

**MINUTES OF A REGULAR MEETING  
of the  
Port of Pittsburgh Commission  
March 25, 2011**

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 (phone)	Grech
Heckman	J. Marshall
McNees	McQuiston
Preston	Snyder (phone)
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; Chuck Kolling, governmental affairs liaison; Col. Graham from the US Army Corps of Engineers; Cdr. Timme from the US Coast Guard; Edward Patton and Lisa Schroeder from Riverlife; and Marge Hickenboth from AEP. Gretchen Chamberlain from AEP was on the phone. 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 4:02 PM.

**Agenda Item 1. Welcome**

The Chairman welcomed the assembled group and introduced newly-appointed Commissioner Pam Snyder, Commissioner from Greene County, filling the position vacated by Dave Coder.

**Agenda Item 2. Old Business**

*Agenda Item 2. A. – Minutes of December 17, 2010 regular meeting.*

Motion to approve Minutes of December 17, 2010.

Upon motion by Commissioner Brown (Commissioner Dunleavy), the minutes of the December 17, 2010 regular meeting were unanimously approved.

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

#### **Agenda Item 3.A. – Commonwealth Budget**

The Executive Director reported that Pennsylvania's three ports were consolidated under PennPORTS in the Governor's budget and that PennPORTS budget was decreased by exactly the amount that would have been allocated to the Port of Pittsburgh Commission. It had been determined that the Commission was carrying sufficient revenue and did not need an allocation for FY11. He further explained that the decision to carry a balance was a strategic one to offset the risk of having no balance and not being funded. The situation presents both a challenge and an opportunity. The Executive Director's recommendations for the coming year are to continue with worthwhile projects and to use the strategic planning process to showcase how the Commission adds value to the Commonwealth as well as generates revenues.

The funding for the Port of Pittsburgh Commission flows from the Department of Community and Economic Development (DCED) which is changing how it will prioritize its allocations in the future. They will be looking at public/private partnerships, competition, and performance metrics. He again emphasized using the strategic planning process to address these funding changes and to determine how to best position the Commission for the future.

The Chairman added that this budget is being identified by its deep cuts; but also with the philosophy that as the economy stabilizes and revenues increase, some of the programs victimized by the cuts can be reinstated and funded. A presentation is also being prepared for the legislators to let them know exactly what the Commission does.

Herb Packer clarified that the ports would not have to compete for local funding. He also indicated that the performance metrics would be unique for each port. Commissioner Stephaich asked for more details but Mr. Packer indicated that these details are not available as the administration is still in the visioning stage and has not yet provided the architecture for their plan. Commissioner Grech asked for clarification between a "healthy" and "unhealthy" balance. The Chairman used the example of spending an annual allocation in its entirety as unhealthy as opposed to the Commission's policy of not spending its entire allocation annually.

#### **Agenda Item 3.B. – RFPs for a Port Strategic Plan; Government Liaison Services; Wireless Waterway Project; and an Economic Impact Study**

The Executive Director recommended that the Commission continue to pursue and issue RFPs for the projects that have long been discussed including a new Port Strategic Plan, a new Economic Impact Study and the Wireless Waterway project. In addition, an RFP for a Government Affairs Liaison will also need to be issued since the contract with Charles Kolling will expire on June 30. He reiterated how important he feels the strategic planning process will be toward achieving the goals of the Commission. Regarding the work on the Wireless Waterway to date, the Executive Director acknowledged the work of Commissioner Woodward and his committee. Phase I of this project will be the establishment of a test bed and Phase II will address sustainability. Related to this project is the announcement that the Corps of Engineers has designated Pittsburgh as the site for the River Information Services Center. The current Economic Impact Study is seven years old, whereas they are normally updated every five years. It is an important tool for urging investment in the Port of Pittsburgh.

Senator Ferlo indicated that he felt that the strategic planning process was important but that extra emphasis needs to be put on educating members of the new administration in Harrisburg about the economic development initiatives undertaken by the Commission. Rep. Preston feels that it is time that stability be introduced to the Commission's structure in the form of partnerships that will allow the Commission to provide a function or service that is indispensable and that the strategic plan needs to be developed with this in mind.

Motion to Authorize the Executive Committee to issue RFPs for a Port Strategic Plan; Government Liaison Services; Wireless Waterway Project & Economic Impact Study and to Assign Committees to Review and Rate the Responses, Make Recommendations for Contracting and Authorize the Initiation of the Contracting Process.

Upon motion by Commissioner Preston (Commissioner Woodward), Executive Committee authorization to issue, review, and rate RFPs; make recommendations; and to authorize the initiation of the contracting process was unanimously approved.

Agenda Item 3.C. – Discussion of Grant Application from Riverlife

Lisa Schroeder, CEO of Riverlife, explained that Riverlife, in partnership with the Urban Redevelopment Authority (URA) and City of Pittsburgh Planning, issued an ambitious plan for the Allegheny Riverfront that would include considerable public participation. As a result of this plan, the partnership, along with Allegheny Valley Railroad, was awarded a TIGER II primary planning grant.

The project to be funded focuses on three areas:

- hydrological analysis;
- “green” connections planning analysis; and
- a riverfront plan that integrates the best possible improvements between the riverfront and the communities in the affected corridor.

The corridor for the project covers six miles, in the City of Pittsburgh proper, from the Convention Center to Highland Park. The size of the project, in conjunction with the number of components, presents the opportunity to investigate the potential for energy generation within the corridor and to capitalize on new infrastructure and alternate energy sources. Riverlife's request to the Commission for funding would be to engage a consultant to do a study to look at the potential energy-generating opportunities and to see what infrastructure work would need to be done to realize the potential. The study would cost \$150,000 and Riverlife is requesting a \$75,000 grant from the Commission. They have applied for \$75,000 from DCED. Rep. Marshall asked if there was money available to do the alternative energy project if the study returned a favorable result. Mr. Patton answered that the energy recommendations from the study would be incorporated into the corridor project as each stage advanced.

Sen. Ferlo voiced his support for the project and Commissioner Stephaich added that it was important to know both the pros and cons of the project so that there was no potential for impeding the users of the river. Commissioner Heckman noted that there may be a problem with “state money matching state money” since the Commission's funding comes through DCED as would the other grant money.

The Chairman indicated that the request would be referred to the Budget & Planning Committee for review, understanding that May is the target for the DCED grant.

Agenda Item 3.D. – Report of the Small Grants Committee

Rep. Preston reported that the committee looked at the overall project, the applicant’s financial contribution to the project as well as other available funding and awarded grants to a wide range of projects covering diverse geographical locations within the port district. Most awards were recommended for less than the requested amount with Center Township Police being the only awardee to receive its full request. Commissioner Heckman added that Venture Outdoors and the Children’s Institute of Pittsburgh both applied for different aspects of the same project. The committee’s recommendation is to ask the two applicants to work together with a reduced award. She also reported that there would be a forthcoming report on completed grant projects and recommendations for grant administration at the next meeting.

The committee’s funding recommendations are as follows:

- Center Twp. Police - \$15,000
- Milestone Centers, Inc. - \$4,500
- Brownsville Area Revitalization Corp. - \$4,500
- Mt. Washington Community Development - \$5,000
- Children’s Institute/Venture Outdoors - \$16,000
- Natrona Comes Together - \$10,000
- Ohioville Borough - \$12,000
- Foxburg Borough - \$7,000
- Ford City Borough - \$5,000
- Ohio River Trail Council - \$10,000
- Moraine Preservation Fund - \$6,000

Agenda Item 3.E. – Motion to Accept Recommendations of the Small Grants Committee

Motion to Accept the Recommendations of the Small Grants Committee for FY10-11 Grant Awards.

Upon motion by Commissioner Grech (Commissioner Brown), the recommendations of the Small Grant Committee were unanimously approved.

Agenda Item 3.F. – Motion to Financially Support AEP Educational Outreach Program

*The Executive Director clarified that this proposal was not support of AEP but was support of the Regatta to facilitate the PPC’s outreach and education program.* The Assistant Executive Director presented a proposal that the Commission become a “media partner” for the Regatta. For a \$10,000 contribution, the Regatta would develop a media package including print, radio and TV ads for the Port of Pittsburgh Commission. The Commission, in association with the Fish & Boat Commission, Riverworks Discovery, AEP, the Corps of Engineers and Coast Guard, would present boat tours and an education program on/near a large tow vessel supplied by AEP. The program would highlight economic, recreational and quality-of-life benefits afforded to the region because of the rivers. In addition, the Commission would have the opportunity to educate the public on the difficulties faced when attempting to invest in the infrastructure needed to create these benefits. The vessel would be docked at the Delta Queen landing and advertising for the program would be accomplished via the media package. In addition, the “Kick-Off” event for the Regatta will be held on the AEP boat. The costs of the media partnership will be charged to the promotional line item for events attended or supported by the Commission.

Motion to become a Regatta “Media Partner” for a \$10,000 sponsorship, subject to written documentation of sponsorship benefits.

Upon motion by Rep. Preston (Commissioner McQuiston), the motion to become a Regatta Media Partner for \$10,000 was unanimously approved.

### Agenda Item 3.G. – Executive Director’s Report

Locks & Dams. The administration has rejected the Inland Waterway 20-Year Capital Improvement Plan but is expected to present its own proposal. Until such time, projects like the Lower Mon Improvement Project will continue to be on hold and maintenance will decline. Capitol Hill visits were made with Commissioners Woodward, McQuiston and Stephaich and a meeting was held with Armstrong County Commissioners to formulate a plan to respond the reduced operations on the Allegheny River.

TIGER Debriefing. The Commission’s TIGER applications needed a greater match and documentation on jobs and customer commitments to utilize the facilities to be successful.

Markets. Coal is in an upswing with the opening of the Tunnel Ridge Mine north of Wheeling. Also, the export of coal down river has local coal filling a regional need. The drilling operations in Marcellus shale could stimulate river traffic in sand, water, pipe and machinery.

Speaking Engagements. The Executive Director spoke at the dedication of MV Dave Kreutzer, named for a former Commissioner. He will also address the American Planning Association of freight trends and issues for waterway transportation.

Cargo Statistics. Attention was called to a waterborne traffic report compiled by Staff Analyst Mike Brinza that showed that Pittsburgh is the 20<sup>th</sup> busiest port in the country and the 2<sup>nd</sup> busiest inland port. Additional information is available on the Commission’s website.

### Agenda Item 3.H. – Ass’t. Executive Director’s Report

Events. The Assistant Executive Director attended many events in the past quarter, among them a town hall meeting in Kittanning attended by over 250 people who met to discuss the reduction in federal funding for the Allegheny River.

PSGP. Tables illustrating the status of each year’s funding under the Port Security Grant Program were distributed. The fiduciary agent and FEMA agree on years 2007, 2008 and 2010. There is disagreement on approved investment justifications for 2009. Funds have been released for 2007 and 2008 with four projects completed for 2007. Seventy-five percent of the funding released for 2008 stays in Pennsylvania. Almost \$117,000 in management and administrative costs are available for transfer to the Commission’s fund.

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

Horsehead Co. The Development Director attended a meeting with the Horsehead Co., a zinc plant in Beaver, at the request of the PRA. The company will be upgrading its facilities but haven’t yet decided whether they will be doing that in Monaca, Tennessee or North Carolina. Because there will probably be no Opportunity Grants available through DCED, Monaca will probably be less competitive in its bid to keep the plant. It could mean the loss of 150 - 600 jobs.

DERA Grants. Campbell Transportation has completed their vessel; CONSOL is in the design stage; and River Salvage has almost completed their first boat. Another application for \$2.7 million was submitted in January on behalf of Campbell, CONSOL and Imperial. The companies appear to have agreed to pay a private firm a significant amount of money to develop the application.

DCK. This project on the Southside is still approximately \$3 million short.

Bridgeside II. Where the land on Second Avenue was once off the tax rolls, it is now being assessed for over \$500,000 in taxes for the city and county with the completion of the building financed by the Commission.

House Appropriation Hearings. The Development Director attended the hearings where Reps. Smith, Markosek and Costa spoke on the Commission’s behalf for continued funding.

KSRR. There is no money in the budget for rail freight assistance.

Agenda Item 3.J. – Report of USACE

Col. Graham thanked the Executive and Assistant Executive Directors for their participation in the public meetings at Kittanning and Fox Chapel. A hybrid action plan has been developed to address Allegheny River usage. Starting in October, 2011 the locks at dams 2, 3 & 4 will be operated in two shifts, seven days a week with extra people put on to allow industry to pull doubles. Weekend and holiday services for recreation will be maintained at locks 5, 6 & 7 and locks 8 & 9 will go to caretaker status. Commercial traffic that needs to move beyond lock 4 will be accommodated on an appointment basis. How special events will be handled is still being determined.

Col. Graham met with the director of the PA Fish & Boat Commission regarding inadvertent introduction of Asian carp to the Ohio River.

Agenda Item 3.K. – Report of the Coast Guard

Cmdr. Timme thanked the Commission for continuing to act as the fiduciary agent for the PSGP. The Inland River Vessel Movement Center discussed at the last meeting has been defunded. The Coast Guard is already planning for on-water enforcement and safety for the Regatta and the Kenny Chesney concert. Coast Guard assets from other units may be brought in for these events.

Lt. Cmdr. Scott Higman is transferring to the Port of Charleston, SC and will be replaced by Lt. Cmdr. John Ditmar from Baltimore.

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Agenda Item 3.L. – PennPORTS

No report.

Agenda Item 3.M. – Governmental Affairs

Chuck Kolling reported that he will be meeting with Jim to put together documentation on the Commission's finances to dispel any misinformation in Harrisburg.

*Executive Session*

Upon return from Executive Session the Chairman briefly reviewed Resolution #11-03-A regarding position classifications and salary increases for Commission staff. Effective July 1, 2010 all staff, excluding the Assistant Executive Director, will receive a two percent salary increase. In addition, the Assistant Executive Director will receive a three percent salary increase and a reclassification from MA09 to MA10. The Administrative Director will be reclassified from MA06 to MA08.

Motion to approve Resolution No. 11-03-A Authorizing Classification and Salary Increases for the Port of Pittsburgh Commission Staff

Upon motion by Sen. Ferlo (Rep. Preston), Resolution No. 11-03-A was unanimously approved.

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

With no further business coming before the Board, Commissioner Woodward (Commissioner McQuiston) moved and seconded that the meeting adjourn. The meeting adjourned at 5:45 PM.

Respectfully submitted,

Gloria A. Ralston, Assistant Secretary  
Port of Pittsburgh Commission