



ALBANY PORT DISTRICT COMMISSION MEETING
JUNE 27, 2022
12:00 NOON

AGENDA

- 1) Approval of Minutes from the May 25, 2022 Commission meeting, (Attached) (Chairperson intro and discussion of minutes by Board)**
- 2) Public Comment**
- 3) Financial Update (by CFO Stuto)**
- 4) CEO Update (by CEO Hendrick)**
- 5) Real Property/Development Update (by CCO Daly)**
- 6) Amendment to McFarland-Johnson Tower Mfg. Contract (Resolution 23-2022) (by CFO Stuto)**
- 7) Amendment to McFarland-Johnson Beacon Island Contract (Resolution 24-2022) (by CFO Stuto)**
- 8) NYSDOT Grant Contract Authorization (Resolution 25-2022) (by CFO Stuto)**
- 9) Lease Agreement for 881 South Pearl Street (Resolution 26-2022)(by DSI Skubon)**
- 10) Other Business (Chairperson)**
- 11) Enter Executive Session¹**
- 12) Exit Executive Session**
- 13) Next Meeting: Wednesday, July 27, 2022**

¹ Only if necessary (and if approved by a majority vote of the Commission), to discuss:

- a. matters which will imperil the public safety if disclosed;
- b. any matter which may disclose the identity of a law enforcement agent or informer;
- c. information relating to current or future investigation or prosecution of a criminal offense which would imperil effective law enforcement if disclosed;
- d. discussions regarding proposed, pending or current litigation;
- e. collective negotiations pursuant to article fourteen of the civil service law;
- f. the medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation;
- g. the preparation, grading or administration of examinations; and
- h. the proposed acquisition, sale or lease of real property or the proposed acquisition of securities, or sale or exchange of securities held by such public body, but only when publicity would substantially affect the value thereof.



ALBANY PORT DISTRICT COMMISSION
MINUTES OF A REGULAR MEETING
MAY 25, 2022

Counsel Jordan noted that Chairperson Steffens would be attending the May 25, 2022 Board meeting virtually. Chairperson Steffens called the meeting to order. In attendance were Commissioners Abriel, Cinquanti, Coffey and Tagliento. Also present were CEO Hendrick, General Counsel Jordan, CCO Daly, CFO Stuto, DSI Skubon, SCM Yagan, Director of Security Williams, Deputy Director of Security Teller and Administrative Assistant DiLillo.

Chairperson Steffens welcomed Roddy Yagan to the Port Team as the Senior Construction Project Manager.

Chairperson Steffens introduced the minutes of the April 20, 2022 Special Commission meeting, April 27, 2022 Commission meeting and May 6, 2022 Special Commission meeting. No changes were made to the minutes. Chairperson Steffens called for a motion to approve the minutes. A motion was made by Commissioner Abriel, seconded by Commissioner Tagliento, and passed unanimously.

PUBLIC COMMENT

Tom McPheeters, Albany resident, reported to the Board that the South End Community Collaborative working with the Neighborhood Association had their first public meeting regarding local job prospects. The meeting focused on current employment opportunities within Albany County as well as workforce training for future employment opportunities at the Port. He noted that it has been a good start to public outreach and that residents are excited for new job opportunities.

FINANCIAL UPDATE

CFO Stuto reviewed the actuals for the Board through April 30, 2022 and the projected forecast through the end of the year. She reported that overall revenue continues to trend above budget by 1.2 million, primarily due to the public/private partnership revenue and the timing of it, as well

as additional positive variances in both dockage fees and security fees. Reduction in revenue at the end of the year is expected to be ahead by \$500,000. It is anticipated that the public/private partnership will remain on budget but expects to see the continued increase of dockage and security fees. Operating expenses are ahead of budget in the development expense for the Offshore Wind Project by just over \$1 million, which is in line with the public/private partnership revenue. Maintenance and repairs continue to be ahead of budget and is forecasted to continue through the end of the year, due to an increase in maritime activity which will increase the need for heavy equipment repairs and rental fees. Forecasted operating expenses are expected to be under budget by \$74,000 by the end of the year. Depreciation and other income and expenses are under budget through April but are forecasted to be closer to budget by the end of the year. Overall change in net position is forecasted to be above budget by \$463,000 by the end of the year, primarily due to a projected increase in revenue.

CEO UPDATE

CEO Hendrick updated the Board on the following:

- The Port received the site plan approval from the Town of Bethlehem. Notice of intent to proceed with work will be forthcoming.
- As a requirement of the expansion project process, the Army Corp of Engineers published their public notice in the Environmental Notice Bulletin this week and DEC will be publishing their public notice in the next few days. The Port also published a notice regarding the project in the Albany Times Union on May 20th in accordance with DEC regulations. CEO Hendrick expects permits to be issued by the end of June.
- CEO Hendrick along with Office Manager Stock continue to meet with Bill Ring and the Federal Marine Terminals marketing representatives. FMT expects additional wood pulp cargo within the coming months. There will be three ships coming in from South America with General Electric cargo.
- Total ships are down for the year but tonnage has increased, keeping maritime activity strong.

REAL PROPERTY/DEVELOPMENT UPDATE

CCO Daly reported that Marmen is participating virtually in a presentation at the Hudson Valley Manufacturing Boot Camp. Marmen also plans to meet this summer in person with workforce leaders, including the Workforce Board of Directors and the Executive Director, focusing on the steps they will be taking towards hiring activity.

DSI Skubon presented to the Board an overview of a potential lease opportunity. The Port team has been meeting with a prospective tenant who intends to provide a fuel cell project on the leased site, which would be located within a regional clean energy hub. This lease opportunity would potentially be long term with no need for wharf access and little to no vehicle traffic. The Port team will continue negotiations with the business and will present a proposal agreement to the Board for approval when finalized.

Commissioner Cinquanti asked what the fuel cells would be used for. DSI Skubon responded that they could be used for industrial use, possibly selling it back to the Port. He stated that their direct contract would be with National Grid.

CYBERSECURITY UPDATE

Counsel Jordan presented the Board with a Cyber Security Update provided by Tech II, the Port's information technology service provider. He reported that fifteen items that had been identified through the 2020 Coastguard Cyber Commend Security Assessment had been assessed and addressed. Eighteen unsupported networking devices were replaced. The firewall geofencing had been enhanced to exclude multiple countries from any inbound or outbound data access. All monitored servers, desktops and laptops were upgraded from standard anti-virus protection to enhanced detection and response next generation anti-virus. Since this upgrade there has been no reported or detected malicious software infections. Tech II continues to run dark web scam protocols to detect any breaches. None have been found. After experiencing some network issues throughout the terminal, warehouse and sheds, Tech II troubleshot and serviced the fiber optic wi-fi infrastructure. Port staff continue to actively participate in a Cyber Security training and awareness program and receives weekly and biweekly updates from Tech II. The Port's website receives between 200,000 and 274,000 attacks per day. Wordfence Network security software has been installed to enable the Port to combat these cyberattacks.

INFORMATION TECHNOLOGY SERVICES

Counsel Jordan presented Resolution 15-2022 relating to the proposed renewal of the APDC's contract with Tech II for information technology services for an additional year, pointing to the level of service received and the cost savings realized. Counsel Jordan stated that the Port has been pleased with the high level of services that Tech II has provided since they were awarded the contract and that they have done an exceptional job supporting the Port's staff. Chairperson Steffens called for a motion to renew the contract with Tech II for an additional year, not to exceed \$39,000. A motion was made by Commissioner Coffey, seconded by Commissioner Abriel and passed unanimously.

AUTHORIZATION OF TRANSACTION WITH BETHLEHEM IDA

Counsel Jordan presented Resolution 16-2022 related to enabling the Port to process the closing between the Albany Port District Commission and the Bethlehem IDA, which will allow the Port to move forward with the financing mechanism through the Bethlehem IDA. Commissioner Coffey asked if there had been any discussions with the Albany County IDA and Albany County. CCO Daly responded that there were discussions with both since the project was in two jurisdictions, noting that all parties were in favor. Chairperson Steffens called for a motion to approve Resolution 16-2022. A motion was made by Commissioner Coffey, seconded by Commissioner Abriel and passed unanimously.

AMENDMENT TO PART A - TREE CLEARING CONTRACT

CFO Stuto presented Resolution 17-2022 regarding an amendment to the Tree Clearing and Removal contract portion of the site preparation phase of the expansion project. Prior to the completion of the authorized work the Town of Bethlehem, NYSDEC and National Grid required additional actions to take place leading to changes in the scope of work causing an increase in the project cost. Chairperson Steffens called for a motion to authorize the CEO to execute the necessary documents to increase the contract for the Tree Cutting and Removal for an additional cost not to exceed \$201,454. A motion was made by Commissioner Coffey, seconded by Commissioner Cinquanti and passed unanimously.

Commissioner Coffey asked for an update relating to MARAD. CEO Hendrick provided the Board with an overview of that portion of the project.

Commissioner Coffey suggested that the Port team review the process in which project information is shared with the Board as it evolves with the consultants and developers. Noting that pertinent information be shared with Board members in real time. CEO Hendrick concurred with Commissioner Coffey's request.

CCO Daly provided the Board with an overview of the expansion project elements and timeline, focusing on each milestone of the project. Noting that the project schedule remains on target.

Counsel Jordan reported that the PLA is in the final stages of negotiations. Once the Trades Councils approves the agreement it will be presented to the APDC Board for final approval and signature.

Chairperson Steffens suggested that an updated project component and timeline be forwarded to the Board members biweekly. SCM Yagan noted that the Owner's Representative will be contributing to the updates as well.

AMENDMENT TO MCFARLAND-JOHNSON BEACON ISLAND CONTRACT

CFO Stuto presented Resolution 18-2022 related to the contract with McFarland-Johnson to provide supplemental engineering services for the Phase 1 Infrastructure Design and Permitting related to the expansion project. During discussions with the project partners in relation to the proposed offshore wind tower manufacturing plant, it was determined that the production of transition pieces in addition to the wind towers would be beneficial to the project. This production of transition pieces required modifications to the site plan, bridge design, Environmental Impact Statement and environmental permit coordination and management. The Port staff recommended that the Board approve Change Order ECN-01 authorizing McFarland-Johnson to provide additional engineering services for the Phase 1 Infrastructure Design and Permitting related to the

expansion project. Some discussion took place. Chairperson Steffens called for a motion to authorize the CEO to execute the necessary documents to process McFarland-Johnson Engineering Services Change Order ECN-01 for an additional cost not to exceed \$195,437. A motion was made by Commissioner Coffey, seconded by Commissioner Abriel and passed unanimously.

AMENDMENT TO MCFARLAND-JOHNSON TOWER MFG. CONTRACT

CFO Stuto presented Resolution 19-2022 related to the contract with McFarland-Johnson to provide professional engineering services, architectural services and bid and construction administration services related to the project for the manufacturing facilities. During discussions with the project partners in relation to the proposed offshore wind tower manufacturing plant, it was determined that the production of transition pieces, in addition to the wind towers, would be beneficial to the project. This production of transition pieces would then require modifications to the manufacturing plan, to the schematic building drawings, an update to the schedule and cost estimates and updates to the bid packages. The Port staff recommended that the Board approve Change Order ECN-02 authorizing McFarland-Johnson to provide additional professional engineering services, architectural services and bid and construction administration services related to the project for the manufacturing facilities. Chairperson Steffens called for a motion to authorize the CEO to execute the necessary documents to process McFarland-Johnson Professional Engineering Services Change Order ECN-02 for an additional cost not to exceed \$75,000. A motion was made by Commissioner Abriel, seconded by Commissioner Tagliento and passed unanimously.

AMENDMENT TO MCFARLAND-JOHNSON TERMINAL IMP. CONTRACT

CFO Stuto presented Resolution 20-2022 relating to the contract with McFarland-Johnson for Architecture and Engineering Services related to the Terminal and Roadway Improvements Project. The APDC requested an addition to the scope of work to include pavement and infrastructure improvements adjacent to Warehouse C, which lead to an increase to the budgeted cost. The Port staff recommended that the Board approve the additional costs related to the construction documents and construction support for the Terminal and Roadway Improvements Project. Chairperson Steffens called for a motion to authorize the CEO to execute the necessary documents to increase the budget for the project at a cost not to exceed \$25,000. A motion was made by Commissioner Tagliento, seconded by Commissioner Abriel and passed unanimously.

CONSTRUCTION OWNER'S REPRESENTATIVE SERVICES AWARD

SCM Yagan presented Resolution 21-2022 relating to Construction Owner's Representative Services. The APDC issued a Request for Proposal for Construction Owner's Representative Services, seeking specialists to act on the APDC's behalf in overseeing, inspecting and tracking the development of an offshore wind tower manufacturing plant from construction to completion and close-out. Multiple responses were received and reviewed by a committee. After the evaluation of proposals and the interview process, which Chairperson Steffens participated in, the

Review Team determined Hudson Meridian Construction Group, LLC to be a qualified and responsible bidder and recommended that the Board award the contract to them at a cost not to exceed \$5,615,807. Chairperson Steffens called for a motion to authorize the CEO to execute the necessary documents to award the contract for Construction Owner's Representative Services to Hudson Meridian, LLC at a cost not to exceed \$5,615,807. A motion was made by Commissioner Coffey, seconded by Commissioner Cinquanti and passed unanimously.

CMAR PART 1 CONTRACT AWARD

SCM Yagan presented Resolution 22-2022 relating to Construction Manager at Risk Services. In April 2022 the APDC issued a Request for Proposals for Construction Manager at Risk Services (CMAR) related to the development of an offshore wind tower manufacturing plant, seeking experts able to manage complex construction with multi-discipline component work to initially develop an updated feasible construction schedule, identify site work coordination and develop and submit the most competitive guaranteed maximum price. Multiple responses were received. The Review Team evaluated the proposals and interviewed the respondents based on many factors and determined Gilbane, Inc. to be a qualified and responsible bidder and recommended that the Board award the contract for the initial CMAR Services to Gilbane, Inc. at a cost not to exceed \$268,230. Chairperson Steffens called for a motion to authorize the CEO to execute the necessary documents to award the contract for CMAR Services to Gilbane, Inc. at a cost not to exceed \$268,230. A motion was made by Commissioner Coffey, seconded by Commissioner Cinquanti and passed unanimously.

EXECUTIVE SESSION

There was no Executive Session.

OTHER BUSINESS

No other business for discussion.

NEXT MEETING

Chairperson Steffens informed all those in attendance that the **next meeting of the APDC Board of Commissioners will be held on Wednesday, June 29, 2022 at 12:00 noon.**

Chairperson Steffens called for a motion to adjourn the meeting. A motion was made by Commissioner Abriel, seconded by Commissioner Tagliento and passed unanimously. The meeting was adjourned.

**RESOLUTION 23-2022
OF THE
ALBANY PORT DISTRICT COMMISSION**

WHEREAS, the Albany Port District Commission (the “APDC”) is a public corporation and a district corporation of the State of New York established pursuant to Chapter 192 of the Laws of 1925; and

WHEREAS, the APDC strives to responsibly and effectively manage the publicly-owned maritime Port of Albany-Rensselaer, contributing to the economy of the Capital Region and beyond while emphasizing transparency and public stewardship as prescribed in the APDC Mission Statement; and

WHEREAS, in furtherance of the APDC mission the APDC has embarked on the expansion of the Albany Port District in the Town of Bethlehem and a 14.5 acre site in the City of Albany with a proposed offshore wind tower manufacturing plant (the “Project”); and

WHEREAS, on March 24, 2021 the APDC Board authorized a contract with McFarland-Johnson, Inc. to provide professional engineering and architectural services and bid and construction administration services related to the Project for the manufacturing facilities to be located at both the expansion site in the Town of Bethlehem and 700 Smith Boulevard in the City of Albany (“Engineering Services”); and

WHEREAS, the APDC and its project partners determined that the production of transition pieces in addition to wind towers would be beneficial to the Project; and

WHEREAS, the Town of Bethlehem requested changes to a required traffic signal associated with the Project; and

WHEREAS, the additional scope of work related to the production of transition pieces necessitated changes to the basis of design of the pre-engineered metal buildings, revised architectural detailing and redesigned structural elements, and the requested changes to the traffic signal lead to design changes of the intersection improvements.

NOW, THEREFORE, BE IT RESOLVED, that the APDC authorizes the Chief Executive Officer to execute the necessary documents to process McFarland-Johnson Engineering Services Change Order ECN-03 at a cost not to exceed \$85,895.

Signed: _____
(Assistant) Secretary

Date of Authorization: June 27, 2022

Prepared by:
Patrick K. Jordan, Esq.

**RESOLUTION 24-2022
OF THE
ALBANY PORT DISTRICT COMMISSION**

WHEREAS, the Albany Port District Commission (the “APDC”) is a public corporation and a district corporation of the State of New York established pursuant to Chapter 192 of the Laws of 1925, as amended; and

WHEREAS, the APDC strives to responsibly and effectively manage the publicly-owned maritime Port of Albany-Rensselaer, contributing to the economy of the Capital Region and beyond while emphasizing transparency and public stewardship as prescribed in the APDC Mission Statement; and

WHEREAS, in furtherance of the APDC mission the APDC has embarked on the expansion of the Albany Port District in the Town of Bethlehem and a 14.5 acre site in the City of Albany with a proposed offshore wind tower manufacturing plant (the “Project”); and

WHEREAS, on March 24, 2021 the APDC Board authorized a contract with McFarland-Johnson, Inc. to provide Supplemental Engineering Services for the Phase 1 Infrastructure Design and Permitting related to the Project (“Engineering Services”); and

WHEREAS, additional Town of Bethlehem, regulatory agencies and National Grid requirements lead to scope changes related to civil design, permitting and other miscellaneous services to the Project; and

WHEREAS, these scope changes lead to additional design and field services related to the civil design and approval process, changes to the Storm Water Pollution Prevention Plan and related inspections, additional National Grid licensing permits and further regulatory agencies permitting and project related meetings.

NOW, THEREFORE, BE IT RESOLVED, that the APDC authorizes the Chief Executive Officer to execute the necessary documents to process McFarland-Johnson Engineering Services Change Order ECN-02 for the Phase 1 Infrastructure Design and Permitting related to the Expansion Project at a cost not to exceed \$190,050.

Signed: _____
(Assistant) Secretary

Date of Authorization: June 27, 2022

Prepared by:
Patrick K. Jordan, Esq.

**RESOLUTION 25-2022
OF THE
ALBANY PORT DISTRICT COMMISSION**

WHEREAS, the Albany Port District Commission (the "APDC") is a public corporation and a district corporation of the State of New York established pursuant to Chapter 192 of the Laws of 1925, as amended; and

WHEREAS, the Port of Albany Maritime Freight Handling Expansion Project, Project Identification Number 1936.01.301 ("the Project") has been awarded \$4,800,000 of Rail Preservation Purpose funds for the payment of New York State's share of eligible Project costs in accordance with the provisions of the Section 14 of the New York State Transportation Law, as administered by the NYS Department of Transportation ("NYSDOT"); and

WHEREAS, the total cost for the Project is estimated to be \$11,170,000 and the APDC has determined that the Project is in the best interests of the public and in furtherance of the mission of the APDC; and

WHEREAS, the APDC desires to advance the Project by making a commitment of at least \$6,370,000 APDC funding of the costs of the Project.

NOW, THEREFORE, the APDC duly convened does hereby:

RESOLVED, that the APDC hereby approves the Project; and it is hereby further

RESOLVED, that the APDC agrees to provide at least \$6,370,000 in funding for the Project; and it is further

RESOLVED, that the Chief Executive Officer of the APDC is hereby authorized to execute all necessary agreements, certifications or reimbursement requests for NYSDOT funding on behalf of the Chairperson of the APDC with NYSDOT in connection with the advancement or approval of the Project and providing for the administration of the Project and the APDC's funding of the Project costs; and it is further

RESOLVED, that the APDC reaffirms and ratifies any documents executed by the Chief Executive Officer related to the implementation of the Project executed prior to the date of this Resolution; and it is further

RESOLVED, in the event the full costs of the project exceeds the amount appropriated above the APDC shall convene as soon as possible to appropriate said excess amount immediately upon notification by the staff thereof; and it is further

RESOLVED, that a certified copy of this resolution be filed with the New York State Commissioner of Transportation by attaching it to any necessary Agreement in connection with the Project; and it is further

RESOLVED, that this Resolution shall take effect immediately.

Signed: _____
(Assistant) Secretary

Date of Authorization: June 27, 2022

Prepared by:
Patrick K. Jordan, Esq.

**RESOLUTION 26-2022
OF THE
ALBANY PORT DISTRICT COMMISSION**

WHEREAS, the Albany Port District Commission (the “APDC”) is a public corporation and a district corporation of the State of New York established pursuant to Chapter 192 of the Laws of 1925, as amended; and

WHEREAS, the APDC strives to responsibly and effectively manage the publicly-owned maritime Port of Albany-Rensselaer, contributing to the economy of the Capital Region and beyond while emphasizing transparency and public stewardship as prescribed in the APDC Mission Statement; and

WHEREAS, in furtherance of the APDC mission, the APDC desires to enter into a lease agreement with Daroga Power, LLC for the use and occupancy of certain parcels of land totaling approximately 7 acres located in the Port District (the “Parcel”); and

WHEREAS, the Parcel carries an appraised value of \$7,922 annual rent per acre; and

WHEREAS, Daroga Power, LLC. has proposed a 3 year option period to lease the Parcel and thereafter would, at its option, commence a lease for 25 years with two 10-year extension options to develop, install and operate a hydrogen production facility on the Parcel, which will both add to the existing businesses within the Albany Port District and provide a desired service to Capital Region.

WHEREAS, the option period shall include payments in addition to the lease rate and the lease rate shall be increased annually by 1.5 percent.

NOW, THEREFORE, BE IT RESOLVED, that the APDC concludes that its disposition of the Parcel to Daroga Power, LLC. is in the best interests of the APDC and authorizes the Chief Executive Officer to execute any documents necessary, including the filing of a statutory 90-day statement, to affect the disposition of the Parcel for the terms described above at a lease rate of not less than the appraised value of the Parcel.

Signed: _____
(Assistant) Secretary

Date of Authorization: June 27, 2022

Prepared by:
Patrick K. Jordan, Esq.