

Port of Wilmington Expansion Task Force

Wednesday, September 9, 2015
10:00 a.m. – 12:00 p.m.
3rd Floor Conference Room
Carvel State Building
Wilmington, Delaware

Meeting Attendees:

Task Force Members:

Present:

Representative Charles Potter, Jr.
Senator Margaret Rose Henry
State Representative Kevin Hensley
State Senator Catherine Cloutier
Secretary Jeffrey Bullock
Secretary Edwin Kee
Secretary John McMahon
Secretary Thomas J. Cook
Director Bernice Whaley
Secretary David Small
Rick Ryan
Peter Hartranft
William Ashe
Kimoko Harris
John Coulahan
Mike Evanko
Paul Thornburg
Gene Bailey

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Absent:

Secretary Jennifer Cohan
Trevor Knight
Paul Cutler
Jose Gonzales

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Staff:

Rylene Harper
LaNisha Harris
Andrew Volturo

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Public:

Attendees:

Richard Smith
Katrina Cowart
Kim Gomes
Darrell Baker
Martha Denison
Nick DiBuo
John Flaherty
John Goodridge
Bill Cook
Rob Keesler
Randall Chase
Michael Barnes
Jim Poling
Joseph Durham
Tom Gordon
Steven Burg
Angela Harris
Mohammad Salaam
Representative Bryon Short
Senator Robert Marshall

Organization:

NAACP
Delaware State Senate
Byrd Group
Merchant Marine Services
AFSCME Executive Local 81
Senior Advisor/Representative Potter
Public
Local 1694-1
Delaware State Senate
Legislative Assistant/Senator Cloutier
Associated Press

DNREC
DBBR Representative
New Castle County Executive
New Castle County
New Castle County
Community Person
Delaware House of Representatives
Delaware State Senate

Introductions

State Representative Charles Potter, Jr., co-chair, introduced Senator Henry and himself, and said he was happy to be a co-chair on House Concurrent Resolution 38, as amended by House Amendments #1 and #2. He offered the floor to Senator Henry.

Senator Henry, co-chair, welcomed the group and thanked co-chair Potter for his resolution which established the task force and said that she was honored to serve with him in this capacity. Senator Henry joked that she told Representative Potter that they have most of the cabinet secretaries in state government serving on the task force, so they should be able to solve all of the issues of the state. (group laughter)

Representative Potter agreed.

Senator Henry stated that they were looking forward to a productive meeting and they were trying to do something about the heat - not that there was hot air in the room (laughter), but they wanted to have all of the brain power in the room to be able to work on the issue.

Representative Potter urged the members to feel free to remove their jackets, due to the warm room, and joked that he knew the budget is tight and Secretary Cook was there (general laughter). He asked members to introduce themselves.

The Task Force members introduced themselves:

Peter Hartranft: a DuPont retiree, after 36 years of working in Wilmington

Secretary Tom Cook: Secretary of Finance, and Budget Chair of the Port of Wilmington

Secretary Jeffrey Bullock: Secretary of State and Chairman of the Port Board

Secretary John McMahon: Department of Labor

Secretary Edwin Kee: Department of Agriculture

Senator Catherine Cloutier: State Senate

Paul Thornburg: With the Teamsters

Representative Kevin Hensley: State Representative

Mike Evanko: Chairman of the Advisory Board at the Port of Wilmington, as well as President of the Port Contractors

Rick Ryan: Intercontinental Services

John Coulahan: President of Work Relief Services on the stevedore port. Also a member of the Advisory Board

Gene Bailey: Executive Director at the Port of Wilmington

William Ashe: International Vice President of the ILA, also president of 1694, and also a member of the Advisory Board

Secretary David Small: Department of Natural Resources

Director Bernice Whaley: Delaware Economic Development Office

Kimoko Harris: Local 1883, Port of Wilmington

Representative Potter asked the members of the public to introduce themselves.

The members of the public introduced themselves:

Joe Durham: A retired representative of the carpenters union

Michael Barnes: The Executive Board, 1694-1

Jim Poling: Brownfields Coordinator with DNREC.

Richard Smith: State NAACP president

Katrina Cowart: Delaware State Senate

Kim Gomes: With the Byrd Group contract lobbyists and on behalf of some outside of the gate interests

Darrell Baker: one of the attorneys and lobbyists for Merchant Marine Services

Nick DiBuo: Senior Advisor for Representative Potter

John Flaherty: Member of the public

John Goodridge: 1694-1

Bill Cook: Delaware State Senate

Rob Keesler: Legislative Assistant to Senator Cathy Cloutier

Randall Chase: Associated Press

Background of House Concurrent Resolution 38

Representative Potter welcomed everyone, and then asked LaNisha Harris to read a portion of House Concurrent Resolution 38, but first asked the three attendees who had just entered the room to introduce themselves.

Tom Gordon: Tom Gordon

Steven Burg: Steve Burg

Angela Harris: Angela Harris

LaNisha Harris then read a portion of House Concurrent Resolution 38, as amended by House Amendment Numbers 1 & 2.

Representative Potter thanked Ms. Harris.

Representative Potter explained the role of the task force and remarked that since the report is due no later than January 15, 2016, the timetable is short and he would like to discuss having additional meetings with the task force members.

Senator Henry and Representative Potter mentioned that someone from the Brownfields division, as well as Secretary Small, was in attendance. Secretary Small joked that his department was part of the amendment to the bill (laughter)

Review of Task Force Timetable

Senator Henry advised Mr. Harris that there was space on the front row, and invited him to take his rightful place there, as a member of the task force. Mr. Harris agreed. Senator Henry further stated that the work that the task force would do was extremely important to the well-being of the state, the economy and the nation, and suggested that if additional time was needed, they could ask the General Assembly for an extension of time in order to do a very thorough job. She then welcomed her colleague as Representative Robert Marshall and then joked that she changed his title – from Senator. (general laughter)

Representative Potter suggested that the task force meet twice per month, and opened it to the members for comments.

Secretary McMahon stated that he didn't think that meeting once per month would allow the members to get done what was necessary and recommended meeting twice per month.

Mr. Ashe agreed and mentioned that he thought that the January deadline may be too long, since the potential exists for other people to move quickly, so the faster this gets done, the better Delaware will be.

Representative Potter asked for other comments, and then asked if the members would like to put a motion on the floor. Mr. Ashe made the motion and Mr. Harris seconded the motion to have the task force meetings twice per month. The task force members all agreed, with none opposed.

Representative Potter said he and the co-chair would look at a schedule and give it to the members, and Senator Henry commented that is why she has a great co-chair.

Senator Henry asked the members if the current meeting location was good for them, and that the port is located in the City and that they wished to be mindful of what business is about. She further stated that she was aware that some of the members have traveled throughout the state. She asked if they were willing to travel twice a month in order for them to have their meetings.

Secretary Kee agreed, and Senator Henry thanked him.

Senator Cloutier asked to set the next meeting date that day, because some members might need to make changes on their calendars.

Representative Potter suggested remaining with the schedule of meeting on Wednesdays at 10:00 a.m. for about two hours. He then set the next meeting date for Wednesday, September 30, 2015. He said a meeting calendar would be given to the task force members for the remaining meeting dates. Senator Henry thanked him.

Overview of Issues/Open Discussion by Task Force

Representative Potter opened the discussion by naming the three sites have been brought to his attention, which are the Riveredge site, the current site of the Port of Wilmington and the Claymont site. He also mentioned the Hay Road site (where the Dupont site is located), as a fourth location. He said there had been discussion about starting with one, and phasing others in, and he'd like to narrow it down to what is possible, keeping in mind that time is of the essence. He opened the topic up for general discussion.

Mr. William Ash, Jr. identified himself as the President of ILA Local 1694, International Vice-President, and stated that the Riveredge project should be looked at as the number one site because with the addition of one other customer, the Port of Wilmington will be at its full capacity. He said that the site is potentially a greenfield, is shovel ready, and they could have the project up and running within 18 months to two years, at maximum.

Senator Henry asked Mr. Ashe for an exact location of the site.

Mr. Ashe explained that the site is located south of the Delaware Memorial Bridge, and stated that his understanding is that the corp is already dredging on the Delaware, that the water has already been tested, and DNREC has already given permits to the chemical plant located next to it, so it is the same land and the same field, which should make the process faster and easier.

Senator Henry clarified that a chemical plant is located next door to the site.

Mr. Ashe agreed and said the chemical plan is located at the base of the Delaware Memorial Bridge and he understands that they just received permitting for certain projects, so it should not be a hard task for DNREC to get this approved on a fast track, since it is the same land.

Martha Denison began to state that she wanted to see success, jobs and a center that would grow as needed.

Discussion occurred between Representative Potter, Senator Henry and Ms. Denison about her role on the task force, and Ms. Denison identified herself as an executive board officer for AFSCME Local 81.

Representative Potter stated that he would like to have the task force members speak first and then the co-chairs would open comments to the public. Ms. Denison agreed.

Mr. Peter Hartranft recommended that the task force look at three or four of the candidate sites and consider the key factors of acreage, dredging, rail infrastructure and other aspects, in order to determine a preferred location. He further suggested looking at potential volume, and then start with the more aggressive project proposal and flush out what that would look like. Mr. Hartranft surmised that it is not just about acreage, but that river dredging, the actual location on the river and rail infrastructure will be a very key part of it.

Representative Potter asked if there were any other options that the task force member wished to consider. He offered that it was his understanding that the Claymont site would take five to ten years; however, he did not know the timetable on any other sites. Representative Potter agreed with Mr. Ashe and Mr. Hartranft that Delaware needed to move really quickly, due to both the movement of the competitors in New Jersey and Pennsylvania, and also because of the impact it would mean to the state, regarding jobs and stabilization of the current port, as well as stabilizing businesses for the state.

Mr. Coulahan agreed. He stated that Representative Potter brought out a good point that besides expansion, saving the current port is just as important for this project because, as previously mentioned, the port is close to, if not at capacity, with the addition of one or two customers, and once they start telling the public that they could not take any more work, they are going to go on a downward spiral.

Representative Potter said he knew it was mentioned that there was opportunity at the current port for a container port on site, yet has also heard that the port is at capacity. He wanted to make sure there was no confusion, and asked for clarification.

Mr. Coulahan clarified that they could handle specific container accounts, a small account on the existing property, but within the current boundaries they could not go out and look for a major customer or become a major container operation, as is.

Mr. Ashe specified that while Mr. Coulahan mentioned a major carrier, Mr. Ashe is looking at a Merse, Sea Star, that handles anywhere from 1.5 million to 1.8 million, possibly even 2 million containers. He said the Port of Wilmington currently handles roughly 300,000, at maximum, so there is no way that a major carrier would look at the existing port. He further offered that the current port has two cranes, while most major carriers want three to five cranes, in order to make money and not have their ships sitting at dockside.

Mr. Ronald “Kimoko” Harris agreed with his colleague, Mr. Ash, and emphasized that they are both in agreement regarding the volume of cargo and volume of containers, which is probably about 4 ½ to 5 times what they currently get. He said that capacity exists at the Riveredge parcel.

Mr. Gene Bailey asked Representative Potter for clarification of the question, of “is there capacity to expand at the port?” Representative Potter confirmed yes.

Mr. Bailey responded that there is a preliminary design for expanding at the port, and that they have, and will continue to look at that, but it is a process that requires permits and designs, as part of the entire process.

Senator Henry asked Mr. Bailey if the board has undertaken, or started a process of looking at expansion of the existing port.

Mr. Bailey responded that they currently have a request for qualification (RFQ) for a long-term master plan, that could not only assume the port, but they have also requested to expand that to include the Riveredge and Claymont sites. He stated that they are asking responsive companies to come back to them with a plan of how to address this, and that responses are due by September 23rd. They will then begin the process of review of the respondents, move forward with the selection committee and decide what respondents they believe are capable of performing services. Next, they will vote to award that contract, give a period of time, and wait for the results.

Senator Henry confirmed with Mr. Bailey that the Riveredge site is one of the places that is part of the study. Mr. Bailey agreed.

Senator Henry asked for the timetable for the preliminary study. Mr. Bailey responded that they have projected a due date of March/April 2016.

Senator Henry asked if there was any way to speed up that process and joked about Mr. Ashe’s reaction. (general laughter). Mr. Bailey responded that it may be sped up if the work load was reduced, and that it was an all-encompassing study.

Mr. Bailey further stated that it was an internal process to begin the evaluation of the respondents, and that RFQ (request for qualification) responses were due back September 23rd, and that he would forward a copy of the RFQ’s to both Senator Henry and Representative Potter.

Representative Potter asked Mr. Bailey to define the respondents. Mr. Bailey explained that they were looking for something that would, first, maximize the existing facility and secondly, concurrent with that, look at the possibility of expansion at the current port or Riveredge or Claymont. He further offered they were looking for a five, ten or fifteen year projection, and they direction in which they should be headed.

These projects would be prepared by individual consultants, such as one for the environment, one for economic impact, one who may look at it just as a facility design group. Mr. Bailey further stated that those individuals would meet with existing customers, receive input from multiple sources and put together a blueprint for the future.

Representative Potter asked about the 5 to 10 year window, previously mentioned by Mr. Bailey, and Mr. Bailey specified that he is looking for the future and what it would do in 5 to 10 years, and include taking into consideration factors such as the Panama Canal.

Mr. Bailey expressed that they have to look at the entire package and the direction they need to go in, in order to maximize and improve the economic impact with the state.

Mr. Ashe expressed that it shouldn't take until March to get a study that should take no longer than 90 days, and pointed out that Delaware is on a timeline to try to beat some of its competitors across the river. He pointed out that DNREC was able to grant a response within weeks, and questioned why the Riveredge project could not also be given a response in a similar amount of time.

Secretary Tom Cook stated that he wished to clarify what Mr. Bailey said previously. He stated that the responses are due back by September 23rd and there could be an unknown number of responses. They would not know the number of responses until September 23rd and would provide an update at the next task force meeting held on September 30, 2015. He suggested that each entity who wished to be examined have a presentation at the next meeting.

Representative Potter confirmed that each entity should make a 20 minute presentation at the task force meeting on September 30th.

Senator Cloutier asked to receive the presentations ahead of time, via email.

Mr. Harris questioned the various entities that Secretary Cook previously mentioned, since he was aware of two entities only involved. He further expressed that Philadelphia has five terminals and that expansion is important because the volume of shipping exists. Mr. Harris added that Riveredge is the closest site to put on the market right now.

Secretary Cook clarified that the three sites that he has heard in discussions have been the Port of Wilmington, Riveredge and Claymont.

Secretary Jeffrey Bullock specified that in the spring, the Port Board was asked about moving forward with the strategic plan. He, and some of the members were not happy with the scope of the original proposal and asked for it to be broadened out. This occurred before he was Chairman of the Board.

Secretary Bullock further stated that in July, the Port Board voted and approved an expanded strategic plan to include going out on the river and to also include the New Castle site in their study. They also agreed to finance it.

Representative Potter and Secretary Bullock discussed the specifics of how the study would be financed. Representative Potter pointed out that he allocated \$200,000.00 in the Bond Bill for an overall study. Secretary Bullock agreed to coordinate that with Representative Potter and stated that Senator Henry, Senator McDowell and others have urged that they spend what is necessary to provide a comprehensive look at all the options.

Secretary Bullock further stated that the Port Board does not have a preference of any facility. He said that they want to look for the best options in Delaware and that any investors are going to look at the overall operation of the port, including the existing facility and the bulk of business there. He emphasized to look not only at the long-term, but also at the here and now. Secretary Bullock further stressed that they need to be very focused on the health and vitality of the existing facility because if that were to weaken, they could lose major customers

Senator Henry asked, and Secretary Bullock confirmed that the Riveredge project would be included in a port board study.

Secretary Bullock mentioned the issues of timing and urgency, but stressed the importance of doing a really good job, and having done the technical, environmental and legal studies and analysis that are required.

Senator Henry stated that she was happy that Secretary Small was part of the discussion and planning.

Representative Potter introduced Mr. Jim Poling, Brownfields Coordinator with DNREC. He said that he met with Mr. Poling previously to discuss opportunities for obtaining money through DNREC.

Secretary Bullock joked that he always liked to use DNREC's money. (group chuckles)

Mr. Poling discussed the Brownfields Program and stressed that no applications have come in.

Mr. Harris asked for a definition of a brownfield because Riveredge has been considered a greenfield. Mr. Poling defined a brownfield as a vacant, abandoned, underutilized real property whose redevelopment (a port) is hindered by the reasonably held belief of contamination, and that contamination must be proved. He further stated that the property in question, by the bridge, would probably qualify easily. He said that the Port is clearly a brownfield site if it was willing to sell off a piece of it to another private party, in order to qualify as a brownfield site.

Representative Potter asked Mr. Poling about the effect on the coastal zone. Mr. Poling clarified that he is not associated with the coastal zone in any way and then stated that a container enterprise on the coastal zone would not be prohibited, although it may require a permit. He advised Representative Potter to talk to their attorneys for questions.

Ms. Denison discussed the issue of having possibly poisonous dust emit from trucks into the community in the Riveredge area and asked that concerns such as this are made a priority from the beginning. Mr. Poling stated that in order to go through the program, the same procedures would have to be followed as it would for any other normal business operation, including dusting and zoning permits.

Senator Henry advised that public meetings are held before permits are issued and that the public and community would be informed, and would have an opportunity to be involved.

Mr. Harris stated that the U.S. Department of Transportation sent a team to Delaware and they went to the present site, as well as the Riveredge site. He said the team was very impressed and said it was the type of project they were looking for and one of the best sites they'd seen in terms of port development and new port structures.

Mr. Ashe agreed, and added that the team communicated with them for a period of time, but communication discontinued when the state seem disinterested. He said the team visited the existing port in February 2015, and marveled at the congestion there and asked how they did it, and then offered to fast track anything they needed to get done, after visiting the Riveredge site.

Mr. Harris stated possibly 10,000 jobs could be created in Delaware, directly and indirectly and that is why he is so passionate about this.

Representative Potter called on Senator Robert Marshall.

Senator Marshall joked that he felt empowered, and as if he had two votes - one in the Senate and one in the House (laughter). Senator Marshall directed his next statement to Mr. Bailey and Secretary Bullock. He asked if the Legislature and Governor supported and immediately added refrigerated warehousing in the area of the ports that we own, and increased jobs quickly, would they be prepared to support them.

Representative Potter applauded Senator Marshall's option as great, and mentioned that multi-tasking had been discussed before Senator Marshall arrived.

Secretary Bullock responded that they were currently engaged with a very active group in attracting new businesses to the port that would create new jobs. He appreciated Senator Marshall's moral support, as well as Representative Potter's support as a member of the Bond Bill Committee.

Secretary Bullock further stated that it was going to cost a lot of money because there will be improvements in the existing facility which are necessary in order to draw new business, as well as to retain their existing business. He mentioned the importance of multi-tasking. Secretary Bullock added that he had already told the Governor what he would need from him next year and that it was a fairly significant number.

Senator Henry welcomed Representative Bryon Short and joked that she wasn't going to call him Senator because she'd already made that mistake today. (laughter)

Mr. Bailey complimented the great reputation and hard-working efforts of the labor at the port, in the warehouses and on the ships. He said that often many people get credit that they don't deserve, but he would like to go on record saying they deserve the credit for keeping businesses here.

Mr. Coulahan stated that it's very important to look at both the business they are doing now and also towards the future, because in the past, specific projects were looked at singularly and future impact was not considered. He stressed that it is very important to look at expansion, regardless of the location, because one will affect the other.

Mr. Hartranft suggested that there's an opportunity to create a Port of Delaware and that it is important to get those intentions out there because the competitive advantages of Delaware in location, infrastructure and labor beats Philadelphia, New Jersey and other congested gateways.

Representative Potter agreed and compared it to IBM, which waited and Apple, who moved past them.

Mr. Harris offered that there should be a Delaware Port Authority or a Diamond State Port Authority that entails any shipping anywhere in the state.

Representative Potter agreed.

Senator Henry suggested that changing the focus from just the Port of Wilmington to the Diamond State, or Delaware Port Authority might be one of the major recommendations coming from the task force.

Representative Potter joked that Senator Henry was already giving Secretary Bullock a promotion, and he had just arrived (general laughter).

Public Comment

Ms. Denison reiterated that her concern that if the community is kept involved from the beginning, there would be a greater chance of success and putting more people to work safely.

Mohammad Salaam identified himself as a community person and former city employee of 30 years. He reflected that the City once owned the Port and he hoped the State would remember that and offer some dignity back to the community.

Nick DiBuo shared that the Riveredge site has a direct railway line to the GM Boxwood Road Plant. Mr. DiBuo pointed out that the plant could be used for warehousing, without eminent domain or land traffic concerns, so that may make the Riveredge site worth exploring.

Closing

Senator Henry explained that the current location was unavailable for the next meeting, but confirmed that the next meeting would be held on Wednesday, September 30, 2015, from 1:00 p.m. to 3:00 p.m. in the Auditorium, located on the Mezzanine level of the Carvel State Building. She additionally stated that Wednesdays at 10:00 a.m. seemed to be a good time for future task force meetings especially since, she joked, the task force members were in attendance (group chuckles).

Representative Potter said a meeting date schedule would be given.

Mr. Evanko asked what the presenters might share at the next meeting. Representative Potter invited him to share his suggestions. Mr. Evanko suggested the presenters present specific items at the next meeting. Representative Potter assured Mr. Evanko that he would have an opportunity to ask questions of the presenters.

Senator Henry asked Secretary Bullock if he could have the questions that were brought up at the meeting addressed as part of the RAP's.

Secretary Bullock stated that some of the deeper analysis, environmental issues for example, are huge and will not be answered in two weeks. He further cautioned that the study takes time and he would bring consultants in at a future meeting. He said that he believed that Secretary Cook volunteered to lead that effort.

Ms. Denison asked to have a map at the next meeting, with the possible sites highlighted.

Representative Potter asked any task force members who wished to make a presentation at the next meeting to send their presentations in a PowerPoint format, via email, to him at his email address. He asked Rylene Harper to give his email address to the task force members.

Ms. Harper read Representative Potter's email address to the members.

Senator Henry thanked the task force members for a very productive meeting and appreciated their service and their willingness to serve.

Representative Potter thanked everyone for attending and said he looks forward to the next meeting.

The Port of Wilmington Expansion Task Force meeting was adjourned.

Minutes prepared by Rylene M. Harper, Legislative Assistant & Task Force Staffer