SUMMARY STATEMENT

ITEM NO.: DRPA-12-053      SUBJECT: Extension of Loan Guarantee for Battleship New Jersey in favor of TD Bank

COMMITTEE: Unfinished Business (see DRPA 12-004, January 18, 2012)

COMMITTEE MEETING DATE: N/A

BOARD ACTION DATE: June 6, 2012

PROPOSAL: That the Board authorizes staff to negotiate a three year extension of the existing loan guarantee that supports a loan from TD Bank to the Home Port Alliance for the Battleship New Jersey.

Amount: $900,000 (original amount, $1.0 million)

PURPOSE: To continue support for the Battleship New Jersey and the Home Port Alliance.

BACKGROUND: On March 19, 2003, the Delaware River Port Authority (“DRPA”) adopted Resolution DRPA-03-034 authorizing DRPA to guaranty a $1 million loan extended by Commerce Bank to the Home Port Alliance (copy of Resolution attached). Pursuant to the power described above, Delaware River Port Authority entered into a loan guaranty with Commerce Bank and Home Port Alliance for a three year period that expired April 1, 2006. Pursuant to the authority granted by Resolution DRPA-03-034, the DRPA loan guaranty in the amount of $1 million was extended for and additional three years was scheduled to expire April 1, 2009. TD Bank as successor to Commerce Bank agreed to extend the $1 million loan for another three year period subject to DRPA’s agreement to extend its loan guaranty. On February 18, 2009, The Delaware River Port Authority adopted Resolution DRPA-09-012 authorizing the extension of the loan guaranty in the amount of $1 million to the Home Port Alliance with TD Bank for another three year period. The Home Port Alliance began reducing the loan principle and the total now owing is $900,000. TD Bank and the Home Port Alliance are prepared to extend the guarantee subject to the loan being capped at the current principle level. That extension will expire in the near future and TD Bank has indicated that it is willing to continue the loan but asks that the guarantee be extended as soon as possible. At its meeting on January
18, 2012 the DRPA Board approved a 90 day extension of the loan guarantee. This Resolution would further extend the loan guarantee for a period of three years.

**SUMMARY:**
- **Amount:** $900,000 (original amount $1.0 million)
- **Source of Funds:** 1999 Series A PDP Bonds
- **Capital Project #:** N/A
- **Operating Budget:** N/A
- **Master Plan Status:**
- **Other Fund Sources:** Home Port Alliance
- **Duration of Contract:** 3 years
- **Other Parties Involved:** TD Bank, Home Port Alliance
RESOLUTION

RESOLVED: That the Board of Commissioners of the Delaware River Port Authority authorizes staff to negotiate an agreement with TD Bank to extend the current loan guarantee in favor of Battleship New Jersey and the Home Port Alliance for a period not to exceed three years in an amount not to exceed $900,000; and be it further

RESOLVED: That staff will report to the Board annually on the status of the loan, and the financial condition of the Home Port Alliance during the term of the guarantee; and be it further

RESOLVED: 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:

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Capital Project #: N/A
Operating Budget: N/A
Master Plan Status:
Other Fund Sources: Home Port Alliance
Duration of Contract: not to exceed three years
Other Parties Involved: TD Bank, Home Port Alliance, Battleship New Jersey 1