

ADOPTION OF FY 25/26 OPERATING BUDGET

Philadelphia Regional Port Authority

Resolutions No. 2025-03

June 18, 2025

WHEREAS, PhilaPort staff has presented the proposed FY 25/26 Operating Budget (which information is attached hereto as Exhibit "A" and incorporated herein by reference); and

WHEREAS, the Board of PhilaPort adopts the proposed FY 25/26 Operating Budget.

NOW, THEREFORE, BE IT RESOLVED:

1. The FY 25/26 Operating Budget is adopted and PhilaPort may seek and expend funds consistent with the approved Operating Budget for Fiscal Year 25/26
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 PhilaPort any documents or other instruments as may be necessary, including, but not limited to, execution of interagency agreements, to effectuate the purposes of this Resolution.

ADOPTION OF FY 25/26 OPERATING BUDGET

Philadelphia Regional Port Authority

Resolutions No. 2025-03

June 18, 2025

MOVED: Robert Bryan

SECONDED: Robert Clark

APPROVAL: Yes

Qualified Majority Required: No

Pearson*

Bryan**

Clark*

Cuff**

Lazer***

Maser*

Shacklett**

Butler**

Santone***

Whitaker*

Skoutelas***

Gubernatorial Appointee*

Legislative Appointee**

Gubernatorial Appointee - County Recommendation ***

MEMORANDUM

To: Philadelphia Regional Port Authority
Board of Directors

From: George Hutchinson
Director of Finance

Date: June 18, 2025

RE: **FY 25/26 PHILAPORT BUDGET**

Background

PhilaPort operates on Fiscal Year ending June 30. Staff has met with the Budget Committee and reviewed the budget in detail.

The FY 25/26 budget includes the following:

- Total Revenue increase 7% to \$27.6M
- Total Expenses increase 4.6% to \$19.3M
- CAGR of 8.48% since 2016
- No operating subsidy required

Recommendation

Staff requests that the Board adopt the staff proposed FY 25/26 Budget.

AUTHORIZATION FOR LEASE EXTENSION AND AMENDMENT

Philadelphia Regional Port Authority

Resolution No. 2025-04

June 18, 2025

WHEREAS, the Philadelphia Regional Port Authority (“PhilaPort”) has been authorized under Section 6 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”) to enter into lease agreements for port facilities; and

WHEREAS, the Lease and Operating Agreement between PhilaPort and Kinder Morgan Liquid Terminals LLC for Tioga Marine Terminal II Berths 1 and 2 ended on December 31, 2024 and in December 2024 the Board Authorized a six-month extension; and

WHEREAS, PhilaPort has determined that entering into a new lease with Kinder Morgan will return the highest financial and economic impact for Berths 1 and 2; and

WHEREAS, PhilaPort staff and Kinder Morgan have agreed to the commercial terms to enter into a lease amendment that would establish an initial ten-year term with five additional one-year renewal options; and

WHEREAS, PhilaPort staff recommends an extension to the existing lease for a three-month period to allow sufficient time to finalize terms and execute new lease amendment; and

WHEREAS, the Board of PhilaPort has determined, on the basis of information provided (which information is attached hereto as Exhibit “A” and incorporated herein by reference), to authorize staff to enter into a lease amendment consistent with the term sheet.

NOW, THEREFORE, BE IT RESOLVED:

1. That PhilaPort draft and execute the Lease amendment consistent with the terms as outlined in Exhibit "A".
2. The Executive Director & CEO of PhilaPort, with the advice of its Chief Counsel, is hereby authorized and directed to negotiate the specific terms and conditions of the lease amendment and the Executive Director & 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 and finalize the lease extension consistent with this resolution.

AUTHORIZATION FOR LEASE EXTENSION AND AMENDMENT

Philadelphia Regional Port Authority

Resolution No. 2025-04

June 18, 2025

MOVED: David Cuff

SECONDED: James Shacklett

APPROVAL: YES

Qualified Majority Required: No

Pearson*

Maser*

Bryan**

Clark*

Cuff**

Lazer***

Shacklett**

Butler**

Santone***

Whitaker*

Skoutelas***

Gubernatorial Appointee*

Legislative Appointee**

Gubernatorial Appointee - County Recommendation ***

MEMORANDUM

To: Philadelphia Regional Port Authority
Board of Directors

From: Edward G. Henderson
Sr. Director of Business Development and Planning

Date: June 9, 2025

RE: **Lease and Operating Agreement between PhilaPort and Kinder Morgan
Liquid Terminals LLC for Tioga Marine Terminal II Berths 1 and 2**

Background

Kinder Morgan Liquid Terminals LLC leases Berths 1 and 2 of PhilaPort's Tioga Marine Terminal II. The final one-year renewal option expired on December 31, 2024. In December 2024 the Board authorized a resolution extending the lease for six months. PhilaPort and Kinder Morgan have come to an agreement to enter into a lease amendment outlined below.

- Initial term 10 years with additional five one-year renewal options
- PhilaPort's unilateral ability to remove Berth 1 from the lease.
- Retained ability to collect dockages fees for first 300,000 metrics tons
- Projected increased financial terms of 24% to \$727,0000.

Recommendation

Staff requests that the Board authorize PhilaPort to enter into a lease amendment with Kinder Morgan effective as of January 1, 2025.

ACQUIRE PROPERTY BY PURCHASE IN LIEU OF EMINENT DOMAIN

Philadelphia Regional Port Authority Resolution No. 05 June 18, 2025

WHEREAS, the Philadelphia Regional Port Authority (“PRPA” or “PhilaPort”) has been authorized under Section 6 of the Act of July 10, 1989, P.L. 291, No. 50, 55 P.S. Sections 697.1-697.24 of the General Assembly of the Commonwealth of Pennsylvania (the “PRPA Act”) to expand industrial and commercial activities of the Commonwealth in the operation and management of port facilities and port-related facilities; and

WHEREAS, the Eminent Domain Code, 26 P.C.S. Section 101, *et seq.* and 55 P.S. Section 697.6 (18) of the PRPA Act grants and vests PhilaPort with the right and power to exercise eminent domain in the acquisition of property.

WHEREAS, Section 6(a)(5) of the PRPA Act further provides, in part, that PhilaPort may acquire, by gift or otherwise, purchase, hold, and receive property, real, personal or mixed, tangible or intangible, or any interest therein, necessary or desirable for carrying out the purposes of the Authority; and

WHEREAS, the ability of PhilaPort to expand and enhance the operation of the port and port-related facilities to facilitate the transportation for the handling, storage, loading and unloading of freight, cargo, equipment, materials, supplies and other port-related projects relating to industrial and commercial development activities coupled with the ability to remove certain buildings and improvements to install or construct project improvements in a reliable and efficient manner for the advancement of business and commerce associated with PhilaPort are all necessary and essential to the long-term economic health and growth of the Commonwealth and in the public interest; and

WHEREAS, increased port activity will generate substantial direct and indirect employment and tax revenues for the Commonwealth and will stimulate labor-intensive and other support services vital to the economic well-being of the public; and

WHEREAS, in order to carry out the proposed expansion of port-related facilities it is necessary that PhilaPort acquire all rights and title in fee simple to the land and improvements of that certain parcel of property known as 2906 S. Christopher Columbus Blvd., Philadelphia, PA 19148 (“the Property”) as more fully described in the attachment to this Resolution and

WHEREAS, the Board of PhilaPort has determined, on the basis of information provided to it (attached hereto and made a part hereof as Exhibit “A” and incorporated herein by reference), to authorize PhilaPort to acquire land through purchase, eminent domain, or other appropriate authorized means under its powers to acquire the property identified and to execute any documents necessary for the acquisition.

NOW, THEREFORE, BE IT RESOLVED:

1. PhilaPort in accordance with authority conferred upon it by law, is authorized to acquire for purposes of expansion and development, that certain Property, the acquisition of which PhilaPort has identified as vital to its operations, including but not limited to the expansion, improvement and enhancement described in the foregoing paragraphs.
2. The Board has determined that the acquisition of the Property, by purchase in lieu of taking by eminent domain, is consistent with and promotes PhilaPort's implementation of the public purposes for which it was created by the Legislature, as more fully set forth in the PRPA Act.
3. The title to be acquired will be fee simple title, including all easements, rights-of-way, and real property interests of whatever nature and shall be paid out of PhilaPort funds.
4. The Executive Director of PhilaPort, with the advice of its Chief Counsel, is hereby authorized and directed to exercise PhilaPort's powers to acquire the subject Property through purchase in lieu of condemnation or, in that is not successful, by exercise of PhilaPort's power of eminent domain.
5. 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, and take all other actions, as may be necessary to effectuate the purposes of this Resolution.

**ACQUIRE PROPERTY BY PURCHASE IN LIEU OF EMINENT
DOMAIN Resolution No. 2025-05
June 18, 2025**

MOVED: Boise Butler

SECONDED: James Shacklett

APPROVAL: Yes

Qualified Majority Required: No

Pearson*

Maser*

Bryan**

Clark*

Cuff**

Lazer***

Shacklett**

Butler**

Santone***

Whitaker*

Skoutelas***

Gubernatorial Appointee*

Legislative Appointee**

Gubernatorial Appointee - County Recommendation ***

Memorandum

To: PhilaPort Board of Directors
From: Colette Pete, Chief Counsel
Date: June, 18, 2025
RE: South Christopher Columbus Blvd.

2906 South Christopher Columbus Boulevard, Philadelphia, PA 19148, is an approximately 2.96-acre site currently comprised of a construction materials recycling facility. Acquisition of this property represents a key and final component/milestone of several properties initially targeted for acquisition by PhilaPort further serving to solidify PhilaPort's vision to expand the port and its facilities along the Delaware River, serve as an economic driver, and create family sustaining jobs. The other notable properties acquired to date and adjacent to 2906 South Christopher Columbus include 2904, 2904 R and 2906 R South Christopher Columbus Blvd (collectively the Republic Property consisting of 15.045 acres) as well as 2908 South Christopher Columbus Blvd consisting of approximately 3.16 acres (formerly Bucks Cabaret).

2906 is currently owned and operated by Dougherty Recycling, LLC. Recognizing the importance of the parcel in conjunction with PhilaPort's other land acquisition and development plans, PhilaPort strategically elected to explore two (2) options to acquire the property either (1) by exercising its eminent domain powers and authority or, alternatively, (2) to make an offer to purchase the site in lieu of eminent domain both of which essentially net and yield the same result.

Based upon certain due diligence undertakings, including but not limited to an appraisal of the subject property along with a comprehensive review of those statutorily reimbursable costs to which the owner would be entitled pursuant to the Eminent Domain Code such as "Moving Expenses", "Reestablishment Expenses" "Professional Fees", "Lost Earnings" and "Search Costs", a value of \$5,700,000.00 was established. Pursuant and subject to certain conditions, contingencies and approvals, PhilaPort entered into an Agreement with the Owner/Seller.

Recommendation:

Based on the foregoing, Staff recommends that PhilaPort acquire 2906 South Christopher Columbus Blvd., Philadelphia, PA and authorize the Executive Director and CEO to do all things necessary to execute, acknowledge and deliver on behalf of PhilaPort any agreements, documents or other instruments for purposes of effectuating this Resolution.