

**MINUTES OF MEETING
THE DELAWARE RIVER AND BAY AUTHORITY
Tuesday, March 19, 2013
James Julian Boardroom
Delaware Memorial Bridge Plaza
New Castle, Delaware 19720**

The meeting convened at 11:45 a.m. with Chairperson Hogan presiding.

The opening prayer was given by Rev. Dorn, followed by the Pledge of Allegiance led by the Executive Director.

Chairperson Hogan called on the Authority Assistant Secretary to read the meeting notice and take roll.

The Assistant Secretary announced that a notice of the meeting had been distributed to the offices of the Governor of New Jersey and the Governor of Delaware, to appropriate staff members and consultants, to the press in both States and to any other individuals who had indicated an interest in receiving a copy of the meeting notice.

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Commissioners from New Jersey

Commissioners from Delaware

PRESENT

James N. Hogan, Chairperson
Edward W. Dorn
Richard S. Mroz
Ceil Smith

Shirley R. Wilson

William E. Lowe, Vice-Chairperson
Richard W. Downes

Terri C. Murphy
Gary F. Traynor (via phone)

ABSENT

Douglas Van Sant

Fernando N. Guajardo
Samuel E. Lathem

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Chairperson Hogan called for an amendment to the Agenda to include Resolution 13-15- Authorization of the Purchase Agreement for the Sale of the M/V Cape May and Resolution 13-14 –Lease Agreement with Flightlevel Cape May at the Cape May Airport.

A motion to add Resolution 13-15 to the Agenda was made by Commissioner Lowe, seconded by Commissioner Dorn, and unanimously approved by a voice vote of 9-0.

A motion to add Resolution 13-14 to the Agenda was made by Commissioner Downes, seconded by Commissioner Smith, and was unanimously approved by a voice vote of 9-0.

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10636. APPROVAL OF THE FEBRUARY 12, 2013 MINUTES

Commissioner Downes motioned to approve the February 12, 2013 meeting minutes, seconded by Commissioner Dorn, and unanimously approved by a voice vote of 9-0.

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10637. DELAWARE RIVER AND BAY AUTHORITY – TRAFFIC AND REVENUE SUMMARY.

The Chief Financial Officer (CFO) presented a chart showing Actual versus Projected Revenues for the Delaware Memorial Bridge, the Cape May-Lewes Ferry, Airports, Three Forts Ferry Crossing, and Food Services for the month of February.

Fielding a question regarding revenue losses at the Ferry, the CFO suggested that some of the fall 2012 losses were likely related to the hurricane.

Without objection, the chart was ordered filed with the permanent records of the Authority.

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10638. DELAWARE RIVER AND BAY AUTHORITY – STATEMENT OF INCOME AND EXPENSE.

The CFO presented a chart showing statements of income and expenses for the month of February with comparisons to the same period last year.

Without objection, the chart was ordered filed with the permanent records of the Authority.

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10639. DELAWARE RIVER AND BAY AUTHORITY – OPERATING EXPENSE BY DIVISION.

The CFO presented a chart for February showing expenses by division for the quarter to date vs. the projected quarter and for year to date vs. total budget.

Without objection, the chart was ordered filed with the permanent records of the Authority.

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10640. DELAWARE RIVER AND BAY AUTHORITY – CAPITAL IMPROVEMENT PROGRAM.

The CFO presented a chart for the month of February showing the capital budget for crossing and economic development projects and dollars committed to date for the projects. The chart also included cash expenditures spent to date for the committed projects.

Without objection, the chart was ordered filed with the permanent records of the Authority.

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10641. DELAWARE RIVER AND BAY AUTHORITY – CASH POSITION (MARKET VALUE) AS OF FEBRUARY, 2013.

The CFO presented a chart indicating the cash fund balances for the entire Authority.

Without objection, the chart was ordered filed with the permanent records of the Authority.

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10642. AUTHORITY CUSTOMER TRENDS (ACT) REPORT

The CFO stated that the Authority Customer Trends (ACT) Report included in the financials allows management to view on a month-to-date basis trends in areas such as traffic, customer service, aircraft landings, and workplace incidents. Copies are distributed daily to employees via email and posted on bulletin boards for those without computers.

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10643. PUBLIC COMMENT ON ACTION ITEMS

Chairperson Hogan noted the following action items that were being considered and asked for public comment.

- Contract Close-out – CMLF-11-01 – 2011 Maintenance Dredging, Cape May Terminal
- Contract #CMLF-12-09 – Ferry Shuttle Bus Service, Cape May Zoo
- Contract #CMLF-12-10—Ferry Shuttle Bus Service, CM Ferry Terminal to CM Transportation Depot
- Contract #CMLF-12-11—Ferry Shuttle Bus Service and Equipment Lease
- Contract #CMLF-12-12—Ferry Shuttle Bus Service, Lewes, Delaware
- Contract #CMLF-12-13—Ferry Shuttle Bus Service and Equipment Lewes, Lewes, Delaware
- Resolution 13-10 – Authorizing Expenditures \$25,000 and over
- Resolution 13-11 – Lease Agreement with Sleep Air, LLC at New Castle Airport
- Resolution 13-12 -- Lease Agreement with Exelis Inc., at New Castle Airport
- Resolution 13-13 – Amends Resolution 12-40 Authorizing the Lease Agreement with Energi Insurance Services at Salem Business Center
- Resolution 13-14 – Lease Agreement with Flightlevel Cape May, LLC at Cape May Airport
- Resolution 13-15 – Authorization of the Purchase Agreement for the Sale of the M/V Cape May

There were no public comments.

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10644. AWARD OF FERRY SHUTTLE BUS SERVICE, CAPE MAY ZOO, CONTRACT #CMLF-12-09

The Chief Operating Officer (COO) noted that a public bid opening was held on February 22, 2013, in which one (1) bid was received. It was noted that the Authority had recent experience with Great American Trolley and was satisfied with its performance. The COO and the Projects Committee recommend awarding the contract to Great American Trolley, 821 Shunpike Rd, Cape May, NJ, in the amount of \$28,368.00.

A motion to award Contract #CMLF-12-09 to the aforementioned firm in the amount of \$28,368.00 was made by Commissioner Murphy, seconded by Commissioner Downes, and unanimously approved by a voice vote of 9-0.

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10645. AWARD OF FERRY SHUTTLE BUS SERVICE CAPE MAY FERRY TERMINAL AND THE CITY OF CAPE MAY TRANSPORTATION DEPOT, CONTRACT #CMLF-12-10

The COO noted that a public bid opening was held on February 22, 2013, in which one (1) bid was received. Under this Contract, the contractor is responsible for utilizing it’s own vehicles to operate service between the Ferry Terminal and the City of Cape May. The COO and Projects Committee recommend awarding the contract to the lowest responsible bidder, Great American Trolley, 821 Shunpike Rd, Cape May, NJ, in the amount of \$107,762.00.

A motion to award Contract #CMLF-12-10 to the aforementioned firm in the amount of \$107,762.00 was made by Commissioner Smith, seconded by Commissioner Murphy, and unanimously approved by a voice vote of 9-0.

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10646. FERRY SHUTTLE BUS SERVICE AND EQUIPMENT LEASE TO AND FROM CAPE MAY FERRY CONTRACT# CMLF-12-11

The COO noted that a public bid opening was held on February 22, 2013, in which one (1) bid was received. This bid is an alternative to bid #CMLF-12-10 allowing a contractor to lease DRBA vehicles to perform shuttle service to and from the City of Cape May. Great American

Trolley submitted a bid total in the amount of \$168,178.00. The COO and the Projects Committee recommend rejecting Contract #CMLF-12-11.

A motion to reject Contract #CMLF-12-11 was made by Commissioner Murphy, seconded by Commissioner Smith, and approved by a voice vote of 9-0. Contract #CMLF-12-11 was rejected.

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10647. FERRY SHUTTLE BUS SERVICE, LEWES, DELAWARE,
CONTRACT #CMLF-12-12,

The COO noted that a public bid opening was held on February 22, 2013, in which no bids were received. The COO and the Projects Committee recommend no action be taken.

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10648. FERRY SHUTTLE BUS SERVICE AND EQUIPMENT LEASE,
LEWES, DELAWARE, CONTRACT #CMLF-12-13.

The COO noted that a public bid opening was held on February 22, 2013, in which one (1) bid was received. This bid is an alternative to bid #CMLF-12-12 allowing a contractor to lease DRBA vehicles to perform shuttle service to and from the City of Lewes. Hart to Heart Transportation submitted a bid in the amount of \$735,840.00. The COO and the Projects Committee recommend rejecting the bid and to continue to operate shuttle service in Lewes with Authority staff.

A motion to reject Contract #CMLF-12-13 was made by Commissioner Downs, seconded by Commissioner Smith, and approved by a voice vote of 9-0. Contract #CMLF-12-13 was rejected.

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10649. CONTRACT CLOSE-OUT #CMLF-11-01, 2011
MAINTENANCE DREDGING, CAPE MAY TERMINAL, CAPE MAY LEWES FERRY

On April 30, 2011 Contract No. CMLF-11-01, 2011 Maintenance Dredging – Cape May Terminal, was awarded to Cottrell Contracting Corp. of Chesapeake, VA for the bid price of \$380,200.00.

During the contract period Change Order No. 1 was approved for the project.
Subtract: (\$66,372.00.)

It is recommended that the Authority accept the project and make final payment to the contractor. The total price for this project is \$313,828.00.

A motion to close-out Contract #CMLF-11-01 was made by Commissioner Lowe, seconded Commissioner Dorn, and unanimously approved by a voice vote of 9-0

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10650. CHAIRPERSON’S CALL FOR RESOLUTIONS BEFORE THE
BOARD

**RESOLUTION 13-10 - AUTHORIZING AUTHORITY EXPENDITURES
PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2013
THROUGH DECEMBER 31, 2013**

WHEREAS, The Delaware River and Bay Authority (the “Authority”) adopted Resolution 01-84 requiring Commissioner review and approval of all Authority expenditures in excess of \$25,000; and

WHEREAS, the Authority anticipates expenditures at or over the \$25,000 amount to the following vendors:

DELAWARE RIVER & BAY AUTHORITY
PROJECTED VENDORS TO BE PAID OVER \$25,000
OPERATION EXPENDITURES
FOR THE PERIOD 1/1/13 THROUGH 12/31/13

VENDOR	SERVICE DESCRIPTION	DETERMINATION	APPROX. ESTIMATED \$
Albert Risk Management Consultants	Comprehensive Insurance Review and Risk Assessment Consulting Services	Quotes	\$35,000
Carboline Company	Marine Vessel Paint	Public Bid	\$60,000
CTM Media Group	CMLF Brochure Placement & Distribution	Sole Source	\$36,000
Tristate Roofers	Roof Repairs for the Julia Building	Quotes	\$25,000
Winner Ford	Six (6) replacement vehicles	State Contract	\$110,000

NOW, THEREFORE, BE IT RESOLVED, that the Authority authorizes expenditures to the above listed vendors for the described purposes and authorizes payment.

The CFO noted that the purchase of the six (6) replacement vehicles have been on the \$25,000 and over list before in 2012 and approved each time by the Board for purchase under a state contract. However, they were never purchased because other agencies procured the vehicles before the Authority had an opportunity. The CFO said that the vehicles are the same as those approved before and never purchased.

A motion to approve Resolution 13-10 was made by Commissioner Mroz, seconded by Commissioner Smith, and approved by a roll call vote of 9-0.

Resolution 13-10 Executive Summary Sheet

Resolution: Authorizing Authority Expenditures Pursuant to Resolution 01-84 for the period, January 1, 2013 through December 31, 2013.

Committee: Budget & Finance

Committee and Board Date: March 19, 2013

Purpose of Resolution:

Authorizes the expenditure of \$25,000 or greater with the identified vendors for the calendar year.

Background for Resolution:

The proposed Resolution meets the requirements of Resolution 01-84, whereby the Authority shall not enter into any contract committing the Authority to spend or make any other expenditures relating to services, material and supplies in the amount of \$25,000 or more unless it has first been approved by a vote of Commissioners.

Background for the specific purchases:

Comprehensive Insurance Review and Risk Assessment Consulting Services

The Authority solicited quotes of qualified firms to perform an independent review of the Authority's insurance program. The scope of work includes auditing and reviewing all major insurable risks against the existing coverage; benchmarking coverage levels, deductibles and premiums against the industry; and performing a benchmarking and best practice review of the Authority's current insurance broker arrangements. The DRBA received two (2) quotes from Albert Risk Management Consultants ("Albert") (\$35,000) and McNeary (\$83,000). According to independent industry data Albert is the largest firm in this space with over six hundred (600) customers. Albert's submission displayed experience in the areas of bridges, transportation, highways and airports. Staff also confirmed that Albert has ferry/terminal experience. Albert's references are positive, their proposed delivery of services meet our goals and their assigned individuals are qualified. McNeary's proposed scope of services exceeded the scope of work requested and the only relevant experience that McNeary displayed was with Chesapeake Bay Bridge, leaving voids with the ferry and airports. Therefore, in accordance with the requirements of Resolution 98-31 to award work to the lowest responsible bidder, Staff recommends the award to Albert.

Marine Vessel Paint

In 2012 the DRBA publicly solicited bids for all of the marine vessel paint used in-house by the DRBA for routine vessel painting and maintenance. The DRBA received four (4) bids from: Carboline Company (\$56,155.00), Armorica Sales, Inc. (\$74,265.00), International Paint (\$87,465.65) and Dorchester Shipyard (\$91,374.55). Carboline Company was the lowest responsible bidder. The bid pricing is valid for a 3 year term. This expenditure is anticipated for the second year of the term.

CMLF Brochure Placement & Distribution

As part of its CMLF ferry marketing plan, the DRBA makes arrangements to have CMLF ferry brochures displayed at local establishments in the CMLF regional areas. CTM Media Group is the only company that owns brochure racks and provides such services in the following areas: New Jersey, New York, Pennsylvania, Virginia and part of Maryland.

Roof Repairs for the Julia Building

There is a section of the roof on the Julia Building that has peeled up, is leaking and is need of immediate repairs. The Authority solicited quotes to perform the necessary repairs and received three (3) quotes from TriState Roofers (\$24,900), Farrell Roofing, Inc. (\$27,200) and Hoberg Contracting, Inc. (\$28,450). Tri-State submitted the lowest responsible quote and this purchase will cause the DRBA's expenditures in 2013 to exceed the \$25,000 approval threshold.

Six (6) replacement vehicles

The DRBA evaluates its vehicles and equipment for replacement according to written replacement criteria. The average useful life of DRBA cars is five (5) years or in excess of 120,000 miles. The DRBA's current fleet includes five (5) Crown Victorias and one (1) Ford Explorer that are more than nine (9) years old, four (4) of which are in excess of 120,000 miles and all of which have exceeded their useful life. The DRBA plans to purchase six (6) Ford Fusions in replacement from Winner Ford pursuant to a State Contract (DE). All of the vehicles being replaced will be sold at a public auction. This request replaces the previous request made and approved for five (5) replacement vehicles in November of 2012 because those vehicles are no longer available to purchase.

Background for Determination category:

Public Bid: Public Bid items indicate purchases that will be made after the receipt of public bids in accordance with the requirements of Resolution 98-31.

Quotes: Quotes items are purchases that are anticipated to be between \$25,000 and \$49,999 for the year for which the Authority has solicited written quotes. Resolution 98-31 (paragraph 4) provides that purchases “more than \$25,000 but less than \$50,000 in the aggregate require the solicitation of three written quotes or all available sources, whichever is less...”

Sole Source: Sole source items are goods and services that the Authority requires that cannot be provided by another source. Resolution 98-31 (paragraph 2, subsection f) provides that “[a] contract may be awarded without competition if the General Manager or Director of Operations of an Authority facility, or Police Administrator, prior to procurement, determines in writing that there is only 1 source for the required contract”.

State Contracts: Resolution 98-31, as amended by Resolution 11-36 (paragraph 2, subsection a) provides that “this competitive bidding provision shall not apply to purchases by the Authority from suppliers in cases where the Authority is purchasing at prices pursuant to contracts awarded by the States of Delaware or New Jersey for state agencies.”

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RESOLUTION 13-11 – LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND SLEEP AIR, LLC AT THE NEW CASTLE AIRPORT

WHEREAS, The Delaware River and Bay Authority (the “Authority”), is the operator of the New Castle Airport (“Airport”), New Castle, Delaware; and

WHEREAS, Sleep Air, LLC (“Sleep”) desires to lease approximately 11,650 square feet of space at 10 DRBA Way at the New Castle Airport; and

WHEREAS, Sleep has agreed to pay the Authority annual rent in the amount of One Hundred and Forty-One Thousand One Hundred and Thirty-Five Dollars 72/100 (\$141,135.72); and

WHEREAS, the initial term of the Lease Agreement (“Agreement”) is for one (1) year; and

WHEREAS, Sleep shall have the right to terminate this Agreement upon thirty days prior written notice if Sleep’s aircraft is sold.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Agreement with Sleep and, with the advice and consent of counsel, to have such Agreement executed by the Chairperson, Vice Chairperson, and the Executive Director.

A motion to approve Resolution 13-11 was made by Commissioner Dorn, seconded by Commissioner Smith, and approved by a roll call vote of 9-0.

Resolution 13-11 Executive Summary Sheet

Resolution: Authorizing the Executive Director to execute a Lease Agreement with Sleep Air, LLC.

Committee: Economic Development

Committee Date: March 19, 2013

Board Date: March 19, 2013

Purpose and Background for Resolution:

The Delaware River and Bay Authority owns a hangar facility located at 10 DRBA Way. The hangar totals approximately 23,300 square feet of hangar, shop and office space. Sleep Air currently occupies this space at the New Castle Airport. Sleep Air’s lease has expired. Sleep Air is attempting to sell their aircraft and it is currently advertised for sale. Sleep Air has decided that keeping the aircraft in New Castle is the best option for them while the aircraft is being marketed. They have agreed to enter into a 1 year lease for space with the option to terminate the lease with 30 days written notice only if the aircraft should be sold during the term.

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RESOLUTION 13-12 – LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND EXELIS INC AT THE NEW CASTLE AIRPORT.

WHEREAS, The Delaware River and Bay Authority (the “Authority”), is the operator of the New Castle Airport (“Airport”), New Castle, Delaware; and

WHEREAS, Exelis, Inc. (“Exelis”) desires to lease approximately 5,825 square feet of space (25% of the space) at 17 DRBA Way at the New Castle Airport; and

WHEREAS, Exelis has agreed to pay the Authority annual rent in the amount of Ninety-Six Thousand and Seven Hundred and Seventy-Two Dollars 04/100 (\$96,772.04); and

WHEREAS, the initial term of the Lease Agreement (“Agreement”) is for three (3) years; and

WHEREAS, Exelis shall have the option of renewing this Agreement for two (2) option periods of three (3) years each; and

WHEREAS, rent shall be adjusted annually by the Consumer Price Index (CPI); and

WHEREAS, rent shall be adjusted to the current fair market value at the beginning of the each renewal term.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Agreement with Exelis and, with the advice and consent of counsel, to have such Agreement executed by the Chairperson, Vice Chairperson, and the Executive Director.

A motion to approve Resolution 13-12 was made by Commissioner Dorn, seconded by Commissioner Smith, and approved by a roll call vote of 9-0.

Resolution 13-12 Executive Summary Sheet

Resolution: Authorizing the Executive Director to execute a Lease Agreement with Exelis, Inc.

Committee: Economic Development

Committee Date: March 19, 2013

Board Date: March 19, 2013

Purpose and Background for Resolution:

The Delaware River and Bay Authority owns a hangar facility located at 17 DRBA Way. The hangar totals approximately 23,300 square feet of

hangar, shop and office space. Exelis Inc. currently occupies this space at the New Castle Airport but its lease is due to expire this month. Exelis Inc. would like to continue to occupy space at the New Castle Airport upon the terms and conditions set forth in the new lease.

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RESOLUTION 13 -13 AMENDS RESOLUTION 12-40 AUTHORIZING THE LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND ENERGI INSURANCE SERVICES, INC.

WHEREAS, The Delaware River and Bay Authority (the “Authority”), is the owner of the Salem Business Centre; and

WHEREAS, the Authority adopted Resolution 12-40 entitled “Lease Agreement Between The Delaware River and Bay Authority and Energi Insurance Services, Inc. at the Salem Business Centre”; and

WHEREAS, Resolution 12-40 erroneously stated that the rent shall increase each year during the initial term by \$0.50 per square foot; and

WHEREAS, the rent shall increase once every two (2) years during the initial term by \$0.50 per square foot.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Lease Amendment with Energi Insurance Services, Inc. and, with the advice and consent of counsel, to have such Lease Amendment executed by the Chairperson, Vice Chairperson and the Executive Director.

A motion to approve Resolution 13-13 was made by Commissioner Wilson, seconded by Commissioner Dorn, and approved by a roll call vote of 9-0.

Resolution 13-13 Executive Summary

Resolution: Authorizing the execution of a Lease Agreement between the Delaware River and Bay Authority and Energi Insurance Services, Inc. regarding the Salem Business Centre.

Committee: Economic Development

Committee Date: March 19, 2013

Board Date: March 19, 2013

Purpose of Resolution: To permit the Executive Director, Chairman and Vice Chairman to execute and deliver a lease agreement for space at the Salem Business Centre.

Background for Resolution:

The original Resolution 12- 40 had an error in the rental increase during the initial term of the lease. The resolution approved an annual rental increase of \$0.50 per square foot during the initial term when in fact it should have reflected a \$0.50 per square foot increase once every two years during the initial term of the lease. Rental rates increase in this manner with the two other existing customers in the building. This resolution will serve the purpose of correcting that error.

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RESOLUTION 13-14 – LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND FLIGHTLEVEL CAPE MAY, LLC AT THE CAPE MAY AIRPORT

WHEREAS, The Delaware River and Bay Authority (the “Authority”), is the operator of the Cape May Airport (“Airport”), Cape May, New Jersey; and

WHEREAS, Flightlevel Cape May, LLC (“Flightlevel”) desires to provide services at the Airport as an independent Fixed Based Operator; and

WHEREAS, Flightlevel desires to lease approximately 19,000 square feet of space in Building 110 located at 375 Forrestal Rd. in addition to all associated equipment and vehicles along with operating a ramp management agreement for three (3) acres of associated aircraft ramp at the Cape May Airport; and

WHEREAS, Flightlevel has agreed to pay the Authority annual rent as follows:

- 50% of the initial \$20,000 collected for hangar and aircraft parking of aircraft;
- 40% of the next \$20,000 collected for hangar and aircraft parking;
- 30% of all money collected over \$40,000 for hangar and aircraft parking;
- 25% of all tie-down fees collected;
- \$0.11 per gallon of fuel sold at the airport
- Annual rent will be a minimum of \$9,500; and

WHEREAS, the initial term of the Lease Agreement (“Agreement”) is for five (5) years; and

WHEREAS, Flightlevel Cape May, LLC. with the consent of the Authority, shall have the option of renewing this Agreement for two (2) option periods of five (5) years each; and

WHEREAS, both parties agree to make a business assessment at two (2) years during which, if either Flightlevel or the Authority wishes to terminate this Agreement, they may do so with 90 days’ notice.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Agreement with Flightlevel, with the advice and consent of counsel, to have such Agreement executed by the Chairperson, Vice Chairperson, and the Executive Director.

A motion to approve Resolution 13-14 was made by Commissioner Wilson, seconded by Commissioner Downes, and approved by a roll call vote of 9-0.

Resolution 13-14 Executive Summary Sheet

Resolution: Authorizing the Executive Director to execute a Lease Agreement with the Flightlevel Cape May, LLC.

Committee: Economic Development

Committee Date: March 19, 2013

Board Date: March 19, 2013

Purpose and Background for Resolution:

Flightlevel Cape May LLC. would like to lease approximately 19,000 square feet of space in a building commonly referred to as Building 110 located at 375 Forrestal Rd. Flightlevel will be providing the services of an independent Fixed Based Operator (FBO) at the airport. The Authority put the operation of the FBO out for public bid in 2012. After a

competitive process, Flightlevel was determined to offer the best opportunity to the Authority for the Cape May Airport.

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RESOLUTION 13-15 – AUTHORIZATION OF THE PURCHASE AGREEMENT FOR THE SALE OF THE M/V CAPE MAY

WHEREAS, The Delaware River and Bay Authority (the “Authority”) is a bi-state agency created by Compact for the purpose of developing the areas in Delaware and New Jersey bordering the Delaware River and Bay for transportation, port and terminal purposes; and

WHEREAS, the Authority is the operator of the Cape May-Lewes Ferry and owner of the M/V Cape May; and

WHEREAS, the Budget and Finance Committee, at a meeting on July 2, 2007, following the recommendation of the then Acting CFO, authorized the declaration of the M/V Cape May as surplus property in accordance with the Authority’s Real Property and Tangible Assets Disposition Policy (the “Policy”); and

WHEREAS, Resolution 10-36 recognized the unique nature and value of the property involved and the limited number of parties interested in the purchase of the M/V Cape May, and waived the requirement to effectuate the sale of the M/V Cape May by use of a nationally recognized, professional licensed and operated auction; and

WHEREAS, the Authority has continually sought to market and pursue the sale of the vessel unsuccessfully since such declaration; and

WHEREAS, the Authority continues to incur expenses related to storing the M/V Cape May; and

WHEREAS, the Authority has received and discussed credible indications of interest regarding the potential acquisition of the vessel and has discussed a range of value which the Authority deems as appropriate for any such sale, in view of current market conditions; and

WHEREAS, the Budget and Finance Committee in light of the exigent circumstances associated with the historical effort to sell the vessel, the ongoing costs to maintain such, the deteriorating condition and value of the M/V Cape May recommends the sale of the vessel.

NOW, THEREFORE, BE IT RESOLVED, that the Commission hereby authorizes the sale of the M/V Cape May and the Chairman, Vice Chairman and Executive Director are hereby authorized, with the advice of counsel, to finalize the terms and conditions of the sale and purchase agreement (“Purchase Agreement”), based on price and such other terms as are deemed to be in the best interest of the Authority, and to execute and deliver such Purchase Agreement and any other letters, bills of sale or other documents which the Chairman, Vice Chairman and Executive Director shall deem necessary and/or appropriate in connection with finalizing the sale of the M/V Cape May.

A motion to approve Resolution 13-15 was made by Commissioner Lowe, seconded by Commissioner Smith, and approved by a roll call vote of 9-0.

Resolution 13-15 Executive Summary Sheet

Resolution: Authorization of the Purchase Agreement for the sale of the M/V Cape May
Committee: Budget & Finance
Committee Date: March 19, 2013
Board Date: March 19, 2013

Purpose of Resolution:

Formally authorizes sale of the M/V Cape May.

Background for Resolution:

The Authority constructed the M/V Cape May in 1985. A 2007 review and analysis of operating losses of the Cape May Lewes Ferry resulted in a recommendation to reduce the fleet. In July 2007, M/V Cape May was declared no longer necessary to Ferry Operations and the Authority attempted to dispose of the asset in accordance with the Authority’s Real Property and Tangible Assets Disposition Policy. After the Authority was not successful in disposing of the M/V Cape May in this manner, Resolution 10-36 recognized the unique nature of the asset and authorized the direct sale of the M/V Cape May based upon its then-appraised value. A broker was retained to help effectuate this sale. During 2010 and 2011, there were several interested parties, but no sale materialized. Even though the M/V Cape May has not been used for passenger service since September 2009, dry dock expenses have been incurred to keep the vessel Coast Guard Certified in the hopes of maximizing the sale price. There have been no parties expressing interest in the M/V Cape May since March 2012. The appraised value of the M/V Cape May continues to decline. Sale of the M/V Cape May as approved by the Budget and Finance Committee is necessary to stop continued losses.

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10650. EXECUTIVE DIRECTOR’S COMMENTS

The Executive Director briefed the Board on the activities in and around the Authority including a look at a draft copy of the newly revised ferry schedule for 2013 that Heath Gehrke, Director of Ferry Operations, and staff developed; the American Association of Airport Executives presented an ANTN Digicast Excellence in Airport Training Award to Steve Williams, Director of Airports, and his staff; two marine staff members, Peter Dudley and Stan Hansen have been promoted to captain; M/V Delaware and M/V New Jersey ferries have been retrofitted with new seats to add seating capacity; Nikky Fisher, Lewes Ferry Manager, participated in the Lewes Chamber of Commerce Read Across America program; Vice-Chairperson Lowe and Executive Director Green attended a Mariners Advisory Committee for the Bay & River Delaware to witness Port Captain Bryan Helm and Sharon Urban, Mate, receive a Good Samaritan Award.

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10651. COMMISSIONERS PUBLIC FORUM

Commissioner Dorn stated that he attended former staff employee A.J. Crecenzi’s funeral services and that it was nice to see a good representation from his friends and co-workers at the Authority there.

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There being no further business, a motion to adjourn was made by Commissioner Murphy, seconded by Commissioner Smith, and unanimously carried.

The meeting was adjourned at 12:14pm.

Respectfully submitted,

THE DELAWARE RIVER AND BAY AUTHORITY

Frank W. Minor
Assistant Secretary