

**11317. RESOLUTION 17-49 – DELCLARING THE OFFICIAL
INTENT OF THE DELAWARE RIVER AND BAY AUTHORITY TO REIMBURSE
ITSELF FROM THE PROCEEDS OF DEBT FOR CAPITAL EXPENDITURES,
CERTAIN PRELIMINARY EXPENDITURES AND COSTS OF ISSUANCE
TERMPORARILY FUNDED FROM REVENUES OR OTHER SOURCES**

WHEREAS, The Delaware River and Bay Authority (the “Authority”) was created as a body politic and an agency of government of the State of Delaware and the State of New Jersey, by virtue of Chapters 145 and 146, Volume 53, Laws of Delaware, approved by the Governor of the State of Delaware July 21, 1961, and Chapter 66 of the Pamphlet Laws of 1961 of the State of New Jersey, approved by the Governor of the State of New Jersey June 3, 1961 (said Chapters 145 and 146 and said Chapter 66 being hereinafter sometimes collectively called the “Original Enabling Legislation”), pursuant to which the State of Delaware and the State of New Jersey entered, subject to the consent of the Congress of the United States of America, into a compact (hereinafter sometimes called the “Original Compact”) creating the Authority; and

WHEREAS, the consent of the Congress of the United States of America was given to the States of Delaware and New Jersey to enter into the Original Compact by a Joint Resolution of the Congress, approved September 20, 1962 (Public Law 87-678, 87th Congress); and

WHEREAS, by virtue of Chapter 252, Volume 67, Laws of Delaware, approved by the Governor of the State of Delaware June 28, 1990, and Chapter 192 of the Pamphlet Laws of 1989 of the State of New Jersey, approved by the Governor of the State of New Jersey October 18, 1989 (said Chapter 252 and said Chapter 192, together with the Original Enabling Legislation being hereinafter sometimes collectively called the “Enabling Legislation”), the State of Delaware and the State of New Jersey entered, subject to the consent of the Congress of the United States of America, into certain amendments to the Original Compact (as so amended and as may be further amended from time to time hereinafter sometimes called the “Compact”); and

WHEREAS, the consent of the Congress of the United States of America was given to the State of Delaware and New Jersey to enter into the Compact by a Joint Resolution of the Congress, approved November 15, 1990 (Public Law 101-565, 101st Congress); and

WHEREAS, by virtue of the Compact and the Enabling Legislation, the Authority’s powers include authorization to plan, finance, develop, construct, purchase, lease, maintain, improve and operate crossings, including bridges, tunnels and ferries and all approaches thereto and connecting and service routes, between the State of Delaware and the State of New Jersey across the Delaware River or Bay at any location south of the boundary line between the State of Delaware and the Commonwealth of Pennsylvania as extended across the Delaware River to the New Jersey shore of said River; and

WHEREAS, the Authority owns, operates and maintains twin bridges spanning the Delaware River from a point between Pigeon Point near the City of Wilmington in the State of Delaware and New Castle in said State to a point near the Salem Canal in the State of New Jersey, together with their approaches, appurtenances and property; and

WHEREAS, the Authority also owns, operates and maintains a public ferry system across Delaware Bay between Cape May in the State of New Jersey and the Town of Lewes in the State of Delaware, including vessels, marine facilities, approaches and connecting and service routes and appurtenances and equipment incidental thereto; and

WHEREAS, the Authority also owns, operates and maintains the New Castle County Airport, the Millville Airport, the Cape May Airport, the Delaware Air Park and the Civil Air Terminal; and

WHEREAS, the Authority desires to finance with the proceeds of debt the acquisition, construction, improvement, renovation, equipping and design of a portion of the projects (collectively, the "Project") planned to be carried out as part of the Authority-Wide Five Year (2017-2021) Strategic CIP Summary, prepared and reviewed in conjunction with the Authority's capital improvement plan approved by the Board of Commissioners of the Authority ("Board") on December 20, 2016, a copy of which is attached hereto as Exhibit "A" and made a part hereof; and

WHEREAS, the Authority has paid, beginning no earlier than August 19, 2017 and will pay, on and after the date hereof, certain expenditures (the "Expenditures") in connection with the Project; and

WHEREAS, the Authority has determined that those moneys previously advanced no earlier than August 19, 2017 and to be advanced on and after the date of the adoption of this Resolution to pay the Expenditures are available only for a temporary period, and it is necessary to reimburse the Authority for the Expenditures from the proceeds of one or more issues of tax-exempt bonds (the "Bonds"); and

WHEREAS, the Authority intends that this Resolution be determined to be a declaration of official intent under Treasury Regulations §1.150-2 promulgated under the Internal Revenue Code of 1986, as amended ("Code") to reimburse itself with a portion of the proceeds of such Bonds for certain Expenditures in accordance with the Code; and

WHEREAS, the Authority will reimburse itself only for capital expenditures, certain preliminary expenditures and certain cost of issuance incurred in connections with the issuance of the Bonds, in each case determined in accordance with the Code and Treasury Regulations § 1.150-2; and

WHEREAS, the Authority is not making this declaration of intent to reimburse as a matter of course or in amounts substantially in excess of the amounts expected to be necessary for the Project, and does not have a pattern of failure to reimburse actual original expenditures covered by prior declarations of intent to reimburse, if any;

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE DELAWARE RIVER AND BAY AUTHORITY HEREBY RESOLVE, AS FOLLOWS:

Section 1. Declaration of Official Intent. The Authority hereby declares its intent:

- (a) that the issuance of the Bonds for the Project by the Authority be in an aggregate principal amount reasonably expected not to exceed \$100,000,000;
- (b) that the Authority be reimbursed from the proceeds of the Bonds for the Expenditures with respect to the Project paid on and after August 19, 2017 (or for certain limited expenditures paid before that date as permitted under Treasury Regulations § 1.150-2) and the Authority reasonably expects on the date of the adoption of this Resolution that it will reimburse the Expenditures with the proceeds of the Bonds;
- (c) that this Resolution be determined to be a declaration of official intent under Treasury Regulations § 1.150-2 promulgated under the Code; and
- (d) that the Authority will make a written allocation that evidences the Authority's use of proceeds of the Bonds to reimburse an Expenditure no later than 18 months after the later of the date on which the Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid.

Section 2. Effective Date. This Resolution shall take effect immediately upon its passage, subject to cancellation by the Governor of the State of Delaware or the Governor of the State of New Jersey within ten (10) business days of the receipt by the respective offices of the Governors of the minutes of the meeting at which this Resolution was adopted.

EXHIBIT A

Authority-Wide Five Year (2017-2021) Strategic CIP Summary

Capital Asset	2017	2018-2021	5 Year Totals
CONTINUING PROJECTS			
Delaware Memorial Bridge	\$ 42,100,000	\$ 61,855,000	\$ 103,955,000
Cape May-Lewes Ferry	\$ 7,411,000	\$ 9,809,000	\$ 17,220,000
Forts Ferry	\$ -	\$ -	\$ -
New Castle Airport	\$ 7,480,000	\$ 8,657,000	\$ 16,137,000
Millville Airport	\$ 1,531,000	\$ 1,054,000	\$ 2,585,000
Cape May Airport	\$ 2,530,000	\$ 432,000	\$ 2,962,000
Delaware Air Park	\$ 845,000	\$ 1,420,000	\$ 2,265,000
Civil Air Terminal	\$ -	\$ -	\$ -
Subtotal	\$ 61,897,000	\$ 83,227,000	\$ 145,124,000
ANNUAL PROJECTS			
Delaware Memorial Bridge	\$ 14,313,000	\$ 54,496,000	\$ 68,809,000
Cape May-Lewes Ferry	\$ 9,105,000	\$ 24,126,000	\$ 33,231,000
Forts Ferry	\$ 60,000	\$ 40,000	\$ 100,000
New Castle Airport	\$ 2,205,000	\$ 3,036,000	\$ 5,241,000
Millville Airport	\$ 656,000	\$ 1,060,000	\$ 1,716,000
Cape May Airport	\$ 1,920,000	\$ 1,500,000	\$ 3,420,000
Delaware Air Park	\$ 271,000	\$ 219,000	\$ 490,000
Civil Air Terminal	\$ 79,000	\$ 116,000	\$ 195,000
Subtotal	\$ 28,609,000	\$ 84,593,000	\$ 113,202,000
NEW PROJECTS			
Delaware Memorial Bridge	\$ 5,750,000	\$ 8,000,000	\$ 13,750,000
Cape May-Lewes Ferry	\$ 675,000	\$ 3,500,000	\$ 4,175,000
Forts Ferry	\$ -	\$ -	\$ -
New Castle Airport	\$ 1,640,000	\$ 2,610,000	\$ 4,250,000
Millville Airport	\$ 100,000	\$ 550,000	\$ 650,000
Cape May Airport	\$ 300,000	\$ 600,000	\$ 900,000
Delaware Air Park	\$ 15,000	\$ 25,000	\$ 40,000
Civil Air Terminal	\$ -	\$ -	\$ -
Subtotal	\$ 8,480,000	\$ 15,285,000	\$ 23,765,000
OUT-YEAR PROJECTS			
Delaware Memorial Bridge	\$ -	\$ 17,650,000	\$ 17,650,000
Cape May-Lewes Ferry	\$ -	\$ 83,395,000	\$ 83,395,000
Forts Ferry	\$ -	\$ -	\$ -
New Castle Airport	\$ -	\$ 843,000	\$ 843,000
Millville Airport	\$ -	\$ 470,000	\$ 470,000
Cape May Airport	\$ -	\$ 1,230,000	\$ 1,230,000
Delaware Air Park	\$ -	\$ -	\$ -
Civil Air Terminal	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ 103,588,000	\$ 103,588,000
Grand Total All Projects	\$ 98,986,000	\$ 286,693,000	\$ 385,679,000

A motion to approve Resolution 17-49 was made by Commissioner Van Sant, seconded by Commissioner Decker, and approved by a roll call vote of 9-0.

Resolution 17-49
Executive Summary Sheet

Resolution: 17-49

Committee: Budget & Finance

Committee Date: October 17, 2017

Board Date: October 17, 2017

Purpose of Resolution: Adoption of Resolution 17-49 provides the Authority the ability to reimburse itself from tax-exempt bond proceeds for expenditures made during the period beginning on August 19, 2017 and ending on a date occurring not later than 18 months after the date of the original expenditure, subject to specific exceptions.

Background for Resolution: Pursuant to Treasury Regulation Section 1.150-2(d) of the Internal Revenue Code of 1986, issuers must timely adopt an official intent that an original expenditure will be reimbursed with the proceeds of a subsequent reimbursement bond resolution. Adoption of the reimbursement resolution allows the Authority to evaluate its financial and capital needs with future market conditions to best optimize a future bond issuance.