

PHILADELPHIA REGIONAL PORT AUTHORITY

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

MAY 21, 2008

Philadelphia Regional Port Authority Board Members Present:

Chairman John Estey, Anthony Aliano (via telephone), Boise Butler, John Cuff (via telephone) Frank Gillen, Clifford Haines, Thomas Kelly, Chad Rubin, Herb Vederman, Harry Williams

Philadelphia Regional Port Authority Board Members Absent:

Michael Rashid

Philadelphia Regional Port Authority Staff Members Present:

James T. McDermott, Jr., Jack Dempsey, Gregory Iannarelli, Francis Kelly, Don Brennan, William McLaughlin, Chuck Lawrence, Edward Henderson, Joseph Petruzzi, Dominic O'Brien, Nick Walsh, Marian Simpson, Jim Walsh

Commonwealth of Pennsylvania:

BJ Clark

Others:

Brian Preski, Esq., Tim O'Neill, Robert Callegari, Rick Wooten, Chuck McDonald, Ray Heinzelman, Andrew Zalenski

Chairman Estey convened an Executive Session.

The Public Session was reconvened.

The first order of business was the approval of the Board Meeting Minutes of April 16, 2008. The minutes were moved, seconded and approved.

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#2008- P1 Selection of Audit Firm

The Resolution was tabled.

**#2008-15 Authorizing the Issuance of Bonds of the Authority to Restructure
Debt Obligations**

The motion was made and 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, in July of 2003, the Authority issued \$53,900,000 aggregate principal amount of its Commonwealth Lease Revenue Bonds, Series of 2003 (the “2003 Bonds”) in conjunction with an interest rate swap; and

WHEREAS, the Board has determined that terminating the interest swap and converting from a variable rate bond structure to a fixed rate bond structure 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 the principal and redemption price of, and accrued interest on, the 2003 Bonds, as well as any fees related to terminating the interest rate swap, 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

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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 indicated 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.

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“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” mean Citi Bank 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 Janney Montgomery Scott, 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 issuance and sale of the Bonds, termination of the interest rate swap and the execution and delivery of all other documents and actions as may be necessary or appropriate in connection with this Resolution. The Authority hereby authorized the creation and issuance of one or more series of the Bonds in an aggregate principal amount not to exceed \$70,000,000 (\$.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 fixed interest rate or rates (not to exceed 15% per annum), shall mature at such time or times, 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

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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.

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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 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.

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Section 12. The law firm of Stradley Ronon Stevens & Young 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 serving as Underwriters' Counsel with respect to the issuance of the Bonds.

Section 15. Janney Montgomery Scott, LLC is/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 PFM Group 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 Group is hereby appointed to serve as financial printers in connection with the issuance of the Bonds.

Section 18. Citi Bank 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, hereby 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.

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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 pending question on qualified majority vote. Resolution No. 2008-15 on file with the Authority. Mr. Rubin abstained from voting.

#2008-16 Land Acquisition and Development of Food Distribution Center

Mr. Iannarelli distributed a corrected page 10 of Exhibit "A" for this Resolution.

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, 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 Philadelphia Regional Produce Market ("PRPM") is a food distribution center currently operating at its present location in the vicinity of 4th Street and Packer Avenue in South Philadelphia near the Authority's Packer Avenue Marine Terminal; and

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

WHEREAS, the Commonwealth of Pennsylvania, the City of Philadelphia, various local and state entities support relocation of PRPM to another site in the City of Philadelphia to preserve current jobs and promote expansion of its food distribution operations; and

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WHEREAS, the preliminary economic development package negotiated by the Commonwealth contemplates the Authority utilizing Commonwealth funds to fund a portion of the costs necessary to acquire sufficient land to support the expanded food distribution operations and to construct the facilities consistent therewith; and

WHEREAS, the remainder of the funding for the entire project has been negotiated with a private developer; and

WHEREAS, efforts by local and state economic development agencies identified 47.6 acres consisting of 6700 Essington Avenue, 6740 Essington Avenue, 6750 Passyunk Avenue, 6780 Essington Avenue and 6320 West Passyunk Avenue, owned by a private entity, and an additional 15.0 acres owned by the Philadelphia Industrial Development Corporation ("PIDC"), as a suitable location for the development of a food distribution center capable of supporting PRPM's operational needs; and

WHEREAS, the Authority has been requested to execute a non binding Letter of Intent attached hereto as exhibit "A"; and

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

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority enter into a Letter of Intent with the private entity and PRPM setting forth the understanding reached with regard to the proposed real estate exchange.
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 agreements necessary for the land acquisition and development of a food distribution center consistent with the letter of intent, and the Executive Director is hereby authorized and directed to execute, acknowledge and deliver on behalf of the Authority any agreements, documents of other instruments as may be necessary to effectuate the purposes of this Resolution.

The motion was made, seconded and approved. Resolution No. 2008-16 and "Exhibit A" on file with the Authority. Mr. Rubin abstained from voting on this Resolution.

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#2008- 17 Contract with Impel Strategies

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 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 June 1, 2008 through May 31, 2009.
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.

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The motion was made, seconded and approved. Resolution No. 2008-17 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 Simpson
Secretary to the Board