

**PHILADELPHIA REGIONAL PORT AUTHORITY**

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

**APRIL 21, 2010**

**Philadelphia Regional Port Authority Board Members Present:**

Chairman John Estey, Boise Butler, Shawn Dougherty, Vahan Gureghian, Michael Rashid, James Roche, Herb Vederman, Harry Williams, Rhonda Hill-Wilson

**Philadelphia Regional Port Authority Staff Present:**

James T. McDermott, Jr., Robert Blackburn, Jack Dempsey, Gregory Iannarelli, Edward Henderson, Elaine Civera, Donna Powell, Charles Lawrence, Donald Brennan, William McLaughlin, Tummona Fisher, Lisa Magee, Francis Kelly, Sean Mahoney, Nicholas Walsh, James Walsh, Joseph Petruzzi, Joseph Menta, Marian Simpson

**Commonwealth of Pennsylvania:**

Alex Ficken

**Others:**

Michael Meehan, Esq., Honorable Robert Borski, Tim O'Neill, Linda Loyd, AJ Marsico, Kurt Godfrey, Jodie Stuck, Edward Hanlon, Joe Balzano, Pat Dolan

Chairman Estey called the Public Session to order and convened an Executive Session.

The Public Session was reconvened and the first order of business was the approval of the meeting minutes from March 17, 2010. Ms. Rhonda Hill-Wilson noted that her name was omitted from the attendance portion of the minutes. The March 17, 2010 meeting minutes were amended to reflect Ms. Hill-Wilson's attendance at the meeting. The motion was made, seconded and approved as amended.

**RESOLUTIONS:**

**#2010-20 Authorization to Contract with Malady & Wooten LLP**

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

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

**WHEREAS**, the Board of the Authority has determined to renew the services of Malady & Wooten, 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 Malady & Wooten LLP (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 month-to-month basis not to exceed Forty-Five Hundred Dollars (\$4,500.00) per month from July 1, 2010 through June 30, 2011.
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. 2010-20 and Exhibit “A” on file with the Authority.

**#2010-21      Amendment to the Lease and Operating Agreement with  
Penn City Investments**

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 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 its board and permits the Authority to execute contracts in furtherance of its purposes; and

**WHEREAS**, the Authority and Penn City Investments (“PCI”) are parties to the Lease and Operating Agreement for Piers 78-80; and

**WHEREAS**, following negotiations with PCI, staff recommends amending the Agreement with PCI and the Authority; and

**WHEREAS**, the Board of the Authority has determined, on the basis of information provided to it, and the information attached as Exhibit “A” to approve amending the Agreement consistent with the terms set forth in Exhibit “A”.

**NOW, THEREFORE, BE IT RESOLVED:**

1. That the Authority amend the Agreement consistent with the terms 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 amendment, 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. 2010-21 and Exhibit “A” on file with the Authority.

**#2010-22 Settlement Agreement with Kinder Morgan**

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 Kinder Morgan are parties to a Lease and Operating Agreement for the occupancy and use of the Kinder Morgan Terminal; 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 agreement with Kinder Morgan.

**NOW, THEREFORE BE IT RESOLVED:**

1. That the Authority enter into a settlement agreement with Kinder Morgan 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 or other instruments as may be necessary to effectuate the purposes of this resolution.

The motion was made, seconded and approved. Resolution 2010-22 and Exhibit "A" on file with the Authority.

**#2010-23      Approval of Foreign-Trade Zone Boundary Modification Application  
for Glovis**

The motion was made and seconded as follows:

**WHEREAS**, the Philadelphia Regional Port Authority (the "Authority") was established under the Act of July 10, 1989, P.L. 55 P.S. Sections 697.1 – 697.24 of the General Assembly of the Commonwealth of Pennsylvania (the "PRPA Act") to increase commerce, expand industrial and commercial activities of port-related projects to promote economic growth within the Commonwealth of Pennsylvania; and

**WHEREAS**, the Authority is the Grantee of Foreign-Trade Zone 35 ("FTZ No. 35"); and

**WHEREAS**, Glovis ("Glovis"), who conducts warehousing operations in the Port of Philadelphia, has expressed an interest in operating a general purpose Foreign-Trade Zone and seeks to have its facility designated for Foreign-Trade Zone use; and

**WHEREAS**, the Authority as grantee of FTZ No. 35 must submit an application to the Foreign-Trade Zones Board for any such designation; and

**WHEREAS**, the Board of the Authority had determined on the basis of information attached as Exhibit “A” and incorporated herein to submit an application to the Foreign-Trade Zones Board for a modification to FTZ No. 35.

**NOW, THEREFORE, BE IT RESOLVED:**

1. That the Executive Director of the Authority, is hereby authorized and directed to submit an application to the Foreign-Trade Zones Board for a modification to FTZ No. 35.
2. The Executive Director of the Authority, with the advice of its Chief Counsel, is hereby authorized and directed to execute, acknowledge and deliver on behalf of the Authority any documents or other instruments as may be necessary to effectuate the purposes of this resolution.

The motion was made, seconded and approved. Resolution No. 2010-23 and Exhibit “A” on file with the Authority.

**#2010-24      Expansion of Pennsylvania Export Initiative Program**

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 responsibilities and to enhance commerce and trade; and

**WHEREAS**, facilitation of export cargo and the enhancement of export trade through the Port of Philadelphia is essential to the enhancement of business and commerce; and

**WHEREAS**, the Board of the Authority in Resolution No. 1993-13 approved the Export Initiative Program (“Initiative Program”) to enhance export trade through the Philadelphia Regional Port Authority Facilities; and

**WHEREAS**, the Board of the Authority in Resolution No. 2000-09 approved expansion of the Initiative Program to include exports originating through facilities owned by the Philadelphia Regional Port Authority and bound for West and South Africa; and

**WHEREAS**, the Board of the Authority in Resolution No. 2003-07 approved expansion of the Initiative Program to include exports originating through facilities owned by the Philadelphia Regional port Authority and bound for North Europe; and

**WHEREAS**, the Board of the Authority would like to modify the requirements that cargo must be sourced and manufactured in the Commonwealth of Pennsylvania and change it to “cargo must be sourced or manufactured in the Commonwealth of Pennsylvania and be shipped through PRPA facilities for reimbursement; and

**WHEREAS**, the Board of the Authority has determined on the basis of information provided by its staff to extend the Initiative Program as described in Exhibit “A”, which information is attached hereto.

**NOW, THEREFORE BE IT RESOLVED:**

1. The Executive Director is authorized to enter into cargo enhancement agreements to carry out the Export Initiative Program.
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 agreements necessary to implement this resolution, 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. 2010-24 and Exhibit “A” on file with the Authority.

**#2010-25      Authorization to Contract with Shaw Environmental & Infrastructure Group**

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. 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 Shaw Environmental & Infrastructure Group (the “Contractor”) has the requisite expertise and capacity to provide the services herein described; and

**WHEREAS**, the Board of the Authority has determined, on the basis of information provided to it (which information is attached hereto as Exhibit “A” and incorporated herein by reference), to contract with Shaw Environmental & Infrastructure Group to perform the services herein described.

**NOW, THEREFORE, BE IT RESOLVED:**

1. That the Authority enter into an agreement with the Contractor for the professional services described in Exhibit “A”. The agreement shall provide for total payments to the Contractor for engineering services described in Exhibit “A”.
2. The Executive Director of the Authority, with the advice of its Chief Counsel, is hereby authorized and directed to negotiate the specific terms and conditions of the agreement, and the Executive Director is hereby authorized and directed to execute, acknowledge and deliver on behalf of the Authority any agreements, documents or other instruments as may be necessary to effectuate the purposes of this Resolution.

**#2010-26 Authorization to Contract with Louis Berger Group, 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 staff of the Authority has determined that Louis Berger Group, Inc. (the “Contractor”) has the requisite expertise and capacity to provide the services herein described; and

**WHEREAS**, the Board of the Authority has determined, on the basis of information provided to it (which information is attached hereto as Exhibit “A” and incorporated herein by reference), to contract with Louis Berger Group, Inc. to perform the services herein described.

**NOW, THEREFORE, BE IT RESOLVED:**

1. That the Authority enter into an agreement with the Contractor for the professional services described in Exhibit "A". The agreement shall provide for total payments to the Contractor for engineering services described in Exhibit "A".
2. The Executive Director of the Authority, with the advice of its Chief Counsel, is hereby authorized and directed to negotiate the specific terms and conditions of the agreement, and the Executive Director is hereby authorized and directed to execute, acknowledge and deliver on behalf of the Authority any agreements, documents or other instruments as may be necessary to effectuate the purposes of this Resolution.

The motion was made, seconded and approved. Resolution No. 2010-26 and Exhibit "A" on file with the Authority.

**#2010-27 Authorization to Contract with CHA, 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 staff of the Authority has determined that CHA, Inc. (the "Contractors") has the requisite expertise and capacity to provide the services herein described; and

**WHEREAS**, the Board of the Authority has determined, on the basis of information provided to it (which information is attached hereto as Exhibit "A" and incorporated herein by reference), to contract with CHA, Inc. to perform the services herein described.

**NOW, THEREFORE, BE IT RESOLVED:**

1. That the Authority enter into an agreement with the Contractor for the professional services described in Exhibit "A". The agreement shall provide for total payments to the Contractor for engineering services described in Exhibit "A".

2. The Executive Director of the Authority, with the advice of its Chief Counsel, is hereby authorized and directed to negotiate the specific terms and conditions of the agreement, and the Executive Director is hereby authorized and directed to execute, acknowledge and deliver on behalf of the Authority any agreements, documents or other instruments as may be necessary to effectuate the purposes of this Resolution.

The motion was made, seconded and approved. Resolution No. 2010-27 and Exhibit "A" on file with the Authority.

**#2010-28 Authorization to Enter into a Cargo Stimulation Contract**

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 market regional port facilities, to maintain existing businesses and attract new businesses while stimulating international trade; and

**WHEREAS**, the Authority is the owner of the Tioga Marine Terminal ("TMT"), a container terminal leased to Delaware River Stevedores, Inc. ("DRS"); and

**WHEREAS**, the Authority and DRS met with SeaStar for the purpose of establishing a new Puerto Rico service at TMT; and

**WHEREAS**, the Authority, DRS and SeaStar have agreed upon a concept whereby SeaStar would establish a Puerto Rico service to call TMT with the Authority providing an incentive as set forth in Exhibit "A" attached hereto and incorporated by reference; and

**WHEREAS**, the Board of the Authority has determined, on the basis of information provided to it, to approve the incentive program; and to execute any documents necessary to proceed in conformance with the program authorized by this Resolution.

**NOW, THEREFORE BE IT RESOLVED:**

1. That the Authority enter into an agreement confirming the incentive program; and to execute any documents necessary to proceed in conformance with the program authorized by this Resolution.
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. 2010-28 and Exhibit "A" on file with the Authority.

**2010-29 Board Position on Pending Legislation**

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 2 (a)(10) of the PRPA Act provides that the Authority created by this Act cooperate with local governments, interstate authorities and private enterprise for the purposes of advancing the regional port facilities and port-related projects and activities along the Delaware River for the increased convenience and improved access and welfare of the public, including the furtherance of cooperative state efforts for the unified development and use of port facilities and port-related projects which would benefit the interstate port region; and

**WHEREAS**, House Bill 666 is a land transfer bill that will assist in the transfer of a portion of the Navy Yard to the Philadelphia Regional Port Authority; and

**WHEREAS**, the Board of the Authority endorses passage of House Bill 666.

**NOW, THEREFORE, BE IT RESOLVED:**

1. That the Authority endorses passage of House Bill 666.
2. The Executive Director of the Authority, with the advice of its Chief Counsel, is hereby authorized and directed to take steps to assist in the passage of House Bill 666 and the acquisition of land at the Navy Yard.

The motion was made, seconded and approved. Resolution No. 2010-29 on file with the Authority. Mr. Michael Rashid abstained from voting on this Resolution.

Chairman Estey said the meeting minutes should reflect Mayor Nutter's work on this issue. He has taken a personal interest in this development. Chairman Estey said he spoke to Mayor Nutter on a number of occasions regarding this and that the Mayor has also attended many meetings. He would also like to acknowledge Representative Bill Keller for his creativity

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in moving some of the pieces around so that the Authority did not impinge on existing PIDC development on the site. He concluded by saying that Greg Iannarelli is to be congratulated for getting the Authority to this point and thanked him for all his hard work on this issue.

**#2010-30 Security Service Agreement with Harvard Protection Services, LLC**

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 Harvard Protection Services, LLC (the “Contractor”) has the requisite expertise and capacity to provide the services herein described; and

**WHEREAS**, the Board of the Authority has determined, on the basis of information provided to it (which information is attached hereto as Exhibit “A” and incorporated herein by reference), to contract with Harvard Protection Services, LLC to perform the services herein described.

**NOW, THEREFORE, BE IT RESOLVED:**

1. That the Authority enter into an agreement with the Contractor for the professional services described in Exhibit “A”. The agreement shall provide for total payments to the Contractor for security services as described in Exhibit “A”.
2. The Executive Director of the Authority, with the advice of its Chief Counsel, is hereby authorized and directed to negotiate the specific terms and conditions of the agreement, and the Executive Director is hereby authorized and directed to execute, acknowledge and deliver on behalf of the Authority any agreements, documents or other instruments as may be necessary to effectuate the purposes of this Resolution.

The motion was made, seconded and approved. Resolution No. 2010-30 and Exhibit “A” on file with the Authority.

**#2010-31 Authorization for the Acquisition of Two Container Cranes at Packer Avenue Marine Terminal**

The motion was made and seconded as follows:

**WHEREAS**, the Philadelphia Regional Port Authority (“the Authority”) has been authorized, under Section 6 of the Act of July 10, 1989, P.L. 291, 55 P.S. Section 697.1- 697.24 of the General Assembly of the Commonwealth of Pennsylvania (the “PRPA Act”) to promote employment and business opportunities for the purpose of advancing regional port facilities and port related projects to include furtherance of cooperative state efforts; and

**WHEREAS**, Section 6(a) of the PRPA Act provides the Authority is created for the purpose of acquiring, holding, developing, constructing, improving, maintaining, managing, operating, financing, furnishing, fixturing, equipping, repairing, leasing or subleasing, as either lessor, lessee or sublessor or sublessee, and owning port facilities, port related projects, or parts thereof, and equipment within the port district; and

**WHEREAS**, the Authority leases the Packer Avenue Marine Terminal (the “Terminal”) to Astro Holdings, Inc.; and

**WHEREAS**, Horizon Lines currently has two cranes under contract to be built by Shanghai Zhenhua Port Machinery Company, Inc. (“ZPMC”); and

**WHEREAS**, an accelerated delivery of cranes is desirable to enhance the Terminal; and

**WHEREAS**, the tenant has requested that the Authority purchase two new container gantry cranes to be utilized at the Terminal to improve the operational efficiencies and to maintain performance commitments; and

**WHEREAS**, the Board of the Authority has determined, based on information provided to it, to authorize staff to negotiate a crane purchase agreement with Horizon Lines under terms and conditions subject to confirmation by PRPA staff that the cranes to be purchased from Horizon Lines conform with the Terminal.

**NOW, THEREFORE, BE IT RESOLVED:**

1. That the Authority negotiate a crane purchase agreement with Horizon Lines under terms and conditions subject to confirmation by PRPA staff that the cranes to be purchased from Horizon Lines conform with the Terminal.
2. The Executive Director of the Authority, with the advice of its Chief Counsel, is hereby authorized and directed to take such actions necessary, to include inspecting said cranes for condition and quality of workmanship and ensure that

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they conform with the specifications presented to PRPA by Horizon Lines, to acquire two new container gantry cranes and the Executive Director is hereby authorized to negotiate any agreements, documents or other instruments as may be necessary to effectuate such arrangements.

The motion was made, seconded and approved. Resolution No. 2010-31 and Exhibit "A" on file with the Authority.

Chairman Estey thanked everyone for coming to the Governor's Press Conference and to the Board Meeting. He also thanked James T. McDermott for all the good news for the Authority.

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

Respectfully submitted,

Marian Simpson  
Secretary for the Board of Directors