

SUMMARY STATEMENT

ITEM NO.: DRPA-16-064

SUBJECT: Authorization to Reallocate
Unspent PDP Bond, Series B of 1999
Proceeds (See DRPA-99-051, DRPA-08-020)

COMMITTEE:

Finance

COMMITTEE MEETING DATE:

May 11, 2016

BOARD ACTION DATE:

May 18, 2016

PROPOSAL: That DRPA amend Resolution DRPA 08-020 (which reallocated proceeds of the PDP Bonds, Series B of 1999 originally allocated under DRPA 08-021) to permit use of \$1.0 million of unspent proceeds of Port District Project Bonds, Series B of 1999 to pay a portion of the costs of the Walt Whitman Bridge Stiffening Truss, Tower and Anchorage Steel Painting Project.

PURPOSE: To reallocate the unspent proceeds of the PDP Bonds, Series B of 1999 to pay a portion of the costs of the Walt Whitman Bridge Stiffening Truss, Tower and Anchorage Steel Painting Project.

BACKGROUND: In August of 1999, the Authority issued its Port District Project Bonds, Series B of 1999 ("1999B PDP Bonds") for the purpose of financing the costs of certain economic development projects of the Authority. The 1999B PDP Bonds were authorized to be issued pursuant to and in accordance with the Port District Project Indenture of Trust, dated as of December 1, 1999 ("1999 PDP Indenture"), which 1999 PDP Indenture was authorized by DRPA Bond Resolution 99-051, adopted on August 18, 1999, as the same has been heretofore amended pursuant to DRPA Resolution 08-020, duly adopted on February 20, 2008. Pursuant to such Resolution, a portion of the proceeds of the 1999A PDP Bonds was allocated to a Grant to the Philadelphia Regional Port Authority for a Delaware River dredging project (the "Dredging Project") pursuant to a Project Grant Agreement dated December 20, 2008 (the "Grant Agreement"). The 1999B Bonds were refunded on a tax-exempt basis by the Port District Project Refunding Bonds, Series 2012 (the "2012 PDP Bonds") issued pursuant to the Indenture of Trust dated as of December 1, 2012 (the "2012 Indenture"). The proceeds of the 1999B Bond and the earnings thereon are governed by the Compact, the laws of New Jersey and Pennsylvania, the applicable DRPA Resolutions and the 2012 Indenture. In the Tax Compliance Agreement dated as December 20, 2102 relating to the 2012 PDP Bonds, DRPA represented that the \$13,492,237.11 then remaining in the 1999B Bonds Project Account of the Project Fund were "Transferred Proceeds" of the 2012 PDP Bonds

and would be applied to remaining Port District Projects. Of that sum \$1,000,000 applicable to the Dredging Project has been determined to be no longer necessary for that Project because the Grant Agreement has expired (the “1999B Excess Bond Proceeds”). Under the applicable federal tax laws, rule and regulations the 1999B Excess Bond Proceeds, as “Transferred Proceeds” of the 2012 PDP Bonds may be applied to the payment of principal on the 2012 PDP Bonds or applied towards other capital projects of the DRPA. The Board, along with the staff, has identified a capital project to which it wishes to apply the Excess 1999B Bond Proceeds to paying, as soon as practicable after the date of the adoption of this Resolution by the Board, a portion of the costs of the Walt Whitman Bridge Stiffening Truss, Tower and Anchorage Steel Blast Cleaning and Painting Project, the estimated design, construction and inspection costs are approximately \$66,000,000 (the “Walt Whitman Bridge Painting Project”).

In furtherance of such determination, and after careful investigation and analysis, the Board, together with staff and the Authority's professional advisors, have determined that the utilization of the 1999B Excess Bond Proceeds to fund a portion of the costs of the Walt Whitman Bridge Painting Project is permitted by and in conformity with the Compact, the Authority's Bylaws, the 2012 Indenture and, federal income tax laws,

Pursuant to this Resolution, the Board now desires to authorize the Chief Executive Officer and the Chief Financial Officer, with the advice and counsel of Authority staff, to reallocate a portion of the 1999 B Excess Bond Proceeds in the amount of \$1,000,0000 to pay, as soon as practicable after the date of the adoption of this Resolution by the Board, a portion of the costs of the Walt Whitman Bridge Painting Project;

SUMMARY STATEMENT
Finance 5/11/16

Authorization to Reallocate
Unspent PDP Bond, Series B of 1999
Proceeds (See DRPA-99-051, DRPA-08-020)

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| SUMMARY: | Amount: | \$1,000,000 |
| | Source of Funds: | 1999B PDP Bonds |
| | Capital Project #: | WWB1301 |
| | Operating Budget: | N/A |
| | Master Plan Status: | N/A |
| | Other Fund Sources: | N/A |
| | Duration of Contract: | N/A |
| | Other Parties Involved: | Corcon, Inc. |

DRPA-16-064
Finance Committee: May 11, 2016
Board Date: May 18, 2016
Authorization to Reallocate Unspent PDP Bond, Series B
of 1999 Proceeds (See DRPA-99-051, DRPA-08-020)

RESOLUTION

- RESOLVED:** That the Board of Commissioners ("Board") hereby authorizes the Chief Executive Officer and the Chief Financial Officer (each acting with the prior approval and consent of the other) to reallocate unspent proceeds derived from the issuance of the Authority's Port District Project Bonds, Series B of 1999 ("1999B PDP Bonds") in the amount of \$1,000,000 (the "1999B Excess Bond Proceeds"), to pay, as soon as practicable after the date of the adoption of this Resolution by the Board, a portion of the costs of the Walt Whitman Bridge Stiffening Truss, Tower and Anchorage Steel Painting Project (The "Walt Whitman Bridge Painting Project"); and
- RESOLVED:** That the Board hereby authorizes the Chief Executive Officer to memorialize the reallocated project authorized by this Resolution by causing this Resolution to be deposited in the records of the Corporate Secretary with the minutes of the Board meeting authorizing this Resolution; and
- 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, in order to provide funding to qualified entities or persons for purposes of assisting, undertaking and/or completing the portion of the Walt Whitman Bridge Painting Project to be funded with the 1999B Excess Bond Proceeds, all in accordance and consistent with this Resolution, the Indenture of Trust dated as of December 1, 2012 pursuant to which were issued the Authority's Port District Project Refunding Bonds, Series 2012 (the "2012 PDP Bonds") which refunded the 1999B PDP Bonds, the Compact, the Authority's Bylaws, the applicable Authority Resolutions, as amended, and in accordance with the applicable federal income tax laws, rules and regulations; and

RESOLVED: That any agreements, contracts or other documents executed or delivered in connection with the Walt Whitman Bridge Painting Project shall include appropriate protections for the Authority, as issuer of the 2012 PDP Bonds, and to ensure the protection of the tax-exempt status of the interest on the 2012 PDP Bonds for federal income tax purposes, where applicable.

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| | Operating Budget: | N/A |
| | Master Plan Status: | N/A |
| | Other Fund Sources: | N/A |
| | Duration of Contract: | N/A |
| | Other Parties Involved: | Corcon, Inc. |