

# **SOUTH JERSEY PORT CORPORATION**



## **BOARD OF DIRECTORS MEETING February 22, 2022**

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

**1. APPROVAL OF MINUTES**

Regular Open Meeting January 25, 2022

Closed Session Meeting January 25, 2022

Special Open Meeting February 7, 2022

Special Closed Session Meeting February 7, 2022

**2. APPROVAL OF OPERATING BILLS  
RESOLUTION 2022-02-0018**

**3. APPROVAL OF ADVANCE PAYMENT BILL LIST  
RESOLUTION 2022-02-0019**

**4. APPROVAL OF CREDIT - NONE**

**5. APPROVAL OF CHANGE ORDERS - NONE**

**6. APPROVAL OF CONSTRUCTION FUND REQUISITIONS  
RESOLUTION 2022-02-0020**

**7. RECEIPT OF TREASURER'S REPORT**

**8. RECEIPT OF COUNSEL'S REPORT**

**9. RECEIPT OF EXECUTIVE DIRECTOR'S REPORT**



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10. ADDITIONAL AGENDA ITEMS REQUIRING BOARD ACTION:

ACTION ITEMS

- A. RESOLUTION 2022-02-0021: AUTHORIZATION TO ADVERTISE CONSTRUCTION BIDS FOR MAINTENANCE DREDGING AT BALZANO AND BROADWAY TERMINALS
  
- B. RESOLUTION 2022-02-0022: APPROVAL OF QUALIFIED ENGINEERING FIRMS FOR MARINE, CIVIL, CONSTRUCTION MANAGEMENT, GEO TECH, AND CERTIFIED DIVERS
  
- C. RESOLUTION 2022-02-0023: APPROVAL OF CAMDEN INTERNATIONAL COMMODITIES TERMINAL LEASE ASSIGNMENT AND ASSUMPTION
  
- D. RESOLUTION 2022-02-0024: APPROVAL OF AIR PRODUCTS REMEDIAL ACTION AGREEMENT
  
- E. RESOLUTION 2022-02-0025: APPROVAL OF TRI-STATE BULK HANDLING, INC. LEASE RENEWAL
  
- F. RESOLUTION 2022-02-0026: APPROVAL OF TATA STEEL IJMUIDEN BV (TATA) FRAMEWORK AGREEMENT RENEWAL
  
- G. RESOLUTION 2022-02-0027: APPROVAL FOR A SECOND AMENDMENT TO RESOLUTION 2022-01-0007 (APPROVAL TO ISSUE AN EMERGENCY CONSTRUCTION CONTRACT TO DEMOLISH AND REMOVE THE COLLAPSED PUMPHOUSE AT THE BROADWAY TERMINAL, INSTALL RIPRAP TO STABILIZE THE SHORELINE, AND TO REPAIR THE DAMAGED ROADWAY) FOR PHASE THREE TO STABILIZE THE TIMBER BULKHEAD NORTH OF THE PUMP HOUSE AT THE BROADWAY TERMINAL



**11. SUPPLEMENTAL BOARD INFORMATION:**

**H.    MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP  
      COMMUNICATIONS REPORT**

**I.    PORT SECURITY UPDATE**

**J.    PAULSBORO MARINE TERMINAL PROJECT UPDATES**

**PUBLIC SESSION FOR QUESTIONS / COMMENTS**

**12. CLOSED SESSION AND/OR ADJOURNMENT**



**ACTION ITEM:**

**A. RESOLUTION 2022-02-0021: AUTHORIZATION TO ADVERTISE CONSTRUCTION BIDS FOR MAINTENANCE DREDGING AT BALZANO AND BROADWAY TERMINALS**

**REQUEST**

Staff is requesting Board approval to advertise construction bids for maintenance dredging of the berths and piers at the Balzano and Broadway Marine Terminals.

**BACKGROUND**

Maintenance dredging was last completed at the Camden terminals in January of 2019, and since then, the need for maintenance dredging activity is becoming critical for berthing.

S.T. Hudson Engineers has provided a checklist of tasks for securing the necessary permits as required by the NJDEP and U.S. Corp of Army. Hudson Engineers will also prepare the final specifications for the dredging Request for Proposals.

The RFP will be reviewed by General Counsel prior to being released, with the results of the RFP then presented to the Board for consideration and approval.

Funding is available for this project in the 2017A Capital Projects Account.

**RECOMMENDATION**

Staff recommends Board approval to advertise construction bids for maintenance dredging of the berths and piers at the Balzano and Broadway Marine Terminals.



**ACTION ITEM:**

**B. RESOLUTION 2022-02-0022: APPROVAL OF QUALIFIED ENGINEERING FIRMS FOR MARINE, CIVIL, CONSTRUCTION MANAGEMENT, GEO TECH, AND CERTIFIED DIVERS**

**REQUEST**

Staff is requesting Board approval of the Board Review Committee's recommendations to add several firms to the pre-qualified engineer list for a term of one year beginning April 1, 2022.

**BACKGROUND**

The SJPC prequalifies Professional Engineering and related service firms on a three-year cycle. Each year during the three-year term, the Board considers additional engineering firms who wish to be added to the prequalified list for the remaining term through an RFQ process.

Accordingly, Staff released a Request for Qualifications (RFQ) for Engineering Services for each of the categories of Civil Engineer, Certified Diver, Construction Management, Geotechnical Services, and Marine Engineer. The RFQ seeks qualifications statements from interested firms in accordance with the terms and conditions contained in the RFQ, in order for them to be considered pre-qualified for opportunities to submit cost proposals on upcoming projects.

We are beginning the third year of the three-year cycle, so this round of qualifications carries a term of one (1) year, commencing on April 1, 2022, and expiring on March 31, 2023.

The deadline to submit qualifications was on February 2, 2022, and there were six (6) new qualifications packages to consider.

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Civil Engineering	CHA Consulting, Inc.	Parsippany, NJ
Marine Engineering	Matrix New World Engineering Greenman Pedersen, Inc.	Eatontown, NJ Lebanon, NJ
Construction Management	Matrix New World Engineering InfoTran Engineers, PC	Eatontown, NJ East Orange, NJ
Geotechnical Engineering	Matrix New World Engineering	Eatontown, NJ
Certified Divers	No Responses	

The Review Committee consisting of Board and Staff has reviewed and ranked the submissions.

### **RECOMMENDATION:**

Staff recommends Board consideration of the Board Review Committee's recommendation to add these firms to the pre-qualified engineer list for a term of one year beginning April 1, 2022.



**ACTION ITEM:**

**C. RESOLUTION 2022-02-0023: APPROVAL OF CAMDEN INTERNATIONAL COMMODITIES TERMINAL LEASE ASSIGNMENT AND ASSUMPTION**

**Request**

Staff is requesting Board approval to consent to the assignment and assumption of the lease with Camden International Commodities Terminal, LLC (CICT), to Lyons & Sons, Inc.

**Background**

CICT, a New Jersey company, leases approximately 254,000 square feet of warehouse space from SJPC for the purpose of cocoa bean storage in Buildings H1-H2, and F1 and F2 in a lease agreement dating from 2004, which with extension options terminates July 31, 2035. CICT is affiliated with Lyons & Sons, Inc., a Pennsylvania company engaged in trucking and also in cocoa bean warehousing, and now CICT desires to assign their lease with SJPC to Lyons & Sons as part of a merger of the two entities. All tenant obligations and responsibilities under the lease will be assigned to and assumed by Lyons & Sons. The assignment requires SJPC written consent, and the lease will continue to be subject to New Jersey Law

**RECOMMENDATION:**

Staff recommends Board approval to accordingly consent to the assignment and assumption of the Camden International Commodities Terminal lease to Lyons & Sons, Inc.



## **ACTION ITEM:**

### **D. RESOLUTION 2022-02-0024: APPROVAL OF AIR PRODUCTS REMEDIAL ACTION AGREEMENT**

#### **Request**

Staff is requesting Board approval to approve the Remedial Action Agreement between South Jersey Port Corporation and Air Products and Chemicals, Inc. on Block 457, Lot 10 at 2710 Broadway in Camden, NJ.

#### **Background**

The above - referenced approximately 3.9-acre site was previously leased by Air Products from SJPC starting in 1964. In 2002 the lease was assigned to Air Gas East although Air Products retained responsibility for environmental remediation. The lease was terminated, and the site vacated in 2010 and left in a contaminated non-remediated state. SJPC then initiated a lawsuit against Air Products to recover lost rent and loss in value incurred by environmental contamination. In 2012 the parties executed a Release and Settlement Agreement which provided for a lump sum payment by Air Products to SJPC as well as site remediation, shoreline stabilization, capping, and fencing to be paid for by Air Products. The 2012 settlement agreement also provided for SJPC assumption of the inspection and maintenance of the cap and shoreline stabilization, including the reporting and certification requirements provided for by environmental regulations. The purpose of the requested Remedial Action Agreement is to detail the specific activities of each party pursuant to the 2012 Release and Settlement Agreement.

#### **Key Agreement Terms**

Air Products Costs (direct payment by Air Products or reimbursable to SJPC):

- Installation of the 6 ft. high chain link fence, including permitting and construction (reimbursable to SJPC)
- LSRP Retention, Annual Fee form, and submission of Confirmed Discharge Notification form (reimbursable to SJPC)
- NJDEP annual remediation fee (reimbursable to SJPC)
- Revision/resubmission of the Site and Remedial Investigation reports and Remedial Action workplans and permits (direct payment)
- Installation of the environmental cap at the site (direct payment)



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- Issuance of Response Action Outcome (direct payment)

SJPC Costs (non-reimbursable):

Remedial Action Permit fees, Cap/Fence Inspection & Biennial Reporting. SJPC remains responsible for these actions but the cost of compliance may be assigned to a future tenant.

**RECOMMENDATION:**

Staff recommends Board approval to accordingly approve the Remedial Action Agreement with Air Products and Chemicals, Inc.



**ACTION ITEM:**

**E. RESOLUTION 2022-02-0025: APPROVAL OF TRI-STATE BULK HANDLING, INC. LEASE RENEWAL**

**Request**

Staff is requesting Board approval to renew the lease with Tri-State Bulk Handling, Inc.

**Background**

Tri-State Bulk Handling is a stevedoring company who performs bulk material vessel stevedoring services at SJPC's Camden terminals. Tri-State leases open space and building space for equipment storage and for Tri-State's office trailer placement.

**Key Anticipated Lease Terms**

- Five-year term for 2,600 sf of open space for Tri-State's office trailer, commencing April 1, 2022 and expiring March 31, 2027
- Two-year term for an additional 40,320 sf open area and 8,355 sf building for equipment storage, commencing April 1, 2022 and expiring March 31, 2024
- \$58,275 annual rental in Year 1 (+5% increase from current rental)
- Annual increase @ CPI

**RECOMMENDATION:**

Staff recommends Board approval to accordingly renew the lease with Tri-State Bulk Handling, Inc.



**ACTION ITEM:**

**F. RESOLUTION 2022-02-0026: APPROVAL OF TATA STEEL IJMUIDEN BV (TATA) FRAMEWORK AGREEMENT RENEWAL**

**Request**

Staff is requesting Board approval to execute a renewal of its terminal services “Framework Agreement” with Tata Steel Ijmuiden BV in order to continue the commercial and operational relationship between SJPC and Tata related to the importation, handling, storage, and distribution of Tata steel products via SJPC’s Camden port facilities.

**Background**

Tata has been a customer of SJPC for approximately 20 years and utilizes Balzano Terminal for the importation and distribution of steel coils in order to supply its manufacturing customers in the US, including an active rail and truck logistics supply chain between Camden and Midwest points. Tata is one of the largest global steel producers and currently one of the largest import customers in Camden. Tata Steel imports to Camden originate in both the Netherlands and the UK, with most of the imports being sourced from the Netherlands. The current Framework Agreement is with Tata Steel Ijmuiden BV (the Netherlands) and has a one-year term expiring on April 1, 2022.

**Requested Framework Agreement Key Terms**

The following key terms would be incorporated into the Framework Agreement

- Initial term of the Agreement would be for two years expiring on March 31, 2024 corresponding to Tata’s fiscal contracting year
- Term of the Agreement can be extended for a third year from April 1, 2024 by mutual agreement
- Year 1 of the agreement provides for a 5% rate increase, and the subsequent year(s) provide for CPI-U rate increases, with a 2% minimum 5% maximum
- New Jersey law is the governing law for the terms and conditions of the Agreement
- The Agreement includes stevedoring and terminal handling conditions and procedures as agreed by the parties

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- The Agreement requires adherence to Tata Steel’s Global Ports & Warehousing Standards, (which SJPC has already been following)
- The Agreement contains various other provisions for such items as liability limits, invoicing, and handling of claims

**RECOMMENDATION:**

Staff recommends Board approval to execute the Framework Agreement with Tata Steel Ijmuiden BV.



**ACTION ITEM:**

**G. RESOLUTION 2022-02-0027: APPROVAL FOR A SECOND AMENDMENT TO RESOLUTION 2022-01-0007 (APPROVAL TO ISSUE AN EMERGENCY CONSTRUCTION CONTRACT TO DEMOLISH AND REMOVE THE COLLAPSED PUMPHOUSE AT THE BROADWAY TERMINAL, INSTALL RIPRAP TO STABILIZE THE SHORELINE, AND TO REPAIR THE DAMAGED ROADWAY) FOR PHASE THREE TO STABILIZE THE TIMBER BULKHEAD NORTH OF THE PUMP HOUSE AT THE BROADWAY TERMINAL**

**REQUEST**

Staff is requesting Board approval to issue a second amendment to the emergency construction contract to demolish and remove and remediate the collapsed pumphouse area at the Broadway Marine Terminal. This amendment is in response to a court order (DOCKET C-55-20), to remediate the area directly north of the pumphouse.

**BACKGROUND**

On May 26, 2020, a pump house structure owned by South Jersey Port Corporation and leased by Holtec Technology Center, LLC collapsed into the Delaware River. Originally slated for demolition during the Holtec site construction, the building was not demolished, at the request of Holtec, with their intent of possible reuse. Holtec's attempted renovation of the pump house structure and subsequent deterioration appears to have resulted in the eventual collapse. The collapse of the building led to litigation pursuant to which the Court has issued a preliminary finding that the perimeter roadway for the site, which is used for emergency vehicles, may be compromised. The Court has further issued a preliminary ruling, that the Port take immediate remedial action, including but not limited to the demolition of the remaining pump house structure, embankment stabilization, and repairs to the roadway.

**PROCEEDINGS**

Following the collapse, South Jersey Port Corporation was issued a court order on July

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29, 2020 and again on October 28, 2021 requiring us to remove the collapsed pumphouse and stabilize the shoreline. Holtec has since filed a motion in aid of litigant's rights seeking immediate remedial action. At the direction of Counsel regarding the ongoing Holtec litigation proceedings (DOCKET C-55-20), Staff had requesting Board Approval to issue an Emergency Construction Contract to demolish and remove the remaining building remnants from the river, install riprap along the deteriorated bulkhead sea wall, and repair the adjoining damaged roadway.

Staff had previously directed SJPC consulting engineers ST Hudson to prepare plans and specifications for the work. On January 12, 2022, Staff issued the resulting Invitation for Bids to five (5) prequalified construction firms. On Monday, January 17, 2022, 3 bids were received:

On January 25, 2022, SJPC Board of Directors voted to approve Resolution 2022-01-0007, which allowed for the expedited execution of a construction contract to demolish and remove the collapsed Pumphouse and to install riprap to stabilize the shoreline and to repair the damaged roadway.

On February 1, 2022, the Court ruled that the current condition of the North Side Seawall of the Broadway Marine Terminal is an emergent condition that was not adequately addressed by SJPC to date. The Court imposed the following conditions against SJPC:

- 1) A continuing monetary sanction of \$5,000.00 per calendar day to be held in trust or abeyance until further order by the Court beginning on February 2, 2022 and continuing until either (a) the parties agree in writing that all remediation and related issues pertaining to compliance with the Court's Orders dated July 29, 2020 on October 28, 2021, or (b) by Order of the Court;
- 2) SJPC is to pay the monetary sanction every two (2) week period, beginning on February 2, 2022, with the first payment due on February 15, 2022;
- 3) Both parties are directed to meet through counsel every two (2) weeks to review the progress of Defendant in fully complying with the above-referenced Court Orders; and
- 4) Every three (3) weeks SJPC's counsel shall be responsible for sending the Court a written Status Report that shall be initially drafted by Defendant, to the Court (copying Holtec's counsel), and that through the Status Report Defendant may request that the Court either stop, freeze, or otherwise end the sanctions for good cause shown.

SJPC counsel is currently negotiating the final terms of the above mentioned order. The next Case Management Conference is scheduled to occur on February 23, 2022 and presents an opportunity for the SJPC to lift the above mentioned sanctions and conditions

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so long as emergency powers are used to expedite repairs for the North Side Seawall of the Broadway Marine Terminal.

During Counsel's communications with opposing counsel, concern over the area just north of the pump house was raised. This area is also in critical condition, had also been recommended for stabilization, and was identified as a third phase of work.

The construction contractor's contract contains unit pricing whereby the stabilization treatment can be continued north from the pump house during this emergency mobilization. The additional cost is estimated to be \$220,000.

### **RECOMMENDATION:**

Staff recommends Board approval to add this phase three area to the emergency contract.



**INFORMATION ITEM:**

**H. MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT**

PHOENIX STRATEGIES/ARTLIP COMMUNICATIONS REPORT ATTACHED.





**INFORMATION ITEM:**

**I. SECURITY UPDATE:**



**INFORMATION ITEM:**

**J. PAULSBORO MARINE TERMINAL PROJECT UPDATES**

The Paulsboro Marine Terminal Project updates are provided by the Gloucester County Improvement Authority.



## **MATTERS INVOLVING LITIGATION, PERSONNEL MATTERS & 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**