

DELAWARE RIVER AND BAY AUTHORITY

ECONOMIC DEVELOPMENT COMMITTEE MEETING

Tuesday, April 17, 2018

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Economic Development Committee Meeting was held on Tuesday, April 17, 2018 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

Committee Vice-Chair Ransome
Commissioner Wilson, Committee Member

Commissioner Bennett, Committee Member
arrival 9:15am
Commissioner Smith
Commissioner McCann

Chairperson Hogan

Legal Counsel

Phillip Norcross - NJ

Governors' Representatives

Craig Ambrose – NJ

Staff

Tom Cook
Stephen Williams
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Rick Arroyo
Jim Salmon
TJ Murray
Michelle Hammel
Caroline Walker
Michele Pyle
John Sarro
Tara Donofrio
Joe Larotonda
James Danna

Commissioners from Delaware

Committee Chair Ford - absent
Commissioner Ratchford, Committee Member -
absent
Commissioner Carey, Committee Member via
teleconference
Commissioner Decker
Commissioner Lathem - absent

Vice-Chairperson Lowe

Mike Houghton – DE

Guests

Randolf Brolo

1. Committee Vice-Chair Ransome opened the Economic Development Committee meeting at approximately 9:03am. The Deputy Executive Director (DED) reported that the public meeting of the Economic Development Committee had been duly noticed in accordance with the Authority's Freedom of Information Regulations, read the Statement of Notice, and called the roll.
2. Committee Vice-Chair Ransome called for a motion to accept the Economic Development Committee Minutes from March 20, 2018. Commissioner Wilson made a motion, Commissioner Ransome seconded, and the Committee Minutes were accepted.
3. Action Items presented by the Deputy Executive Director:

**RESOLUTION 18-14 LEASE AMENDMENT BETWEEN THE
DELAWARE RIVER AND BAY AUTHORITY AND ENERGI AT THE SALEM
BUSINESS CENTRE**

Energi would like to continue to lease space at the Salem Business Centre under a restructured renewal term. They have an existing 5 year term and are requesting a 3 year term with 2, one year terms. The rent is line with other similar tenants in the building. Energi provides insurance products to the energy industry; they are an existing tenant with 4,000 sq.ft. Rent would be \$19.00 per square foot during the first year of the renewal and shall increase by each year during all renewal years by 2%.

Commissioner Wilson made a motion, Vice-Chair Ransome seconded, and the Economic Development Committee recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the April meeting later today.

**RESOLUTION 18-15 AUTHORIZES A LEASE AGREEMENT BETWEEN
THE DELAWARE RIVER AND BAY AUTHORITY AND PAINTED PEOPLE
LLC d/b/a PAINTED PEOPLE MEAD AT THE MILLVILLE AIRPORT**

The Delaware River and Bay Authority owns a facility located at 313 Beacon Street on the Millville Airport. The space was previously leased to Dallas Airmotive and used as a training room. The building has been vacant since Dallas left the airport. Tenant will be opening and operating a Cider and Mead distillery. The lease rate is based upon Fair Market Value for the space for approximately 2,000 square feet.

Commissioner Wilson made a motion, Vice-Chair Ransome seconded, and the Economic Development Committee recommended forwarding the Resolution to the full Board for approval.

The Resolution will be presented to the full Board for consideration at the April meeting later today.

RESOLUTION 18-16 AUTHORIZING THE EXECUTION OF A LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND MED-TRANS CORP., REGARDING MILLVILLE AIRPORT

The Delaware River and Bay Authority owns a hangar located at 90 Easterwood Rd, Millville Airport. Med-Trans currently leases the hangar space and first floor office area for storage and maintenance of two medical transport helicopters. The helicopters currently serve medical facilities in Vineland and the Cape region and are stored outside without shelter. They would like to add the remaining space in the facility on the second floor to their leasehold. The rental rate is in line with the current hangar rates at Millville Airport. Rent is \$26,160 annually.

Commissioner Wilson made a motion, Vice-Chair Ransome seconded, and the Economic Development Committee recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the April meeting later today.

4. Committee Vice-Chair Ransome requested an Executive Session closed to the public to discuss matters of a confidential nature. A motion was made by Commissioner Wilson seconded by Vice-Chair Ransome, and the Session was closed.

The following matters of a confidential nature were discussed:

) LEASE NEGOTIATIONS

With no further business to discuss in Executive Session, a motion to open the meeting to the public was made by Vice-Chair Ransome, seconded by Commissioner Wilson and the Session was opened to the public.

6. With no further business to discuss, Commissioner Wilson made a motion to adjourn and the Economic Development Committee adjourned at 9:23am.

DELAWARE RIVER AND BAY AUTHORITY

BUDGET & FINANCE COMMITTEE MEETING

Tuesday, April 17, 2018

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Budget & Finance Committee Meeting was held on Tuesday, April 17, 2018 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioner of New Jersey

Committee Chair Bennett
Commissioner Smith, Committee Member

Commissioner Wilson, Committee Member
Commissioner Ransome
Commissioner McCann

Chairperson Hogan

Phil Norcross – NJ

Governors' Representatives

Craig Ambrose – NJ

Staff

Tom Cook
Steve Williams
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Rick Arroyo
Jim Salmon
TJ Murray
Michelle Hammel
Caroline Walker
Michele Pyle
Tara Donofrio
Jim Danna
John Sarro
Joe Larotonda

Commissioners of Delaware

Committee Vice-Chair Decker
Commissioner Ratchford, Committee Member –
absent
Commissioner Ford, Committee Member –absent
Commissioner Lathem – absent
Commissioner Carey – via teleconference

Vice-Chairperson Lowe

Mike Houghton – DE

Guests

Randolf Brolo

3. Committee Chair Bennett opened the Budget & Finance Committee meeting at approximately 9:25 a.m. The Deputy Executive Director (DED) reported that the public meeting of the Budget & Finance Committee had been duly noticed in accordance with the Authority's Freedom of Information Regulations, read the Statement of Notice, and called the roll.

4. Committee Chair Bennett called for a motion to accept the Budget & Finance Committee Minutes from March 20, 2018. Commissioner Smith made a motion, Commissioner Decker seconded, and the Committee Minutes were accepted.

5. Action Items:

- RESOLUTION 18-13 – AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2018 THROUGH DECEMBER 31, 2018

The Chief Financial Officer (CFO) presented and reported on the Over \$25,000 list which included a variety of equipment replacement. The CFO also highlighted the vendor, Engineered Arresting Systems Corporation d/b/a Zodiac Arresting Systems Corporation. The CFO reported how the Authority will be purchasing the materials to be used for repairs to the Emergency Arrestor System at New Castle Airport. The system is proprietary, thus the OEM is the only source of the components needed for the repair. There are no alternative vendors that can be used which will also meet FAA requirements for the aircraft arrestor system. The Authority will be responsible for providing contractor labor for the repairs. Commissioner Decker questioned the description of Michael Page International Inc. The CFO advised the Authority will be hiring from the firm temporary staffing for the DMB Police for the calendar year.

After discussion, Commissioner Wilson made a motion, Commissioner Decker seconded, and the Budget & Finance Committee recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the April meeting later today.

4. Miscellaneous items:

) 1st Quarter Traffic & Revenue Review:

Joe Larotonda, Director of Finance, provided a handout and a briefing on the 2018 1st Quarter Traffic & Revenue Review. Mr. Larotonda advised bridge traffic has increased 7.44% for commercial vehicles and 1.32% for non-commercial vehicles along with a decrease of 2.5% at the ferry. Mr. Larotonda highlighted the comparison between the commercial two axel vehicles and the decrease in commuter and discount tickets. Mr. Larotonda noted the change occurred due to the newly installed toll system equipment better identifying vehicle types. The CFO advised how this occurrence has caused a shift in discount users moving to regular fare prices. The CFO also advised specifically how the new toll equipment identifies dual wheel vehicles and re-classifies them into the correct fare charge. The CFO noted this shift has caused an increase in revenue, despite traffic being level. Mr. Larotonda also noted overall revenue has increased 2.67% and expenditures are only 1% difference from 2017.

5. With no further business to discuss, Commissioner Bennett made a motion to adjourn and the Budget & Finance Committee adjourned at 9:39 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PERSONNEL COMMITTEE MEETING

Tuesday, April 17, 2018

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Personnel Committee Meeting was held on Tuesday, April 17, 2018, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

Committee Chair Smith
Commissioner Ransome, Committee Member

Commissioner McCann, Committee Member
Commissioner Wilson
Commissioner Bennett

Commissioners from Delaware

Vice-Chair Lathem - absent
Commissioner Carey, Committee Member via
teleconference
Commissioner Decker, Committee Member
Commissioner Ratchford - absent
Commissioner Ford - absent

Chairperson Hogan

Vice-Chairperson Lowe

Legal Counsel

Phillip Norcross - NJ

Mike Houghton - DE

Governors' Representatives

Craig Ambrose - NJ

Staff

Tom Cook
Stephen Williams
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Rick Arroyo
TJ Murray
Michelle Hammel
Jim Salmon
Caroline Walker
Michele Pyle
John Sarro
Tara Donofrio

Guests

Randolf Brolo

1. Committee Chair Smith opened the Personnel Committee meeting at approximately 9:40am. The Deputy Executive Director (DED) reported that the public meeting of the Personnel Committee had been duly noticed in accordance with the Authority's Freedom of Information Regulations, read the Statement of Notice, and called the roll.
2. Committee Chair Smith called for a motion to accept the Personnel Committee Minutes from March 20, 2018. Commissioner McCann made a motion, Commissioner Ransome seconded, and the Committee Minutes were accepted.
3. Committee Chair Smith requested an Executive Session closed to the public to discuss matters of a confidential nature. A motion was made by Commissioner McCann seconded by Commissioner Carey, and the Session was closed.

The following matters of a confidential nature were discussed:

) LITIGATION MATTERS
) PERSONNEL MATTERS

With no further business to discuss in the Executive Session, a motion to open the meeting to the public was made by Commissioner Decker, seconded by Commissioner McCann and the Session was opened to the public.

4. With no further business to discuss, Commissioner Decker made a motion to adjourn and the Personnel Committee adjourned at 9:59am.

**DELAWARE RIVER AND BAY AUTHORITY
PROJECTS COMMITTEE MEETING**

April 17, 2018

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Projects Committee was held on Tuesday, April 17, 2018 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

Committee Chair Ransome
Commissioner Bennett, Committee Member
Commissioner McCann, Committee Member
Commissioner Smith
Commissioner Wilson
Chairperson Hogan

Legal Counsel

Philip Norcross - NJ

Governors' Representatives

Craig Ambrose – NJ

Staff

Tom Cook
Stephen Williams
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Rick Arroyo
TJ Murray
Michelle Hammel
Jim Salmon
Caroline Walker
Michele Pyle
John Sarro
Tara Donofrio
Shoukry Elnahal
Shekhar Scindia

Commissioners from Delaware

Vice Chair Ratchford - absent
Commissioner Ford, Committee Member -absent
Commissioner Lathem, Committee Member - absent
Commissioner Carey – via teleconference

Commissioner Decker-substitute member
Vice-Chairperson Lowe

Mike Houghton - DE

Guests

Randolf Brolo

Jennifer Bristow
David Winch
Joe Gibbons
Chris Donegan
Chris Schaal

1. Prior to start of the meeting, Chairperson Hogan appointed Commissioner Decker as substitute Projects Committee Member for today's meeting only for a Quorum to be in effect.
2. Committee Chair Ransome opened the Projects Committee meeting at approximately 9:59 am and reported that the public meeting of the Projects Committee had been duly noticed in accordance with the Authority's Freedom of Information Regulations and that there was a quorum.
3. Committee Chair Ransome called for a motion to accept the Projects Committee Minutes from March 20, 2018. Commissioner McCann made a motion, Commissioner Bennett seconded, and the Committee Minutes were accepted.
4. Resolutions: NONE
5. Bid Openings:

) DMB-17-01 PIN & LINK RETROFIT

A public bid was held on March 16, 2018, in which (2) bids were submitted. The COO recommended awarding the contract to the lowest bidder, in the amount of \$19,300,000.00 to American Bridge of Coraopolis, PA, a top contractor that has done very good work for the Authority in the past, including the Cable Preservation project, among others. Contractors were prequalified on this project, something DRBA are specifically allowed to do under the Authority's main procurement resolution. The COO stated that he strongly supported prequalification as the best, sometimes the only way of insuring quality on major projects. The 2 contractors on the bid tab sheet are those that were prequalified, and 3 other firms were not prequalified, including several companies who have done good work for the Authority in the past.

The reason that only 2 companies were prequalified is that they have experience in one critical aspect of the job. The pins and links are assemblies that hold the deck onto the towers. There are 16 of them, 2 on each side of each tower. In order to replace the pins, links and the brackets that hold them up, the contractor has to erect temporary support for that part of the bridge. This is very complicated and technical and has to be done very carefully while the bridge is under traffic. That is the specific activity that the 2 prequalified contractors have previously performed and the other 3 have not.

The low bid came in 25% over the engineer's estimate, which was \$15.4 million. That is a high percentage, and there are 3 likely reasons why the bid came in so high. The

first reason is the Chinese steel tariff, which went into effect after our engineer's estimate was prepared. The tariff is 25% and half of this project is steel. We can expect it to be reflected in the prices we pay one way or another. The second reason is the overall bidding climate. We are now in a seller's market, but we are a buyer. 10 years after the Great Recession, the construction industry is now back to where it was before, at capacity, or even beyond capacity. However, nationwide, there are approximately 100,000 fewer skilled tradespersons than there were pre-Great Recession. We have seen higher prices and fewer bidders on other projects. As long as the economy keeps booming, we can expect to see more of the same in the near future. The third reason is that this is a project using state-of-the-art technology and we prequalified our bidders. It is probably not unreasonable to assume that the combination of those 2 factors placed an upward pressure on the price we are paying.

A motion was made by Commissioner Bennett, seconded by Commissioner McCann and the Projects Committee concurred with the recommendation to accept and authorized the action to be presented to the full Board at the April meeting later today.

6. Contract Close-Out Actions: NONE
7. Contractor Payment (through March): The COO reviewed for the Committee the monthly construction contractor payments to be made for the work completed through March.
8. Miscellaneous Items/Updates:

) FOLLOW-UP ON LARGE SHIP PASSING UNDER THE BRIDGE

The large crane carrier Zhen Hua 16 passed under the bridge just about midnight on Friday, March 23 and cleared the bridge by a little less than 6 feet. The reason that ship's passage was successful and uneventful was that DRBA staff made an enormous team effort and planning to the nth degree. We had just about everybody in the DRBA involved: our Vice Chair, our Executive Director, our general counsel and our in-house counsel, our engineers, our Police Department, our Maintenance Operations staff, our IT department, our Communications team, and our engineering consultants. Even the Ferry staff got in on the act. When the ship anchored just north of our Ferry route, the mariners took some really good close up photos that most of the media ended up using, even though they had photos from the Port of Philadelphia and the shipper.

The COO specifically acknowledged the role of the Vice Chair, who was invaluable in conducting discussions with the Coast Guard, pilots, port of Philadelphia and the shipper. The COO commended the engineering staff, led on this project by the Authority's structural engineer, Shekhar Scindia who, working with our consultants, got the bridge re-surveyed and the air gap sensor installed on short notice, and crunched all the numbers that everybody, from the Coast Guard to the shipper, used for their analysis.

The COO also commended DRBA Police and Maintenance departments for quickly closing and quickly reopening the bridge to traffic. It was determined in advance that

to make 100% sure that maximum load conditions could not occur and sag the bridge, we would close the bridge to traffic while the ship passed underneath. We had asked the Coast Guard and the ship's pilots for a 30 minute notice to stop traffic. At 11:30 pm, we got together with the Coast Guard and the pilots association representative. We were all in the Julia Building Operations Center, which our IT department, in the person of Dan Godwin had fixed up, so we had a dozen different camera views and live readings from the air gap sensor, which measured the exact clearance between the bottom of the bridge and the water. The Coast Guard Captain had forecast that extreme low tide would be at exactly midnight. The ship was idling 30 minutes away and after a 5 minute discussion we gave the order to stop traffic. Exactly 20 minutes later, we looked out the window and could see traffic was completely stopped. The only reason it took that long is that one car decided, for whatever reason, to stop in the middle of the bridge right at this time. Our police hustled him off quickly. The big ship passed under the bridge at midnight, to the minute. The entire event took only a minute or two. Police and maintenance then reopened the bridge to traffic after less than a 15 minute stoppage. The COO commended Maintenance Assistant Director Chris Donegan and Lt. Col. Dave Winch and their staffs for great work. Everybody at the operations center entered the pool as to what the exact margin of clearance would be, no negative numbers allowed.

We have already learned that 2 similar ships will be coming up the river over the next year or two, so the investments we have made in the survey and the air gap sensor will have future utility as well. And even after that, now that the Panama Canal has been expanded, we can probably expect to see additional larger and taller vessels coming up the river on a more or less regular basis.

J) UPDATE ON CONTRACT CMLF-18-03: PAINTING AND REPAIRS M/V CAPE HENLOPEN

We are rescinding the contract for shipyard work on the MV Cape Henlopen that was approved for award in February. This was the first year in which we were trying to get all 3 vessels in the shipyard, one after the other, as part of our program of enhanced maintenance. Unfortunately, the shipyard work on the first vessel, the MV Delaware, took a month longer than expected. The shipyard work on the second vessel, the MV New Jersey, is now a month behind schedule and is still not back from the drydock. By the time it gets back, we will have run out of time to get the MV Cape Henlopen up to the shipyard and back before peak season arrives. We, therefore, have to cancel the Cape Henlopen contract. The work that would have been done by this contract was mostly painting and we will have to do as much as we can in Cape May, but there is no way we will get as much done as we want to before peak season starts. As a result of this delay, the Cape Henlopen will be the first boat in the shipyard next off-season. Unfortunately, the delays we have experienced on the two dry dockings this off-season are symptomatic of the larger problem mentioned earlier. The 2 shipyards, Caddell in Staten Island and GMD in Brooklyn, have done mostly satisfactory work but they do a poor job of meeting deadlines and they were the only 2 shipyards who bid on our vessel maintenance contracts this past year. We are going to have to consider something different next off-season.

9. Open Discussion/Other Issues:

) SINKING OF M/V TWIN CAPES

The CEO stated that the sinking of M/V Twin Capes in Delaware Bay will tentatively take place in the last two weeks of May, and the ship will be used as a natural reef. We are coordinating an ability for people to be able to witness the event. A firm date has not been set yet, but will be known at the next meeting.

10. With no further business to discuss, Committee Chair Ransome made a motion to adjourn seconded by Commissioner Bennett and the Projects Committee adjourned at 10:15am.