



MEMORANDUM

TO: Members of the Authority

FROM: Melissa Orsen
Chief Executive Officer

DATE: November 28, 2017

SUBJECT: Agenda for Special Board Meeting of the Authority November 28, 2017

Notice of Public Meeting

Roll Call

Bond Projects

Public Comment

Adjournment

BOND PROJECTS

BOND RESOLUTIONS

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM**

APPLICANT: Port Newark Container Terminal L.L.C.

P44597

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 241 Calcutta St

Newark City (T/UA)

Essex

GOVERNOR'S INITIATIVES: (X) Urban () Edison () Core () Clean Energy

APPLICANT BACKGROUND:

Port Newark Container Terminal L.L.C. (PNCT) was incorporated in 2000 as a Delaware limited liability company. PNCT is owned by its two members, each owning a fifty percent membership interest. The two members are Ports America, Inc. (Ports America), having its address at 525 Washington Blvd., Jersey City, New Jersey and Terminal Investment Limited S.a.r.l. (TIL), having an address at 12-14 Chemin Riev 1208 Geneva, Switzerland. PNCT leases from the Port Authority of New York and New Jersey the land and facility known as the Port Newark Container Terminal (Terminal) located at 241 Calcutta Street in the City of Newark, New Jersey. The facility currently comprises 267 acres handling 700,000 containers annually.

In February 2003, the Authority issued \$125,000,000 in tax-exempt bonds that in February 2012 were bifurcated into the Series 2003A and Series 2003B bonds each in the principal amount of \$62,500,000. The original bond issuance allowed PNCT to redevelop an abandoned terminal for the purpose of operating a common user facility providing stevedoring and terminal services to container shipping lines, with the Terminal at the time comprising 154 acres of container yard. In conjunction with the issuance of new tax-exempt bonds to fund an expansion project, PNCT is intending to also refund these Series 2003A and Series 2003B bonds.

PNCT plans to continue investing in the large-scale, long-term expansion plan to increase container handling capacity from a current annual lift total of 700,000 to a 1.2 million annual lift total by 2019, capable of handling ultra-large container vessels (ULCVs), and significantly improving road and rail capabilities. The project will include construction and installation of new truck gate facilities and equipment, acquisition and installation of new customs and security technology, construction and installation of new comfort and customer service stations for truckers, construction and installation of new back-up power generation facilities, demolition of two existing warehouses, expansion of the terminal yard by 48 acres and renovation of approximately 34 acres of terminal yard, expansion and improvements to the yard electrical and lighting systems, expansion and improvements to the existing wharf and berths, acquisition and installation of new gantry cranes and straddle carriers, construction and equipping of an offsite depot, and various paving and improvements to existing facilities.

This project is qualified for Authority assistance because it is an Exempt Public Facility (Docks/Wharves) under Section 142(a)(2) of the Internal Revenue Code of 1986 as amended and additionally exempted from the Volume Cap Limitation under Sections 144 and 146(g) of the Code.

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - REFUNDING BOND PROGRAM**

APPLICANT: Port Newark Container Terminal L.L.C.

P44598

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 241 Calcutta St

Newark City (T/UA)

Essex

GOVERNOR'S INITIATIVES: (X) Urban () Edison () Core () Clean Energy

APPLICANT BACKGROUND:

Port Newark Container Terminal L.L.C. (PNCT) was incorporated in 2000 as a Delaware limited liability company. PNCT is owned by its two members, each owning a fifty percent membership interest. The two members are Ports America, Inc. (Ports America), having its address at 525 Washington Blvd., Jersey City, New Jersey and Terminal Investment Limited S.a.r.l. (TIL), having an address at 12-14 Chemin Riev 1208 Geneva, Switzerland. PNCT leases from the Port Authority of New York and New Jersey the land and facility known as the Port Newark Container Terminal (Terminal) located at 241 Calcutta Street in the City of Newark, New Jersey. The facility currently comprises 267 acres handling 700,000 containers annually.

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REFUNDING REQUEST:

Authority assistance will enable the Applicant to refund \$125,000,000 in outstanding principal associated with Series 2003A and Series 2003B bonds. Proceeds will also be used to pay costs incurred at issuance and fund a debt service reserve.

FINANCING SUMMARY:

BOND PURCHASER: Wells Fargo Securities (underwriter)

AMOUNT OF BOND: \$145,000,000 Tax-Exempt and Taxable Bonds

TERMS OF BOND: 30 year term, Fixed interest rate not to exceed 10.0%

ENHANCEMENT: N/A

PROJECT COSTS:

Principal amount of bond(s) to be refund	\$125,000,000
Debt service reserve fund	\$14,500,000
Other	\$4,275,000
Finance fees	\$725,000
Legal fees	\$400,000
Accounting fees	\$100,000

APPLICANT: Port Newark Container Terminal L.L.C.

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TOTAL COSTS

\$145,000,000

PUBLIC HEARING: 10/12/17 (Published 09/27/17) **BOND COUNSEL:** McCarter & English, LLP
DEVELOPMENT OFFICER: M. Athwal **APPROVAL OFFICER:** K. DeSmedt