SUMMARY STATEMENT

ITEM NO.  SUBJECT: Delaware River Main Channel Deepening Project; Non Federal Sponsor

COMMITTEE: New Business

COMMITTEE MEETING DATE: N/A

BOARD ACTION DATE: May 17, 2007

PROPOSAL: That the DRPA authorize the transfer of its status as the Non Federal Sponsor working with the Army Corps of Engineers on the Delaware River Main Channel Deepening Project to the Philadelphia Regional Port Authority (PRPA).

PURPOSE: To transfer status as the Non Federal Sponsor to the PRPA.

BACKGROUND: In the late 1980s the DRPA agreed to serve as the Non Federal Sponsor for a project to dredge the Main Channel of the Delaware River to a depth of 45 feet (the “Project”).

In 1999 the DRPA issued certain bonds that included $50 million toward the Non Federal Share of the costs for the Project. Of that amount approximately $38.5 million remains unexpended.

The Commonwealth of Pennsylvania and the State of New Jersey, as the states that created the DRPA, have now agreed that the DRPA’s status and obligations as the Non Federal Sponsor should be transferred to PRPA. The Commonwealth and the State have also agreed that the funds remaining from the bond proceeds should be reallocated so that the Commonwealth will control the disposition of one half of the said remaining funds and the State will control the disposition of one half of the said remaining funds. The use of the said funds shall be subject to all legal requirements applicable to the Bond issue that generated these proceeds.

The Cooperation Agreement between the State and the Commonwealth is attached hereto.
SUMMARY:  Amount:  
Source of Funds:  1999 Port District Project Bonds Series B (Non Taxable)
Operating Budget:  N/A
Master Plan Status:  approved
Other Fund Sources:  Federal Funding
Duration of Contract:  N/A
Other Parties Involved:  Philadelphia Regional Port Authority, United States Army Corps of Engineers, Commonwealth of Pennsylvania and State of New Jersey
RESOLUTION

RESOLVED: That the Board of Commissioners authorizes and directs that staff take all steps necessary or convenient to complete the transfer of DRPA’s status as the Non Federal Sponsor of the Delaware River Main Channel Deepening Project to the Philadelphia Regional Port Authority consistent with the provisions set forth in detail in the Cooperation Agreement attached hereto and made a part hereof; and be it

FURTHER RESOLVED: The Chair, Vice Chair and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Chair, Vice Chair and Chief Executive Officer and if thereafter either the Chair or Vice Chair is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA along with the Chief Executive Officer. If both the Chair and Vice Chair are absent or unavailable, and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA.

SUMMARY:

Amount: $38.5 million
Source of Funds: 1999 Port District Project Bonds Series B (non taxable)
Capital Project #: N/A
Operating Budget: N/A
Master Plan Status: approved
Other Fund Sources: Federal Funding
Duration of Contract: N/A

RLB