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May 14 , 2020

The Honorable Elaine L. Chao  
Secretary of Transportation  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington D.C. 20590

***RE: PhilaPort Southport Development Project***

Dear Secretary Chao,

This letter is to communicate our strong support for the Philadelphia Regional Port Authority's (PhilaPort) ***Southport Wharf Development and Port Expansion*** project. PhilaPort is requesting \$25 million in federal grant funding to construct a multi-use berth adjacent to Southport's terminal, a 160-acre storage area, to accommodate roll-on/roll off (RoRo) vessels.

The project would provide much needed maritime capacity at less cost and environmental impact than other locations in the Northeast region. In addition to steady demand for auto imports, the Panama Canal expansion and the USACE's deepening efforts along the Delaware River shipping channel ensure that the demand for marine-based freight movements within the region will continue to increase at a rate that exceeds national freight growth trends.

The DVR Group, through its affiliated entities DVR Philly, LLC and DVR Pier 122 Partners, LLC (collectively DVR) , is the Lessee and Sub Lessor of approximately 256 acres of land, two (2) Vehicle Processing Centers (VPC) totaling in excess of 170,000 square feet and is the Lessee and Sub Lessor of Pier 122. Since 2009 we have been steadily building the RoRo and auto import / export business at the locations owned by Philaport.

In 2019 Philaport construction was completed on the latest expansion of auto processing facilities including 156 acres and a 108,000 square foot VPC at Southport. These new facilities represent the first purpose-built site above the 100-year flood plane constructed on the east coast of the United States in many years. The facility is state of the art and has been very well received by Original Equipment Manufacturers for potential use in the near future. The

principals of DVR have extensive experience in redeveloping and reusing real estate assets. This experience has been evidenced at Philaport facilities by the reuse of the Pier 98 Annex as well as the rehabilitation and redeployment of Pier 122.

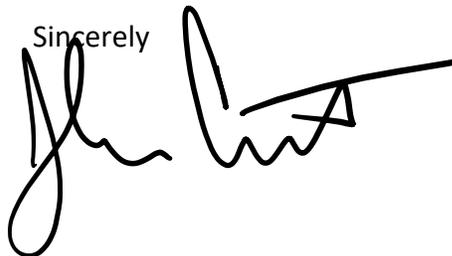
The Commonwealth and Philaport recognized that DVR's reuse of the Pier 98 Annex and Pier 122 were intended to be short term use and would ultimately require an upgrade to attract the volume of auto processing business available in the market. The expansion of 156 acres and 108,000 square feet VPC at Southport is the first step in the overall upgrade and modernization of the Auto Port of Philadelphia.

Pier 122 is a finger pier that is functionally obsolete. We are able to berth 200-meter RoRo vessels bow first for discharge. This is certainly not an ideal operational method and leads to additional expense in berthing as well as limiting the number of ships that can call on the Auto Port of Philadelphia in a given time. In addition, 233 meter vessels routinely call on the Auto Port of Philadelphia and must be discharged at the Packer Avenue Marine Terminal which causes increased strain on Glovis' business. Continued use of Pier 122 exclusively for RoRo operations will have a negative impact on Glovis' ability to grow its auto processing business.

We believe this project has significant benefits. The berth's immediate proximity to vehicle and other rolling stock and container operations provide numerous efficiency and logistical benefits. These benefits include more efficient berthing operations, placing cargo in immediate proximity to the berth and processing center, and decreased potential for vehicle damage. Once completed, the berth will enable more efficient export vehicle opportunities as well as intermodal delivery via rail. Additionally, this project will provide additional berth capacity to the Packer Avenue Marine Terminal for container vessels.

Successful development of this project would represent the first deep-water berth construction in Philadelphia in almost 50 years, leveraging the channel deepening of the Delaware River. Thank you for your thoughtful consideration of this important application and allowing us to demonstrate our support.

Sincerely

A handwritten signature in black ink, appearing to be "John Hart", written in a cursive style. The signature is positioned to the right of the word "Sincerely".