

SOUTH JERSEY PORT CORPORATION



BOARD OF DIRECTORS MEETING JUNE 16, 2015

THE CHAIRMAN COMMENCES MEETING WITH PLEDGE OF ALLEGIANCE AND ROLL CALL:

- 1. APPROVAL OF MINUTES**
Regular Meeting April 28, 2015
Closed Meeting April 28, 2015
- 2. APPROVAL OF OPERATING BILLS**
RESOLUTION 2015-6-0047
- 3. APPROVAL OF ADVANCE PAYMENT BILL LIST**
RESOLUTION 2015-6-0048
- 4. APPROVAL OF CREDITS**
RESOLUTION 2015-6-0049
- 5. APPROVAL OF CHANGE ORDERS – None**
- 6. APPROVAL OF CONSTRUCTION FUND REQUISITIONS**
RESOLUTION 2015-6-0050
- 7. RECEIPT OF TREASURER’S REPORT**
- 8. RECEIPT OF COUNSEL’S REPORT**
- 9. RECEIPT OF EXECUTIVE DIRECTOR’S REPORT**



10. ADDITIONAL AGENDA ITEMS REQUIRING BOARD ACTION

- A. RESOLUTION 2015-6-0051: APPROVAL OF HOLCIM / ESSROC ASSUMPTION AND ASSIGNMENT AGREEMENT**
- B. RESOLUTION 2015-6-0052: AWARD OF DEMAND DEPOSIT ACCOUNT SERVICE**
- C. RESOLUTION 2015-6-0053: HOLTEC DEVELOPMENT & BROADWAY TERMINAL REALIGNMENT - AUTHORIZATION TO PURSUE EMINENT DOMAIN FOR TERRACES PARCELS**
- D. RESOLUTION 2015-6-0054: APPROVAL OF PARKING AGREEMENT RENEWAL WITH THE NJ BATTLESHIP MUSEUM AND MEMORIAL**
- E. RESOLUTION 2015-6-0055: AWARD OF ENGINEER SERVICES FOR H2 ROOF REPLACEMENT PROJECT**
- F. RESOLUTION 2015-6-0056: AWARD OF ENGINEERING SERVICES FOR SPRINKLER SYSTEM REPLACEMENT PROJECT**
- G. RESOLUTION 2015-6-0057: HOLTEC ENVIRONMENTAL PROTECTION AGREEMENT**
- H. RESOLUTION 2015-6-0058: AWARD OF DATA CENTER COOLING SYSTEM PROJECT**
- I. RESOLUTION 2015-6-0059: SALEM FTZ REVENUE SHARING AGREEMENT**

11. SUPPLEMENTAL BOARD INFORMATION

- J. MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT**
- K. PORT SECURITY UPDATE**
- L. PAULSBORO MARINE TERMINAL PROJECT UPDATES**
- M. INDUSTRIAL SIDETRACK PROJECT – BROADWAY TERMINAL**

PUBLIC SESSION FOR QUESTIONS / COMMENTS

12. CLOSED SESSION AND/OR ADJOURNMENT



ACTION ITEM:

A. RESOLUTION 2015-6-0051: APPROVAL OF HOLCIM/ESSROC ASSUMPTION AND ASSIGNMENT AGREEMENT

Holcim, formerly St. Lawrence Cement, a tenant at the Broadway Terminal, is required to sell their Camden facility due to Federal Trade Commission regulations regarding monopoly power. The new owner, Essroc - Italcementi Group, has been vetted by our financial advisor and the agreements for the transfer of the Holcim lease to Essroc has been prepared and reviewed by SJPC General Counsel in concert with Holcim and Essroc.

RECOMMENDATION:

Staff recommends Board approval of the Assumption and Assignment Agreement.



ACTION ITEM:

B. RESOLUTION 2015-6-0052: AWARD OF DEMAND DEPOSIT ACCOUNT SERVICES

Per the Board's action, staff released and advertised the Request for Proposals for Demand Deposit Account Services. Proposals were received on May 20, 2015. SJPC received one proposal from Investors Bank.

Investors Bank is offering a demand-deposit account that would provide SJPC with daily liquidity, similar to NJCM. Investors Bank has paid-in capital well in excess of the minimum required for a bank that will hold SJPC assets. In addition, Investors Bank has agreed to fully collateralize the amounts deposited with a Letter of Credit from the Federal Home Loan Bank of New York. The format of the letter of credit will be the same as that used to collateralize demand deposit accounts held at Investors Bank by various State of NJ agencies.

The proposed Investors Bank account provides a competitive rate that is indexed to the Federal Funds rate minus 0.25%, with a minimum floor rate of 0.40%. The current MTD yield is 0.40%.

The proposed deposit, including the letter of credit, have been reviewed and signed off on by SJPC Bond Counsel and SJPC's Financial Advisor. Implementation of this investment vehicle will generate additional passive income for the South Jersey Port Corporation at no additional risk. The proposal was reviewed by General Counsel and recommends the Board consider the proposal.

RECOMMENDATION:

Staff recommends Board approval to transfer investment funds currently with New Jersey Cash Management to an account with Investors Bank.



ACTION ITEM:

C. RESOLUTION 2015-6-0053: HOLTEC DEVELOPMENT & BROADWAY TERMINAL REALIGNMENT – AUTHORIZATION TO PURSUE EMINENT DOMAIN FOR TERRACES PARCELS

Pursuant to the coordination with the City of Camden to acquire the area referred to as the Terraces, General Counsel is requesting a resolution of the South Jersey Port Corporation Board to approve exercising its Eminent Domain Power authorized by N.J.S.A. 12:11A-6(k) in order to take certain properties. A portion of the Terraces area will be leased to Holtec and included in the overall ground lease.

- 538 Woodland Avenue, Block 511, Lot 133
- 544 Gordon Terrace, Block 514, Lot 30
- 529 Lester Terrace, Block 511, Lot 90
- 537 Lester Terrace, Block 511, Lot 94

RECOMMENDATION:

General Counsel recommends Board approval of the resolution to exercise Eminent Domain as presented.



ACTION ITEM:

D. RESOLUTION 2015-6-0054: APPROVAL OF PARKING AGREEMENT WITH NJ BATTLESHIP MUSEUM AND MEMORIAL

The Home Port Alliance for the USS New Jersey, Inc. has requested to renew the parking agreement for the area at the north end of the Balzano Marine Terminal along the Clinton Street Easement, near the location of the USS New Jersey, for approximately 40 parking spaces to be used for patrons. The area is also within the portion of the terminal that has been used seasonally by the Susquehanna Center for patron parking. The area is striped for parking. General Counsel has reviewed the original agreement.

- TERM:** One (1) year – July 1, 2015 – June 30, 2016
- AREA:** Open Space - 18,750 square feet (Balzano Terminal)
- FEE:** \$2.00 per vehicle paid to SJPC on a monthly basis
- INSURANCE:** Limits of not less than Two Million Dollars (\$2,000,000) for each occurrence and One Million Dollars (\$1,000,000) for injury to property. HPA to provide SJPC with Certificate of Insurance and owner named on COI. The HPA shall also purchase and maintain on behalf of the Owner and Its Agent(s) all risk insurance with respect to the parking area in a limit of not less than Five Hundred Thousand Dollars (\$500,000) to cover the value of fixtures, improvements and equipment located on the parking areas. The HPA shall also maintain vandalism, malicious mischief and special extended coverage insurance in an amount adequate to reasonably cover the cost of replacement of damaged property and equipment and shall further maintain automobile liability, workers' compensation and contractually assumed liability Insurance policies respecting its operations in the parking areas.
- OPERATIONS:** HPA will provide SJPC with a detailed parking operation plan. HPA is responsible for all aspects of operating and securing the parking facility.

RECOMMENDATION:

Staff recommends Board approval to renew the parking agreement with the Home Port Alliance as presented.



ACTION ITEM:

E. RESOLUTION 2015-6-0055: AWARD OF ENGINEER SERVICES FOR H2 ROOF REPLACEMENT PROJECT

Per the Board's action, staff requested proposals from the pre-qualified Civil Engineers for services for the H2 Roof Replacement Project. An onsite, walk-thru was held on May 18, 2015.

The request is divided into the following phases:

- Phase 1: Review Project Site (Ph #1)
- Phase 2: Prepare Bid Documents and Assist with Review of Bids (Ph #2)
- Phase 3: Construction Management (Ph #3)

The following engineering firms submitted quotes on May 27, 2015:

Engineer Firm	Ph #1/Visits	Ph #2/Visits	Ph #3/Visits	Total/Visits
JMT	\$8,500 / 1	\$23,500 / 3	\$5,500 / 10	\$37,500 / 13
Pennoni	\$5,350 / 2	\$11,690 / 3	\$12,380 / 9	\$29,420 / 14
AECOM	\$7,400 / 2	\$14,720 / 2	\$15,350 / 6	\$37,470 / 10
LSEA	\$3,500 / 2	\$24,000 / 3	\$8,000 / 8	\$35,500 / 13
HMM	\$7,500 / 2	\$11,700 / 2	\$13,300 / 14	\$32,500 / 18
T&M	\$6,600 / 3	\$11,400 / 4	\$21,900 / 30	\$39,900 / 37

The lowest responsive quote was submitted by Pennoni at a cost of \$29,420.00.

RECOMMENDATION:

Staff recommends Board consideration to award the project to Pennoni in the amount of \$29,420.00.



ACTION ITEM:

F. RESOLUTION 2015-6-0056: AWARD OF ENGINEERING SERVICES FOR SPRINKLER SYSTEM REPLACEMENT PROJECT

Per the Board's action, staff requested proposals from the pre-qualified Civil Engineers for services for the Sprinkler System Replacement Project. The staff contacted the Civil Engineers on our short list.

The request is divided into the following phases:

- Phase 1: Review Project Site (Ph #1)
- Phase 2: Prepare Bid Documents and Assist with Review of Bids (Ph #2)
- Phase 3: Construction Management (Ph #3)

There were seven firms that were interested and attended the walk thru that was held on May 18, 2015.

The following quotes were received:

Engineer Firm	Ph #1/Visits	Ph #2/Visits	Ph #3/Visits	Total/Visits
JMT	\$75,000 / 4	\$195,000 / 6	\$115,000 / 16	\$335,000 / 26
Pennoni	\$32,260 / 10	\$95,940 / 10	\$115,000 / 60	\$243,200 / 80
AECOM	\$84,600 / 15	\$180,700 / 4	\$55,100 / 16	\$320,560 / 31
LSEA	\$6,000 / 2	\$55,000 / 6	\$15,000 / 16	\$76,000 / 24
HMM	\$17,096 / 4	\$215,706 / 29	\$286,679 / 218	\$519,481 / 251

The lowest responsive quote was submitted by Pennoni at a cost of \$243,200.00.

RECOMMENDATION:

Staff recommends Board consideration to award the project to Pennoni in the amount of \$243,200.00.



ACTION ITEM:

G. RESOLUTION 2015-6-0057: HOLTEC ENVIRONMENTAL PROTECTION AGREEMENT

The Environmental Protection Agreement between Holtec International (Technology Center) and SJPC is presented for the Board's consideration regarding the Holtec Technology Center ground lease at the Broadway Terminal.

RECOMMENDATION:

Staff requests Board consideration to approve the Environmental Protection Agreement with Holtec International.



ACTION ITEM:

H. RESOLUTION 2015-6-0058: AWARD OF DATA CENTER COOLING SYSTEM PROJECT

Per the Boards action, staff released the Request for Proposals for the Data Center Cooling System. The vendor is to furnish all labor and equipment necessary for an air cooling and filter system for the Port Corporation's data center. A pre-bid meeting was held on Tuesday, June 2, 2015 at 10:00 a.m. Fiver vendors participate in the meeting and walk-thru.

Proposals are due on Wednesday, June 10, 2015 at 10:00 a.m. and the results and a recommendation will be presented to the Board for consideration.

Two of the contractors submitted quotes.

FIRM	QUOTE	MAINTENANCE CONTRACT
EACM Corp. Seabright, NJ	\$72,250.00	Not Submitted
Elliot-Lewis Philadelphia, PA	\$57,500.00	\$2,800.00/yr.

RECOMMENDATION:

Staff recommends Board to award the project to Elliot-Lewis in the amount of \$57,500.00.



ACTION ITEM:

I. RESOLUTION 2015-6-0059: SALEM FTZ REVENUE SHARING AGREEMENT

In an effort to enhance our collective marketing efforts with the City of Salem to grow the Foreign Trade Zone #142 general purpose zone which is located in Salem adjacent to the Salem Terminal, a FTZ Revenue Sharing Agreement has been developed to provide a share of proceeds from zone and subzone activity with the City of Salem. SJPC acquired FTZ #142 from the City of Salem when the SJPC acquired the Salem Marine Terminal facility.

The Salem General Purpose Zone is located at:

Site 1: Parcel A (85 acres) within the Port of Salem some 2 miles off the Delaware River

Site 1: Parcel B (5 acres) also located within the Port of Salem, owned by the Salem Marine Terminal Corporation (SMTTC) (approved through a minor boundary modification (A-19-88))

Site 2: (10 acres) located within a proposed warehouse complex on Walnut Street, owned and operated by Salem Warehouse Distribution Corporation, which is also part owner of the SMTTC site. This site was approved through a temporary minor boundary modification of Site 1, Parcel A (A-35-90, 11/14/90).

The agreement will create an incentive for the City of Salem Port Authority, which the SJPC funds, and the City of Salem to market development and use of the general purpose zone areas within the city. At present, SJPC has two active subzones, one in collection and one in development. Per the Zone Schedule on file with the National FTZ Board, the annual fee for each subzone is \$15,000 and the annual fee for general purpose zone is \$5,000. SJPC's General Counsel has assisted in developing the agreement.

RECOMMENDATION:

Staff requests Board consideration to approve the Salem FTZ Revenue Sharing Agreement.



INFORMATION ITEM:

J. MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT

PHOENIX STRATEGIES/ARTLIP COMMUNICATIONS REPORT ATTACHED.



INFORMATION ITEM:

K. SECURITY UPDATE

The security update is prepared by Mr. Jay Jones.

U.S. COAST GUARD CHANGE OF COMMAND CEREMONY: The Executive Director and the Deputy Executive Director/FSO attended the U.S. Coast Guard Sector Delaware Bay Change of Command and Capt. Kathleen Moore's retirement ceremony on Friday, May 22, 2015. Captain Benjamin Cooper, who was serving as the Deputy Sector Commander, is now the Captain of the Port (COTP) for Sector Delaware Bay.

FIVE YEAR FACILITY SECURITY PLAN: SJPC requested and was granted a six month extension to June 2015 to submit a new, five-year, Facility Security Plan by the U.S. Coast Guard Sector Delaware Bay COTP. On May 13, 2015, SJPC's FSO submitted to the U.S. Coast Guard Sector Delaware Bay the five year Facility Security Plan which includes a previously submitted amendment, as well as a new Threat Assessment Report. Once approved by the local COPT, the FSP will be valid for five years from the date of approval.

REGIONAL RAIL RESPONSE CAMDEN TTX EXERCISE: SJPC participated in the Regional Rail Response Camden TTX Exercise held on May 21, 2015, hosted by the NJ Office of Homeland Security & Preparedness and Camden County. The is a no fault exercise examined procedures, resources and methods to prepare for, react to and recover from a freight train derailment involving Bakken Crude Oil. Participants (players, staff, and observers) included representatives from the First Responder Community, State, County and Local Offices of Emergency Management, NJ State Police, Department of Environmental Protection, Division of Fire Safety, Department of Transportation, freight railroad representatives, as well as many other private and public sector organizations.

USCG – SEAFARERS' ACCESS TO MARITIME FACILITIES: On May 27, 2015, the U.S. Coast Guard (CG) issued a Notice to reopen the public comment period for the Notice of Proposed Rulemaking (NPRM) entitled "Seafarers' Access to Maritime Facilities," which was published in the Federal Register on December 29, 2014. The NPRM proposed to require each owner or operator of a facility regulated by the CG to implement a system that provides seafarers and other individuals with access between vessels moored at the facility and the facility gate, in a timely manner and at no cost to the seafarer or other individual.

As originally published, the comment period for the NPRM closed on February 27, 2015. Several members of the public requested additional time to comment on the NPRM, citing various timing constraints. In order to provide interested members of the public an additional opportunity to submit comments on the NPRM, the CG is reopening the public comment period for 60 days. The CG is particularly interested in comments on its estimate that there is a 10.3 percent non-compliance rate of facilities with respect to providing seafarers' access. In addition to comments on this topic, CG will consider all public comments on the NPRM received during the reopened comment period. It requests that you not re-submit comments already in the docket. Comments must be submitted before July 1, 2015.



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INFORMATION ITEM:

L. PAULSBORO MARINE TERMINAL PROJECT UPDATES

The Paulsboro Marine Terminal Project updates are provided by the Gloucester County Improvement Authority. See the attached monthly report.

PMT-Construction Management – Change in Service No. 05 AECOM: The GCIA approved Change in Service No. 5 for AECOM to perform construction management services through a third party consulting engineering advisory service. There is need for third party analysis regarding damaged piles discovered in the Wharf construction project which Weeks Marine is claiming design issues as the cause. This change order is increasing AECOM’s contract amount in an amount not to exceed \$15,000.

PMT-008 Wharf Construction – Change Order No. 01 Weeks Marine: A credit to the owner for \$888,408.34 for insurance credit through the Owner-controlled Insurance Program (OCIP).

PMT-008 Wharf Construction – Change Order No. 02R1 Weeks Marine: The contract calls for 20 “pile driving analysis” tests on piles already identified. The change order will allow the engineer (CMT) to test up to 20 additional piles believed to show unusual behavior during driving to verify the pile meets the driving criteria. The amount of the change order is up to \$326,568.90 depending on how many additional tests piles are conducted.

PMT-008 Wharf Construction – Change Order No. 03 Weeks Marine: The contract calls for 76 foot piles specified to be used as batter piles. In certain areas, the 76 foot piles are driving below the specified elevation causing those piles to be extended. The change order will call for 79 foot piles in these areas to avoid the need to extend the shorter piles. Using 79 foot piles is less expensive than extending the shorter piles. The amount of the change order is \$11,584.65.

Original Agreement Amount:	\$46,558,765.00
Net change by previously authorized Change Orders	-255,254.79
Contract Sum prior to this Change Order	\$46,291,925.56
Contract Sum change by this Change Order	\$11,584.65
New Contract Sum including CO #5	\$46,303,510.21

PMT-013, Stage 1 Rail & East Parcel Development: Bids for the Paulsboro Marine Terminal Project PMT-013, Stage 1 Rail & East Parcel Development, were received at the offices of the GCIA on June 4, 2015 at 11:00AM.

SOUTH JERSEY PORT CORPORATION
Board of Directors Meeting – June 16, 2015



At that time, bids were open and read. Bids were received from the following firms:

Bidder (GC)	Non-Contingent Total	Contingent Total	Base Bid	Add Alt 1	Revised Base if AA1 accepted
AP Construction, Blackwood, NJ	\$14,126,800.00	\$2,175,000.00	\$ 16,301,800.00	\$ 700,000.00	\$17,001,800.00
Railworks, North Jackson, OH	\$14,779,250.00	\$2,469,615.00	\$ 17,248,865.00	\$(78,000.00)	\$17,170,865.00
RE Pierson, Pilesgrove, NJ	\$13,691,420.00	\$2,422,947.50	\$ 16,114,367.50	\$485,000.00	\$ 16,599,367.50
RCC South, Paulsboro, NJ	\$15,407,350.00	\$2,969,350.00	\$ 18,376,700.00	\$462,000.00	\$18,838,700.00
Kyle Conti, Hillsborough, NJ	\$12,672,527.00	\$2,105,250.00	\$ 14,777,777.00	\$ 483,000.00	\$15,260,777.00

Engineers Estimate	\$13,970,038.00	\$2,880,730.00	\$16,850,768.00	\$	-	\$16,850,768.00
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At the time of the opening, the apparent low bidder was identified as Kyle Conti Construction. RE Pierson Construction and A.P. Construction were identified as the apparent second and third low bidders, respectively.

Recommendation:

The costs proposed by Conti for major rail, civil, and earthwork components are reasonable in comparison to those received from the other bidders. Conti was observed to be conforming and responsive on all submission requirements and no reasons were identified to prevent award of the contract to Kyle Conti Construction, LLC.



INFORMATION ITEM:

M. INDUSTRIAL SIDETRACK PROJECT – BROADWAY TERMINAL

As a result of the Holtec development at the Broadway Terminal, the main rail spur into the terminal must be relocated from the southeast boundary to the north end of the facility. Funding for the project has been secured through a NJDOT grant. T&M Associates have prepared the bid specifications and package. The schedule for the public offering, award of contract and project schedule is accelerated to meet the overall Holtec development schedule. A special teleconference SJPC Board meeting may be necessary.

Final Bidding Schedule is as follows:

- Advertise for bids: June 8, 9 & 10
- Pre-Bid Meeting: June 18
- Last day for Questions: June 24
- Distribute Addendum: June 26
- Bid Opening: July 9
- Recommendation of Award: July 13
- Approval of Award by SJPC Board: TBD
- Approval of SJPC Board Meeting Minutes by Governor's Office: (10 Days after SJPC Board Mtg minutes received in GAU)
- Award of Contract: TBD
- Pre-Construction Meeting: TBD

Description of the project: The proposed Conrail industrial sidetrack will service the South Jersey Port Corporation – Broadway Terminal from an existing track within Conrail's Bulson Street Yard north of the port property. The proposed industrial sidetrack begins at a new turnout (Sta. 0+0) just north of the Jefferson Street right of way and traverses the Bulson Street Yard in a southeasterly direction for approximately 1,300 linear feet where it will enter the South Jersey Port Property and crosses an existing asphalt driveway. The sidetrack then continues in a southerly direction within the port property for an additional 683 linear feet where it ties into the existing sidetrack. Continuing south along the existing track approximately 987 linear feet, the new sidetrack will then continue for approximately 780 linear feet within the proposed Holtec manufacturing building.



MATTERS INVOLVING LITIGATION, PERSONNEL & SPECIAL MATTERS

The subject matter is covered by one or more of the following legal exemptions:

- Matters made confidential by state, federal law or rule by court.
- Disclosure would result in an unwarranted invasion of individual privacy, unless the person affected consents in writing.
- Disclosure would impair the body's right to receive federal or state funds.
- Collective bargaining.
- Lease or acquisition of property, setting of banking rates, investment of public funds if disclosure would harm the public interest.
- Investigations into violations of law.
- Strategies to protect public security.
- Pending, ongoing or anticipated litigation or contract negotiation, including attorney-client privilege. The threat of litigation must be more than theoretical for this exemption to apply.
- Personnel matters affecting employees of the public bodies, unless all parties request or consent to a public hearing. Prior to discussion of personnel, affected employees must be given notice, known as a Rice notice, which gives the employee the right to request a public hearing.
- Proceedings that could result in a suspension, civil penalty, or loss of a license or permit.

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- 1. COUNSEL'S REPORT**
 - a. Air Products Indemnification Agreement**

 - 2. PERSONNEL**
 - a. Office/Supervisory Personnel Communication Workers of America**
 - b. Local 18, IFPTE Proposal (Port Labor)**
 - c. Local 169, Teamsters Proposal (Security Guards)**

 - 3. BROADWAY SPRINKLER SYSTEM**

 - 4. MAINTENANCE DREDGING**

 - 5. HOLCIM – SALE TO ESSROC/ITALCEMENTI GROUP**
 - a. Assignment and Assumption Agreement**