

ANIZDA Board Meeting Minutes
September 06, 2023
America On Wheels
2nd Floor Meeting Room
5 North Front Street, Allentown, PA

Attendance:

Board Members: Seymour Traub, Esquire (Chairperson), Tiffany Polek and Pedro Torres attended in person. Eileen Aguilera, Dr. Ann Bieber, Stephen Breininger and John Stanley, Esquire, attended via Zoom video conference. Absent was Nelson Diaz.

Board Staff: Steve Bamford (Executive Director) and Selma Ritter (Manager, Finance and Administration) attended in person. Jerome B. Frank, Esquire (Solicitor), attended via Zoom video conference.

Presenters: John Palumbo, Urban Residential Properties and The Manhattan Building Company; Carlos Tovar, Diseno Urbano Studio; Scott Shearer, Managing Director, PFM Financial Advisors; and George Magnatta, Esq., Bond Counsel, Saul Ewing, attended in person. Jeffrey Rink, Managing Director, KeyBanc Capital Markets and Joe Kimbell, Vice President, KeyBanc Capital Markets attended via Zoom video conference.

Members of the public and media were present.

1. **Call to Order.** The meeting was called to order by Chairperson S. Traub, Esquire, at 5:00 p.m. A quorum was met.
2. **Approval of August 02, 2023 Meeting Minutes.** A motion to approve the August 02, 2023 meeting minutes, as written, was made by P. Torres and seconded by S. Breininger. The public was given the opportunity to comment. No comment(s) or change request(s) were received. The minutes were unanimously approved by a vote of 7-0.
3. **Public Comment on all Matters to be Acted Upon.** Comments were deferred until matters were to be acted upon.
4. **Old Business.**
 - a. **Designation of Community Events at PPL Center – revised Resolution R2023-293.** The lease between ANIZDA and Arena Operator, BDH Development LLC, dated December 09, 2011, allows ANIZDA to designate up to five (5) rent-free community events each lease year at PPL Center. While the rent for the event would be free, the Event Organizer would be responsible for paying any arena operating expenses.

S. Bamford explained a previous version of resolution R2023-293 was presented and tabled at the August 02, 2023 Authority meeting. After some discussion at that meeting, the board directed S. Bamford to revise the resolution and prepare and publish a Request for

Proposals (“RFP”) seeking proposals from organizers of Community Events interested in using PPL Center during the upcoming lease year. The RFP was posted on the ANIZDA website August 15, 2023. The proposals are due to ANIZDA by September 15, 2023.

The revised Resolution R2023-293 designates graduation ceremonies for (1) William Allen High School; (2) Louis Dieruff High School; (3) Building 21; and (4) Lehigh Carbon Community College as annual Community Events without a need for an annual request from the organizers. At this time, the fifth (5th) Community Event would remain undesignated.

A motion to approve Resolution R2023-293 was made by J. Stanley and seconded by P. Torres. The public was given the opportunity to comment. No public comment was received. Resolution R2023-293 was unanimously approved by a vote of 7-0.

5. New Business.

a. Termination of Approved Riverfront Lofts I Project – Resolution R2023-295. Solicitor J. Frank provided a brief history on this matter. On June 02, 2021, the Authority approved the Riverfront Lofts I project located at 207 N. Front Street by Resolution R2021-245. ANIZDA subsequently entered into a Funding Agreement with the developer and executed a Guaranty of Allocation.

The Developer has requested the approved Riverfront Lofts I Project be terminated so the NIZ revenues generated at Riverfront Lofts I could be pledged to debt service on a proposed bond issue for Neuweiler Lofts. The Riverfront Lofts I lender, Peoples Security Bank and Trust, issued a letter indicating it would release ANIZDA from the previously executed Guaranty of Allocation.

Upon approval of the termination of the approved Riverfront Lofts I project and revocation of Resolution R2021-245, the Developer has agreed to abide by the terms and conditions outlined in Resolution R2023-295, which includes paying back the NIZ funds that have already been allocated, plus seven percent (7%) interest. This revocation shall not have a negative impact on any future proposed utilization of the 207 N. Front Street NIZ revenues generated from Qualified Businesses at the premises.

A motion to approve Resolution R2023-295 was made by P. Torres and seconded by S. Breininger. The public was given the opportunity to comment. No public comment was received. Resolution R2023-295 was unanimously approved by a vote of 7-0.

b. Authorization of Neuweiler Lofts Project and 2023 Neuweiler Bonds- Resolution R2023-296. S. Bamford stated the Neuweiler Lofts project was previously reviewed by ANIZDA’s design consultant, Goody Clancy, as well as the City of Allentown Planning Commission. In a public meeting on August 30, 2023, the ANIZDA Project Review Committee (the “PRC”) reviewed the qualification stage submission from 401 N. Front St

LLC, an affiliate of Urban Residential Properties and Manhattan Building Company. S. Bamford reported the committee voted unanimously to recommend the project proceed to the board for consideration.

S. Bamford indicated the developer is seeking an approximately \$25,000,000 tax-exempt bond issue through ANIZDA to fund a portion of the estimated \$91,000,000 in project costs for Neuweiler Lofts. The balance of the costs is to be funded by developer equity and a construction loan. If approved by the board, the bond would be secured by NIZ tax revenues generated during construction and from Qualified Businesses that locate in Neuweiler Lofts, as well as 207 N. Front Street Allentown, PA. The bond would not constitute a general obligation of the Authority. The proposed project consists of 283 apartment units and approximately 40,000 square feet of commercial space on the partially demolished Neuweiler Brewery site, located at 401 N. Front Street, which has been vacant since 1968.

Developer J. Palumbo and architect C. Tovar delivered a PowerPoint presentation, dated August 29, 2023, consisting of renderings of the exterior elevations, floor plans, and responses to the comments and observations from Goody Clancy. J. Palumbo stated the commercial tenants will include beer production facilities with a full-service restaurant, a digital marketing firm, co-working space, a law firm, and accounting firm.

A motion to approve Resolution R2023-296 was made by J. Stanley and seconded by P. Torres. The public was given the opportunity to comment. Prior to a vote being taken, the following public comments were received:

- i. Pennsylvania Senator Jarrett Coleman discussed Senate Bill 757, which passed the Senate last week, and the disclosure of specific sources of tax revenue generated in the NIZ.
- ii. Paul Anthony, Business Manager, IBEW Local 375, spoke in support of the Neuweiler Lofts project, the NIZ, and the growth of employment opportunities, apprenticeship and pre-apprenticeship programs.
- iii. Darian Colbert, a homeowner in the 1st Ward, spoke in support of the Neuweiler Lofts Project and developer.

After the public comments concluded, a vote was taken and Resolution R2023-296 was unanimously approved by a vote of 7-0.

Financial Advisor S. Shearer summarized the Neuweiler Lofts project financing and provided a handout. He briefly provided a bond market update and spoke to the uses of the bond proceeds, security for the bonds, and funding timeline. He noted the debt would be non-recourse to ANIZDA and that Authority retention would gradually ramp up to 20%.

Bond Counsel G. Magnatta summarized resolution R2023-296.

c. Extension of Compliance and Consulting Services Agreement with FourScore LLC – Resolution R2023-297. S. Bamford reported ANIZDA’s current contract with FourScore LLC for NIZ compliance and consulting services expires October 31, 2023. The fee payable to FourScore has been fixed with no increase over the past 3 years. S. Bamford recommended the contract be extended for a 3-year period commencing November 01, 2023 at an annual cost of \$222,480, which is a three percent (3%) increase.

Bamford remarked the compliance and allocation services provided by FourScore under this contract are critical to the success of the NIZ Program. Each year, CPA Deana Zosky physically visits buildings within the NIZ to ensure the master listing of Qualified Businesses is current and accurate. FourScore also maintains and updates the reporting packet materials that Qualified Businesses use to prepare their state and local reports each year, and assists businesses that need help with filing by the deadline, at no cost to the business. After the State certifies the NIZ revenues each year, Four Score serves as ANIZDA’s Allocation Accountant to allocate the revenue in accordance with the NIZ Act, the Escrow Agreement between ANIZDA and Bank of NY Mellon, and the Funding Agreements between ANIZDA and developers. The allocation process includes the issuance of the Accountant’s Allocation Report each year. FourScore also provides assistance to ANIZDA throughout the year with baseline calculations and analytics as needed.

A motion to approve Resolution R2023-297 was made by P. Torres and seconded by T. Polek. The public was given the opportunity to comment. No public comment was received. Resolution R2023-297 was unanimously approved by a vote of 7-0.

6. Executive Directors Report.

a. ANIZDA has engaged the Lehigh Valley Planning Commission to conduct an assessment of the NIZ. After more than 10 years of investment and development, it is an appropriate time to collect and analyze data and report on the impact of the program. This effort will be funded from the previously approved planning and marketing expense line items within the 2023 ANIZDA operating budget. A report is expected by year end to include economic and fiscal analysis; analysis of the role of the NIZ in promoting community development, quality of life and housing stock; and assessment of the impacts of density and investment in the region’s urban core.

7. Adjournment. The meeting was adjourned at 6:31 p.m.

Next scheduled ANIZDA Board Meeting: Wednesday, October 04, 2023, at 5:00 p.m.

Respectfully Submitted,



Pedro Torres, Secretary