

PHILADELPHIA REGIONAL PORT AUTHORITY

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

NOVEMBER 19, 2008

Philadelphia Regional Port Authority Board Members Present:

Chairman John Estey, Boise Butler, John Cuff (via telephone), Frank Gillen, Chad Rubin (via telephone), Herb Vederman (via telephone), Harry Williams

Philadelphia Regional Port Authority Board Members Absent:

Anthony Aliano, Rina Cutler, Clifford Haines, Michael Rashid

Philadelphia Regional Port Authority Staff Members Present:

James T. McDermott, Jr., Robert Blackburn, Jack Dempsey, Donald Brennan, Edward Henderson, Gregory Iannarelli, Charles Lawrence, Lisa Magee, Sean Mahoney, William McLaughlin, Joseph Petruzzi, Marian Simpson, Nicholas Walsh

Commonwealth of Pennsylvania:

BJ Clark, Kate McNamara, Alex Fickin

Others:

Congressman Robert Borski, Robert Callegari

Chairman Estey said the December 17, 2008 PRPA Board Meeting is changed to December 19, 2008 at 4:00 p.m. followed by PRPA's Holiday Open House.

Chairman Estey said he had a discussion with Mr. Aliano regarding the resolutions scheduled on the agenda today and Mr. Aliano gave Chairman Estey his proxy to vote in the affirmative on all resolutions.

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 October 22, 2008. Mr. Rubin pointed out two corrections to the minutes. The corrections were noted and the minutes were moved, seconded and approved as amended.

Philadelphia Regional Port Authority
Minutes of the Board Meeting
November 19, 2008
Page 2

Resolutions:

#2008 – 32 Authorization to Retain PRPA Foreign Marketing Representatives

The motion was made and seconded as follows:

WHEREAS, the Philadelphia Regional Port Authority has been authorized, under Section 6 of the Act of July 10, 1989, P.L. 291, P.S. Sections 697.1 – 697.24 of the General Assembly of the Commonwealth of Pennsylvania (the “PRPA Act”) to make and enter into contracts with respect to port facilities, as such are defined in the PRPA Act, and generally in furtherance of its purposes as stated in the PRPA Act; and

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

WHEREAS, 2(a) (8) of the Act sets forth PRPA’s mission to provide effective marketing to maintain and attract new business for regional port activities and to stimulate international trade; and

WHEREAS, the Board of the Authority has determined on the basis of information provided by its staff that there exists a need for international and domestic marketing representatives to provide effective marketing of PRPA’s facilities in said international markets; and

WHEREAS, the Board of the Authority has determined on the basis of information provided by its staff, to secure international marketing representatives to promote PRPA’s facilities and services; and

WHEREAS, the Board of the Authority has determined that a budget to retain international marketing representatives in said regions is not to exceed \$262,000.00 (being the total amount of all the contracts with projected services added therein) as shown in Exhibit “A”.

NOW, THEREFORE, BE IT RESOLVED:

1. That 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 agreements.

**Philadelphia Regional Port Authority
Minutes of the Board Meeting
November 19, 2008
Page 3**

The motion was made, seconded and approved. Resolution No. 2008-32 and Exhibit "A" on file with the Authority

#2008-33 Extension of Contract with Orbital Engineering, Inc.

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 determined, on the basis of information provided to it (which information is attached hereto as Exhibit "A" and incorporated herein by reference), to extend the professional services contract with Orbital Engineering, Inc. (the "Contractor") to provide technical engineering services during the design, bid and construction phases of the project; and

WHEREAS, the staff of the Authority has determined that the Contractor has the requisite expertise and capacity to provide the services herein described.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority extend the agreement with the Contractor to perform the professional services described in Exhibit "A". The agreement shall provide for total payments to the Contractor for technical engineering services during the design, bid and construction phases of the project, inclusive of all expenses, for an amount not to exceed seven (7) months or \$133,000.00.
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 or other instruments as may be necessary to effectuate the purposes of this Resolution.

The motion was made, seconded and approved. Resolution #2008-33 and Exhibit "A" on file with the Authority.

#2008-34 Authorization for Leasing of Certain Port Facilities (SouthPort)

The motion was made and seconded as follows:

WHEREAS, the Philadelphia Regional Port Authority (the “Authority”) is 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 contracts for management, operation, licensing or leasing of its port facilities, port-related projects, or any part thereof by approval of the majority of the members of its Board (the “Board”) and permits the Authority to execute contracts in furtherance of its powers and duties with respect to port facilities; and

WHEREAS, the Authority owns or will own property located in the City of Philadelphia, along the Delaware River, immediately south of the existing Packer Avenue Marine Terminal (the “Site”), as further described in the Marine Container Terminal Development Request for Concessionaire Qualifications, attached hereto as Exhibit A (the “RFQ”); and

WHEREAS, the Authority, through the assistance and with the resources of the Commonwealth of Pennsylvania, Department of General Services (“DGS”), seeks to develop the Site by leasing the subject property to a third-party private entity that will be required to design, construct, develop, operate and maintain a Marine Container Terminal Facility (the “Project”) pursuant to a Concession and Lease Agreement and in accordance with a selection process approved by the Board; and

WHEREAS, on August 11, 2008, DGS issued the RFQ as the first step in identifying qualified private entities capable of undertaking the Project; and

WHEREAS, four (4) parties responded to the RFQ, including: (i) Hamburg Sud North America, Inc./Holt Southport Development Corp., LLC, (ii) Mitsui O.S.K. Lines, Ltd./TraPac, Inc., (iii) Delaware River Stevedores, Inc., and (iv) Southport Development Partners (collectively the “Responding Proponents”); and

WHEREAS, the RFQ responses submitted by the Responding Proponents were reviewed by an Advisory Group consisting of representatives from the Authority (specifically, the Executive Director), the City of Philadelphia, the Philadelphia Industrial Development Corporation, DGS, the Commonwealth’s Office of the Budget, and the Pennsylvania Department of Community and Economic Development, who were assisted by technical, financial and legal consultants; and

Philadelphia Regional Port Authority
Minutes of the Board Meeting
November 19, 2008
Page 5

WHEREAS, following their review, the members of the Advisory Group unanimously recommended to the DGS Secretary that all of the four Responding Proponents be deemed “qualified” and proceed to the next phase of the selection process; and

WHEREAS, the DGS Secretary accepted the recommendation of the Advisory Group and the four Responding Proponents were each advised that they had been deemed “qualified” and would be invited to submit technical and financial proposals in response to a Solicitation for Proposals (“SFP”) that is expected to be issued by DGS in December 2008; and

WHEREAS, the Responding Proponents’ SFP submissions will also be provided to the Advisory Group for review and the formulation of a recommendation to the DGS Secretary as to which Proponent has submitted the best proposal; and

WHEREAS, the DGS Secretary will consider the Advisory Group’s recommendation and offer his own recommendation to the Board as to which Proponent has submitted the best SFP response and should be selected to negotiate a Concession and Lease Agreement with the Authority.

NOW, THEREFORE, BE IT RESOLVED:

1. Any and all actions taken heretofore by the Authority and/or on behalf of the Authority by the Commonwealth of Pennsylvania, Department of General Services, and/or the Advisory Group in connection with the Project or this Resolution, including the preparation and issuance of the RFQ and the determination to qualify the four Responding Proponents listed above, are hereby authorized, ratified and approved.
2. That the Authority, by itself and/or through the Commonwealth of Pennsylvania, Department of General Services, and/or the Advisory Group, may take all additional steps necessary and advisable to identify a qualified third-party entity to lease, design, construct, develop, operate and maintain a Marine Container Terminal Facility on the Site, including (without limitation): (i) the issuance of the SFP, (ii) the evaluation of the SFP responses, and (iii) the submission of a recommendation to the Board as to which Proponent should be selected to enter into Concession and Lease Agreement negotiations with the Authority.
3. The Chairman and the Executive Director are 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.

Philadelphia Regional Port Authority
Minutes of the Board Meeting
November 19, 2008
Page 6

4. This Resolution shall have effect immediately.

The motion was made, seconded and approved. Resolution No. 2008-34 and Exhibit "A" on file with the Authority. Mr. Chad Rubin abstained from voting on this Resolution.

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

Respectfully Submitted,

Marian Simpson
Secretary to the Board