SUMMARY STATEMENT

ITEM NO.: DRPA-11-111  SUBJECT: Implementation and Close Out of Resolutions 09-100, 09-101 and 09-105

COMMITTEE: Finance Committee

COMMITTEE MEETING DATE: December 7, 2011

BOARD ACTION DATE: December 14, 2011

PROPOSAL: That the Board authorizes staff to implement the provisions of Resolutions 09-100, 09-101 and 09-105 adopted on December 28, 2009 as amended by the current Resolution.

PURPOSE: To implement the actions called for in Resolutions 09-100, 09-101, and 09-105 as amended hereby, to comply with Federal tax and bond requirements by expending bond proceeds, and to close out DRPA involvement in economic development activities.

BACKGROUND: On December 28, 2009 the DRPA Board adopted Resolutions 09-100 and 09-101 authorizing Vice Chair and CEO to amend the provisions of Schedule A (project list) attached to designated bond resolutions previously adopted by the DRPA Board. DRPA has amended certain of the said Schedules A and now proposes to act to amend or re-amend the Schedules A as stated herein in order to authorize specific projects consistent with the intentions of Resolutions 09-100 and 09-101. In addition, DRPA will also hereby allocate all residual funds to the DRPA Project Fund. This action by the DRPA Board will allocate all economic development funds remaining in DRPA control, and will allow DRPA to complete its stated objective of refocusing its efforts solely on its core transportation mission following up on DRPA withdrawal from the intermodal business and from the cruise industry. Also, DRPA will implement the intention of Resolution 09-105 as amended hereby by allocating funds as set forth below. All funds allocated hereunder must be used in strict compliance with contract requirements developed pursuant to this Resolution, and all recipients must report fully and accurately to DRPA regarding the use of funds.

DRPA is aware that certain potential grant recipients have claimed that they have made commitments or expended funds in expectation of receiving a DRPA grant.
On August 18, 2010 the DRPA Board adopted Resolution 10-062 which states the Board position as prohibiting the use of any DRPA funds for “… projects not directly connected to the assets under the Board’s direct control”. By adopting this Resolution the DRPA is finalizing the uses for its remaining economic development funds. Subject to prior review by and advice from bond counsel regarding the qualification of each project for use of specific bond proceeds under applicable bond and tax law and regulations, the relevant Schedules A to the bond resolutions set forth in Resolutions 09-100 and 09-101 are to be amended to approve the following uses for the proceeds of the said bond issues, and the provisions of Resolution 09-105 are amended as required to fund the Food Bank of South Jersey the manner set forth below;

1. Food Bank of South Jersey - $2.0 Million – these funds are to be used for the purchase of food products only to be used for the community served by Food Bank of South Jersey, specifically, these funds will be transferred to the Food Bank of South Jersey.

2. Urban Transit Hub Projects. The following three projects are to be undertaken in a manner consistent with the intentions of NJSA 34:1B-208 (as it may be amended from time to time) dealing with the Urban Transit Hub concept. These projects will take place in an area that includes the Riverline, two PATCO Stations and a New Jersey Transit Bus Station.

   (A) Rutgers Student Housing $2.0 million – Camden County Improvement Authority (CCIA) will use these funds to develop a approximately 161,000 sq. ft, 12 story, 350 bed student housing facility at the corner of 4th and Cooper Streets in Camden, New Jersey. This location is at the foot of DRPA’s Ben Franklin Bridge and within blocks of PATCO stations in Camden.

   (B) Haddon Avenue Transit Village $1 Million – These funds will be used by The Greater Camden Partnership in partnership with Lourdes Hospital and Grapevine Development to develop the Haddon Avenue Transit Village at the
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PATCO Ferry Avenue station. This project will include a grocery store, several hundred residential units, office and commercial space at an estimated total cost of $105 million. The DRPA funding will be used specifically to complete roadway improvements along Haddon Avenue, White Horse Pike, and Copewood Street in the City of Camden which are critical for the development of the transit village.

(C) Cooper Hospital Cancer Center $6.0 Million – Cooper University Hospital is constructing a state of the art Cancer Institute on Haddon Avenue in Camden including a four story, 158,300 square foot building and two levels of underground parking. This $106 million project is due for completion in the Spring of 2013.

3. Cooper River Waterfront Improvements $4.0 Million – The Camden County Parks Department intends to continue implementing improvements identified in its 2003 Master Plan. The work that will use DRPA funds includes rowing course upgrades, maintenance dredging, river bank modifications, and accessibility improvements including improved lighting, parking, pathways, restrooms and similar amenities. This $8 million project is scheduled for completion in 2013.

4. Camden Waterfront Prison Site Rehabilitation - $4.335 million (NJ Economic Development Authority) – New Jersey EDA and DRPA entered into a contract under which DRPA would provide $6 million to NJ EDA for the purpose of closing and demolishing the existing prison complex on the Delaware River in Camden, remediating and improving the project site and the surrounding area, and then selling the Project Site in order to achieve more economically advantageous uses for the Site. Of the original $6 million NJ EDA has expended $1,664,480.53 in closing and demolishing the prison complex. This resolution will authorize DRPA to (i) revise Article V of the
said Agreement between DRPA and EDA in order to authorize EDA and the State of New Jersey to retain the proceeds from a sale of the Project Site, (ii) to enter into a new Grant Agreement with New Jersey Economic Development Authority under which DRPA will grant $4,335,519.47 to NJ EDA for use on this Project without any obligation to return funds to DRPA upon sale of the Property; provided that all proceeds from the sale of the Property covered by the original DRPA – NJ EDA agreement will be used by NJ EDA and the State of New Jersey for projects within Camden City.

5. Gloucester City Pier Rehabilitation - $400,000 – Funds are to be used in order to repair the sheathing around the Freedom Pier in order to accomplish long term stabilization of the pier.

Any and all grant agreements entered into pursuant to this Resolution must provide that the recipients are to use the grant funds for the assigned purposes.

Subject to the prior advice and guidance of DRPA Bond Counsel any and all remaining proceeds not allocated by this Summary Statement and Resolution are to be returned to the DRPA Project Fund for use on Capital Projects.

SUMMARY:

Amount: $29,906,508.53

Source of Funds: Swap agreements related to the 1995 Revenue Bonds; Swap agreements related to the 1999 Revenue Bonds; Port District Project Bonds of Series A of 1998 (Tax-Exempt); Port District Project Bonds, Series A of 1999 (Federally Taxable); Port District Project Bonds, Series B of 1999 (Tax-Exempt) and its associated interest rate Swap agreement; Port District Project Bonds, Series B of 2001 (Tax-Exempt) and its
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<table>
<thead>
<tr>
<th>Capital Project #:</th>
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<tbody>
<tr>
<td>Operating Budget:</td>
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<tr>
<td>Master Plan Status:</td>
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<tr>
<td>Other Fund Sources:</td>
<td>N/A</td>
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<tr>
<td>Duration of Contract:</td>
<td>Various</td>
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<td>Other Parties Involved:</td>
<td>Gloucester City New Jersey, Food Bank of South Jersey, New Jersey Economic Development Authority, Camden County Parks Department, Camden County Improvement Authority, Cooper University Hospital, Greater Camden Partnership in partnership with Lourdes Hospital and Grapevine Development.</td>
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associated interest rate Swap agreement; General Fund; Port District Project Bonds of Series A of 1998 (Tax-Exempt),
RESOLUTION

RESOLVED: That subject to advance review and advice from DRPA bond counsel the Board of Commissioners of the Delaware River Port Authority approves amendment of the Project Lists (Schedules A) to bond resolutions identified in Resolutions 09-100 and 09-101 in order to authorize expending funds on the list of projects set forth in the attached Summary Statement in the manner stated in the said Summary Statement; and be it further

RESOLVED: That Resolution 09-105 be and hereby is amended and restated in order to authorize funding to the Food Bank of South Jersey in an amount not to exceed $2.0 million using DRPA SWAP proceeds provided that Food Bank of South Jersey must agree to use the funds as set forth in the attached Summary Statement, must certify to DRPA that the funds were so used, must agree to abide by all other applicable laws, and must agree to and abide by all provisions of the contract developed by DRPA, subject to consultation with and advice from bond counsel, to carry out the intent of this Resolution; and be it further

RESOLVED: That the Board authorizes staff, subject to consultation with and advice from bond counsel, to negotiate appropriate agreements with the counterparties for each of the projects identified in the Summary Statement providing that each such agreement must require that DRPA funds be utilized as stated in the attached Summary Statement, must certify to DRPA that the funds were used as required, must abide by all other laws applicable to each such project, and must agree to and abide by all other provisions of the contracts developed to implement the provisions of this Resolution; and be it further

RESOLVED: That all funds distributed to any third party under the terms of this Resolution shall be provided only to grant recipients that are either governmental agencies or nonprofit, tax exempt institutions.

RESOLVED: That the Board authorizes and directs that staff transfer all residual economic development funds to the appropriate DRPA Project Fund subject to the advice and guidance of DRPA Bond Counsel to be used to finance capital projects; and be it further
RESOLVED: Subject to consultation with and advice from bond counsel, the Chairman, Vice Chairman 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 Chairman, Vice Chairman and Chief Executive Officer and if thereafter either the Chairman or Vice Chairman 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 Chairman and Vice Chairman 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: $29,906,508.53
Source of Funds: Port District Project Bonds of Series A of 1998 (Tax-Exempt); Port District Project Bonds, Series A of 1999 (Federally Taxable); Port District Project Bonds, Series B of 1999 (Tax-Exempt); Port District Project Bonds, Series B of 2001 (Tax-Exempt) and its associated interest rate Swap agreement; General Fund; Port District Project Bonds of Series A of 1998 (Tax-Exempt), and its associated interest rate Swap agreement
Capital Project #: N/A
Operating Budget: N/A
Master Plan Status: N/A
Other Fund Sources: Various
Duration of Contract: various
Other Parties Involved: Gloucester City New Jersey, Food Bank of South Jersey, New Jersey Economic Development Authority, Camden County Parks Department, Camden County Improvement Authority, Cooper University Hospital, Greater Camden Partnership in partnership with Lourdes Hospital and Grapevine Development.