SUMMARY STATEMENT

ITEM NO.  SUBJECT: Approval of Funding for Repaupo Creek Improvements; Camden Riverfront Prison Project

COMMITTEE: New Business

COMMITTEE MEETING DATE: N/A

BOARD ACTION DATE: July 15, 2009

PROPOSAL: That the DRPA reallocate a portion of the funds originally raised in order to fulfill DRPA’s obligation as the Non-Federal Sponsor of the Delaware River Main Channel Deepening project as provided for in the “Cooperative Agreement” entered into by Governors Corzine and Rendell in May of 2007. Further that DRPA staff negotiate agreements with appropriate governmental entities in order to provide funding for construction and repair of levees and floodgate facilities along the Repaupo Creek and Delaware River and/or the acquisition of real property directly abutting or in close proximity to the Delaware River in Gloucester. And that DRPA staff negotiate agreements with appropriate governmental entities in order to provide funding for the demolition of the Riverfront State Prison in the City of Camden, together with site remediation, improvements and other related work,

PURPOSE: To authorize funding for these two important projects that will benefit residents of the DRPA Port District.

BACKGROUND: On August 18, 1999, the Board duly adopted DRPA Resolution 99-051, which, among other things, authorized the issuance by the DRPA of its Senior Revenue Bonds and its Subordinated Port District Project Bonds, including the 1999B PDP Bonds. Schedule "A" to the PDP Indenture listed certain projects to be funded with the proceeds of the 1999B PDP Bonds including, but not limited to, the Delaware River Main Channel Deepening Project ("Deeping Project"). On May 17, 2007 the DRPA Board adopted Resolution 07-013 under which the DRPA agreed to transfer its Non-Federal Sponsor status and responsibilities to Philadelphia Regional Port Authority (PRPA) and the Summary Statement also provided that “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 funds being reallocated by the current Resolution are those
allocated to the State (New Jersey) under DRPA 07-013. On February 20, 2008, the Board, by adoption of DRPA Resolution 08-020, determined to: (i) replace the DRPA as Non Federal Sponsor for the Deeping Project with the Philadelphia Regional Port Authority ("PRPA") and to provide a $19,250,000 grant to the PRPA with the proceeds of the 1999B PDP Bonds for the purpose of completing the Deepening Project; and (ii) reallocate, by subsequent resolution, the remaining balance of 1999B PDP Bond proceeds originally allocated to the Deeping Project to other capital projects to be developed pursuant to the Southern New Jersey Waterfront Master Plan ("Master Plan"), as provided in DRPA Resolution 07-013 and its attachment, and consistent with the obligations of the DRPA under the PDP Indenture, the Compact and the applicable income tax rules and regulations.

The Board now desires to specifically authorize the two projects described above which will be funded with 1999B PDP Bond proceeds not utilized for the Deepening Project in accordance and consistent with the DRPA's obligations under DRPA Resolution 07-013 and its attachment, DRPA Resolution 08-020, the PDP Indenture, the Compact and the applicable income tax rules and regulations so as to maintain the tax-exempt status of the interest on the 1999B PDP Bonds for federal tax purposes.

**SUMMARY:**

- **Amount:** $9,000,000 (not to exceed $3,000,000 for improvements at Repaupo Creek and not to exceed $6,000,000 for the Riverfront Prison project) from bond proceeds reallocated as per this Resolution.
- **Source of Funds:** 1999 Port District Project Bonds, Series B (Tax-Exempt)
- **Master Plan Status:** open
- **Operating Budget:** N/A
- **Other Fund Sources:** to be Determined
- **Duration of Contract:** to be Determined
- **Other Parties Involved:** New Jersey Economic Development Authority, Gloucester County, other appropriate governmental entities
RESOLUTION

RESOLVED: That the Board of Commissioners hereby amends Schedule A to the Indenture of Trust for the 1999 DRPA Port District Project Bonds, Series B (non taxable) authorized by DRPA Resolution 99-051 and previously amended by DRPA 08-020 in a manner consistent with the provisions of DRPA 07-013 and the Cooperation Agreement attached thereto, to specifically authorize use of a portion of the funds authorized by DRPA 99-051 for the projects described below; and be it

FURTHER RESOLVED: That staff be and are hereby authorized and directed to undertake all necessary and convenient actions including, but not limited to, the negotiation of forms of agreement, contracts or other similar documents, subject in each case to review and advice of Counsel, with the New Jersey Economic Development Authority, or its designated governmental entity, in order to provide funding in an amount not to exceed $6,000,000 for the demolition of the Riverfront State Prison in the City of Camden, together with site remediation, improvements and other related work, all in accordance with the PDP Indenture and the Compact, and in accordance with the applicable income tax rules and regulations to ensure the continued tax-exempt treatment of the interest on the 1999B PDP Bonds for federal tax purposes; and be it

FURTHER RESOLVED: That staff be and are hereby authorized and directed to undertake all necessary and convenient actions including, but not limited to, the negotiation of forms of agreement, contracts or other similar documents, subject in each case to review and advice of Counsel, with the County of Gloucester, or its designated governmental entity, in order to provide funding in an amount not to exceed $3,000,000 for the construction and repair of levees and floodgate facilities along the Repaupo Creek and Delaware River and/or the acquisition of real property directly abutting or in close proximity to the Delaware River in Gloucester County, all in accordance with the PDP Indenture and the Compact, and in accordance with the applicable income tax rules and regulations to ensure the continued tax-exempt treatment of the interest on the 1999B PDP Bonds for federal tax purposes; and be it

FURTHER RESOLVED: That the Vice Chair and Chief Executive Officer be and are hereby authorized and directed to consider the recommendations of staff and consults prior to the funding of any of the above-described projects; and be it
FURTHER RESOVED: That the Vice Chair and Chief Executive Officer are each hereby authorized and directed to approve and execute, with the advice of Counsel, all necessary agreements, contracts, or other documents on behalf of the DRPA for the purpose of effectuating the projects described in this Resolution. If any such agreements, contracts or other documents have been approved by the Vice Chairman and Chief Executive Officer, the Chief Executive Officer shall execute such agreements, contracts or other documents only where the Vice Chair is otherwise absent or unavailable; and be it

FURTHER RESOLVED: That any agreements, contracts or other documents executed or delivered in connection with any of the projects described in this Resolution shall include appropriate protections for DRPA, as issuer of the 1999B PDP Bonds, and to ensure the protection of the tax-exempt status of the interest on the 1998B PDP Bonds for federal tax purposes.

SUMMARY:

Amount: not to exceed $9,000,000 (not to exceed $3,000,000 for improvements at Repaupo Creek and not to exceed $6,000,000 for the Riverfront Prison project) from bond proceeds reallocated as per Resolution DRPA 09-XXXX.

Source of Funds: 1999 Port District Project Bonds, Series B (Tax-Exempt)

Operating Budget: N/A

Master Plan Status: open

Other Fund Sources: to be Determined

Duration of Contract: to be Determined

Other Parties Involved: New Jersey Economic Development Authority, Gloucester County, other appropriate governmental entities