

**MINUTES OF MEETING
THE DELAWARE RIVER AND BAY AUTHORITY
James Julian Board Room
New Castle, Delaware
Tuesday, March 19, 2019**

The meeting convened at 11:55 a.m. with Chairperson Lowe presiding.

Chairperson Lowe called upon Commissioner Lathem to give the opening prayer. The opening prayer was given by Commissioner Lathem, followed by the Pledge of Allegiance.

Chairperson Lowe called on the Authority Assistant Secretary to read the meeting notice. 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.

Chairperson Lowe called on the Assistant Secretary to take the roll.

Commissioners from Delaware

William E. Lowe, Chairperson
Crystal L. Carey
Henry J. Decker
James L. Ford III
Samuel E. Lathem
Michael Ratchford – telephone

Commissioners from New Jersey

James N. Hogan, Vice-Chairperson
James Bennett - absent
Sheila McCann
Shirley R. Wilson - telephone
Ceil Smith
M. Earl Ransome, Jr.

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Chairperson Lowe called for the acceptance of the Agenda

Commissioner Lathem made a motion to accept the Agenda, seconded by Commissioner McCann and the motion carried by a voice vote of 11-0.

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11481. APPROVAL OF THE FEBRUARY 20, 2019 MINUTES

Commissioner Smith made a motion to approve the February 20, 2019 meeting minutes, seconded by Commissioner Ransome and approved by a voice vote of 11-0.

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11482. 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, Delaware City-Salem Ferry Crossing, and Food Services for the month of February 2019.

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

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11483. DELAWARE RIVER AND BAY AUTHORITY – STATEMENT OF INCOME AND EXPENSES.

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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11484. 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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11485. 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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11486. DELAWARE RIVER AND BAY AUTHORITY – CASH POSITION (MARKET VALUE) AS OF FEBRUARY 28, 2019.

The CFO presented charts 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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11487. PUBLIC COMMENT ON ACTION ITEMS

Chairperson Lowe noted that there are No Contract Awards, (1) Contract Close-Out, and (5) Resolutions to be considered today. All action items have been reviewed and recommended for consideration during today’s Committee meetings. He then called for public comment.

There were no public comments.

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11488. CLOSE-OUT CONTRACT #DMB-16-01 – TOWING SERVICES FOR I-295 SB RECONSTRUCTION PROJECT DELAWARE MEMORIAL BRIDGE

On April 20, 2016 Contract No. #DMB-16-01 – TOWING SERVICES FOR I-295 SB RECONSTRUCTION PROJECT DELAWARE MEMORIAL BRIDGE, was awarded to Nicks Auto Repair, LLC of New Jersey for the bid price of \$195,600.00,

It is recommended that the Authority accept this project and make final payment to the contractors. The final cost of this project is \$194,650.00.

A motion to Close-Out Contract #DMB-16-01 was made by Commissioner Decker, seconded by Commissioner Ransome and approved by a voice vote of 11-0.

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11489. CHAIRPERSON’S CALL FOR RESOLUTIONS BEFORE THE BOARD

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RESOLUTION 19-08 - AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2019 THROUGH DECEMBER 31, 2019

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 1/1/19 THROUGH 12/31/19

VENDOR	PURCHASE DESCRIPTION	CLASSIFICATION	ESTIMATED \$
LanDan Printing & Consulting	CMLF Schedule Printing and Distribution	Quotes	\$27,000
Laurel Lawnmower, Inc.	Replacement Mowers	State Contract	\$51,000
Stertil-Koni USA c/o Hoffman Services Inc.	Mobile Column Lift Set for CMLF Auto Shop	State Contract	\$47,000

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

A motion to approve Resolution 19-08 was made by Commissioner Decker, seconded by Commissioner Ransome, and approved by a roll call vote of 11-0.

Resolution 19-08 Executive Summary Sheet

Resolution: Authorizing Authority Expenditures Pursuant to Resolution 01-84 for the period January 1, 2019 through December 31, 2019.

Committee: Budget & Finance

Committee Date: March 19, 2019

Board Date: March 19, 2019

Purpose of Resolution: Authorizes expenditures of \$25,000 or greater with the identified vendors during the 2019 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:

LanDan Printing & Consulting: CMLF Schedule Printing and Distribution

The Cape May-Lewes Ferry annually selects a vendor to print and distribute the Ferry operations schedule. Quotes were solicited from seven (7) vendors to print and deliver 650,000 schedules. LanDan Printing & Consulting submitted the lowest quote to provide the brochures as specified.

Laurel Lawnmower, Inc.: Replacement Mowers

The Authority is replacing three mowers that have exceeded their useful life and meet the Authority's equipment replacement criteria. The mower purchases will be made via an authorized equipment dealer (Laurel Lawnmower, Inc.) at a competitively-bid cooperative contract price (Sourcewell #062117-EXM Grounds Maintenance Equipment, Attachments, Accessories, and Related Services).

Stertil-Koni USA c/o Hoffman Services Inc.: Mobile Column Lift Set for CMLF Auto Shop

The Authority is purchasing a 4-column mobile vehicle lift set for the Cape May-Lewes Ferry Auto Shop. The purchase will be made via an authorized equipment dealer (Hoffman Services Inc.) at a competitively-bid cooperative contract price (Sourcewell #061015-SKI Heavy Duty Vehicle Lifts).

Purchase Classification Definitions:

State Contract. A purchase of equipment, supplies or non-professional services which, under normal circumstances, would require competitive bidding, however the vendor has agreed to provide the goods or services to the Authority at fees less than or equal to that vendor's respective contract as awarded by the State of Delaware or New Jersey. *"Any contract for the purchase of materiel and supplies and non-professional services....which contract individually exceeds \$50,000, or in the combination with other contracts, exceeds \$50,000 in any one calendar year shall be pursuant to a contract entered into by the Authority after competitive bidding. This 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."* (DRBA Resolution 11-36 Part 2.a.). In accordance with Resolution 11-36, this purchase classification also includes those *"...purchases from cooperatives and/or*

the piggy-backing of existing publicly-bid contracts for state and governmental entities which State of Delaware or New Jersey may or may not individually publicly advertise”.

Quotes. A purchase of equipment, supplies or non-professional services or a contract for construction or construction management that is anticipated to cost between \$25,000 and \$49,999 during a calendar year and for which the Authority has solicited written quotes. *“Contracts for materiel and supplies and non-professional services, awarded to any [vendor for an amount of] 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... Construction management contracts or construction contracts...which are less than \$50,000 do not require formal solicitation of competitive prices and, if more than \$25,000 but less than \$50,000 require the solicitation of three written quotes or all available sources, whichever is less...”* (DRBA Resolution 98-31 Part 4).

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RESOLUTION 19-09 – AUTHORIZES AN AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND GREAT AMERICAN TROLLEY CO. TO PROVIDE FIXED-ROUTE SHUTTLE BUS SERVICES BETWEEN THE CAPE MAY TERMINAL AND THE CAPE MAY WELCOME CENTER

WHEREAS, The Delaware River and Bay Authority (the “Authority”) is a bi-state Authority of the State of Delaware and the State of New Jersey that operates and maintains the Cape May-Lewes Ferry system and adjoining facilities and infrastructure at each Ferry terminal location; and

WHEREAS, the Authority seeks to engage a qualified contractor to provide round-trip shuttle bus services between the Cape May Ferry Terminal and the Cape May Welcome Center, beginning the Sunday prior to Memorial Day through the last weekend of September each year under contract; and

WHEREAS, the Authority wishes to enter into a Services Agreement (“Agreement”) with the selected contractor; and

WHEREAS, the Agreement to provide shuttle bus services between the Cape May Ferry Terminal and the Cape May Welcome Center shall have a base term of two (2) consecutive years with the Authority granted the option to extend the Agreement for an additional period of one (1) year after the expiration of the base term, such optional term to be authorized by the originating committee with the consent of the Chairperson and Vice Chairperson of the Board of Commissioners; and

WHEREAS, the Authority publicly advertised a Request for Proposals (“RFP”) for the required services in compliance with Resolution 98-31, as amended, which governs the procedure for the procurement of services via competitive proposals; and

WHEREAS, the Authority received and evaluated one (1) proposal pursuant to the aforementioned public advertisement; and

WHEREAS, Great American Trolley, Co. (“GAT”) was designated as the highest-ranking firm following evaluation of proposals; and

WHEREAS, the Authority conducted an analysis of the scope, complexity and cost of the services proposed by GAT and negotiated with GAT to provide such services at compensation determined to be fair and reasonable; and

WHEREAS, the Budget and Finance Committee has reviewed this recommendation and concurs; and

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of a Services Agreement with GAT to provide such services to the Authority and to have the Services Agreement, with the advice and consent of Counsel, executed by the Chairperson, Vice-Chairperson and Executive Director.

A motion to approve Resolution 19-09 was made by Commissioner Ransome, seconded by Commissioner Lathem, and approved by a roll call vote of 11-0.

Resolution 19-09 Executive Summary Sheet

Resolution: Authorizes an agreement between the Authority and Great American Trolley, Co. (“GAT”) to provide round-trip shuttle bus services between the Cape May Ferry Terminal and the Cape May Welcome Center, beginning the Sunday prior to Memorial Day through the last weekend of September each year under contract.

Committee: Budget and Finance

Committee Date: March 19, 2019

Board Date: March 19, 2019

Purpose of Resolution:
To authorize an agreement with Great American Trolley, Co. (“GAT”) to provide round-trip shuttle bus services between the Cape May Ferry Terminal and the Cape May Welcome Center.

Background for Resolution:
The proposed Resolution meets the requirements of Resolution 98-31, as amended, which governs the procedure for the use of competitive proposals.

The Authority received and evaluated proposals submitted by the following firm:

Great American Trolley Co.

The Authority designated a Selection Committee to evaluate Proposals and recommend the Proposer who best met the described needs of the Authority. The Authority conducted an analysis of the proposed costs for the services and

negotiated for the services to be provided at rates determined to be fair and reasonable.

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RESOLUTION 19-10 - AUTHORIZES A LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND DELMO SPORTS, LLC AT THE CAPE MAY AIRPORT

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

WHEREAS, Delmo Sports, LLC (“Delmo”) desires to lease approximately 1,500 square feet of space in the building located at 251 Ranger Rd. in order to operate office and storage space at the Cape May Airport; and

WHEREAS, Delmo has agreed to pay the Authority annual rent in the amount of Fourteen Thousand Seven Hundred dollars 00/100(\$14,700.00); and

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

WHEREAS, Delmo shall have the option of renewing this Lease Agreement for two (2) additional one (1) year terms; and

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

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Lease Agreement with Delmo Sports, LLC 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 19-10 was made by Commissioner Ransome, seconded by Commissioner Smith, an approved by a roll call vote of 11-0.

Resolution 19-10 Executive Summary

Resolution: Authorizing the Execution of a Lease Agreement between the Delaware River and Bay Authority and DelmoSports, LLC regarding the Cape May Airport

Committee: Economic Development

Committee Date: March 19, 2019

Board Date: March 19, 2019

Purpose of Resolution: To permit the Executive Director, Chairman and Vice Chairman to execute and deliver a lease agreement for space at the Cape May Airport.

Background for Resolution: The Delaware River and Bay Authority operates a new light industrial building located at 251 Ranger Rd. in the Cape May Airport Industrial Park. DelmoSports, LLC will use the space as an office and storage in support of their road race and triathlon production business in the Delaware Valley. DelmoSports, LLC has been in business for several years and their business has grown to a point that they needed to enlarge their business operation space. DelmoSports is the entity that produces the Escape the Cape Event at the Ferry. The lease rate is reflective of the FMV for similar units in Building 96.

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RESOLUTION 19-11 - LEASE TERMINATION AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND PENTAGON PERFORMANCE, INC. AT THE MILLVILLE AIRPORT

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

WHEREAS, Pentagon Performance, Inc. (“Pentagon”) currently leases 13,567 square feet of office space located in Hangar A at the Millville Airport; and

WHEREAS, Pentagon leased the space when notified of a contract award and Pentagon would like to terminate their agreement due to ultimately not being awarded the contract; and

WHEREAS, the Authority and Pentagon agree that the lease shall expire effective April 1, 2019; and

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

A motion to approve Resolution 19-11 was made by Commissioner Decker, seconded by Commissioner Lathem, and approved by a roll call vote of 11-0.

Resolution 19-11 Executive Summary

Resolution: Authorizing the Execution of a Lease Termination Agreement between the Delaware River and Bay Authority and Pentagon Performance at the Millville Airport

Committee: Economic Development

Committee Date: March 19, 2019

Board Date: March 19, 2019

Purpose of Resolution:
To permit the Executive Director, Chairperson and Vice Chairperson to execute and deliver a lease termination agreement for space at the Millville Airport.

Background of Resolution:
The Delaware River and Bay Authority operates a hangar facility located at the Millville Airport. Pentagon was an existing tenant at Millville when Pentagon was notified of a large contract award that required the growth in space. Pentagon leased the office space and a small portion of shop space in Hangar A for the purpose of expansion. Through no fault of their own, there were issues with the contract and ultimately the contract was not finalized. Pentagon has unsuccessfully attempted for several months to work through the contract issues and desires to terminate their lease agreement.

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RESOLUTION 19-12 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND CAPE MAY BREWING LLC

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

WHEREAS, the Authority is entrusted with the economic expansion and improvement of the airport; and

WHEREAS, pursuant to Resolutions 15-50 and 17-63, the Authority authorized the construction of two light industrial buildings at the airport; and

WHEREAS, Cape May Brewery (“CMB”), a current tenant at the airport, continues to grow and desires to expand their operation by leasing a building containing a tasting room and corporate offices on three (3) additional acres.

WHEREAS, the DRBA has agreed to construct an approximately 10,000 square foot new building at a cost not to exceed Three Million 00/100 dollars (\$3,000,000.00) toward the design, engineering and construction expenses for common improvements non-specific to the CMB expansion. CMB shall be responsible for any costs above \$3,000,000.00 and for all costs associated with improvements specific to CMB operations; and

WHEREAS, the DRBA and CMB desire to amend CMB's current lease for Building 97 to incorporate the new expansion building and establish a concurrent lease term for both parcels: and

WHEREAS, the initial lease term shall be for twenty (20) years; and

WHEREAS, CMB shall have the right to renew this Lease Agreement (the "Agreement") for eight (8) periods of five (5) years each; and

WHEREAS, rent for the new expansion building shall be Two Hundred and Six Thousand Nine Hundred and Twenty-One dollars (\$206,921.04) annually, and ground rent for the 3 acres on which the new expansion building sits shall be Twenty-Three Thousand Five Hundred and Twenty dollars 00/100(\$23,520.00) annually for a total of Two Hundred and Thirty Thousand Four Hundred and Forty-One dollars 04/100 (\$230,441.04) annually, and

WHEREAS ground rent for the expansion shall increase annually during the initial term by 2.5%. At year eleven (11) the ground rent shall be adjusted to the then Fair Market Value (the "FMV") with increases of 2.5% annually through the end of the initial term; and

WHEREAS, the CMB shall have the right to purchase the new expansion building prior to the end of the initial term at the unamortized amount of the Authority's construction costs; and

WHEREAS, in the alternative, CMB shall have the right to purchase the expansion building at the end of the initial term for Ten 00/100 dollars (\$10.00); and

WHEREAS, Building 97 rent at the beginning of the initial lease term shall be Fifty-Nine Thousand Three Hundred and Sixteen 00/100 dollars (\$59,316.00) and ground rent for the 2.09 acres on which Building 97 sits shall be Sixteen Thousand Three Hundred and Ninety-Two 00/100 dollars (\$16,392.00) for a total of Seventy-Five Thousand Seven Hundred and Eight 00/100 dollars (\$75,708) annually; and

WHEREAS, CMB shall have the option to purchase Building 97 for the amount of \$717,500.00 through the end of 2020. Following 2020, the purchase price shall be adjusted by the annual growth in CPI; and

WHEREAS, should CMB elect to purchase Building 97, it shall receive a credit of Fifty-Two Thousand Five Hundred and Thirty-Four 00/100 dollars (\$52,534.00) toward the purchase price for improvements to the building made by CMB; and

WHEREAS, ground and building rent for Building 97 shall increase annually during the initial term by 2.5%. At year Eleven (11) the rent shall be adjusted to the then Fair Market Value (the "FMV") with increases of 2.5% annually through the end of the initial term; and

WHEREAS, building and ground rent for both the new expansion building and Building 97 shall be adjusted to the current FMV at the beginning of each renewal term with an annual adjustment of 2.5% for each year thereafter; and

WHEREAS, CMB shall have a Right of First Refusal to lease an additional 2 acres of land contiguous to both parcels for a period of five (5) years from the start of the initial term; and

WHEREAS, during the initial lease term, the DRBA shall not enter into a lease agreement with another entity for the purpose of operating a craft beer brewery at the Airport without the consent of the CMB; and

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

A motion to approve Resolution 19-12 was made by Commissioner McCann, seconded by Commissioner Smith., an approved by a roll call vote of 11-0.

Resolution 19-12 Executive Summary

Resolution: Authorizing the Execution of a Lease Agreement between the Delaware River and Bay Authority and Cape May Brewing LLC, regarding Cape May Airport

Committee: Economic Development

Committee Date: March 19, 2019

Board Date: March 19, 2019

Purpose of Resolution: To permit the Executive Director, Chairman and Vice Chairman to execute and deliver a lease agreement for lease space at the Cape May Airport.

Background for Resolution: The Delaware River and Bay Authority (Authority) operates the Cape May Airport at which the Cape May Brewery (CMB) leases a facility. CMB continues to grow and would like to expand their business and their footprint at the airport. They would like to build a new building adjacent to their current facility to house a new, larger tasting room and add additional office space. They are also looking for a ROFR for 2 additional acres and the right to purchase their current building. The Authority has agreed to contribute up to \$3 million dollars towards the expansion space to be paid back to the Authority based upon the amortization schedule in the lease. If the CMB should acquire ownership of both the existing and new facility, they would still pay an annual land rent for their space.

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11490. EXECUTIVE DIRECTOR'S COMMENTS

The Executive Director reported on events in and around the Authority as follows:

DMB Tidbits – Even though traffic was down for February Year over Year: February 2019 was the best 6th February of all time;

Ferry Facts – At the End of February 2019 – Vehicle traffic 13%, Passengers up 11%, Traffic Revenue up 10% and Food and Retail Net Income up 3%;

The Executive Director showed pictures of the ship discussed during the Projects Committee which will be passing under the bridge Monday, March 25, 2019 at 11:00 p.m.

The Executive Director congratulated Commissioner Ceil Smith on the award she received recognizing her leadership and contributions to Salem County.

Commissioner Ransome attended the Calvary Community Development Banquet along with former Commissioner Reverend Dorn.

Congratulations Charlotte Crowell, Chief Human Resources Officer was named a finalist for HR person of the year for Delaware Valley. The event will be held May 22, 2019 in Philadelphia, PA.

Executive Director Cook reminded the Commissioners of the following upcoming events:

Job Fair, Lewes, Delaware – Saturday, March 23, 2019;

Commission Meeting – Tuesday, April 16, 2019 – James Julian Board Room.

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11491 COMMISSIONERS PUBLIC FORUM

Chairperson Lowe called for comments from the public and the Commissioners.

Mr. Ken Dryden with Delaware Concerned Residents for Environmental Justice. Mr. Dryden grew up in Southbridge area and his wife grew up Rosegate Community. He noted health concerns for residents of those communities. About 2 years ago he started looking for space to host community meetings to discuss environmental issues and chemicals around this area. He wishes to host those meetings at the DRBA

complex, and not been successful in being able to do so. He now wants to explore holding those meetings at 12 Penn's Way, Common Boulevard.

Chairperson Lowe noted that staff would follow-up with Mr. Dryden on his request.

There were no Commissioner comments.

There being no further business, Chairperson Lowe adjourned the meeting at 12:15 p.m.

Respectfully submitted,

THE DELAWARE RIVER AND BAY AUTHORITY

Stephen D. Williams
Assistant Secretary