

# **SOUTH JERSEY PORT CORPORATION**



## **BOARD OF DIRECTORS MEETING MARCH 29, 2016**

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

- 1. APPROVAL OF MINUTES**  
Regular Meeting February 23, 2015  
Closed Meeting February 23, 2015
- 2. APPROVAL OF OPERATING BILLS**  
**RESOLUTION 2016-3-0025**
- 3. APPROVAL OF ADVANCE PAYMENT BILL LIST**  
**RESOLUTION 2016-3-0026**
- 4. APPROVAL OF CREDITS**  
**RESOLUTION 2016-3-0027**
- 5. APPROVAL OF CHANGE ORDERS**
- 6. APPROVAL OF CONSTRUCTION FUND REQUISITIONS**  
**RESOLUTION 2016-3-0028**
- 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 2016-3-0029: SCI ANNUAL SUPPORT FOR SERVICES**
- B. RESOLUTION 2016-3-0030: APPROVAL OF THE PARKING AGREEMENT WITH THE CITY OF CAMDEN PARKING AUTHORITY**
- C. RESOLUTION 2016-3-0031: APPROVAL OF NJEDA MEMORANDUM OF UNDERSTANDING AGREEMENT – TEMPORARY PARKING AREA IMPROVEMENTS**
- D. RESOLUTION 2016-3-0032: APPROVAL TO RENEW TRI-STATE BULK LEASES**
- E. RESOLUTION 2016-3-0034: AUTHORIZATION TO SUBMIT A 2016 DHS/FEMA PORT SECURITY GRANT PROGRAM APPLICATION**
- F. RESOLUTION 2016-3-0035: AUTHORIZATION TO SUPPORT THE DELAWARE RIVER PARTNERS LLC REQUEST FOR A FTZ GENERAL PURPOSE ZONE EXPANSION**
- G. RESOLUTION 2016-3-0036: AUTHORIZATION TO WRITE OFF ACCOUNT RECEIVABLE**

**11. SUPPLEMENTAL BOARD INFORMATION**

- H. MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT**
- I. PORT SECURITY UPDATE**
- J. PAULSBORO MARINE TERMINAL PROJECT UPDATES**
- K. FOREIGN TRADE ZONE #142 ANNUAL REPORT**

PUBLIC SESSION FOR QUESTIONS / COMMENTS

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



**ACTION ITEM:**

**A. RESOLUTION 2016-3-0029: SCI ANNUAL SUPPORT FOR SERVICES**

The Seamen's Church Institute (SCI) provides services to seafarers who visit the ports along the Delaware River, including SJPC's facilities. SCI visits every ship that calls both the Balzano Marine Terminal and the Broadway Terminal. Those services include hospitality, transportation, telephone, computer, spiritual, and many other necessary and vital services. SCI has requested \$8,000 for services rendered at our terminals. This is the same amount as SJPC contributed last year.

**RECOMMENDATION:**

Staff recommends Board approval of the SCI support services.



**ACTION ITEM:**

**B. RESOLUTION 2016-3-0030: APPROVAL OF PARKING AGREEMENT WITH THE CITY OF CAMDEN PARKING AUTHORITY**

Staff is presenting the Parking Authority of the City of Camden's proposed Parking Agreement which makes available certain port properties in and around the Balzano Marine Terminal for vehicle parking by visitors of BBT (formerly Susquehanna) concert amphitheater events. General Counsel has reviewed the proposed agreement.

TERM: Five (5) years with a five (5) year option requiring both parties to agree. Annually in effect during the "Event Season" each year which is defined as May 15 through September 30. There is an additional provision for SJPC to consider upon request from the Parking Authority, on a case-by-case basis, use of certain lots from April 1 to May 14 for parking.

FEE:

- For 2016, \$25,000;
- For 2017, \$25,750;
- For 2018, \$26,522.50;
- For 2019, \$27,318.17;
- For 2020, \$28,137.72;
- For 2021, \$28,981.85; (5 Year Option)
- For 2022, \$29,851.30; (5 Year Option)
- For 2023, \$30,746.84; (5 Year Option)
- For 2024, \$31,669.23; (5 Year Option)
- For 2025, \$32,619.30. (5 Year Option)

**RECOMMENDATION:**

Staff recommends the Board consider the proposed Parking Agreement with the Parking Authority of the City of Camden.



**ACTION ITEM:**

**C. RESOLUTION 2016-3-0031: APPROVAL OF NJEDA MEMORANDUM OF UNDERSTANDING AGREEMENT – TEMPORARY PARKING AREA IMPROVEMENTS**

Staff is presenting the NJ Economic Development Authority's (NJEDA) proposed Memorandum of Understanding Agreement regarding improvements to certain port areas used by the City of Camden Parking Authority under a separate use agreement to park patron vehicles of the BB&T Pavilion.

**BACKGROUND:** Under annual agreements with the Parking Authority of the City of Camden (PACC), the SJPC has provided under a use agreement certain port areas for concert parking when the event parking does not interfere with port operations. The PACC has an obligation, through a parking agreement with Live Nation, the BB&T Pavilion operator, to provide 7,200 parking spaces for BB&T Pavilion patrons. The PACC would provide SJPC with improvements and/or a fee for use of the port properties, negotiated each year.

**MEMORANDUM OF UNDERSTANDING:** The New Jersey Economic Development Authority (NJEDA), at its own cost and expense as part of the overall effort to assist PACC to provide sufficient parking, shall construct on certain port properties, parking lot and related site improvements such as pavement repair/restoration, lighting, striping, fencing, signage, parking attendant booth; subject to an agreement between PACC and SJPC and used by Live Nation for parking on event days (but for only as long as such parking is required under a lease and is not otherwise made available to the tenant at the BB&T Pavilion by way of structured parking or otherwise in the City of Camden) and other events as needed by PACC.

- The proposed MOU between NJEDA and SJPC provides a project term of fourteen (14) months beginning March 1, 2016 to construct the improvements.
- All improvements made by NJEDA will become the property of SJPC upon completion of the Project at the expiration of the term of the MOU but without any representation, warranty or liability on behalf of NJEDA.
- SJPC shall defend and hold NJEDA harmless from any losses or damages arising out of any and all environmental conditions that may exist prior to and after NJEDA's access onto the Property. SJPC's indemnity shall survive the expiration of the MOU term.
- NJEDA will have reasonable access to the properties to perform the construction, when it does not interfere with port operation. .

**RECOMMENDATION:**

Staff recommends Board consideration of the proposed NJEDA Memorandum of Understanding.



**ACTION ITEM:**

**D. RESOLUTION 2016-3-0032: APPROVAL TO RENEW TRI-STATE BULK HANDLING LEASES**

Tri-State Bulk Handling, Inc. has requested a (1) one year consolidated lease renewal for their existing (5) five leaseholds at the Broadway Terminal. The existing and current leases will expire at the end of March and April respectively.

The proposed consolidated lease renewal will commence on April 1<sup>st</sup>, 2016, with a combined and sustained income of \$3,947.00/ month or \$47,364.00 annually due to the current trend of the CPI. SJPC's General Counsel has reviewed the consolidated lease.

**RECOMMENDATION:**

Staff recommends Board approval of the Tri-State Bulk Handling consolidated lease as presented.



**ACTION ITEM:**

**E. RESOLUTION 2016-3-0034: AUTHORIZATION TO SUBMIT A 2016 DHS/FEMA PORT SECURITY GRANT PROGRAM APPLICATION**

The 2016 DHS/FEMA Port Security Grant Program (PSGP) was announced with \$100,000,000 available for FY2016. The PSGP focuses on Maritime Domain Awareness; port resilience and recovery capabilities; training and exercises; cyber security; enhancing Improvised Explosive Device (IED) and Chemical, Biological, Radiological; Nuclear; Explosive (CBRNE) prevention; protection, mitigation, response, and recovery capabilities; and Transportation Worker Identification Credential (TWIC) Implementation.

Staff is requesting authorization to submit a grant application in the amount of \$162,000 to install a new video surveillance camera system at the Broadway Terminal necessitated by the Holtec redevelopment and to add and replace video cameras at the Balzano Terminal into the existing video system. The PSG program requires a flat cost share rate of 25%. The proposed application would require a \$40,500 match. The deadline for applications is April 25, 2016. The performance period is 36 months.

**RECOMMENDATION:**

Staff recommends Board authorize staff to submit a 2016 DHS Port Security Grant application.



**ACTION ITEM:**

**F. RESOLUTION 2016-3-0035: AUTHORIZATION TO SUPPORT THE DELAWARE RIVER PARTNERS REQUEST FOR FTZ GENERAL PURPOSE ZONE**

Staff is presenting a request from Delaware River Partners, LLC. (DRP) to expand the Foreign Trade Zone #142 to establish a General Purpose Zone site to include the Chemours Repauno site located in the Township of Greenwich.

DRP is in the process of negotiating a Redevelopment Agreement with the Township of Greenwich for the redevelopment of the Repauno facility into a multi-use port facility planned to include warehousing, liquid storage, Ro-Ro capabilities as well as other logistics facilities. As the contract purchaser and redeveloper of the property, DRP indentified the FTZ designation to be beneficial to their redevelopment efforts.

The General Purpose Zone Grant of Authority is the foundation of any FTZ project. The location of a facility in a general purpose FTZ, or having a facility designated general purpose zone status offers significant benefits. Simply by the facility's location in an existing FTZ, they are able to take advantage of FTZ distribution benefits by activating the facility with Customs and Border Protection. In addition, if they manufacture, they can take advantage of the Temporary Interim Manufacturing application process. The competitive nature of international markets makes the availability of Foreign-Trade Zone status increasingly important in the site selection process. For this reason, many communities, real estate developers and grantees want to have FTZ status as an incentive for new prospects.

Staff and General Counsel have met with the representatives from DRP and have requested certain documentation to validate DRP's pending acquisition of the Repauno site. As such, we have received (included), a letter from the current owner of the Repauno site, providing confirmation that DRP is the Contract Purchaser and support the effort to apply for FTZ General Purpose zone designation.

**SJPC's FTZ #142 currently has three General Purpose sites.**

**Site 1:** Parcel A (85 acres) within the Port of Salem some 2 miles off the Delaware River Site. Parcel B (5 acres) also located within the Port of Salem, owned by the Salem Marine Terminal Corporation (SMTC) (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 SMTC site. This site was approved through a temporary minor boundary modification of Site 1, Parcel A (A-35-90, 11/14/90).

**Site 3:** (144 acres) at the Millville Municipal Airport Industrial Park, located within the 916-acre Millville Municipal Airport, some 25 miles southeast of Salem, operated by the City of Millville.



# SOUTH JERSEY PORT CORPORATION

## Board of Directors Meeting – March 29, 2016



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The process will require a joint application (SJPC and DRP) to be submitted to the National Foreign Trade Zone Board. An application fee of \$3,200 is required.

In order to be approved by the Foreign-Trade Zones Board, an application goes through the following review and process: **Submission and Prefiling Review; Formal Filing; Public Comment; Rebuttal; Public Hearing; Case Review; Examiner's Report and Recommendation; and Final Action:** Upon review and approval within the Departments of Commerce and Treasury, the Foreign-Trade Zones Board issues a Board Order and publishes the decision in the Federal Register and notifies the applicant of the application's approval. Typically, applications that do not involve manufacturing under Zone procedures take from 10 to 12 months for processing and review.

Staff is requesting authorization to finalize the vetting of Delaware River Partners, LLC and to submit the joint application to the National Foreign Trade Zone Board for establishing a General Purpose site at the Repauno facility. DRP will be responsible for any fees required for the submission of the application.

### **RECOMMENDATION:**

Staff recommends Board authorize staff and General Counsel to pursue the file of a General Purpose Zone application with Delaware River Partners, LLC.



**ACTION ITEM:**

**G. RESOLUTION 2016-3-0036: AUTHORIZATION TO WRITE OFF ACCOUNT RECEIVABLE**

SJPC accounts receivable are monitored on a regular basis. Our current analysis has identified the following account to be written off:

- Chemical Equipment Labs                      \$2,300.40

This customer incurred total charges of \$4,600.40. They disputed the invoice for a year. Staff engaged General Counsel and the dispute was settled for \$2,300.00. We propose to write the balance off the books.

Please be aware that SJPC is sufficiently reserved to absorb the entry and there will be no impact on current income.

**RECOMMENDATION:**

Staff recommends Board approval of the above-referenced receivable to be written off.



**INFORMATION ITEM:**

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

PHOENIX STRATEGIES/ARTLIP COMMUNICATIONS REPORT ATTACHED.



## **INFORMATION ITEM:**

### **I. SECURITY UPDATE**

The security update is prepared by Mr. Jay Jones.

**MTSA 33CFR105 ANNUAL FSP AUDIT:** Per the federal MTSA regulation 33CFR105, the FSO must ensure an audit of the Facility Security Plan (FSP) is performed annually, beginning no later than one year from the initial date of approval, and attach a letter to the FSP certifying that the FSP meets the applicable requirements of this part. Personnel conducting internal audits of the security measures specified in the FSP or evaluating its implementation must: (i) Have knowledge of methods for conducting audits and inspections, and security, control, and monitoring techniques; (ii) Not have regularly assigned security duties; and (iii) Be independent of any security measures being audited.

SJPC engaged Ronin Security to perform the annual audit of the Facility Security Plan. The physical audit and survey of the restricted / secure areas was conducted on Tuesday, March 15, 2016. Ronin Security will prepare the audit letter confirmation to be sent to the U.S. Coast Guard COTP and placed with the current FSP.

**U.S. COAST GUARD ANNUAL MTSA COMPLIANCE INSPECTION:** The USCG Sector Delaware Bay will be onsite at both the Balzano and Broadway Terminal to conduct the annual Maritime Transportation Security Act (MTSA) compliance inspection on March 30, 2016.

**NJOHSP 10-YEAR ANNIVERSARY CONFERENCE:** Mr. Jay Jones attended the NJ Office of Homeland Security and Preparedness 10-Year Conference on Friday, March 18, 2016. The conference featured addresses by CIA Director John Brennan, NJ Lt. Gov. Kim Guadagno, and US Sen. Cory Booker of New Jersey. Other featured speakers included Consul General of Israel in New York Ambassador Ido Aharoni, US Attorney for the District of New Jersey Paul Fishman, NJ Acting Attorney General Robert Lougy, NJ State Police Superintendent Colonel Rick Fuentes, and Chief Jarrod Burguan of the San Bernardino Police Department.

The conference focused on emerging trends in homeland security, encryption, security and privacy challenges, and lessons learned from the tragic attacks in San Bernardino, Boston, and Newtown, Conn.



**INFORMATION ITEM:**

**J. PAULSBORO MARINE TERMINAL PROJECT UPDATES**

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



## **INFORMATION ITEM:**

### **K. FOREIGN TRADE ZONE #142 ANNUAL REPORT**

As the grantee of FTZ #142, each year SJPC prepares and submits an Annual Report to the National Foreign Trade Zone Board of activity within the zone through the Online FTZ Information System (OFIS). The report includes activity from January 1 through December 31 and is due each year by March 31.

SJPC's subzone operators have pre-submitted their activity data for 2015 to the OFIS for review and final submission by SJPC's zone manager.

- **MFGO-142-00A: Paulsboro Refining Company, LLC.**
- **MFGO-142-00B: Axeon Refinery LLC.**
- **MFGO-142-00C: (Sunoco sub-zone – deactivated)**

The new subzone approved 4Q 2015 is:

- **MFGO-142-00D: Nine West Holdings, LLC. (no filing until 2016 AR)**

The 2015 FTZ Annual Report for FTZ #142 has been submitted to the National Foreign Trade Zone Board. Information can be viewed at <http://ita-web.ita.doc.gov/FTZ/OFISLogin.nsf>.



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## **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**
  - 2. PERSONNEL**
    - a. Local 18 Collective Bargaining Agreement**
    - b. Local 169 Collective Bargaining Agreement**
    - c. CWA Supervisory and Non Supervisory Collective Bargaining Agreements**
    - d. Administrative**
  - 3. BROADWAY SPRINKLER SYSTEM**
  - 4. MAINTENANCE DREDGING**