

10876. RESOLUTION 14-35 – AUTHORIZATION OF THE PURCHASE AGREEMENT FOR THE SALE OF SURPLUS PROPERTY

WHEREAS, The Delaware River and Bay Authority (the “Authority”) is a bi-state agency created by Compact for the purpose of developing the areas in Delaware and New Jersey bordering the Delaware River and Bay for transportation, port and terminal purposes; and

WHEREAS, the Authority is the operator of the Cape May-Lewes Ferry and owner of the M/V Twin Capes; and

WHEREAS, the Budget and Finance Committee, at a meeting on June 28, 2010, following the recommendation of the CFO, authorized the declaration of the M/V Twin Capes as surplus property in accordance with the Authority’s Real Property and Tangible Assets Disposition Policy (the “Policy”); and

WHEREAS, Resolution 10-36 recognized the unique nature and value of the property involved and the limited number of parties interested in the purchase of the M/V Twin Capes, and waived the requirement to effectuate the sale of the M/V Twin Capes by use of a nationally recognized, professional licensed and operated auction; and

WHEREAS, the Authority has continually sought to market and pursue the sale of the vessel unsuccessfully since such declaration; and

WHEREAS, the Authority continues to incur expenses related to storing the M/V Twin Capes; and

WHEREAS, the Authority has received and discussed credible indications of interest regarding the potential acquisition of the vessel and has discussed a range of value which the Authority deems as appropriate for any such sale, in view of current market conditions; and

WHEREAS, the Budget and Finance Committee in light of the exigent circumstances associated with the historical effort to sell the vessel, the ongoing costs to maintain such, the deteriorating condition and value of the M/V Twin Capes recommends the sale of the vessel; and

NOW, THEREFORE, BE IT RESOLVED, that the Commission hereby authorizes the sale of the M/V Twin Capes and the Chairman, Vice Chairman and Executive Director are hereby authorized, with the advice of counsel, to finalize the terms and conditions of the sale and purchase agreement (“Purchase Agreement”), based on price and such other terms as are deemed to be in the best interest of the Authority, and to execute and deliver such Purchase Agreement and any other letters, bills of sale or other documents which the Chairman, Vice Chairman and Executive Director shall deem necessary and/or appropriate in connection with finalizing the sale of the M/V Twin Capes.

A motion to approve Resolution 14-35 was made by Commissioner Murphy and seconded by Commissioner Dorn. Resolution 14-35 was approved by a roll call vote of 10-0.

Resolution 14-35 Executive Summary Sheet

Resolution: Resolution 14-35 – Authorization Of The Purchase Agreement For The Sale Of Surplus Property

Committee: Budget & Finance

Committee Date: October 21, 2014

Board Date: October 21, 2014

Purpose of Resolution:

Resolution 14-35 formally authorizes sale of the M/V Twin Capes.

Background for Resolution:

The Authority took delivery of the M/V Twin Capes in 1975. Resolution 10-36 recognized the unique nature of the asset and authorized the direct sale of the M/V Twin Capes based upon its then-appraised value. A broker was retained to help effectuate this sale. During 2010 and 2011, there were several interested parties, but no sale materialized. The M/V Twin Capes was taken out of service at the end of the 2013 summer season. Coast Guard Certification was not maintained as the dry dock expenses incurred would have met or exceeded the value of the vessel. The appraised value of the M/V Twin Capes continues to decline. Sale of the M/V Twin Capes as approved by the Budget and Finance Committee is necessary to stop continued losses.