

**ANIZDA Board Meeting
Agenda
March 4, 2020
America on Wheels
Conference Room
5 North Front Street, Allentown PA**

1. Call to Order – Chairperson
2. Approval of February 5, 2020 Meeting Minutes
3. Public Comment on all matters to be acted upon
4. Old Business
5. New Business
 - A. Request by Somera Road, Inc. and Somera Road – 835 West Hamilton Street LLC for Project and Plan of Finance Approval – Resolution R2020-212
 - B. Request by Brewers Hill Development Group, LP and Ruckus Marketing, LLC for Project and Plan of Finance Approval – Resolution R2020-213
6. Executive Director Report

Adjournment

**ALLENTOWN NEIGHBORHOOD IMPROVEMENT ZONE
DEVELOPMENT AUTHORITY**

RESOLUTION NO. R-2020-212

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 Somera Road, Inc., Somera Road-835 West Hamilton Street LLC and Ian Ross (together the “Developer”) to provide security for Credit Accommodations to finance the costs of a certain development project identified as “Grand Plaza” within the NIZ as described below; and

WHEREAS, the Authority desires to authorize issuance of a Guaranty of Allocation as an obligation to secure the Credit Accommodations to the Developer for the capital improvements to a 285,000 square foot retail and commercial office building

structure commonly referred to as Grand Plaza including upgrades to the lobby, the mechanical equipment, elevators, roof, and the restrooms, completion of tenant improvements and reimagining the exterior plaza to include grass lawns, trees, seating arrangements and bike racks located at 835 West 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 Guaranty of Allocation of NIZ Tax Revenues to the debt service as security for the Credit Accommodations to the Developer including, but not limited to, providing certified construction payroll records, 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 Guaranty of Allocation as security for Credit Accommodations for an amount of up to Twenty One Million Thirteen Thousand Eighty Six and 00/100 (\$21,013,086.00) Dollars including Credit Accommodations issued in the form of a first priority lien on the Project with terms and conditions consistent with the Act, the NIZ Act and the terms and conditions in the proposed Commitment Letter from Thorofare Capital dated February 19, 2020 (the “Bank”) as a private placement in an aggregate principal amount not to exceed \$21,013,086.00 for a 10 year term bearing interest at rate of LIBOR+2.95% subject to change as set forth in the Commitment Letter with an interest only period of thirty six (36) months followed by an annual debt service of monthly payments of principal plus interest based on a twenty five (25) year amortization schedule; and

WHEREAS, the Guaranty of Allocation is 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 Developer and the Bank or other bank or trust company setting forth provisions outlined in the Commitment Letter, 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 Guaranty of Allocation for 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
2. The Authority hereby approves the Project, Credit Accommodations and the Credit Facility for the Project, and hereby authorizes the acceptance of: (i) Commitment Letter 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 all related loan documents and issuance of the Guaranty of Allocation and the Funding Agreement with the Developer.

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

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 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 Credit Facility.

- i. Guaranty of Allocation.
- ii. Funding Agreement with Developer.
- iii. Pledge and security agreement assigning, pledging or granting security interests in the Authority's rights to Project Tax Revenues.
- iv. Any intercreditor agreements or amendments or supplements to existing documents related to other financing previously undertaken by the Authority within the NIZ.
- v. Any agreements between the Authority and the City related to the development of the Project 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.
- vi. 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

- vii. 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-2020-212 of the Board of Directors of the Authority passed at a duly convened meeting of said Board on the 4th day of March, 2020. 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			
David Mickenberg			
Tiffany Polek			
Adrian Shanker			
John Stanley, Esq.			
Pedro L. Torres, Jr.			
Vacant			

IN WITNESS WHEREOF, I hereunto set my hand and seal on this 4th day of March, 2020.

Secretary

**ALLENTOWN NEIGHBORHOOD IMPROVEMENT ZONE
DEVELOPMENT AUTHORITY**

RESOLUTION NO. R-2020-213

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 Brewers Hill Development Group, LP and Ruckus Marketing, LLC (together the “Developer”) to provide security for a construction loan to finance the costs of a certain development project within the NIZ as described below; and

WHEREAS, the Authority desires to authorize issuance of a Guaranty of Allocation as an obligation to secure the construction loan to the Developer for the capital improvements to an approximately 42,000 square foot commercial building

structure referred to as Building J, including selective demolition, construction, rehabilitation and fit out for office and mixed use commercial purposes, located at 401-451 North Front Street and 16 West Liberty Street, 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 Guaranty of Allocation of NIZ Tax Revenues to the debt service as security for the loan to the Developer including, but not limited to, providing certified construction payroll records, 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 Guaranty of Allocation as security for a loan in an amount of up to One Million Nine Hundred Thousand and 00/100 (\$1,900,000.00) Dollars including Loan Documents issued in accordance with terms and conditions consistent with the Act, the NIZ Act and the terms and conditions in the Commitment dated February 13, 2020 from QNB (the "Bank") as a private placement in an aggregate principal amount not to exceed \$1,900,000.00 for a 20 year term following commencement of repayment of principal and interest, subject to a call by the Bank after the 5th anniversary of the Loan Closing, bearing interest at a rate of 4.875 % subject to change as set forth in the Commitment, with an interest only period of twenty four (24) months followed by an annual debt service of monthly payments of principal plus interest based on a twenty (20) year amortization schedule; and

WHEREAS, the Guaranty of Allocation is 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 Loan Documents 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 construction loan; and

WHEREAS, the loan shall be issued pursuant to loan documents, indentures or other agreements relating to the terms of the Loan Documents and custody and disbursement of the proceeds, between the Developer and the Bank or other bank or trust company setting forth provisions outlined in the Commitment, 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 Guaranty of Allocation for 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

2. The Authority hereby approves the Project and the Credit Facility for the Project, and hereby authorizes the acceptance of: (i) the Commitment 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, all related loan documents and issuance of the Guaranty of Allocation and the Funding Agreement with the Developer.

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

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 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.

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- vi. 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

- vii. 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, 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-2020-213 of the Board of Directors of the Authority passed at a duly convened meeting of said Board on the 4th day of March, 2020. Authority members present and voting were as follows:

<u>Vote</u>	<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Seymour Traub, Esq.			
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IN WITNESS WHEREOF, I hereunto set my hand and seal on this 4th day of March, 2020.

Secretary