SUMMARY STATEMENT

ITEM NO.: PATCO-20-010


BOARD: New Business

BOARD ACTION DATE: April 15, 2020

PROPOSAL: That the Port Authority Transit Corporation (“PATCO”) Board of Commissioners authorizes staff to apply for grant funding through the proper United States Government agencies and/or departments for any and all applicable relief funds issued to address the SARS-CoV-2 coronavirus and the COVID-19 disease.

PURPOSE: To make application to the appropriate federal government agencies and/or departments for relief funds related to the SARS-CoV-2 coronavirus and the COVID-19 disease.

BACKGROUND: The novel SARS-CoV-2 coronavirus and the resulting COVID-19 disease have presented an extraordinary challenge, not only to the private sector, but also to our public transportation infrastructure. PATCO, a wholly-owned subsidiary of the Delaware River Port Authority (“DRPA”), serves as a critical partner in the transportation infrastructure serving DRPA’s Port District, which contains the Nation’s sixth largest metropolitan region. The current national crisis has resulted in a historic loss of PATCO revenue that necessitates PATCO to seek emergency relief from the federal government. This relief is vital to the PATCO’s continued operations and the preservation of its assets -- which benefits the region, as well as the nation by maintaining the PATCO’s critical role in our regional and national infrastructure network.

To date, the United States Congress has responded to this catastrophic pandemic by passing the “Coronavirus Aid, Relief, and Economic Security Act” or the “CARES Act.” In this bill, Congress provided a one-time influx of $25B into the Federal Transit Administration (FTA) formula grant program, specifically, Sections 5407 and 5340. PATCO routinely receives annual capital grants of roughly $15M from this program. The CARES Act removes the capital project mandate, allows for relief funds to be applied toward operational costs, including, without limitation, wages, PPE purchases, and offsetting lost revenue, dating from January 20,
2020 through the end of the fiscal year. The CARES Act also amplifies the amount that transit agencies receive and removes the cost match; the federal share is now 100% instead of 80%. Staff recommends that PATCO be permitted to accept any funds that may be allocated to the DRPA and/or PATCO as a result of the CARES Act.

Further, staff have been monitoring developments within Congress and the Executive Branch. Based upon these observations, staff believes there will be follow-up stimulus and relief legislation similar to the CARES Act. This follow up legislation is very likely to include additional “infrastructure” relief. Such targeted funding would ideally provide unrestricted relief funds to offset any lost revenue, operating expenses, including, without limitation, wages and material expenses incurred to obtain PPE, and such other costs arising from or related to the COVID-19 pandemic.

With the prospect of future federal funding, staff seeks authorization from the Board to pursue any and all future relief funding when such anticipated federal funds are made available.

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<tr>
<td>Amount:</td>
<td>TBD</td>
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<tr>
<td>Source of Funds:</td>
<td>Federal Grant</td>
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<tr>
<td>Capital Project#:</td>
<td>NA</td>
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<td>Other Fund Sources:</td>
<td>NA</td>
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<td>Duration of Contract:</td>
<td>TBD</td>
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<td>Other Parties Involved:</td>
<td>US DOT, FTA, and any such other Federal Agency</td>
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RESOLUTION

RESOLVED: That the appropriate staff and officers are authorized to apply to the appropriate United States agencies and/or departments for any and all applicable relief funds that have been or may be issued to address the SARS-CoV-2 coronavirus and the COVID-19 disease.

RESOLVED: The Chair, Vice Chair and the President must approve and are authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of PATCO. If such agreements, contracts, or other documents have been approved by the Chair, Vice Chair and President and if thereafter either the Chair or Vice Chair is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of PATCO along with the President. If both the Chair and Vice Chair are absent or unavailable and if it is necessary to execute the said document(s) while they are absent or unavailable, then the President shall execute such documents on behalf of PATCO.

SUMMARY: Amount: TBD
Source of Funds: Federal Grant
Capital Project #: TBD
Other Fund Sources: US DOT, FTA, and any such other Federal Agency
Duration of Contract: TBD
Other Parties Involved: US DOT, FTA, and any such other Federal Agency