

Gov. Wolf hopes development of Navy Yard's Southport section starts in 2017

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by **Linda Loyd**, Inquirer Staff Writer.

On the banks of the Delaware on Wednesday, Gov. Wolf said his priorities for the Port of Philadelphia are investing in its aging infrastructure, creating jobs, and keeping Pennsylvania economically competitive.



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The governor said one of his goals is to develop the 196 acres at the eastern end of the Navy Yard known as Southport, the first major maritime expansion in Philadelphia in 50 years.

In recent months, more than a dozen port operators, energy firms, and private investors have expressed interest in developing all, or part, of the empty land south of the Walt Whitman Bridge.

Proposed uses include a marine terminal to handle container cargoes, an energy port, and additional automobile-processing space. Thousands of Hyundai and Kia vehicles arrive here annually on ships from South Korea, headed to dealer showrooms.

In September, the Wolf administration asked for submission of "qualifications" for developing Southport. Those making submissions will be reduced to a short list, then have a June 2016 deadline by which to deliver concrete proposals. The governor said he hopes the project will be underway in 2017.

The state, which owns the piers and terminals that make up the Philadelphia port, is seeking "public/private partnerships" and "one or more private companies" to make substantial investments in Southport.

The number of potential jobs created from Southport will depend on the type of development, the governor said.

If Southport is developed entirely as an energy terminal, Wolf said, up to 590 jobs could be created. If the site is developed completely for a "non-energy use," he said, up to 3,720 potential jobs could be created.

The governor said he is committed to continuing to provide state resources and investment in the port. He said he has commissioned a multiyear study by experts advising on how to make the port better.

"We need to make investments, but we need to make investments that are wise," Wolf said.

He said he does not have an opinion on the best use, or mix of uses, for Southport.

"I want to see what the free market and private sector feel is a good investment to make," the governor said. "I want this to be a place that creates good jobs, and I'm willing to wait and see what the best offer is."

The deepening of the Delaware River shipping channel to 45 feet from 40 feet and the expansion of the Panama Canal by 2017 to allow larger ships from Asia to get to East Coast ports are among the reasons the waterfront must remain a "vital resource," Wolf said.

Mayor-elect Jim Kenney has been enthusiastic about expanding the port as a way to create thousands of new working-class jobs in Philadelphia.

The Philadelphia Regional Port Authority (PRPA) first sought bids for Southport in the spring of 2009, but tight credit and a rocky economy stalled the project. In 2010, with an uptick in shipping, the project appeared to gain new life.

Delaware River Stevedores (DRS) and parent companies SSA Marine and Ports America Group secured the winning bid in October 2010 to develop the property, with Hyundai Merchant Marine as a shipping partner. Hyundai later dropped out.

In April 2014, DRS and its team withdrew because they could not secure a steamship company to partner with in the finance and construction.

The PRPA again sought "expressions of interest" for Southport last fall, and 15 firms said they were interested.

Among them was Philadelphia Energy Solutions, which runs the former Sunoco refinery in South Philadelphia and would like to build an energy port with a wharf to handle oil tankers. CEO Philip L. Rinaldi has said all 196 acres may not be needed.

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