

**ANIZDA Board Meeting Minutes**  
**January 3, 2018**  
**America On Wheels**  
**1<sup>st</sup> Floor Conference Room/Theater**  
**5 North Front Street, Allentown, PA**

**Attendees:** Seymour Traub, Esq., Nelson Diaz, Oldrich Foucek, III, Esq., Tiffany Polek, Pedro Torres

**Board Staff:** Jerome Frank (Solicitor), Steve Bamford (Executive Director), and Michelle Reid (Executive Assistant)

**Presenters:** Albert Abdouche (Principal) and Jonah Adamcik (Director of Business Development), The Americus Hotel

**Members of the Media and Public were present.**

**1. Call to Order**

The meeting was called to order by S. Traub, Chairperson, at 5:00 p.m. A quorum has been met and the meeting proceeded accordingly.

**2. Approval of December 6, 2017 Meeting Minutes**

A motion to approve the December 6<sup>th</sup> meeting minutes was made by O. Foucek, seconded by P. Torres and unanimously approved.

**3. Public Comment on all Matters to be Acted Upon**—Members of the public were present but comments were deferred until matters were to be acted upon. Members of the media were present.

**4. Request by Americus Investor, LP and Americus Hotel, LLC for Project and Plan of Finance Approval – Resolution R2018-146**

- a. S. Bamford informed the board that the Americus Hotel project had been presented to ANIZDA's Project Review Committee where the applicant received an initial non-binding confirmation of interest allowing the project to proceed to the full board for consideration.
- b. Jonah Adamcik addressed the five stipulations in the letter dated February 5, 2016 from ANIZDA to Albert Abdouche as follows:
  - i. For the duration of project financing the developer will retain Marshall Hotels and Resorts as the exclusive management firm for the hotel including the extended stay units. The hotel will be affiliated with Ascend by Choice Hotels.
  - ii. Marshall has the ability to complete the AAA rating process and has a track record of doing so. Marshall representatives expressed confidence in their ability to obtain a 3 Diamond rating from AAA once the planned renovations are completed.

- iii. The developer has obtained commitment letters from First Keystone Community Bank in the amount of \$9,000,000 and \$1,500,000.
  - iv. The developer has obtained estimates to complete the project of \$9,700,000 and \$10,000,000 from 2 different general contractors.
  - v. The construction budget includes a contingency and major subcontractors will be bonded.
- c. J. Frank summarized Resolution R2018-146 authorizing acceptance of commitment letters from the bank, issuance of the credit facilities, execution of all related loan documents and the Funding Agreement to provide funds to the developer for the capital improvements to a 147,000-square foot hotel structure including lobby, 5 floors of hotel units, 4 floors of extended stay units, plus banquet space, restaurants, retail and commercial office space located at 541 Hamilton Street.
- d. A motion to approve Resolution R2018-146 was made by N. Diaz, seconded by O. Foucek and upon no comment from the public was unanimously approved.

**5. Executive Director Report**


- S. Bamford informed the board that two separate loan closings occurred at the end of the year:
- a. \$2,478,223 loan for Vault 634, LLC to fund capital improvements to 634 Hamilton Street and;
  - b. \$10,000,000 credit facility for ANIZDA to undertake public improvement projects in the Neighborhood Improvement Zone.

J. Frank spoke about the recently passed federal tax reform legislation and the revisions to treatment of contribution to capital. J. Frank will prepare a brief notice to developers seeking financing through ANIZDA to consult their tax advisor.

A motion to adjourn the meeting was made, seconded and approved.

**Next ANIZDA Board Meeting:** Wednesday, February 7, 2018 at 5:00 PM in the First Floor Conference Room/Theater at America on Wheels, 5 N. Front Street, Allentown.

Respectfully Submitted,



Pedro Torres, Secretary

**ALLENTOWN NEIGHBORHOOD IMPROVEMENT ZONE  
DEVELOPMENT AUTHORITY**

**RESOLUTION NO. R-2018-146**

WHEREAS, the Allentown Neighborhood Improvement Zone Development Authority (the "Authority") is a public instrumentality of the Commonwealth of Pennsylvania and a body politic and corporate, and is authorized and empowered by the provisions of the Economic Development Financing Law of the Commonwealth of Pennsylvania, 73 P.S. 371 *et seq.*, as amended (the "Act") as an industrial development authority to acquire, hold, construct, improve, maintain, own, finance and lease projects and, among other things, to make loans to project applicants or project users and to provide alternative types of financing, including, but not limited to, standby loan commitments, guarantees, letters of credit and grants; and

WHEREAS, Article XIX-B of Pennsylvania's Fiscal Code, 72 P.S. Section 8901-B *et seq.* (the "NIZ Act") authorizes a contracting authority such as the Authority to create a Neighborhood Improvement Zone (defined below); and

WHEREAS, the City of Allentown, Lehigh County, Pennsylvania (the "City") qualifies as a "city" under the NIZ Act; and

WHEREAS, pursuant to a resolution adopted by the Authority on August 30, 2012, the Authority designated a neighborhood improvement zone within the City (the "NIZ"); and

WHEREAS, the Authority, based upon facts presented, has found that the development of the aforesaid NIZ acting as a master development plan will promote the public purposes of both the Act and the NIZ Act and be in the best interest of the people of the City ; and

WHEREAS, the Authority takes notice that, within the NIZ, the City created development plans known as the Downtown Allentown Development and Urban Design Plan in December 2014, and the Lehigh Riverfront Master Plan in August 2012, and has therefore incorporated conformance within these master development plans as a requirement as applicable for a NIZ Project and its financing; and

WHEREAS, the Authority received an application from Americus Investors L.P., Americus Hotel LLC and Albert Abdouche (together the "Developer") to finance the costs of a certain development project identified as "Americus Hotel" within the NIZ as described below; and

WHEREAS, the Authority desires to authorize issuance of credit facilities to provide funds to the Developer for the capital improvements to a 147,000 square foot hotel structure including lobby, 5 floors of hotel units, 4 floors of extended stay units ,

plus banquet space, restaurants, retail and commercial office space located at 541 Hamilton St., Allentown, PA, in the NIZ and for certain costs incidental thereto, including, without limitation, the reimbursement of the City or the Authority for certain expenditures within the NIZ related to the foregoing described development (referred to as the "Project"); and

WHEREAS, the Project shall consist of property to be improved in accordance with the NIZ Act and the Authority Guidelines; and

WHEREAS, the Authority will enter into a funding agreement with the Developer (the "Funding Agreement") setting forth, among other matters, the requirements and conditions to providing the proceeds of the loan to the Developer and allocation of NIZ Tax Revenues to the debt service, including, but not limited to, providing certified construction payroll records, engaging a professional hotel management company, securing and maintaining a 3 Diamond rating for the hotel (as determined by American Automobile Association, or an equivalent), the Authority Retention of 20 percent of certified NIZ Tax Revenues and other undertakings of the recipient; and

WHEREAS, the Developer is requesting approval of a Plan of Finance for an aggregate amount of Ten Million Five Hundred Thousand and 00/100 (\$10,500,000.00) Dollars including:

- (i) a Construction Loan Credit Accommodation issued in the form of a first priority construction and permanent commercial mortgage loan credit facility with terms and conditions consistent with the Act, the NIZ Act and the terms and conditions in the proposed Construction Loan commitment letter, from First Keystone Community Bank (the "Bank") as a private placement in an aggregate principal amount not to exceed \$9,000,000.00 bearing interest at a fixed rate subject to change as set forth in the commitment letter with an interest only period of eighteen (18) months followed by a term of One Hundred Twenty (120) months with equal monthly payments with a twenty (20 ) year amortization schedule,
- (ii) together with (ii) a gap Time Loan Credit Accommodation in the form of a non-revolving multiple advance Time Loan in the amount of \$1,500,000.00, fixed interest only for a term of eighteen (18) months with intended payout from an RCAP grant of \$1,500,000.00 for which the Authority is not a party; and

WHEREAS, the Credit Accommodations are the limited obligation of the Authority to be payable solely from the Tax Revenues as defined below together with monies provided by the Developer under the Funding Agreement or under its guaranty and such other revenue sources identified in the Credit Accommodations as defined below; and

WHEREAS, without limiting other forms of security permissible under the Act, the NIZ Act and the Authority's financing documents relating to financing previously

undertaken by the Authority within the NIZ, certified tax revenues under the NIZ Act ("Tax Revenues") may be assigned or pledged as security for a loan, (including any refinancing thereof); and

WHEREAS, it is anticipated that the Authority will pledge all or a portion of the Tax Revenues consisting of revenues beneficial or attributable and certified to the Project ("Project Tax Revenues"); and

WHEREAS, the Authority has previously pledged, and expects to pledge in the future, Tax Revenues in connection with other loans to the Authority for the development of projects and related facilities in the NIZ and has entered into an Amended and Restated NIZ Escrow Deposit Agreement with the Bank of New York Mellon Trust Company, N.A. as Escrow Agent, dated as of September 15, 2012, as amended from time to time (the "Escrow Agreement") for the purpose of collecting and distributing such Tax Revenues to pay debt service and other related purposes; and

WHEREAS, the Developer or its affiliates shall provide a financial guaranty which guarantees, with certain terms and conditions, payment of debt service on the Credit Accommodations; and

WHEREAS, the Credit Accommodations shall be issued pursuant to loan documents, indentures or other agreements relating to the terms of the Credit Accommodations and custody and disbursement of the proceeds, between the Authority and the Bank or other bank or trust company setting forth provisions outlined in the commitment letters, subsequent commitment letters and/or other customary lending provisions acceptable to the Authority (together the "Credit Facility"); and

WHEREAS, in connection with the Project and the Credit Facility, the Authority is directed to file for approval thereof with the Commonwealth of Pennsylvania's Department of Community and Economic Development (the "DCED Filing") and to secure a waiver from Moody's Services, Inc.; and

WHEREAS, the Authority has adopted Amended and Restated Guidelines for Obtaining Financing for Projects in the City of Allentown's NIZ, approved March 4, 2015, as amended from time to time (the "Financing Guidelines"); and

WHEREAS, to the Authority's satisfaction, the Developer has complied with the application portion of the Financing Guidelines, and

WHEREAS, the Developer has agreed to comply with the Financing Guidelines; and

WHEREAS, the Board desires to authorize all action by the Authority necessary to effect the issuance, execution and delivery of the Credit Facility and the undertaking of the Project.

NOW, THEREFORE, BE IT RESOLVED by the Authority, as follows that:

1. The Whereas clauses set forth above are all incorporated herein as part of this Resolution and the Project, Plan of Finance and the Credit Facility for the Project, are hereby approved.

2. The Authority hereby authorizes the acceptance, execution and delivery of: (i) commitment letters from the Bank consistent with the documents provided by Developer with the application and reviewed at the meeting; (ii) issuance of the Credit Facility subject to the recital paragraphs of this Resolution; and (iii) all related loan documents and (iii) the Funding Agreement with the Developer.

3. The Authority shall retain as ANIZDA Retention twenty percent (20%) of Project Tax Revenues (exclusive of Local Hotel Taxes).

4. The Authority hereby authorizes the Executive Director of the Authority to act on behalf of the Authority with regard to fulfilling the Authority's obligations and rights hereunder, to negotiate and execute the commitment letters from the Bank, to execute the application to DCED, to secure a waiver from Moody's Investor Services, Inc. and to take any and all such actions necessary in the opinion of the Executive Director, with advice of counsel, to implement fulfillment of this Resolution and consummate the transactions contemplated herein, including negotiating and signing documents.

5. The Chairperson or Vice Chairperson, Executive Director and the Secretary or any Assistant Secretary of the Authority are hereby authorized and directed to execute and attest, where deemed necessary, respectively, any related agreement and documents, and other documents to amend or correct any documents, and to take any and all such actions necessary, in the opinion of the Executive Director with the advice of counsel, to implement fulfillment of the purposes of this Resolution, and to consummate the transactions contemplated herein.

6. Subject to the approval of the Chairperson, Vice Chairperson, or Executive Director of the Authority, the following documents may be entered into by the Authority in connection with the execution and delivery of the Credit Facility;

- i. The commitment letters with the Bank;
- ii. Funding Agreement with Developer;
- iii. Any Loan Agreement or Credit Facility;
- iv. Any instruments including the Pledge Agreement assigning, pledging or granting security interests in the Authority's rights to Project Tax Revenues;

- v. A Note or Notes;
- vi. Any Escrow Agreement;
- vii. Any intercreditor agreements or amendments or supplements to existing documents related to other financing previously undertaken by the Authority within the NIZ;
- viii. Any agreements between the Authority and the City related to the development of the Project; the zoning, planning or the provision of utilities or other services within the NIZ; or the administration of the NIZ, including, without limitation, agreements related to the tracking of properties and Tax Revenues related to the Project or the Credit Facility;
- ix. Any agreement, if required, among the Authority, City, and/or departments or agencies of the Commonwealth of Pennsylvania relating to the transfer, custody, deposit and application of Tax Revenues; and
- x. Such other documents, agreements, security agreements, financing statements, instruments and certifications, as the executing officers determine to be reasonable and appropriate to provide and to complete the financing for the Project as authorized by this Resolution.

Copies of the foregoing documents, together with the other documents relating to the transactions authorized hereby, in final form as executed and delivered by the parties thereto, shall be filed in the official records of the Authority.

7. Without limiting the Authority's ability to seek other sources of financing consistent with this Resolution, the officers and Executive Director of the Authority are hereby authorized to negotiate final terms and provisions of the commitment letter, the Credit Facility and the above described documents with the Bank, acting as lead bank on behalf of itself and any other participating banking institution.

8. The liability of the Authority under any and all of the documents relating to and executed to implement fulfillment of the purposes of this Resolution shall not constitute the general obligation of the Authority, and where appropriate, the documents, shall provide for other parties, to indemnify and hold harmless the Authority, and each member, officer, and employee of the Authority, from and against any and all claims, losses, damages or liabilities, joint and several, to which the Authority or any member, officer or employee of the Authority may become subject, insofar as such loss, claim, damage, or liability, or action in respect thereof, arises out of implementation of the purposes of this Resolution, or is based upon any other alleged act or omission in connection with any document related thereto.

9. All actions previously taken in furtherance of the purposes of this Resolution are hereby ratified. The officers of the Authority are hereby authorized to take such further actions to carry out the purposes of this Resolution.

10. All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed and this Resolution shall be in immediate effect from and after its adoption.

**END OF RESOLUTION**




**CERTIFICATION**

I, Pedro L Torres, Jr., Secretary of the Allentown Neighborhood Improvement Zone Development Authority, do hereby certify that the foregoing is a true and correct copy of the Resolution R-2018-146 of the Board of Directors of the Authority passed at a duly convened meeting of said Board on the 3rd day of January, 2018. Authority members present and voting were as follows:

<u>Vote</u>	<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Seymour Traub, Esq.	✓		
Nelson A. Diaz	✓		
Gregory N. Dudkin	<i>absent</i>		
Oldrich Foucek, III, Esq.	✓		
David Mickenberg	<i>absent</i>		
Tiffany Polek	✓		
John Stanley, Esq.	<i>absent</i>		
Pedro L. Torres, Jr.	✓		
John Williams, Jr., Esq.	<i>absent</i>		

IN WITNESS WHEREOF, I hereunto set my hand and seal on this 3rd day of January, 2018.

  
Secretary