



FOR IMMEDIATE RELEASE
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Governor Wolf Announces \$300 Million Investment for Port of Philadelphia to Double Container Capacity, Create Jobs

Harrisburg, PA — Governor Tom Wolf today announced a comprehensive Capital Investment Program at the Port of Philadelphia that will result in more than \$300 million in investment in the Port's infrastructure, warehousing, and equipment. This initiative, which will start next year and continue through 2020, will double container capacity, position the Port for future growth, create thousands of jobs, improve efficiency, and increase tax revenues.

"This capital investment program will give the Port of Philadelphia the tools it needs to improve its competitive position and create thousands of family-sustaining, middle class jobs while increasing state revenues," said Governor Wolf. "With its major economic impacts throughout the state, my administration understands the value of Pennsylvania's port asset in Philadelphia."

The program, ranking among the largest investments by a state on the East Coast, will boost three of the busiest sectors of the Port of Philadelphia, including the Packer Avenue Marine Terminal, the Port's automobile-handling operation, and the Tioga Marine Terminal.

"I thank Governor Wolf for this significant investment, and I look forward to working with him and the PRPA to see that this financial support leads to thousands of family sustaining jobs for Philadelphians," said Philadelphia Mayor James F. Kenney. "This is a tremendous opportunity for our city."

These improvements will result in doubling container capacity at the Port, provide increased breakbulk (non-containerized) cargo capacity, and bring a substantial increase in automobile-handling capacity. A total direct job increase of 70 percent is projected from the current level of 3,124 to a projected 5,378 direct jobs. Total employment at the Port will also increase, from 10,341 to 17,020, and state and local tax revenues generated will increase from the current \$69.6 million to \$108.4 million annually.

About \$200 million of the Capital Investment Program will be invested in the Packer Avenue Marine Terminal, the Port of Philadelphia's largest maritime facility. These improvements will include four new electric post-Panamax container cranes, the relocation of warehouses to facilitate container growth and the construction of new ones, and a deeper 45-foot depth at the terminal's marginal berths, to match the new 45-foot depth of the Delaware River's main channel. Electrification throughout the terminal will also be modernized to support electrification of existing diesel cranes and cold ironing capabilities at the terminal (the ability to power without the need for the vessels to burn fuel while docked).

As the latest example of the successful public/private partnerships at the Port, Astro Holdings, Inc., the Tenant of the Packer Avenue Marine Terminal, will also purchase one of the Post-Panamax container cranes for the terminal, as well as dedicating significant privately-owned port acreage, in the form of the Holt-owned 40-acre "Publicker" site located next to the Packer Avenue facility, for container growth through Packer Avenue Marine Terminal.

Officials of the Philadelphia Regional Port Authority (PRPA) expect that these improvements will result in no less than a doubling of the cargo-handling capacity at the terminal, already the busiest and most multi-use terminal at the Port of Philadelphia. Container-handling capacity will especially increase, with a 900,000 TEU capacity immediately resulting from the improvements, scalable to exceed 1.2 million TEU capacity in the future, a significant improvement over the terminal's current 400,000-plus TEU capacity.

The improvements at the Packer Avenue Marine Terminal, the Port's primary container facility, will occur at about the time that the Delaware Main Channel Deepening Project, which is deepening the Port's main shipping channel from 40 to 45 feet, will be completed. The larger, deeper-draft container vessels that will be able to reach the Port because of the deepening project (as well as a recently improved Panama Canal) will now find a terminal that is especially prepared for their needs.

"Our thanks to the Governor for his belief in the ability of the Port to grow and compete," said Tom Holt, Jr. of Holt Logistics, the parent company of Greenwich Terminals, LLC, which operates Packer Avenue Marine Terminal. "These capital improvements, which we'll complement with our own additional improvements, will allow us to serve the world's ocean carriers, and the customers those carriers serve, better than ever before. It will also position us as one of the fastest growing container ports on the East Coast."

The Ports Automobile Import/Export facility, which currently processes 150,000 cars and employs more than 300 direct workers will also benefit by receiving about \$90 million of the Governor's Capital Investment program. Since 2010, Glovis America been the main customer of the Port's Auto Processing facility, located in South Philadelphia adjacent to the Packer Avenue Marine Terminal, bringing Hyundai and Kia automobiles on vessels for eventual distribution to dealerships throughout the region.

Improvements to the Port's automobile-handling operation will include the addition of 155 paved and fenced acres above the flood plain at the Port's Southport site; the conversion of the former seaplane hangar at Southport into a second auto-processing site; enhancements at the main auto-processing site at Pier 98 Annex; and the establishment of a framework that provides flexibility for use of the land the Port needs for containers and automobiles, as determined by market demands.

"We are grateful to partner with the PRPA and the Commonwealth to create a world class destination auto port to that will meet our needs for Hyundai and Kia as well as providing the ability to expand into auto exporting" said Glenn Clift, President and CEO of Glovis America, Inc. "The addition of space and ability to consolidate our foot print at the port improves our ability to make Philadelphia an aggressive cost competitive port. It also ensures our long-term commitment to grow jobs and revenues in the Commonwealth."

Tioga Marine Terminal will be the third beneficiary of the State Capital Investment Program at the Port. \$12 million has been earmarked for improvements to the main on-dock warehouse

that has been successfully handling and processing Brazilian wood pulp cargoes since 2014. A second warehouse at Tioga will be converted into a food-grade warehouse, allowing the Port increase its wood pulp volumes to meet the demands of Pennsylvania companies requiring wood pulp. Improved rail access and the purchase of a second mobile harbor crane will also add capacity for Tioga Marine Terminal.

“Tioga Marine Terminal will have a great future because of these major capital improvements,” said Robert Palaima, President of Delaware River Stevedores (DRS), which operates the Tioga Marine Terminal. “Tioga has always had the reputation of being able to recreate itself from time to time to meet the needs of the market place and address cargo opportunities that present themselves, and these improvements will allow us to continue doing that, and more effectively. They will also allow us to better serve long-term customers that have made Tioga Terminal their home.”

The Governor’s administration worked closely with the Board of Directors of the Philadelphia Regional Port Authority, the Port’s staff, and business and labor leaders throughout the Port to develop the very best, most effective capital program to improve commerce at the Port of Philadelphia, and to prepare the Port to meet industry trends for years to come.

“Our thanks to the Governor for his great support of our Port,” said PRPA Chairman Gerard H. Sweeney. “His determination to reposition the Port is the catalyst we needed to take advantage of the channel deepening and position ourselves as a competitive East Coast port. I am so proud of all the great work performed by the thousands of men and women who work hard at the Port of Philadelphia every day.”

Officials at the Philadelphia Regional Port Authority anticipate an aggressive “shovels in the ground” schedule beginning early next year to make these planned capital improvements.

“Being good corporate neighbors is of great importance to us, so the Port will approach these improvements in an environmentally sensitive manner,” said Jeff Theobald, Executive Director and CEO of the Philadelphia Regional Port Authority. “PRPA’s new Diversity Outreach Program will assure that inclusion of women, minorities, veterans, and other traditionally-underutilized groups will be a major goal as contractors and subcontractors are engaged during the construction process.”

This capital investment program provides an alternate, more efficient and expeditious solution to reach the Port’s goals as embodied in the recent Southport RFP: growing container capacity, accelerating job creation, and capitalizing immediately on the river dredging program ensuring that the Port will be competitive and positioned for growth immediately. With this capital investment plan, we will have accomplished both the short term and the longer term objectives that were envisioned for Southport as well as the Port overall, with flexibilities to continue to grow and shift across many diverse markets. The Commonwealth and the Philadelphia Regional Port Authority remain committed to establishing the best, most effective maritime operations at Southport, and these slated capital improvements at Southport are part of that commitment.

By the Numbers	Current	Future
Capital - Estimated	--	\$300M
Growth in Container Capacity	--	86%
Growth in Breakbulk Capacity	--	21%
Growth in Automotive Capacity	--	166%
Annual Revenue @ Capacity	\$5.7m	\$18.9m
Direct Jobs (70% Increase)	3,124	5,378
<i>Total Employment(65% Increase)</i>	10,341	17,020
State/Local Taxes (56% Increase)	\$69.6m	\$108.4m

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