

PHILAPORT

MINUTES OF THE BOARD OF DIRECTORS MEETING

JULY 25, 2017

PhilaPort Board Members Present:

Chairman Gerard Sweeney, Rocky Bryan, Robert Clark, Ward Guilday, Anthony Mannino, Paul McNichol, Michael Pearson, James Shacklett, John Skoutelas

PhilaPort Board Members Absent:

John Dougherty, Yassmin Gramian

PhilaPort Staff Present:

Jeffrey Theobald, Kate Bailey, Edward Henderson, Gregory Iannarelli, Lisa Magee, Sean Mahoney, James Walsh, Denise Brumbaugh

Commonwealth of Pennsylvania:

Chelsea Guzowski, Denise Soisson

Others:

Paul Breeman, Manny Citron, John Contrevo, Harry Enggasser, Jocelyn Hill, Lisa Kline, Michael Mullen, Tony Payton, Peter Winslow

Chairman Sweeney convened an Executive Session.

Chairman Sweeney convened a Public Session.

Chairman Sweeney requested that the PhilaPort Board and Staff recognize the efforts of Peter Javsicas, who founded Pennsylvania for Transportation Solutions, Inc., a Pennsylvania Nonprofit Corporation, in 2002, served as its Executive Director until 2014, and remained actively involved thereafter. Mr. Javsicas was instrumental in the passage of the 2013 amendment to Pennsylvania Act 89; which established a gas tax and fiscal restructuring that, among other benefits, led to the stabilization of funding for PhilaPort and agencies essential for the PhilaPort mission, including participation through PennDOT in allocations for FY 2017-18 alone of \$120 million for Port Authority Capital Funding, \$10 million for Ports/Waterways, \$10 million for Rail Freight, and \$148 million for the Multi-Modal Fund. Mr. Javsicas passed away suddenly on June 13, 2017. Chairman Sweeney requested that a Proclamation be prepared and recognized at the August 15, 2017 board meeting.

The next order of business was the approval of the Board Meeting minutes of June 20, 2017. The minutes were moved, seconded and approved.

RESOLUTIONS:

2017-10 AUTHORIZATION TO ENTER INTO GRANT AGREEMENT WITH CONRAIL

WHEREAS, the Philadelphia Regional Port Authority (“PhilaPort”) has been established authorized, under Section 2 of the Act of July 10, 1989, P.L. 291, 55 P.S. Section 697.1, et seq. of the General Assembly of the Commonwealth of Pennsylvania (the “PRPA Act”) as one of its purposes to maintain existing businesses and attracting new business while stimulating international trade and promoting industrial development within this Commonwealth; and

WHEREAS, the Port Richmond Industrial Track (“Track”) is a vital piece to transportation infrastructure serving Port Facilities; and

WHEREAS, Consolidated Rail Corporation (“Conrail”) is the owner of the Track; and

WHEREAS, improvements to the Track are necessary to increase cargo opportunities and reduce risk of delay through Port Facilities; and

WHEREAS, Conrail has submitted a design estimate to perform two segments of work to improve the Track and surrounding area and a request that PhilaPort fund such improvements; and

WHEREAS, the Authority has requested funds from the Commonwealth for the design of the improvements to the Track and the Commonwealth has agreed to delegate such funds to PhilaPort; and

WHEREAS, the Board of PhilaPort based upon the information provided by staff as set forth in Exhibit “A” attached hereto and incorporated by reference authorizes PhilaPort to enter into a grant agreement with Conrail, subject to funding from the Commonwealth, in an amount not to exceed Two Million Three Hundred Fifty Thousand Dollars for improvements to the Port Richmond Industrial Track and surrounding area.

NOW, THEREFORE, BE IT RESOLVED:

1. That PhilaPort hereby authorizes its staff to enter into a grant agreement with Conrail, subject to funding from the Commonwealth, in an amount not to exceed Two Million Three Hundred Fifty Thousand Dollars for improvements to the Port Richmond Industrial Track and surrounding area.
2. The Executive Director and CEO of PhilaPort, with the advice of its Chief Counsel, is hereby authorized and directed to negotiate the specific terms and conditions of the agreements and the Executive Director and CEO is hereby authorized and directed to execute, acknowledge and deliver on behalf of PhilaPort any agreements, documents or other instruments as may be necessary to effectuate such arrangements.

The motion was made, seconded and approved. Resolution No. 2017-10 on file with the Authority. Mr. Clark abstained from voting on the Resolution.

2017-11 AUTHORIZATION TO AMEND LEASE FOR TIOGA MARINE TERMINAL

WHEREAS, the Philadelphia Regional Port Authority (the "PhilaPort") 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 PhilaPort 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 PhilaPort to execute contracts in furtherance of its powers and duties with respect to port facilities; and

WHEREAS, the PhilaPort entered into the Second Amended & Restated Lease and Operating Agreement ("Agreement") for the Tioga Marine Terminal ("TMT") to Delaware River Stevedores, Inc. ("DRS"); and

WHEREAS, pursuant to Agreement PhilaPort is obligated to perform certain improvements as outlined in Exhibit "A" attached hereto and incorporated by reference; and

WHEREAS, PhilaPort sought and received funding authority to perform the above-referenced improvements as part of PhilaPort's Port Development Plan; and

WHEREAS, DRS and PhilaPort have met and in light of current market conditions, desire to modify the improvements to be made to TMT as outlined in Exhibit "A"; and

WHEREAS, the Board of PhilaPort has determined, on the basis of information provided as set forth in Exhibit "A", to authorize PhilaPort to seek a modification from the Commonwealth to utilize funds authorized for the Port Development Plan to be utilized for the new improvements proposed at TMT; and to amend the Agreement to reflect the change in improvements to be made.

NOW, THEREFORE, BE IT RESOLVED:

1. That PhilaPort seek consent from the Commonwealth to utilize funds authorized to be spent on the Port Development Plan for the new improvements proposed at TMT; and to amend the Agreement to reflect the change in improvements to be made by PhilaPort as set forth in Exhibit "A".
2. The Executive Director and CEO of PhilaPort, with the advice of its Chief Counsel, is hereby authorized and directed to issue a request for proposals for advertisement locations and negotiate the specific terms and conditions of any agreement for presentation to the Board of PhilaPort for authorization to execute said agreements.

The motion was made, seconded and approved. Resolution No. 2017-11 on file with the Authority.

**2017-12 AMENDMENT TO THE PHILADELPHIA REGIONAL PORT
AUTHORITY CONTRACTING, PROCUREMENT, AND LEASING
POLICIES AND PROCEDURES**

**THIS BOARD OF THE PHILADELPHIA REGIONAL PORT AUTHORITY
HEREBY RESOLVES:**

To approve an Amendment to the Philadelphia Regional Port Authority's Contracting, Procurement, and Leasing Policies and Procedures as described in Exhibit "A" (which Exhibit is attached hereto and made a part thereof by reference).

The motion was made, seconded and approved. Resolution No. 2017-12 on file with the Authority.

**2017-13 AUTHORIZATION TO ENTER INTO FOREIGN-TRADE ZONE
OPERATOR'S AGREEMENT**

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

WHEREAS, by way of Resolution 2016-09, the Board of PhilaPort authorized submission of an application to the Foreign-Trade Zones Board to establish a foreign-trade zone for Estee Lauder Companies; and

WHEREAS, the application submitted was approved by the Foreign-Trade Zones Board; and

WHEREAS, the Board of PhilaPort has determined on the basis of information provided by its staff to authorize entering into an Operator's Agreement with Estee Lauder Companies.

NOW, THEREFORE, BE IT RESOLVED:

1. The Executive Director and CEO of PhilaPort, with the advice of its Chief Counsel, is hereby authorized and directed to enter an Operator's Agreement with Estee Lauder Companies, Inc. with an annual fee in the amount of Twenty Thousand Dollars.

2. The Executive Director and CEO of PhilaPort, 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. 2017-13 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