

**MINUTES OF A REGULAR MEETING  
of the  
Port of Pittsburgh Commission  
December 17, 2010**

A regular meeting of the Board of the Port of Pittsburgh Commission was held in the O'Neill Room, 23<sup>rd</sup> fl. of the Regional Enterprise Tower at 425 Sixth Avenue, Pittsburgh, PA.

In attendance were Commissioners:

Brown (phone)	Dunleavy
Ferlo	Grech
Heckman	Janairo
J. Marshall (phone)	McNees
McQuiston	Preston
Stephaich	Woodward

Staff present included: James McCarville, Executive Director; Mary Ann Bucci, Ass't. Executive Director; J.D. Fogarty, Development Director and Mike Brinza, Staff Analyst. Others in attendance included: Ron Brown, representing counsel, Grogan Graffam; Col. Graham from the US Army Corps of Engineers; Cdr. Timme from the US Coast Guard; Rob Ritson (phone) from Senator Ward's office; Sam Stephenson and Judd Langer from ParenteBeard LLC; and John Paul Jones from the Governor's Office. Gloria Ralston, Assistant Secretary of the Port of Pittsburgh Commission, acted as Recording Secretary for the meeting.

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Chairman McNees called the meeting to order at 12:07 PM.

**Agenda Item 1. Welcome**

The Chairman welcomed the assembled group and introduced newly-appointed Commissioner James Grech after which introductions were made around the room. The resignation of Commissioner Coder was noted and the Commissioners were reminded of their new committee assignments.

**Agenda Item 2. Old Business**

*Agenda Item 2. A. – Minutes of September 10, 2010 regular meeting.*

**Motion to approve Minutes of September 10, 2010.**

Upon motion by Commissioner Preston (Commissioner Wm. Brown), the minutes of the September 10, 2010 regular meeting were unanimously approved.

### **Agenda Item 3. New Business**

#### **Agenda Item 3.A. – Audit committee Report**

Commissioner Brown and Commissioner Woodward reviewed the audit prepared by ParenteBeard LLC and Commissioner Brown reported a clean opinion with no noted deficiencies in internal controls nor substantive changes from the prior year. Sam Stephenson then went over the required communications and recent accounting pronouncements noting that they would not significantly impact the Commission. There were no questions or comments from the floor.

#### **Motion to accept the audit.**

Upon motion by Commissioner Brown (Commissioner Woodward), the audit was unanimously accepted.

#### **Agenda Item 3.B. – Discussion of the status of Vortex Recycling**

The Development Director reported that Vortex Recycling caught up with their interest-only payments and currently has a principal balance of approximately \$40,600. However, because of the weak scrap market, they are still not in a position to make full principal & interest payments. Vortex is requesting an extension of the interest-only payments for another year, retroactive to September 1, 2010 and extending through August, 2011. Rep. Preston suggested the possibility of a shorter extension, perhaps six months, with an allowance for full payments if Vortex's financial situation improves. There were other questions regarding how the financial status of a loan recipient was determined, so the processes of the loan administrator, Donnelly-Boland, and the functions of the Finance Committee were clarified for those commissioners new to the Board since the inception of the Revolving Loan Fund.

#### **Motion to approve interest-only payments by Vortex Recycling for the period September 1, 2010 through June 30, 2011 with a Board review at the March, 2011 meeting.**

Upon motion by Commissioner Ferlo (Commissioner McQuiston), interest-only payments by Vortex Recycling for the period September 1, 2010 through June 30, 2011, with a review in March, 2011, were unanimously approved.

#### **Agenda Item 3.C. – Authorization to accept \$100,000 grant from Allegheny County**

The Executive Director reported that the Commission applied for a grant from Allegheny County for \$250,000 to help develop a test bed for the Wireless Waterway and that a \$100,000 grant was approved. Commissioners Ferlo and Heckman advised on the grant and Commissioner Woodward worked with the Wireless Waterway team on the application. A Request for Qualifications will be issued to find personnel to help set up the test bed and additional support will be received from Carnegie Mellon University. Support can be anticipated from other areas since there are more beneficiaries from the project than just the waterways industry.

#### **Motion to accept the \$100,000 grant from Allegheny County.**

Upon motion by Commissioner Ferlo (Commissioner Brown), the motion to accept the \$100,000 grant from Allegheny County was unanimously approved.

#### **Agenda Item 3.D. – Executive Director's Report**

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Lock & Dam Issues. The Executive Director indicated that the news from the Ohio River Navigation Stakeholder's meeting held in November was not good for lock & dam interests. Until there is resolution to the Waterway's Trust Fund issues, there will be virtually no money for projects other than Olmstead. It will be another five to six years before funding can start flowing to the Lower Mon again. Upper Allegheny projects are moving from "fix as fail" to "fail to fix" mostly because this area is more recreational than commercial. The Executive Director highlighted seven areas of major concern on all three rivers that could spell disaster without immediate attention that they are not scheduled to receive. The only good news has been that the previously-suggested single chamber locks for the Upper Ohio will not be the recommendation in the final report.

Small Grant Program. Applications are currently being solicited for 2011. Commissioner Ferlo is the chairperson of the Small Grants Committee and there will be recommendations for dissemination of grant funding at the March meeting.

Fredericktown Ferry. Both Washington and Fayette Counties have expressed renewed interest in utilizing the grant money offered to them for the Fredericktown Ferry. The Department of Transportation has indicated that this money is still available. The Commission may be asked for a "no-interest" loan to provide the grant match.

DERA Grants. The Commission is soliciting new applications for tow boat repowers under a new round of grants.

TIGER Grants. Applications were submitted on behalf of Consol Energy and Three Rivers Marine & Rail but were not funded.

Governor Transition. The Executive Director met with Jim Roddey and Annette Ganassi of Gov.-elect Corbett's transportation transition team and looks forward to a good working relationship.

Commissioner Stephaich led a discussion on the Federal Capital Development Plan. It was approved by the User Board but the industry is not getting traction from the program. He would like to see a coordinated effort among all waterway entities to present the same message in Washington. Commissioner McQuiston added that campaigns based on no new taxes and the possible inclusion of O&M to the Trust Fund's responsibilities have not helped the situation.

#### *Agenda Item 3.E. – Ass't Executive Director's Report*

Port Security Grant Program. The funding for FY07 has been received and three of the 14 projects have been completed. FY08 money should be received in the first calendar quarter of 2011. It is anticipated that there will be approximately \$350 million available for Port Security Grants for FY11.

Events. The Assistant Executive Director presented at or attended a number of events and meetings in the past quarter, including an event for high school students that highlighted careers on the waterways. The grant training seminar hosted by the Commission was an excellent opportunity for stakeholders to gain an understanding of the grant process. Upcoming events include the annual meetings of the Waterways Association and the Pittsburgh Maritime Club as well as the Traffic Club of Pittsburgh's annual dinner and the IRPT Annual Conference.

Agenda Item 3.F. – Development Director’s Report

DCK. The Development Director is working with the URA, Trammel Crowe and DCK to close the funding gap on a project located at 29<sup>th</sup> & Sydney Streets on the Southside. The project needs \$3 million in equity to be able to issue debt.

PEDA. The Development Director has been named to the Advocacy Committee and is working to develop a finance strategy for the new administration.

Revolving Loan Fund. Vortex Recycling currently owes \$40,623 after remitting a total of \$2887.52 this quarter and is asking again to make interest-only payments for a year.

Regatta. The Regatta is short of its \$1 million operating budget by \$300,000. A conflict exists with the scheduling of the Chesney concert during the Regatta as approximately 700 boats are expected at the Point for the two events.

DERA Grants. All three of the grant projects funded in the first round of awards are under way. Applications for a second round of grants are due by January 13, 2011.

Riverlife. The Development Director is working with GSA and Riverlife, which has an option on six lots in the West End, to build a headquarters for the Coast Guard. The GSA would back a long-term lease.

Agenda Item 3.G. –USACE Report

Col. Graham thanked the Commission for its participation in the successful Ohio River Stakeholders Meeting held early in December in Pittsburgh. It highlighted how well organized the river community is in Pittsburgh. However, the meeting also highlighted the fiscal deficiencies for funding lock & dam projects. Maj. Gen. Peabody was taken to the Lower Mon Project and he committed to trying to find the funds to keep the project moving forward rather than going into mothballs. The goal is to get one new lock chamber operating on the Mon at Charleroi as soon as possible.

The Corps is classifying and prioritizing projects that need to stay funded. For FY12 they are looking to cut the least worst thing and, currently, impact to commercial navigation is the top concern. That means recreation on the upper Allegheny River could be negatively impacted. Col. Graham entertained any suggestions that could help alleviate the situation. Sen. Ferlo expressed interest in the prioritizing process since he represents constituents in the affected area and would like to attend any future meetings on the subject.

Agenda Item 3.H. –USCG Report

Cdr. Timme reported that over \$7 million dollars in Port Security Grant money has been recently awarded to various stakeholders in the Captain of the Port Zone. He also thanked the Commission for hosting the grant training in November that will benefit all grantees as they navigate the grant process.

The first high water and ice event was experienced in early December. He thanked everyone who participated in dealing with the various situations that ensued.

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He announced that the Inland River Vessel Movement Center, responsible for tracking hazardous material movements, has been refunded for the coming year. Also, the Coast Guard has completed a courtesy review of approximately 25 percent of the towing vessels in their area of responsibility in anticipation of certifying all towing vessels following AIS regulations that may be finalized by February.

Rear Adm. Mary Landry will retire this summer and the new district commander will be Rear Adm. Roy Nash. The Coast Guard office has received official word that they may move from 100 Forbes Avenue to a new space, yet to be determined, in the metropolitan area. This will be done to consolidate the office, boat house and armory spaces. While being on the water is not a requisite criterion for site selection, adequate storage space for two boats is. Both Sen. Ferlo and Rep. Preston offered suggestions for assistance in finding an appropriate property.

Agenda Item 3.I. – PennPORTS

No report.

Agenda Item 3.J. – Government Liaison Report

No report.

Agenda Item 4 – Executive Session

No business.

Agenda Item 6 – Other Items Which May Come Before the Board

Commissioner Grech offered the meeting rooms at Consol Energy Center for a Board meeting on March 25. Afterwards the meeting participants could stay for the hockey game.

With no further business coming before the Board, Commissioner Janairo (Commissioner Brown) moved and seconded that the meeting adjourn. The meeting adjourned at 2:16 PM.

Respectfully submitted,



Gloria A. Ralston, Assistant Secretary  
Port of Pittsburgh Commission