on the Food Distribution

A motion was made, seconded with the following roll call:

Mr. Aliano – Yes
Mr. Butler – Yes
Mr. Cuff – Yes
Mr. Gillen – Yes
Mr. Kelly – Yes
Mr. McErlane – Yes
Mr. Preski – Yes
Mr. Vederman – Abstained
Mr. William – Yes

The Oral Amendment was made, seconded and approved by the Board.

Chairman Preski said without objection that he would like to move directly to the Resolution itself. He asked if there were any objections to using the prior roll call. With no objections the motion was made, seconded as follows:

WHEREAS, the Philadelphia Regional Port Authority (the “Authority”) has been created under the Philadelphia Regional Port Authority Act (the Act of July 10, 1989, P.L. 291) (the “Act”) for the purpose of acquiring, holding, developing, designing, construction, or subleasing, as either lessor or lessee or sublessor or sublessee, and owning port facilities, port related projects, or parts thereof, and equipment within the port district as defined in the Act, and has been granted and may exercise all powers necessary or convenient for performing or carrying the power to acquire by purchase, lease or otherwise, and to construct, improve, maintain, repair, transfer, convey and dispose of any property or any interest therein at any time acquired by the Authority, the power to pledge, hypothecate or otherwise encumber all or any of the revenues or receipts of the Authority as security for the payment of the principal of premium, if any, and interest on bonds issued by the Authority, and the power to make and execute contracts and other instruments necessary or convenient for the conduct of its business and the exercise of the powers of the Authority; and

WHEREAS, pursuant to its powers under the Act, the Authority has determined to undertake certain projects (collectively, the “Projects”) described in Annex “A” attached hereto and by this reference made a part hereof; and

WHEREAS, the Board has determined that financing all or a portion of the costs of such Projects by the issuance of one or more series of the Authority's revenue bonds (the "Bonds") is in the best financial interest of the Authority; and

WHEREAS, the Bonds shall be issued for the purpose of paying, or reimbursing the Authority for its prior payment of all or a portion of the costs of the Projects, together with all or a portion of the costs and expenses incurred by the Authority in connection with the issuance of the Bonds, including without limitation fees for credit and liquidity enhancement facilities and any required reserve fund deposits and capitalized interest; and

WHEREAS, the Authority deems it to be appropriate at this time to authorize the issuance and sale of the Bonds and the execution and delivery of all other documents and actions as may be necessary or appropriate in connection with the Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE AUTHORITY AS FOLLOWS:

Section 1. In addition to those words and terms defined elsewhere in this Resolution, the following words and terms used in this Resolution shall have the following respective meanings, unless the context clearly indicates a different meaning:

"Board" means the governing board of the Authority.

"Chairman" means the Chairman of the Board, including any official authorized to carry out the duties of the Chairman in the Chairman's absence (including, without limitation, any acting Chairman, Vice Chairman or temporary Chairman of the Board).

"Commonwealth" means the Commonwealth of Pennsylvania.

"Existing Indenture" means the Indenture of Trust, dated as of July 1, 2003, between the Authority and the Trustee, as the same may be amended and supplemented.

"Indenture" means Existing Indenture and any indenture supplemental thereto, or any other separate indenture of trust, as appropriate, to be entered into by the Authority and the Trustee with respect to the Bonds.

"Lease" means the Agreement of Lease, dated as of July 15, 1990, between the Authority and the Commonwealth, as the same may be amended and supplemented.

"Official Statement" means any official statement, offering memorandum or similar disclosure document to be prepared and executed by the Authority with respect to

the offering and sale of the Bonds, including any preliminary official statement relating thereto.

“Purchase Contract” means the bond purchase contract of similar agreement to be entered into by the Authority and the Underwriters (or a representative of the Underwriters) with respect to the issuance and sale of the Bonds.

“Resolution” means this Resolution.

“Secretary” means the Secretary of the Board, including any official authorized to carry out the duties of the Secretary in the Secretary’s absence (including, without limitation, any acting Secretary, Assistant Secretary or temporary Secretary of the Board).

“Sublease” means the Agreement of Sublease, dated as of July 15, 1990, between the Commonwealth and the Authority, as the same may be amended and supplemented.

“Trustee” means Commerce Bank, National Association, a national banking association organized and existing under the laws of the United States, as trustee under the Indenture, and its successors and assigns.

“Underwriters” means UBS Securities LLC and such other underwriters as are appointed with respect to the Bonds pursuant to this Resolution.

Section 2. The Authority hereby authorizes and approves the Projects as generally described in this Resolution. In order to finance all or a portion of the costs of the Projects and all or a portion of the costs and expenses incurred by the Authority in connection with the issuance of the Bonds, including without limitation, fees for credit and liquidity enhancement facilities and any required reserve fund deposits and capitalized interest, the Authority hereby authorized the creation and issuance of one or more series of the Bonds in an aggregate principal amount not to exceed Five Hundred Million Dollars (\$500,000,000.00). The Chairman is hereby authorized to determine whether any Bonds shall be issued and the aggregate amount therefore within the aforementioned limitation. The Authority hereby finds and determines that the issuance and sale of the Bonds and the use of the proceeds of the Bonds for the Projects is in furtherance of the public purpose set forth in the Act and is in compliance with the provisions of the Act.

Section 3. The Bonds shall be in such form, shall be issued in such series, shall be in such denominations, shall be dated, shall bear interest at such variable or fixed interest rate or rates (not to exceed 25% per annum in the case of variable rate bonds and not to exceed 15% in the case of fixed rate bonds), shall mature at such time or times (not later than December 4, 2047), shall be subject to redemption and tender for purchase

prior to maturity at such times and at such prices, shall carry such registration, exchangeability, and interchangeability privileges, shall be payable in such medium of payment and such place or places, and in general shall be subject to such other terms, conditions and provisions, all as shall be set forth in the Indenture hereinafter authorized to approve all final details, terms and conditions of the Bonds, such approval and the approval of the Board to be conclusively evidenced by the execution by the Chairman of the Indenture.

Section 4. The Chairman is hereby authorized and directed to execute the Bonds by his manual or facsimile signature. The corporate seal of the Authority or a facsimile thereof is hereby authorized and directed to be affixed to or imprinted on all Bonds, and the Secretary of the Authority is hereby authorized to attest such seal by his manual or facsimile signature.

Section 5. The Bonds shall be limited and special obligations of the Authority payable by the Authority solely from amounts received by the Authority pursuant to the Lease and from the funds and accounts created under the Indenture to the extent set forth therein, all of which shall be used for no purpose other than to pay the principal or purchase price of premium, if any, and interest on the Bonds except as may be otherwise expressly authorized in the Indenture. Neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof is pledged to the payment of principal or purchase price of premium, if any, or interest on the Bonds. The Bonds and the interest thereon shall not constitute or give rise to a general obligation or liability of the Authority or a charge against its general credit.

Section 6. The Authority is hereby authorized to enter into the Indenture in connection with the issuance of the Bonds. The Chairman is hereby authorized to execute and deliver the Indenture in the name and on behalf of the Authority. The Indenture shall be in such form and shall contain such terms and conditions (not inconsistent with any of the other requirements of this Resolution) as shall be approved by the Chairman, such approval and the approval of the Board to be conclusively evidenced by the execution of the Indenture by the Chairman.

Section 7. The Board hereby finds, determines and declares that a private sale of the Bonds by negotiation is in the best financial interest of the Authority. The Bonds shall be purchase price (exclusive of any original issue discount and original issue premium) that is not less than 95% of the aggregate principal amount of the Bonds, plus accrued interest, if any, from the dated date of the Bonds to the date of issuance and delivery thereof. The Chairman is hereby authorized, in the name and on behalf of the Authority, to execute and deliver the Purchase Contract, which shall be in form and substance as shall be approved by the Chairman, such approval and the approval of the Board to be conclusively evidenced by the execution of the Purchase Contract by the Chairman.

Section 8. In connection with the offering and sale of the Bonds, the Authority is hereby authorized to prepare an Official Statement and cause it to be delivered to investors or potential investors. The Official Statement shall be in form and substance as shall be approved by the Chairman, such approval, and the approval of the Board, to be conclusively evidenced by the execution of the Official Statement by the Chairman, which execution is hereby authorized.

Section 9. The Chairman is hereby authorized to negotiate on behalf of the Authority and, if he determines that they will be beneficial to the Authority, to accept in the name and on behalf of the Authority, commitments for the issuance of a policy of municipal bond insurance with respect to the Bonds, an insurance policy or surety bond for all or a portion providing credit enhancement or liquidity support for the Bonds. The Chairman is hereby authorized, in the name and on behalf of the Authority, to execute and deliver all such documents, instruments and agreements as the Chairman may deem to be necessary or appropriate in connection with any such insurance policy, surety bond, credit facility or liquidity facility, each of which shall be in form and substance as shall be approved by the Chairman, such approval and the approval of the Board to be conclusively evidenced by the execution of such documents, instruments and agreements by the Chairman.

Section 10. The Authority is hereby authorized to enter into such amendments or supplements to the Lease, to the Sublease, and to the Existing Indenture, as the Chairman deems necessary or desirable in connection with the issuance of the Bonds. The Chairman is hereby authorized, in the name and on behalf of the Authority, to execute and deliver any such amendments to the Lease, the Sublease and the Existing Indenture, each of which shall be in form and substance as shall be approved by the Chairman, such approval and the approval of the Board to be conclusively evidenced by the execution of such amendments or supplements by the Chairman.

Section 11. The Authority is hereby authorized to enter into such remarketing agreements, escrow deposit agreements, credit agreements, auction agency agreements, market agent agreements, broker-dealer agreements, standby bond purchase agreements, continuing disclosure agreements, tax compliance agreements, agreements with the Commonwealth or any other department or agency of the Commonwealth, agreements with tenants or other occupants or users of the Authority's facilities, agreements providing for the registration of the Bonds to be maintained in the name of a securities depository or its nominee pursuant to a book entry-only system, and all other agreements relating to or concerning the Bonds and any liquidity support or credit enhancement for the Bonds, all as may be required under the Purchase Contract or as may otherwise be necessary or appropriate for the proper, lawful and efficient consummation of the transactions contemplated by this Resolution. The Chairman is hereby authorized, in the name and on behalf of the Authority, to execute and deliver any and all such documents, instruments and agreements, each of which shall be in form and substance as shall be

approved by the Chairman, such approval and the approval of the Board to be conclusively evidenced by the execution of such documents, instruments and agreements by the Chairman.

Section 12. The law firm of Stradley, Ronon Stevens & Young, LLP, is hereby appointed to serve as Bond Counsel with respect to the issuance of the Bonds.

Section 13. The Office of Chief Counsel of the Authority will serve as Authority Counsel with respect to the issuance of the Bonds.

Section 14. The Authority consents to the law firm of Obermayer, Rebmann, Maxwell & Hippel, LLP serving as Underwriters' Counsel with respect to the issuance of the Bonds.

Section 15. UBS Securities, LLC, Morgan Stanley, Goldman Sachs & Co., Sovereign Securities Corporation, LLC., PNC Bank and RBC Dain Rauscher, Inc. are hereby appointed Underwriters with respect to the issuance of the Bonds. The Chairman is hereby authorized to designate such additional underwriters, as he deems desirable in connection with the issuance of the Bonds.

Section 16. The firm of Hopkins & Company is hereby appointed to serve as financial advisor to the Authority in connection with the issuance of the Bonds.

Section 17. The firm of Tri-State Press, LLC is hereby appointed to serve as financial printers in connection with the issuance of the Bonds.

Section 18. Commerce Bank/Pennsylvania, National Association is hereby appointed to serve as trustee, paying agent and registrar under the Indenture in connection with the issuance of the Bonds.

Section 19. The Chairman is hereby authorized to execute, in the name and on behalf of the Authority, such documents, as he deems necessary or desirable to provide for the issuance of the Bonds in book entry-only form.

Section 20. The Chairman, the Secretary and all other appropriate officers or officials of the Authority are, and each of them hereby is, authorized and directed, in the name and on behalf of the Authority, to execute, deliver and file any and all other documents, instruments and certificates, and to do any and all other acts and things, that are necessary or appropriate in order to consummate and give effect to the transactions authorized by this Resolution.

Section 21. Whenever any document, agreement or instrument authorized by this Resolution requires that the seal of the Authority be affixed thereto, the Secretary is hereby authorized to affix and attest said seal.

Section 22. All resolutions or parts of resolutions not in accordance with this Resolution are hereby repealed insofar as they conflict herewith.

Section 23. This Resolution shall take effect immediately.

The motion was made, seconded and approved with Mr. Vederman abstaining from voting. Resolution No. 2007-23 on file with the Authority.

#2007-24 Interview Dredge Material Manager

Mr. Blackburn said this Resolution is the first in what will be many housekeeping resolutions that will be recommended to the Board so staff can move forward with what will be the successful completion of the channel-deepening project. The cooperation agreement that was reached between New Jersey and Pennsylvania calls for a dredge material management plan to be agreed upon by all states. The overwhelming majority, if not all of the material, will be managed by Pennsylvania. Mr. Blackburn added that staff would like to be ready to move forward when the dredge material plan is implemented.

The motion was made, seconded with the following roll call:

Mr. Aliano – Yes
Mr. Butler – Yes
Mr. Cuff – Yes
Mr. Kelly – Yes
Mr. McErlane – Yes
Mr. Preski – Yes
Mr. Rashid – Yes
Mr. Vederman – Yes
Mr. Williams – Yes

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, in light of the Channel Deepening Project (“Project”) proceeding, the Authority needs to take measures to bring the project to fruition; and

WHEREAS, it is expected that a Dredge Material Manager will be needed in conjunction with the Project; and

WHEREAS, the Board of the Authority has determined, on the basis of information provided to it, to authorize staff to interview firms capable of being Dredge Material Managers to ensure timely retention can be achieved;

NOW, THEREFORE, BE IT RESOLVED:

1. The Executive Director of the Authority is authorized to interview firms capable of being Dredge Material Managers.

The motion was made, seconded and approved. Resolution No. 2007-24 on file with the Authority.

**#2007-25 Philadelphia Regional Port Authority Operating Budget for Fiscal Year
2007-2008**

Mr. Henderson said staff met with the Finance Committee to review the proposed Fiscal Year 2007-2008 Budget. After revisions and acceptance by the Committee, staff presented the budget, which included \$15 Million in revenue and almost \$15 Million in expenses. That includes a request from the Commonwealth of \$8.5 Million unrestricted appropriation, which is up from \$6.5 Million last year. It is a \$2 Million increase from the previous fiscal year. This increase is necessary to fund expenditures related to the channel-deepening and capital infrastructure projects as well as to account for additional maintenance expenses.

Mr. McLaughlin added that he and Bob Cummings have been in Harrisburg and have met with key figures. They are working hard and the response has been very positive. He asked Board Members to contact the officials that appointed them to let them know how critical it is for the future of this agency that we receive this increase in operating appropriations. He concluded by saying the PRPA would have enormous stresses placed on their budget as a result of the bond issue and the channel-deepening project.

Chairman Preski said he has spoken with all four caucuses and the Executive Branch and explained the need for the increase which will be as result of the number of

assumed law suits that will rise due to the dredging project. He said he would be remiss not to mention that in the Minority Republican Leader's speech on the House floor he mentioned PennPorts no less than sixteen times in his discussion of the budget as it was passing the House.

Mr. McErlane said Mr. Henderson has made a good faith estimate on the dredging costs; those numbers that Mr. Henderson put in the budget are probably going to be a shadow of the costs. The Authority needs to understand that the costs may be more and that these numbers are the best good faith estimates at this early stage.

The motion was made and seconded with the following roll call:

Mr. Aliano – Yes
Mr. Butler – Yes
Mr. Cuff – Yes
Mr. Gillen – Yes
Mr. Kelly – Yes
Mr. McErlane – Yes
Mr. Preski – Yes
Mr. Rashid – Yes
Mr. Vederman – Yes
Mr. Williams - Yes

A motion for the recommendation of the Board for the submission of the Philadelphia Regional Port Authority's Operating Budget for Fiscal Year 2007-2008 to the Governor's Office for approval.

The motion was made, seconded and approved. Resolution No. 2007-25 on file with the Authority.

#2007-26 Contract with Gahagan & Bryant for Engineering Services

Ms. Magee said last year the Board authorized a \$100,000 drawdown contract for Gahagan & Bryant. Staff is recommending an additional \$100,000 contract primarily to be used for channel-deepening. Some of the key personnel of Gahagan & Bryant have been involved in negotiating with the PCA and also the development of the project from the Army Corps of Engineers.

Chairman Preski asked if there were any objections to using the prior roll call. No objections were noted.

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.S. 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. 2007-26 and Exhibit “A” on file with the Authority.

#2007-27 Land Transfer and Development of Pier 98 Annex

Moved by Thomas Kelly
Seconded by Anthony Aliano

Mr. McDermott explained that the purpose of the resolution is to authorize the staff to negotiate terms with Sysco to swap Pier 98 Annex for property owned by Sysco. Once the staff has negotiated the terms and conditions, they will be brought before the Board for final approval of the transaction.

Mr. McDermott provided background information regarding the proposed land swap highlighting that it is part of a larger economic package at the direction of the Governor to keep Sysco in Pennsylvania in light of New Jersey offering Sysco a sweetheart deal on fifty acres off of Exit 19.

Based upon several factors: Southport will be developed; Northport will be developed; Pier 3 Bulk terminal will be developed; and the PRPA infrastructure bond issue will occur, the acquisition of land with dry refrigerated and freezer space for port activities is consistent with the development of the port and the staff recommends entering into negotiations with Sysco.

Mr. Butler raised the issue of Sysco not bringing waterborne cargo through the Port of Philadelphia, which they do in their other operations, such as in Maryland. Mr. Butler pointed out that while keeping Sysco in Pennsylvania is important, he did not believe Pier 98 Annex was the appropriate site to relocate Sysco's operations in light of the predicted future port development and jobs that would be created from the development.

Mr. Cuff questioned the benefit to the port in general and whether the PRPA should be proceeding with the swap.

Mr. Vederman commented that the swap is part of a series of matters to accomplish the larger mission of port development.

Discussion was held pertaining to legal proceedings filed against the PRPA and the Board to prevent the sale from proceeding challenging the PRPA's authority to sell land. Counsel provided advice as to the proceeding and pointed out the purpose of the resolution does not authorize the sale of the property merely to negotiate.

Mr. Cuff moved the motion to table the Resolution.
Mr. Rashid seconded the motion.

The roll was taken and the votes recorded.

Mr. Aliano – No
Mr. Butler – Yes
Mr. Cuff – Yes
Mr. Gillen – No
Mr. Kelly – No
Mr. McErlane – No
Mr. Preski – No
Mr. Rashid – Yes
Mr. Vederman – No
Mr. Williams – No

Based upon 3 Yes votes and 7 No votes the motion to table failed.
The Board opened discussions to people in attendance of the meeting.

Chairman Preski invited State Representative William Keller to address the Board. He discussed looking for an alternate site for the Sysco transaction instead of Pier 98 Annex to keep land in the port district available for port development and to balance the need to keep jobs in Pennsylvania and the predicted addition of new jobs expected from the proposed port development and the channel-deepening project.

Chairman Preski invited James Paylor, Vice President of the International Longshoremen's Association to address the Board. He requested that the Resolution be tabled or delayed so more research can be performed to find an alternate solution.

Chairman Preski invited Mr. Thomas Holt, Sr. to address the Board. Mr. Holt weighed the pros and cons of moving Sysco to Pier 98 annex.

Chairman Preski also invited all in attendance to speak and with no other people seeking recognition, the roll call was taken for the previous Resolution as follows:

Mr. Preski – Yes
Mr. Aliano – Yes
Mr. Butler – No
Mr. Cuff – No
Mr. Gillen – Abstained
Mr. Kelly – Yes
Mr. McErlane – Yes
Mr. Rashid – No
Mr. Vederman- Yes
Mr. Williams – Yes

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, Sysco Food Services of Philadelphia, LLC (“SYSCO”), seeks to expand its food distribution operations in by constructing a 280,000 square foot state of the art food distribution center (“New Food Distribution Center”); and

WHEREAS, SYSCO’s current location can not support a distribution center of that magnitude; and

WHEREAS, efforts by local and state economic development agencies identified Pier 98 Annex, owned by the Authority, as a suitable location for the development of a food distribution center capable of supporting SYSCO’s operational needs

WHEREAS, the preliminary economic development package contemplates SYSCO conveying two parcels of land owned by SYSCO to the Authority in exchange for the Authority conveying Pier 98 Annex to SYSCO with the covenant that SYSCO will construct the New Food Distribution Center within 18 months of the land transfer;

WHEREAS, the authority has been requested to execute a binding Letter of Intent consistent with preliminary economic development package; and

WHEREAS, the Board of the Authority has determined, on the basis of information provided to it, to authorize staff to finalize and execute a binding letter of Intent consistent with the preliminary economic development package;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority enter into a Letter of Intent with the SYSCO setting forth the understanding reached with regard to the proposed real estate exchange, subject to any final agreement being presented to the Board for approval.
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. 2007-27 and Exhibit "A" on file with the Authority.

#2007-28 Authorization to Retain Outside Counsel in Saskatchewan, Canada

Mr. Iannarelli said the Authority received a final judgment for the collapsed warehouse of \$5.8 Million and we are in post-trial motions at this point. A resolution is expected in approximately forty-five (45) days and then the Authority will have the ability to seek collection on that judgment. He added that retaining local counsel in Saskatchewan, Canada would be a wise choice to help the Authority pursue assets.

Chairman Preski asked if there were any questions, comments or any objection to using the prior roll call. Seeing none and hearing none 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 staff of the Authority has determined that to properly protect the Authority's interests to collect monies awarded by the Court in the matter of July Term, 2003, No. 2701 against defendants, there is a need for outside counsel in Saskatchewan, Canada; 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 retaining outside counsel in Saskatchewan, Canada.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority retain outside counsel in Saskatchewan, Canada.
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.

#2007-29 Renewal of Contract with Malady & Wooten, LLP

Mr. McLaughlin said staff has been in discussions with the legislature a great deal regarding PRPA's financial condition. Our lobbyist, Malady & Wooten is a widely respected firm with great connections in the legislature. The firm has been tremendously helpful and will be even more helpful in the future. Therefore, staff is recommending their retention.

Chairman Preski asked if there were any questions, comments or objections to using the prior roll call. Seeing none and hearing none 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 Malday & Wooten LLP ("M&W") 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 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 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, inclusive of all expenses for which M&W 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, 2007 through June 30, 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 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. Resolution No. 2007-29 and Exhibit "A" on file with the Authority.

Chairman Preski asked if there were any objections to doing the Impel Strategies Resolution next since they are both lobbyist contracts. No objections.

#2007-31 Contract with Impel Strategies

Mr. McLaughlin said Impel Strategies is a new firm and the principles are former Representative Robert Ewanco and Tim O'Neill. They will be very aggressive on the Authority's behalf, they bring freshness and a new approach to the lobbying that will be beneficial to the Authority. Staff recommends their retention.

Chairman Preski said Tim O'Neill did come to the Authority through Greenlee Partners, and it is the Chairman's intention to retain Greenlee in the future because of their federal connections regarding dredging and homeland security. He added they he is currently in discussions with the principles of Greenlee on how that relationship will be structured.

Chairman Preski asked if there were any questions, comments or negative votes. Seeing none and hearing none the motion was made, seconded and 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 by its staff, to secure services of Impel Strategies (“Impel”) to assist the Authority in the establishment of a long range capital funding program to enhance and modernize its facilities; and

WHEREAS, the staff of the Authority has determined that the Contractor (as hereinafter described) 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 Impel Strategies (the “Contractor”) 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 agreements 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 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, 2007 through June 30, 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 agreements 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. Resolution No. 2007-31 and Exhibit “A” on file with the Authority.

**#2007-30 Contract for Public Relations and Port Promotion Initiatives with
Davis Advertising, Inc.**

Mr. Menta said Davis Advertising has been representing the Authority for seven years and they do a good job. They assist in public relations initiatives, especially the production and distribution of the publication “Port Watch”. By utilizing articles and photography provided by PRPA staff, Davis will have designed, printed, addressed and mailed several issues of this 12-to-20 page color publication. Staff is recommending the retention of Davis Advertising because they effectively communicate PRPA’s name and mission to our constituent audiences, as well as publicize positive developments at the Port.

Chairman Preski asked if Mr. Menta had confidence that this firm is big enough now that the Authority is entering a new stage with dredging. Mr. Menta said at this point, yes.

The Chairman asked if there were any questions, comments or negative votes. Seeing none and hearing none 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, 2007 to June 30, 2008; 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. Resolution No. 2007-30 and Exhibit "A" on file with the Authority.

Chairman Preski asked the Board to allow him to offer an Oral Resolution. He said the PRPA has considered Eminent Domain procedures at Parcel 9 at the Navy Yard. Chairman Preski said he wants the staff to develop procedures now. He added that Eminent Domain Resolutions have been done before and he would like to have the Board authorize staff to begin. The Board would vote on this today and bring the Resolution back for a Reaffirmation vote at the next Board Meeting.

Chairman Preski asked that the record show that the Board consented to the Oral Resolution for Eminent Domain on Parcel 9 at the Navy Yard. Any questions, comments or negative votes, seeing none and hearing none the Resolution is adopted.

With no further business to come before the Board the meeting is adjourned.

Respectfully Submitted,

Marian Simpson
Board Secretary