

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

JANUARY 17, 2017

Philadelphia Regional Port Authority Board Members Present:

Chairman Gerard Sweeney, Rocky Bryan, John Dougherty, Yassmin Gramian, Ward Guilday, Anthony Mannino, Paul McNichol, Michael Pearson, John Skoutelas

Philadelphia Regional Port Authority Board Members Absent:

Robert Clark, Vahan Gureghian

Philadelphia Regional Port Authority Staff Present:

Jeffrey Theobald, Jack Dempsey, Edward Henderson, Gregory Iannarelli, Kate Bailey, Denise Brumbaugh

Commonwealth of Pennsylvania:

Chelsea Guzowski, Denise Soisson

Others:

Bob Callegari, Tara Chupka, Manny Citron, John Contrevo

Chairman Sweeney convened a Public Session.

Chairman Sweeney convened an Executive Session.

The next order of business was the approval of the Board Meeting minutes of December 20, 2016. The minutes were moved, seconded and approved.

RESOLUTIONS:

**2017-01 AUTHORIZATION TO RESTRUCTURE RENT FOR
PHILADELPHIA WHOLESALE PRODUCE MARKET**

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 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 powers and duties with respect to port facilities; and

WHEREAS, the Authority leases 6700 Essington Avenue, approximately 47.6 acres and 3062 S. 61st street, approximately 15 acres, (collectively the “Leased Premises”) to Essington Avenue Partners II (“EAP II), which in turn are subleased to the Regional Produce Cooperative Corporation (“RPCC”); and

WHEREAS, the Authority, RPCC and American General Life Insurance Company are parties to a purchase option agreement which would give RPCC the right to purchase the Leased Premises at the end of the rental term; and

WHEREAS, RPCC failed to pay the minimum rental due and subsequently requested to restructure the rent; and

WHEREAS, the Board of the Authority has determined, on the basis of information provided to it in Exhibit “A” attached hereto and incorporated by reference to authorize restructuring of rent; termination of the purchase option agreement; and removing 3062, S. 61st from the leased premises in the lease between PRPA and EAP II, and the sublease between EAP II and RPCC.

The Resolution was verbally amended to provide an additional 10-year term with the rental rate to escalate at 1% during the additional 10-year term.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority is authorized to restructure the rent consistent with the terms set forth in Exhibit A; termination of the purchase option agreement; and removing 3062, S. 61st from the Leased Premises in the lease between PRPA and EAP II, and the sublease between EAP II and RPCC.
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 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. 2017-01 on file with the Authority.

2017-02 AUTHORIZATION TO ENTER INTO A LICENSE AGREEMENT WITH PIDC

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 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 powers and duties with respect to port facilities; and

WHEREAS, the Authority seeks to utilize acreage in the port zone to increase maritime commerce coming through the port; and

WHEREAS, the Authority identified two properties, 3309 S. Galloway Street and 3401 S. Lawrence Street as a viable ancillary site to address short term port customer demand; and

WHEREAS, the Authority seeks to enter into a short term license agreement with PIDC to provide space to existing port tenants on an as needed basis; and

WHEREAS, the Board of the Authority has determined, on the basis of information provided to authorize entering into a short term license agreement with PIDC.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Authority is authorized to enter into a short term license agreement with PIDC.
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 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. 2017-02 on file with the Authority.

There being no further public business to come before the Board, the Public Session was adjourned.

Respectfully Submitted,



Denise M. Brumbaugh