

ACT NO. 8 7 8 7

BILL NO. 35-0191

THIRTY-FIFTH LEGISLATURE OF THE VIRGIN ISLANDS

Regular Session

2023

An Act appropriating the sum of \$17,000,000, or so much of that sum as is necessary, in the fiscal year ending September 30, 2024, from the excess of funds contained in the Debt Service Reserve Fund for the Gross Receipts Taxes Revenue Bonds to the Virgin Islands Port Authority for the dredging of the Charlotte Amalie Harbor and establishing reporting requirements for the expended funds

---0---

WHEREAS, the Virgin Islands Public Finance Authority (the "Authority") has issued, on behalf of the Government of the Virgin Islands (the "Government"), its (i) Virgin Islands Public Finance Authority Revenue Bonds (Virgin Islands Gross Receipts Taxes Loan Note), Series 2006; (ii) Virgin Islands Public Finance Authority Revenue Refunding Bonds (Virgin Islands Gross Receipts Taxes Loan Note), Series 2012A, (Working Capital Refinancing/Tax-Exempt); (iii) Virgin Islands Public Finance Authority Revenue Refunding Bonds (Virgin Islands Gross Receipts Taxes Loan Note), Series 2012B, (Broadband Project Refinancing/Federally Taxable); (iv) Virgin Islands Public Finance Authority Revenue Bonds (Virgin Islands Gross Receipts Taxes Loan Note), Series 2012C, (Capital Projects/Tax Exempt); (v) Virgin Islands Public Finance Authority Revenue Bonds (Virgin Islands Gross Receipts Taxes Loan Note), Series 2014A, (Working Capital); (vi) Virgin Islands Public Finance Authority Revenue and Revenue Refunding Bonds (Virgin Islands Gross Receipt Taxes Loan Note), Series 2014C, (Tax-Exempt); and (vii) Virgin Islands Public Finance Authority Revenue Bonds (Virgin Islands Gross Receipts Taxes Loan Note), Series 2014D (Federally Taxable); under and pursuant to an Indenture of Trust, dated as of November 1, 1999, as supplemented and amended (the "Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N. A., as trustee (the "Trustee"); and

WHEREAS, the Gross Receipt Taxes Bonds are secured, in part, by a debt service reserve fund established under the Indenture (the "Debt Service Reserve Fund"); and

WHEREAS, the Authority has been advised by the Trustee that as of March 3, 2023, the Debt Service Reserve Fund contains excess funds derived from partial repayment, in the ordinary course, of principal of such Gross Receipts Taxes Revenue Bonds, as well as investments earnings, in the aggregate amount of \$18,767,003.22 (the "Excess Funds"), which sum, is subject to variation of valuation; and

WHEREAS, the Authority and the Government have reviewed the pressing needs of the Virgin Islands Port Authority and have determined that the Excess Funds, minus a cushion of approximately 9.42% or \$1,767,003.22 ("the Cushion") of the debt service reserve requirement to protect the value of the investments in the Debt Service Reserve Fund in the event of interest rate changes, in the amount of \$17,000,000.00 may be used to fund certain urgently needed harbor dredging capital projects across the Territory, which project includes: dredging of Charlotte Amalie Harbor Channel and Turning Basin, St. Thomas (the "Approved Project"); and

WHEREAS, by Resolution 22-025, dated July 15, 2022, the Authority authorized the use of \$17,000,000 from the Authority's Debt Service Reserve Fund for the Gross Receipt Taxes Loan Notes to fund costs associated with the dredging of the Charlotte Amalie Harbor and Turning Basin; Now, Therefore,

Be it enacted by the Legislature of the Virgin Islands:

SECTION 1. (a) The sum of \$17,000,000, or so much of that sum as is necessary, is appropriated in the fiscal year ending September 30, 2024, from the excess of funds contained in the Debt Service Reserve Fund for the Gross Receipts Taxes Revenue Bonds to the Virgin Islands Port Authority for the dredging of the Charlotte Amalie Harbor, inclusive of the WICO Berth, Turning Basin, and Entrance Channel on St. Thomas. No portion of this sum may be used for any other or ancillary purpose, and only such funds as are required for the dredging of the Charlotte Amalie Harbor may be released.

(b) No later than 30 days after the enactment of this act, the Virgin Islands Port Authority shall submit to the Legislature of the Virgin Islands a timeline and a budget report that indicates the specific use of the funds appropriated for the project. Thereafter, the Virgin Islands Port Authority shall submit bi-monthly project reports and updates to the Legislature, including detailed accounting records of all funds utilized for the project.

(c) The sum appropriated in subsection (a) remains available until expended.

Thus passed by the Legislature of the Virgin Islands on November 14, 2023.

Witness our Hands and Seal of the Legislature of the Virgin Islands this 16th Day of November, A.D., 2023.



A handwritten signature in blue ink, appearing to read "Novelle E. Francis, Jr.".

Novelle E. Francis, Jr.
President

A handwritten signature in blue ink, appearing to read "Carla J. Joseph".

Carla J. Joseph
Secretary



Bill No. 35-0191 is hereby approved.

**Witness my hand and the Seal of the Government of
the United States Virgin Islands at Charlotte Amalie,
St. Thomas, this 29 day of November, 2023 A.D.**

Kevin McCurdy

**Kevin McCurdy
Acting Governor**