

ALLENTOWN NEIGHBORHOOD IMPROVEMENT ZONE
DEVELOPMENT AUTHORITY

RESOLUTION R-2018-157

BE IT RESOLVED, that the Allentown Neighborhood Improvement Zone Development Authority (the "Authority"), in accordance with the addition of Section 8904.3-B, effective October 30, 2018, to the Neighborhood Improvement Zone Act (Article XIX-B of the Tax Reform Code of 1971, 72 P.S. 8901-B et seq.) as amended (the "NIZ Act") hereby approves the Guidelines and Procedures for Transfer and Replacement of Parcels in the City of Allentown Neighborhood Improvement Zone, as set forth on the attachment hereto, to be effective as of October 30, 2018.

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-2018-157 of the Board of Directors of the Authority passed at a duly convened meeting of said Board on the 11th day of July 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 | ✓ | | |
| Oldrich Foucek, III, Esq. | ✓ | | |
| David Mickenberg | | ✓ | |
| Tiffany Polek | ✓ | | |
| John Stanley, Esq. | ✓ | | |
| Pedro L. Torres, Jr. | ✓ | | |
| John Williams, Jr., Esq. | Absent | | |

IN WITNESS WHEREOF, I hereunto set my hand and seal on this 11th day of July, 2018.


Secretary

Allentown Neighborhood Improvement Zone Development Authority Guidelines and Procedures for Transfer and Replacement of Parcels

The Allentown Neighborhood Improvement Zone Development Authority (ANIZDA) is tasked with revitalizing the City of Allentown Neighborhood Improvement Zone (NIZ). The intent of the legislation enabling ANIZDA is to promote active development of properties located within the NIZ. All developers seeking to improve and develop properties within the NIZ may apply to ANIZDA to utilize financing available pursuant to the NIZ Act.

Although the development finance tool available to qualified projects has been used successfully to fund improvement and development of numerous parcels in the NIZ, other parcels within the NIZ remain undeveloped where the Owners have chosen not to improve and develop their parcels. The decision by owners not to improve and develop parcels located within the NIZ is inconsistent with the intent underlying the NIZ Act.

In order to optimize the impact of the NIZ, the Pennsylvania Legislature has amended the NIZ Act effective October 30, 2018 to provide for the possible transfer of a parcel out of the NIZ and replace it with transfer of a parcel into the NIZ. ANIZDA establishes the following GUIDELINES AND PROCEDURES FOR TRANSFER AND REPLACEMENT OF PARCELS.

I. Application for Transfer of a parcel into the NIZ by a Developer

An Application for Transfer of a parcel into the NIZ by a Developer shall include the following:

- a) Developer's name, address, phone number, email address, and name of contact person
- b) Parcel street address
- c) Parcel identification number
- d) Parcel tax map
- e) Parcel Legal description from boundary survey or deed indicating parcel acreage
- f) Evidence of site control by developer
- g) Certification by the Pennsylvania Department of Revenue that there is currently no activity on the parcel proposed to be transferred into the NIZ that generates tax receipts or other revenue to the Commonwealth of Pennsylvania
- h) Certification by the City of Allentown that there is currently no activity on the parcel proposed to be transferred into the NIZ that generates tax receipts or other revenue, other than taxes on real property to the City of Allentown, the Allentown School District, and Lehigh County.
- i) Description of the proposed improvement and development of the parcel ("Project") including status of Project planning, design, and financing
- j) Assuming acceptance into the NIZ, timeline for completion of the proposed improvement and development of the parcel identifying major milestones including expected timing of an application to ANIZDA for financing pursuant to ANIZDA's Guidelines for Obtaining Financing for Projects in the City of Allentown's NIZ
- k) A City street map indicating location of the parcel and its distance to the nearest parcel currently within the NIZ

I) Written evidence from Developer of Developer's financial ability to complete the Project.

II. Evaluation of Application for Transfer into the NIZ

ANIZDA staff shall evaluate an Application for Transfer into the NIZ by applying the following criteria:

- a) Proximity to parcels currently within the NIZ. A key goal of ANIZDA is to transfer parcels that contribute to the success of building a whole neighborhood that has its own sustained economic momentum.
- b) Duration of development timeline. A key goal of ANIZDA is to transfer parcels where planning and design is advanced enough that with sufficient funding construction can begin within one year after the approval date of the transfer.
- c) Consistency with the priorities of the Downtown Allentown Development and Urban Design Plan or the Lehigh Riverfront Master Plan, as they are applicable to the parcel transferring into the NIZ.

Provided the Application is complete and the staff evaluation concludes that the Application is ready for consideration by ANIZDA, the Application shall proceed as follows.

III. ANIZDA Review and Approval

There shall be 4 stages of review and approval by ANIZDA.

Stage 1: ANIZDA's Project Review Committee

In this stage, the Application for Transfer of a parcel into the NIZ, applying the criteria above, shall be presented to ANIZDA's Project Review Committee in a public meeting.

Upon receiving a favorable non-binding confirmation of interest from the Project Review Committee, but only after Stage 2 has been completed, the Application for Transfer shall advance to Stage 3.

Stage 2: Identification of parcels to Transfer Out of the NIZ by staff and Project Review Committee; hearing by ANIZDA Board, if requested

In this stage, ANIZDA staff shall identify a parcel or parcels currently in the NIZ for possible transfer out of the NIZ applying the following criteria:

- a) no improvement or development has occurred on the parcel utilizing financing available pursuant to the NIZ Act
- b) the parcel or parcels consist of acreage equal to or greater than the acreage of the parcel that is the subject of the Application for Transfer of a parcel into the NIZ

- c) no application is pending or has been approved for financing of the parcel pursuant to ANIZDA's Guidelines for Obtaining Financing for Projects in the City of Allentown's Neighborhood Improvement Zone.
- d) the parcel or parcels do not produce substantial NIZ Revenue pledged for ANIZDA's series 2012A and 2012B tax revenue bonds.
- e) priority may be given to transfer out a parcel or parcels whose owners agree in advance and have no objection to the transfer.
- f) priority may be given to transfer out a parcel or parcels that have not been maintained or deemed blighted by the City.
- g) no parcel or parcels may be transferred out before November 1, 2019 without the consent of the owner

PUBLIC MEETING

Parcels meeting the above criteria shall be presented to the Project Review Committee in a public meeting. This may occur at the same meeting for an Application for Transfer of a parcel into the NIZ. Upon receiving a determination to transfer a parcel out of the NIZ from the Project Review Committee, ANIZDA staff in writing shall notify the owner of the parcel identified for transfer out of the NIZ, and the City of Allentown.

Pursuant to a written request from either the owner of a parcel receiving a determination to transfer the parcel out of the NIZ, or the City of Allentown, received by ANIZDA within 30 days of the owner's receipt of delivery of the notification from ANIZDA staff, ANIZDA's Board of Directors shall then conduct a public hearing in accordance with Section 908 of the Act of July 31, 1968 (P.L. 805, NO. 247), known as the Pennsylvania Municipalities Planning Code. At the hearing, the owner or the City of Allentown shall have the opportunity to show cause as to why the ANIZDA Board of Directors should not act to transfer the parcel or parcels out of the NIZ. Upon conclusion of the hearing, if ANIZDA's Board determines that it will transfer the parcel out of the zone, ANIZDA's Board shall issue a written opinion to the owner and the City of Allentown, setting forth the reasons supporting the determination within 45 days of the hearing.

If, either a) no request for a public hearing is received by ANIZDA either from the property owner or the City of Allentown within 30 days of written notification from the ANIZDA staff, or b) a public hearing is held, and the ANIZDA Board of Directors approves transfer of the parcel out of the NIZ, the Application for Transfer of a parcel into the NIZ shall advance to the Stage 3.

Stage 3: Approval by ANIZDA Board of Directors

In this stage, the ANIZDA Board of Directors shall make the determination whether to deny or approve the Application for Transfer of a parcel into the NIZ. An approval shall be conditioned upon the following:

- a) Receipt of an updated and current Certification by the Department of Revenue and the City of Allentown of the Certifications required as part of the Application for Transfer of a parcel into the NIZ
- b) An amount equal to the NIZ Tax Revenue generated by the parcel(s) to be transferred out during the calendar year prior to the year in which the Application for Transfer in was received by ANIZDA shall become the NIZ Tax Revenue Baseline to be allocated to ANIZDA as Pledged Revenue from Developer's NIZ Tax Revenue generated from the Project on the parcel to be transferred into the NIZ.
- c) Within 6 months from the date of approval of the Application for Transfer by the ANIZDA Board of Directors, the Developer shall apply to ANIZDA for financing the Project pursuant to ANIZDA's Guidelines for Obtaining Financing for Projects in the City of Allentown's Neighborhood Improvement Zone and the Project shall be approved by ANIZDA, the Pennsylvania Department of Community and Economic Development, Developer's lender and Moody's Services, Inc.
- d) Within one year of the approval of the Application for Transfer by the ANIZDA Board of Directors, the Developer shall secure the necessary permits for the Project, provide to ANIZDA for signature loan documents providing adequate financing, enter into a Funding Agreement with ANIZDA and provide an executed construction contract together with a start date for the improvement and development of the parcel to be transferred into the NIZ.

Stage 4: NIZ Map Amendment

- a) Upon compliance by Developer of all of the terms of the approval set forth under Stage 3 above, the NIZ Map will be amended by action of ANIZDA to transfer the parcel out and to transfer the parcel into the NIZ.
- b) ANIZDA shall notify the Commonwealth of Pennsylvania of amendments to the NIZ Map.

Disclaimer

These guidelines are intended for informational purposes only. They are not meant to constitute any contractual offer or promise by ANIZDA. These guidelines shall not be construed to limit in any way the discretion of ANIZDA. ANIZDA reserves the right to waive or modify provisions of these guidelines. To the extent of any inconsistency between these guidelines and the provisions of the NIZ Act as it may be amended or interpreted, the provisions of the NIZ Act shall control.