

SUMMARY STATEMENT

ITEM NO.: DRPA-18-008

SUBJECT: Authorization for Issuance of Revenue Bonds and Taking of Certain Other Related Actions in Connection Therewith

COMMITTEE:

Finance

COMMITTEE DATE

January 10, 2017

BOARD ACTION DATE:

January 17, 2017

PROPOSAL: Issuance of Revenue Bonds to fund a portion of the Delaware River Port Authority's ("Authority") approved capital improvement program, including the execution and delivery of any and all agreements, contracts, certifications, documents and instruments necessary or required to effectuate the foregoing, including, but not limited to, supplements to the 1998 Revenue Bond Indenture and the taking of all necessary action in connection therewith.

PURPOSE: Authorize and approve: (i) the issuance and sale (via public or private sale) of one or more series of Revenue Bonds of the Authority for the purpose of funding a portion of the costs of the Authority's approved capital improvement program; (ii) the execution and delivery of any and all agreements, contracts, certifications, documents and instruments necessary or required to effectuate the issuance and sale of revenue bonds and the undertaking of the capital improvement project, including, but not limited to, one or more supplements to the Authority's 1998 Revenue Bond Indenture; and (iii) any and all actions necessary or required to effectuate the issuance and sale of the revenue bonds and the undertaking of the capital improvement project.

BACKGROUND: The Authority has heretofore authorized and issued its Revenue Bonds pursuant to an Indenture of Trust, dated as of July 1, 1998, by and between TD Bank, N.A., as successor trustee ("Trustee"), and the Authority, as amended and supplemented to date ("1998 Revenue Bond Indenture").

The Authority desires to authorize, issue, sell and deliver, pursuant to the 1998 Revenue Bond Indenture, as further supplemented by one or more Supplemental Indentures (as defined in the 1998 Revenue Bond Indenture), to be entered into by the Authority and the Trustee (each a "Supplemental Indenture" and, together with the 1998 Revenue Bond Indenture, as heretofore amended and supplemented, the

"Indenture"), one or more additional series of Revenue Bonds ("Bonds") for the purpose of financing: (i) a portion of the costs of the Authority's approved capital improvement program; (ii) the Debt Service Reserve Requirement (as defined in the Indenture); (iii) capitalized interest, if any; and (iv) payment of the costs of issuance of the Bonds (collectively, the "Capital Project").

The Bonds may be issued from time to time in one or more series or subseries, in the form of taxable or tax-exempt fixed rate bonds.

The Board is now desirous of authorizing and approving, among other things: (i) the issuance, sale and delivery, pursuant to the Indenture, of the Bonds in an aggregate principal amount not to exceed \$350,000,000 for the purpose of (a) funding a portion of the costs of the approved capital improvement program, (b) making a deposit to the Debt Service Reserve Fund established pursuant to the Indenture to satisfy the Debt Service Reserve Fund Requirement (as defined in the Indenture), and (c) paying the costs, including the costs of issuance, of the Bonds; (ii) the execution and delivery of one or more Supplemental Indentures, purchase contracts, preliminary and final official statements, continuing disclosure agreements, notices, and any other agreements, contracts, certificates, exhibits, instruments or documents necessary or required to effectuate the issuance and sale of the Bonds and the undertaking of the approved capital improvement program (collectively, the "Bond Documents"); and (iii) taking any and all action necessary or required to complete the foregoing.

Authorize and approve: (i) the issuance and sale (via public or private sale) of one or more series of Revenue Bonds of the Authority for the purpose of funding a portion of the costs of the Authority's approved capital improvement program; (ii) the execution and delivery of any and all agreements, contracts, certifications, documents and instruments necessary or required to effectuate the issuance and sale of revenue bonds and the undertaking of the capital improvement project, including, but not limited to, one or more supplements to the Authority's 1998 Revenue Bond Indenture; and (ii) any and all actions necessary or required to effectuate the issuance and sale of the revenue bonds and the undertaking of the capital improvement project.

SUMMARY:

Amount: Not to exceed \$350,000,000
Sources of Funds: Revenue Bonds; General Fund
Capital Project #: [____]; [____]
Operating Budget: N/A
Master Plan Status: N/A
Other Fund Sources: N/A
Duration of Contract: TBD
Other Parties Involved: TD Bank, National Association, as
Trustee; Co-Financial Advisors; Co-Bond
Counsel

**Authorization for Issuance of Revenue Bonds, Amendment and
Taking of Certain Other Related Actions in Connection Therewith**

RESOLUTION

- RESOLVED:** That the Board of Commissioners of the Authority ("Board") hereby authorize and approve: (i) the issuance, sale and delivery, pursuant to the 1998 Trust Indenture, as amended and supplemented to date ("Indenture"), of one or more series of the Authority's Revenue Bonds ("Bonds") the proceeds of which shall be utilized to (a) fund a portion of the Authority's approved capital improvement program, (b) if necessary or required, making a deposit to the Debt Service Reserve Fund established pursuant to the Indenture to satisfy the Debt Service Reserve Fund Requirement (as defined in the Indenture), and (c) pay the costs, including the costs of issuance, of the Bonds; and (ii) any and all action necessary or required to complete the foregoing; and
- RESOLVED:** That the Bonds shall be issued in an aggregate principal amount which shall not exceed \$350,000,000; and
- RESOLVED:** That the Chief Executive Officer of the Authority shall determine, with the advice of the Authority's Chief Financial Officer/Treasurer, Co-Financial Advisors and Co-Bond Counsel, when to issue the Bonds, whether to issue the Bonds as taxable or tax-exempt bond and whether such Bonds shall be issued in one or more series or subseries; and
- RESOLVED:** That each series of the Bonds shall be dated, shall mature in such principal amounts and on such dates, shall bear interest at such rates, payable on such dates, shall be subject to redemption prior to maturity on such terms and conditions, and shall otherwise be subject to such additional terms, conditions and provisions as shall be approved prior to their issuance by the Chief Executive Officer, with the advice of the Authority's Chief Financial Officer/Treasurer, Co-Financial Advisors and Co-Bond Counsel; provided that: (i) the net interest cost with respect to the Bonds shall not exceed 6.5% per annum; (ii) the Underwriters' discount in connection with the purchase and re-offering of the Bonds shall not exceed \$6.00 per thousand dollars of Bonds; (iii) any optional redemption premium on

the Bonds shall not exceed 102.0%; and (iv) the final maturity of each Series or subseries of Bonds shall not exceed any applicable provisions of the Compact or the Internal Revenue Code of 1986, as amended; and

RESOLVED: That each series of the Bonds may be sold in a public offering or by private or direct placement as shall be determined by the Chief Executive Officer, with the advice of the Authority's Chief Financial Officer/Treasurer, Co-Financial Advisors and Co-Bond Counsel. The Authority hereby authorizes the preparation of all documents necessary to effect the sale, issuance and delivery of each series of the Bonds including, without limitation, one or more Supplemental Indentures, one or more series or subseries of Bonds, one or more purchase contracts, placement agreements or similar agreements between the Authority and underwriters to be selected providing for the sale and purchase of the Bonds, or between the Authority and a placement agreement or direct purchasers of the Bonds, as applicable, one or more preliminary official statements and one or more final official statements in respect of each Series of the Bonds, one or more Continuing Disclosure Agreements, one or more Tax Compliance Agreements, and such other agreements, documents, certificates and instruments as Co-Bond Counsel shall advise are necessary or appropriate to effect the issuance of each Series or subseries of the Bonds and the Capital Project. The Chief Executive Officer, with the advice of the Authority's Chief Financial Officer/Treasurer and Co-Bond Counsel, is hereby authorized and directed to approve all such documents and to cause the execution and delivery of all such documents on behalf of the Authority; and

RESOLVED: That the Chief Executive Officer, with the advice of the Authority's Chief Financial Officer/Treasurer, Co-Financial Advisors and Co-Bond Counsel, is hereby authorized and directed to apply for, approve and execute one or more Credit Facilities (as defined in the Indenture) in the form of a bond insurance commitment, if deemed necessary or appropriate, in order to cause the issuance by a municipal bond insurance company of a municipal bond insurance policy providing credit enhancement for any series of Bonds; and

RESOLVED: That prior to the issuance of the Bonds, the Chief Executive Officer, with the advice of the Authority's Chief Financial Officer/Treasurer, is hereby authorized and directed to procure the services of a traffic engineering firm or firms ("Traffic Engineer") to conduct and prepare a comprehensive traffic engineering study and to undertake certain other services to be provided as and when requested by the Authority ("Traffic Study"). Upon receipt of proposals for the services to be provided, a review of such proposals shall be conducted

by a review committee selected by the Chief Executive Officer. Thereafter, a final selection shall be determined and appointment of the Traffic Engineer shall be subject to Board approval; and

RESOLVED: That the Chairman, Vice Chairman and Chief Executive Officer of the Authority (collectively, the "Authorized Officers"), with the advice and assistance of the Chief Financial Officer/Treasurer, General Counsel, Co-Financial Advisors and Co-Bond Counsel are hereby authorized and directed to execute and deliver an agreement on behalf of the Authority with the Traffic Engineer for the services to be provided; provided, however, that any such agreement shall be subject to review by the Chief Executive Officer and General Counsel to the Authority prior to execution by the Authority; and

RESOLVED: That the Chief Executive Officer, with the advice of the Authority's Chief Financial Officer/Treasurer, Co-Financial Advisors, Co-Bond Counsel and General Counsel, is hereby authorized and directed to apply for, approve and obtain credit ratings from one or more of the nationally recognized rating agencies, including, but not limited to, S&P Global Ratings and Moody's Investors Service; and

RESOLVED: That the Chief Executive Officer, with the advice of the Authority's Chief Financial Officer/Treasurer, Co-Financial Advisors and Co-Bond Counsel, is hereby authorized and directed to determine the Debt Service Reserve Requirement for each series of the Bonds, to obtain a Reserve Fund Credit Facility for a portion of such Debt Service Reserve Requirement, if he determines it to be in the best financial interests of the Authority, and to establish a separate Debt Service Reserve Fund or account in the 1998 Debt Service Reserve Fund within the Indenture with respect to one or more Series of the Bonds, as he determines to be necessary or appropriate; and

RESOLVED: That the Chief Executive Officer, with the advice of the Authority's Chief Financial Officer/Treasurer, is hereby authorized and directed to select the underwriters or placement agents or direct purchasers of the Bonds, the Trustee, and the Co-Financial Advisors. The Chief Executive Officer, with the advice of the General Counsel, is hereby authorized to select Co-Bond Counsel, and any special counsel or co-counsel or other professional advisors for the Authority; and

RESOLVED: That the Board of Commissioners hereby authorizes and directs the payment of fees and expenses incurred by the Trustee, counsel to the Trustee, the Authority's Co-Financial Advisors, Co-Bond Counsel, the Traffic Engineer, any Credit Facility Provider, counsel to any Credit Facility Provider, and any special counsel or co-counsel or other professional advisors of the Authority engaged by the Authority in

connection with the Capital Project and the issuance and sale of the Bonds and, in connection therewith, is hereby authorized to pay such fees and expenses on the basis of a fixed fee specifically agreed to by the Authority and each such party, plus any reasonable costs and expenses in excess thereof approved by the Chief Financial Officer/Treasurer. The Chief Financial Officer/Treasurer shall prepare and submit a report to the Finance Committee and the Pricing Committee (as hereinafter defined) indicating the amount of any such fees and expenses paid subsequent to the issuance of each Series of Bonds; provided, however, that, in the case of the Traffic Engineer, fees shall be payable in the amounts and at the times provided by resolution of the Board as set forth above; and

RESOLVED: That a Pricing Committee consisting of the Board Chairman, Vice Chairman and Chief Financial Officer/Treasurer ("Pricing Committee") will consult with Co-Bond Counsel and the Authority's Co-Financial Advisors with regard to the sale of each Series of the Bonds. After consultation, the Pricing Committee will give the final authorization for the issuance and sale of each Series of the Bonds and the interest rate and other terms at which they will be sold; and

RESOLVED: That the Authorized Officers, with the advice and counsel of the Chief Financial Officer/Treasurer, General Counsel, Co-Financial Advisors and Co-Bond Counsel are hereby authorized and approved to are each hereby authorized and directed to execute and deliver any and all agreements, contracts, certificates, documents and instruments necessary or required to effect the completion of the Traffic Study, the issuance and sale of the Bonds, the Capital Project, and all other matters authorized in this Resolution (collectively, the "Transaction Documents"); and

RESOLVED: That to the extent that Chief Executive Officer or the Authorized Officers, as applicable, have approved any Required Transaction Documents, or any other contracts, agreement, documents, instruments, exhibits and certificates in connection with the Traffic Study, the issuance and sale of the Bonds or the Capital Project described in this Resolution, if, following such approval, the Chairman or Vice Chairman is absent or unavailable, the remaining Officer may execute the documents with the Chief Executive Officer. If both the Chairman and the Vice Chairman are absent or unavailable and if it is necessary to execute any of such documents in their absence, then the Chief Executive Officer and the Chief Financial Officer/Treasurer shall execute such documents on behalf of the Authority; and

RESOLVED: That the Authority's 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 matters set forth in this Resolution, all in accordance and consistent with this Resolution; and

RESOLVED: That all actions heretofore taken by or on behalf of the Authority by the Chief Executive Officer, General Counsel, the Chief Financial Officer/Treasurer or their respective designees, or the Authority's professional advisors in connection with the Capital Project or the Bonds are hereby ratified, confirmed, approved and adopted; and

RESOLVED: That all prior resolutions or parts thereof to the extent inconsistent with this Resolution are hereby rescinded and repealed.

SUMMARY:

Amount:	Not to Exceed \$350,000,000
Sources of Funds:	Revenue Bonds; General Fund
Capital Project #:	[____]; [____]
Operating Budget:	N/A
Master Plan Status:	N/A
Other Fund Sources:	N/A
Duration of Contract:	TBD
Other Parties Involved:	TD Bank, National Association, as Trustee; Co-Financial Advisors; Co-Bond Counsel