SUMMARY STATEMENT

Authorize Amendment to Current DRPA Bridge Toll Schedule to Include Discounted Tolling for Certain Passenger Vehicles Making Minimum Number of Tolled-Crossings over DRPA Bridges and Related Actions

ITEM NO.: DRPA-15-090

SUBJECT: Amendment to Current DRPA Bridge Toll Schedule to Implement Discounted Tolling Program for Certain Passenger Vehicles and Related Actions

COMMITTEE:

Finance

COMMITTEE MEETING DATE:

July 1, 2015

BOARD ACTION DATE:

July 15, 2015

PROPOSAL:

That the Board authorizes and directs that the Toll Schedule approved by DRPA Resolution 08-064, as amended by DRPA Resolution 09-096, be revised, through formal amendment to Attachment "A" to such resolutions, to include discounted tolls, for a period of three (3) years, for those passenger vehicles utilizing E-ZPass transponders that make at least 18 tolled-crossings over Delaware River Port Authority ("DRPA" or "Authority") Bridges per calendar month, that such discounted toll program be implemented on or before December 1, 2015, and to take certain actions necessary to implement the discounted toll program.

PURPOSE:

To amend the current DRPA Bridge Toll Schedule in order to provide a discounted tolling program for a period of three (3) years beginning on or before December 1, 2015 for those passenger vehicles utilizing E-ZPass transponders making a minimum of 18 tolled-crossings over DRPA Bridges per calendar month for the purpose of providing an economic incentive for such passenger vehicles to: (i) undertake more frequent trips over DRPA Bridges; and (ii) utilize E-ZPass transponder technology to effectuate expediency and cost savings for the use and operation of DRPA Bridges.

BACKGROUND:

At its meeting of August 20, 2008, the Board of Commissioners of the Authority ("Board") approved a revised Toll Schedule in the form of Attachment "A" to DRPA Resolution 08-064. The Toll Schedule included a number of revisions, including, among other things, the phased-in increase in DRPA Bridge Tolls and the elimination of a discounted commuter tolling program for passenger vehicles utilizing
E-ZPass transponders. Pursuant to DRPA Resolution 09-096, duly adopted on December 9, 2009, the Board amended the Toll Schedule to defer the date of certain toll increases.

The revised Toll Schedule was implemented in 2008 to provide a means for the DRPA to increase toll revenue in order to provide funds to pay for a portion of the DRPA's five-year, $1.1 billion Capital Program and to pay for debt service incurred in connection with bonds issued to finance the balance of the costs of such Capital Program. Such Capital Program consisted of necessary and required repairs to and maintenance of existing DRPA Bridges and facilities in order to ensure that such capital facilities continued to be operated in a safe, secure and serviceable condition.

Since 2008, the Board, DRPA management and staff have implemented significant cost-savings efforts, eliminated the funding of extraneous economic development projects, exercised prudent fiscal planning, carefully planned capital borrowings, restructured existing indebtedness, reduced staffing where appropriate, and have utilized and implemented other cost containment measures that have had the cumulative effect of increasing available net revenues and maintaining sufficient funding for the DRPA's Capital Program. In addition, revenues at the DRPA have increased, resulting in sustained growth to the General Fund.

As a result of all of the foregoing, and after careful consultation with the Authority's Chief Executive Officer, Chief Financial Officer/Treasurer, Co-Financial Advisors, Co-Bond Counsel and General Counsel, including, among other things, a careful analysis by such parties of the specific terms, provisions and conditions precedent set forth in the Authority's Indenture of Trust, dated as of July 1, 1998, as amended and supplemented to date ("1998 Indenture"), between the Authority and TD Bank, National Association, as successor to Commerce Bank,

National Association, as trustee, relative to tolling changes generally, the Board has determined that the re-institution and implementation of a limited discounted toll program for passenger vehicles using E-ZPass transponders may be implemented: (i) without negatively effecting
available toll revenues from DRPA Bridges, existing bond project funds and existing General Fund "pay-go" capital funds necessary and required to, among other things, fund the Authority's ongoing Capital Program, service existing debt of the Authority and maintaining the existing credit ratings of the Authority; and (ii) in full compliance with the requirements of the Compact and the 1998 Indenture relative to changes in bridge tolls generally.

In furtherance of such determinations, the Board is now desirous of revising the current Toll Schedule (through formal amendment to Attachment "A" to DRPA Resolution 08-064, as amended by DRPA Resolution 09-096) in order to implement a discounted toll program for a period of three (3) years beginning on or before December 1, 2015 for those passenger vehicles utilizing E-ZPass transponders making at least 18 tolled-crossings over DRPA Bridges per calendar month. Such discounted toll program shall be effectuated through the provision of an $18 credit to the E-ZPass account in the next calendar month immediately following the calendar month in which the minimum number (18) of tolled-crossings shall have occurred. The foregoing is hereafter referred to as the "Discounted Toll Program".

The Board is also desirous of authorizing the appropriate officers and staff to implement the Discounted Toll Program, subject to the prior satisfaction of any and all requirements set forth in the DRPA's Compact and the 1998 Indenture applicable to a change or reduction in DRPA Bridge Tolls, which shall include undertaking, implementing and completing any and all necessary programmatic changes to existing tolling systems.

Such Discounted Toll Program shall become effective on or before the first revenue day of December 1, 2015, shall expire on the date that is three (3) years from the actual effective date, and shall be administered on behalf of the Authority by the New Jersey E-ZPass Consortium in accordance with the agreements currently in place with the Authority, with such changes to the existing agreements as are necessary or required to include the details of the Discounted Toll Program as shall hereafter become applicable to passenger vehicle E-ZPass account
In addition to the foregoing, the Board is desirous of authorizing the availability and benefits of the Discounted Toll Program (and the credits available thereunder) to users of the Pennsylvania Turnpike Commission’s E-ZPass system, subject to the proper authorization and approval thereof by the Pennsylvania Turnpike Commission ("Turnpike Commission"). To the extent that such authorization is provided by the Turnpike Commission, the Board is desirous of authorizing appropriate DRPA staff to undertake, implement and complete any and all necessary programmatic changes to tolling systems to accommodate Turnpike Commission E-ZPass customers.

The implementation of the Discounted Toll Program will provide an economic incentive for passenger vehicles to: (i) undertake more frequent trips over DRPA Bridges; and (ii) utilize E-ZPass transponder technology to effectuate expediency and cost savings for the use and operation of DRPA Bridges, each of which shall further the economic and operational goals and objectives of the DRPA.

**SUMMARY:**

<table>
<thead>
<tr>
<th>Amount:</th>
<th>Estimated $6,400,000 annually</th>
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<tbody>
<tr>
<td>Source of Funds:</td>
<td>Revenue Fund</td>
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<tr>
<td>Capital Project #:</td>
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<td>Operating Budget:</td>
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<td>Master Plan Status:</td>
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<td>Other Fund Sources:</td>
<td>General Fund or 2013 Revenue Bond Project Fund</td>
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<tr>
<td>Duration of Contract:</td>
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<tr>
<td>Other Parties Involved:</td>
<td>TD Bank, National Association, as Trustee; New Jersey E-ZPass Consortium; Pennsylvania Turnpike Commission</td>
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RESOLUTION

RESOLVED: That the Board of Commissioners ("Board") of the Delaware River Port Authority ("DRPA" or "Authority") hereby authorize and approve the further amend Schedule "A" to DRPA Resolution 08-064, as amended by DRPA Resolution 09-096, to implement a discounted toll program consisting of an $18 credit for passenger vehicles using E-ZPass transponders that make a minimum of 18 tolled-crossings over DRPA Bridges per calendar month to be applied in the next calendar month immediately following the calendar month in which successful completion of at least 18 tolled-crossings over DRPA Bridges shall have occurred, all as more particularly described in the further amended Attachment "A" included with this Resolution, which discounted toll program shall become effective beginning on or before the first revenue day of December 1, 2015 and to expire on the date that is three (3) years from the actual effective date of the discounted tolling program (hereafter referred to as the "Discounted Toll Program"); and

RESOLVED: That the Chair, Vice Chair and Chief Executive Officer, with the advice and counsel of the Authority's Chief Financial Officer/Treasurer, Co-Financial Advisors, Co-Bond Counsel, General Counsel and appropriate staff, are hereby authorized and directed, on behalf of the Authority, to implement the Discounted Toll Program, subject to the prior satisfaction of any and all requirements set forth in the DRPA's Compact and the Indenture of Trust, dated as of July 1, 1998, as amended and supplemented to date ("1998 Indenture"), between the Authority and TD Bank, National Association, as successor to Commerce Bank, National Association, as trustee, including, but not limited to the execution and delivery of any and all necessary or required certificates, agreements, contracts, schedules, instruments or other documents applicable to a change or reduction in DRPA Bridge Tolls under the 1998 Indenture; and

RESOLVED: That, in order to implement the Discounted Toll Program, DRPA staff, under the direction of the Chief Executive Officer and Chief Financial
Officer, are hereby authorized and directed to take any and all action necessary or required to update, modify and upgrade existing tolling programming technology, methods and measures and, for such purpose, the Board hereby authorizes the Chief Financial Officer/Treasurer to expend funds of the DRPA held in the DRPA's General Fund and Project Fund; provided, however, that, prior to the expenditure of any such funds, the Chief Financial Officer/Treasurer shall first consult with the Chief Executive Officer for consent and approval; provided further, that, the Chief Financial Officer/Treasurer shall report the amount of such funds expended to the Finance Committee upon completion of implementation of the Discounted Toll Program; and

RESOLVED: That the availability and benefits of the Discounted Toll Program (and the credits available thereunder) be made available to users of the Pennsylvania Turnpike Commission's ("Turnpike Commission") E-ZPass system, subject to the proper authorization and approval thereof by the Turnpike Commission and that the Authority's Chief Executive Officer, Chief Financial Officer/Treasurer and General Counsel are hereby authorized to take all appropriate action necessary or required to offer such Discounted Toll Program to the Pennsylvania Turnpike Commission upon the terms and provisions set forth herein; and

RESOLVED: That, if and to the extent that the Pennsylvania Turnpike Commission determines to participate in the Discounted Toll Program, DRPA staff, under the direction of the Chief Executive Officer and the Chief Financial Officer/Treasurer, are hereby authorized and directed to take any and all action necessary or required to further update, modify and upgrade existing tolling programming technology, methods and measures to incorporate Turnpike Commission E-ZPass customers into DRPA tolling systems and, for such purpose, hereby the Board hereby authorizes the Chief Financial Officer/Treasurer to expend funds of the DRPA held in the DRPA's General Fund and Project Fund; provided, however, that, prior to the expenditure of any such funds, the Chief Financial Officer/Treasurer shall first consult with the Chief Executive Officer for consent and approval; provided further, that, the Chief Financial Officer/Treasurer shall report the amount of such funds expended to the Finance Committee upon completion of implementation of the Discounted Toll Program for Turnpike Commission E-ZPass customers; and

RESOLVED: That, as part of the implementation of the Discounted Toll Program, including the incorporation of Turnpike Commission E-ZPass customers as part of the Discounted Toll Program, the Chair, Vice Chair and Chief Executive Officer, with the advice and assistance of the Authority's Chief
Financial Officer/Treasurer, Co-Financial Advisors, Co-Bond Counsel, General Counsel and staff, are hereby authorized and directed, on behalf of the Authority, to enter into any agreements, contracts, schedules, certificates, instruments or other documents necessary or required to administer the Discounted Toll Program through the New Jersey E-ZPass Consortium and the Pennsylvania Turnpike E-ZPass system; and

RESOLVED: That the Chair, Vice Chair and Chief Executive Officer must approve and are hereby authorized to approve and execute any and all necessary schedules, agreements, instruments, certificates, contracts or other documents on behalf of the Authority necessary or required in connection with the implementation of the Discounted Toll Program. If such schedules, agreements, certificates, contracts or other documents have been approved by the Chair, Vice Chair or Chief Executive Officer and if, thereafter, the Chair, Vice Chair or Chief Executive Officer is absent or unavailable, and it is necessary to execute said document(s) while the Chair, Vice Chair or Chief Executive Officer is absent or unavailable, the Chief Financial Officer/Treasurer may execute said document(s) on behalf of the Authority; and

RESOLVED: That Authority staff are hereby authorized to take all other necessary and convenient actions, subject in each case to review and advice of the Chief Executive Officer, Chief Financial Officer/Treasurer and General Counsel, in order to undertake and effectuate on behalf of the Authority the Discounted Toll Program, all in accordance and consistent with DRPA-08-064, as amended by DRPA-09-096, the Compact, the 1998 Indenture and this Resolution.

SUMMARY:  
Amount: Estimated $6,400,000 annually  
Source of Funds: Revenue Fund  
Capital Project #: N/A  
Operating Budget: N/A  
Master Plan Status: N/A  
Other Fund Sources: General Fund or 2013 Revenue Bond Project Fund  
Duration of Contract: N/A  
Other Parties Involved: TD Bank, National Association, as Trustee; New Jersey E-ZPass Consortium; Pennsylvania Turnpike Commission
REVISED ATTACHMENT "A"