

ANIZDA Board Meeting Minutes
April 3, 2019
America On Wheels Museum
5 N. Front Street, Allentown, PA

Attendees: Seymour Traub, Esq., Pedro Torres, John Stanley Esq., Nelson Diaz, Tiffany Polek and Adrian Shanker

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

Members of the media and public were present.

1. Call to Order

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

2. Approval of March 6, 2019 Meeting Minutes

A motion to approve the March 6th meeting minutes was made by J. Stanley, seconded by D. Mickenberg and approved by the board with A. Shanker abstaining.

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. Approval of Amended and Restated ANIZDA Local Hotel Tax COLLECTION Procedure - Resolution R2019-183

- a. J. Frank provided the history and reviewed the proposed changes to ANIZDA Local Hotel Tax procedures. The original procedures established pursuant to the NIZ Act to encourage new development and capital improvements of hotel properties were adopted by the ANIZDA board prior to the closing of the Holiday Inn. With the closing of that hotel, it has become necessary to make some revisions to provide greater clarity, particularly regarding establishment of the Baseline to be distributed to Lehigh County. The ANIZDA Local Hotel Tax procedures remain in effect only as long as the NIZ is in existence.
- b. A. Shanker disclosed that the non-profit organization he leads received funding in the last fiscal year from Lehigh County's Tourism Grant, which is supported by Lehigh County hotel taxes.
- c. A motion to approve Resolution R2019-183 was made by J. Stanley and seconded by P. Torres and was unanimously approved after opportunity for the public to comment.

5. Approval of Amended and Restated ANIZDA Local Hotel Tax Collection ALLOCATION Procedure - Resolution R2019-184

- a. J. Frank reviewed the proposed changes to ANIZDA Local Hotel Tax Collection ALLOCATION Procedures intended to clarify the process for allocation to each approved New Hotel Project after payment of the Baseline to Lehigh County.
- b. A motion to approve Resolution R2019-184 was made by J. Stanley and seconded by D. Mickenberg and was unanimously approved after opportunity for the public to comment.

6. Tower 6 Annual Fee - Resolution R2019-185

- a. The existing agreement by and between ANIZDA and the developer of Tower 6 provides for an annual fee to be paid to ANIZDA to be designated and utilized only for funding of public improvement projects. ANIZDA had previously approved the Soldiers & Sailors Monument architectural lighting public improvement project. This resolution would authorize utilizing the \$125,000 year 1 fee to fund the Soldier & Sailors lighting project.
- b. A motion to approve Resolution R2019-185 was moved by J. Stanley and seconded by N. Diaz and was unanimously approved after opportunity for the public to comment.

7. Allentown Vision 2030 Comprehensive & Economic Development Plan

- a. Tom Williams, Operations Manager, Community & Economic Development for the City of Allentown presented an update on the Allentown Vision 2030 Comprehensive and Economic Development Plan including an overview of the team, process, timeline, community outreach and engagement, insights, and vision.

8. Executive Director Report

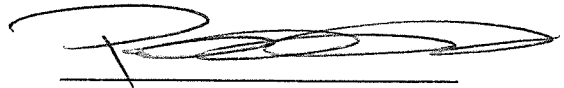
- a. S. Bamford reported that Allentown has earned Gold 2019 National Planning Achievement Award for Urban Design from the American Planning Association. The award recognizes the city's Downtown Allentown Development and Urban Design Plan for re-positioning the area as a mixed-use neighborhood to appeal to employers and residents.
- b. S. Bamford provided a status report on the annual NIZ Revenue certification and allocation process. Approximately \$71.4 million in NIZ Revenue generated by Qualified Businesses has been certified for 2018. The process to establish the amount to be allocated to developer dedicated indebtedness and arena bonds, and the excess to be transferred to the Commonwealth of Pennsylvania, is currently underway.
- c. Presentations before the Allentown School Board and Allentown City Council are scheduled for April.

- d. S. Bamford brought to the attention of the board the NIZ funded public improvements that have been completed across Front Street at the site of ACR Development's project. The sidewalks, curbing, ADA ramps, street parking, and street lighting have recently been installed making a dramatic impact at the corner of Front and Hamilton Streets.

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

Next ANIZDA Board Meeting: Wednesday, May 1, 2019 at 5:00 PM at the America On Wheels Museum at 5 N. Front Street, Allentown PA 18102.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Pedro Torres', written over a horizontal line.

Pedro Torres

Secretary

ALLENTOWN NEIGHBORHOOD IMPROVEMENT ZONE
DEVELOPMENT AUTHORITY

RESOLUTION R-2019-183

WHEREAS, the Allentown Neighborhood Improvement Zone Development Authority (the "Authority"), in accordance with changes to the Neighborhood Improvement Zone Act (Article XIX-B of the Tax Reform Code of 1971, 72 P.S. 8901-B et seq, effective July 9, 2013, amended July 13, 2016 (NIZ Act) approved the ANIZDA Local Hotel Tax Collection Procedure by Resolution R-2016-11, and

WHEREAS circumstances have changed necessitating modification of the Collection Procedure,

NOW THEREFORE, BE IT RESOLVED that the Authority hereby approves effective this date the Amended and Restated ANIZDA Local Hotel Tax Collection Procedure as set forth on the attachment hereto.

BE IT FURTHER RESOLVED that Executive Director, together with the CPA engaged by the Authority to provide NIZ Act compliance, shall take all steps deemed necessary to implement the Procedure attached hereto in accordance with the NIZ Act.

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-2019-183 of the Board of Directors of the Authority passed at a duly convened meeting of said Board on the 3rd day of April, 2019. 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>		
David Mickenberg	✓		
Tiffany Polek	✓		
Adrian Shanker	✓		
John Stanley, Esq	✓		
Pedro L. Torres, Jr.	✓		
John I. Williams, Jr.	<i>absent</i>		

IN WITNESS WHEREOF, I hereunto set my hand and seal on this 3rd day of April, 2019.


Secretary

Amended and Restated

ANIZDA

Local Hotel Tax Collection Procedure

In accordance with the Section 72 P.S. 8904.1 (b) and (c), of the Neighborhood Improvement Zone Act Article XIX-B of the Tax Reform Code of 1971, effective as of August 12, 2016 (NIZ Act), ANIZDA hereby establishes the following procedures regarding the local hotel taxes levied in the Neighborhood Improvement Zone in the City of Allentown, PA (NIZ):

- A. Lehigh County by Ordinance 2005-180 adopted on July 20, 2005 enacted the Lehigh County Hotel Room Rental Tax Ordinance of 2005 (Local Hotel Tax Ordinance), which imposes Local Hotel Taxes on hotels located within the NIZ.
- B. By action of the predecessor contracting authority to ANIZDA, the initial designation of the NIZ occurred in 2011, at which time the Local Hotel Taxes collected by Lehigh County from hotels in the NIZ amounted to \$78,984.22 hereinafter established as the Baseline.
- C. The NIZ Act, as amended under Section 8904.1(b) and (c), provides for the collected Local Hotel Taxes in excess of the Baseline to be set aside for new development and capital improvement of hotel properties in the NIZ (New Hotel Project). If there is no New Hotel Project all Local Hotel Taxes set aside shall be distributed to Lehigh County as provided under the Local Hotel Tax Ordinance.
- D. For existing and future hotels located in the NIZ, ANIZDA shall create and distribute a monthly tax form, an annual NIZ Local Hotel Tax form and an annual certification letter to accurately reflect the Local Hotel Taxes to be paid and collected.
- E. Local Hotel Taxes for all hotels located in the NIZ shall be paid to ANIZDA.
- F. ANIZDA shall create a separate bank account to hold the Local Hotel Taxes collected (Hotel Tax Account). From the Local Hotel Taxes received, ANIZDA shall pay the Baseline to Lehigh County in a timely manner
- G. ANIZDA in accordance with its existing procedure and guidelines shall process any application for a New Hotel Project.
- H. ANIZDA will establish procedures to determine whether or not and how the Hotel Tax Account is to be distributed to Lehigh County or to New Hotel Projects and will pay over to the respective recipients accordingly.

- I. ANIZDA authorizes its Executive Director to be the contact person for all matters related to the Local Hotel Taxes and to engage as needed, professional service providers to implement the purpose and intent of these procedures.
- J. ANIZDA reserves the right to modify and further expand these Procedures at any time. In no event shall these Procedures continue in effect beyond the effective period of the neighborhood improvement zone as determined in accordance with the NIZ Act.

ALLENTOWN NEIGHBORHOOD IMPROVEMENT ZONE
DEVELOPMENT AUTHORITY

RESOLUTION R-2019-184

WHEREAS, the Allentown Neighborhood Improvement Zone Development Authority (the "Authority"), in accordance with changes to the Neighborhood Improvement Zone Act (Article XIX-B of the Tax Reform Code of 1971, 72 P.S. 8901-B et seq, effective July 9, 2013, amended July 13, 2016 (NIZ Act) approved the ANIZDA Local Hotel Tax Collection ALLOCATION Procedure by Resolution R-2017-119, and

WHEREAS circumstances have changed necessitating modification of the Collection ALLOCATION Procedure,

NOW THEREFORE, BE IT RESOLVED that the Authority hereby approves effective this date the Amended and Restated ANIZDA Local Hotel Tax Collection ALLOCATION Procedure as set forth on the attachment hereto.

BE IT FURTHER RESOLVED that Executive Director, together with the CPA engaged by the Authority to provide NIZ Act compliance, shall take all steps deemed necessary to implement the Procedure attached hereto in accordance with the NIZ Act.

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-2019-184 of the Board of Directors of the Authority passed at a duly convened meeting of said Board on the 3rd day of April, 2019. 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>		
David Mickenberg	✓		
Tiffany Polek	✓		
Adrian Shanker	✓		
John Stanley, Esq.	✓		
Pedro L. Torres, Jr.	✓		
John I. Williams, Jr.	<i>absent</i>		

IN WITNESS WHEREOF, I hereunto set my hand and seal on this 3rd day of April, 2019.



Secretary

Amended and Restated

ANIZDA

Local Hotel Tax Collection ALLOCATION Procedure

In accordance with ANIZDA Resolution R2019-183 and the Amended and Restated ANIZDA Local Hotel Tax Collection Procedure (adopted April 3, 2019), ANIZDA hereby establishes the amended and restated procedures for allocation and distribution of local hotel taxes collected and held in the Hotel Tax Account as follows:

- A. On or before January 31 of each year, ANIZDA's Executive Director shall certify to ANIZDA and the Allocation Accountant the amount deposited into the Hotel Tax Account during the prior calendar year, the amount of \$78,984.22 (the Baseline) payable to Lehigh County, and the amount of the of the Local Hotel Tax paid by each New Hotel Project during the prior calendar year (the "Hotel Tax Account Certification").
- B. As of December 31 of each calendar year, ANIZDA shall certify what New Hotel Projects, as defined in the Amended and Restated ANIZDA Local Hotel Tax Collection Procedure, if any, were in existence as of the end of the calendar year. If applicable, the certification shall include the formal name of the Qualified Business, its address, the amount of the initial loan entered into by ANIZDA or the New Hotel Project as the Borrower and the name and address of the Lender for the New Hotel Project (the "New Hotel Project Certification").
- C. On or before February 15 of each calendar year, to the extent funds exist in the Hotel Tax Account for the prior calendar year, ANIZDA shall pay to Lehigh County the Baseline established in accordance with the NIZ Act, as amended.
- D. Allocation of the funds in excess of the Baseline in the Hotel Tax Account on an annual basis shall be determined by the Allocation Accountant and shall be based upon the certifications set forth above and confirmation from the Lender of the New Hotel Project that an unpaid balance remains as of the December 31 of the just completed calendar year. The Allocation Accountant shall certify the allocation to ANIZDA (the "Allocation Accountant Certification") on or before 60 days from receipt by Allocation Accountant of the later of the Hotel Tax Account Certification, the New Hotel Project Certification and the Lender confirmation.
- E. By way of example, using the 2016 Reporting Year, in order to be eligible for any portion of the Allocation noted below, a Qualified Business must have an approved New Hotel Project and a Funding Agreement with ANIZDA as of 12/31/16 and have an approved Project Master Listing which includes all legal entities subject to allocation. The allocation of the Local Hotel Tax for 2016 would occur in 2017 based on cash basis tax payments (net of cash basis refunds) received by ANIZDA as of 12/31/16 for Local Hotel Tax.

F. Allocation Process after Payment of the Baseline

1. First, each New Hotel Project entity that paid Local Hotel Tax to ANIZDA will be allocated their respective proportionate amount paid in up to the amount received during the calendar year and certified by ANIZDA for their legal entity.
2. The balance remaining after the allocation of item 1 will be allocated to the New Hotel Projects as per the New Hotel Project Certification based on the percentage of each New Hotel Project's initial debt to the total initial debt approved for all New Hotel Projects in the New Hotel Project Certification, but in no event in excess of the unpaid balance of a New Hotel Project loan remaining as of December 31 of the calendar year just completed. Any balance remaining after allocation as set forth above shall be paid or payable to Lehigh County.
3. For any Qualified Business that reports Local Hotel Tax that also has a Funding Agreement that was in existence prior to 2017, ANIZDA may secure a waiver or release from the Qualified Business and its Lender of allocation to it of the Local Hotel Taxes as Dedicated Developer NIZ Revenues with a copy provided to the Allocation Accountant.

G. Distribution of Hotel Tax Account

1. ANIZDA shall distribute the Hotel Tax Account to the respective Lenders of the New Hotel Projects in accordance with and within 30 days of receipt of the Accountant Allocation Certification

H. Reservation of Rights

1. ANIZDA reserves the right to modify and change these Procedures at any time.

**ALLENTOWN NEIGHBORHOOD IMPROVEMENT ZONE
DEVELOPMENT AUTHORITY**

**RESOLUTION NO. R-2019-185
Modifying R-2018-155**

WHEREAS the Authority in accordance with Resolution R 2017-130 has entered into a Credit Facility to finance approved public improvement projects, and

WHEREAS the Authority by Resolution R-2018-160 approved Process Guidelines for Public Improvement Investments which replaced the Project Plan for Public Improvement Investments also approved in Resolution R2017-130, and

WHEREAS, the Allentown Neighborhood Improvement Zone Development Authority (the "Authority") by Resolution R2018-155 approved public improvements at the intersection of Seventh Street and Hamilton Street, Center Square, in Allentown, to visually enhance the iconic Soldiers and Sailors Monument by lighting the Monument with architectural lights and thus further enhance the pedestrian and vehicular experience and create a visually unique and attractive spotlight on the Center Square Soldiers and Sailors Monument ("the Project"), at a cost estimated to not exceed \$135,000.00, subject to review and approval, as required, of all related stakeholders such as the City of Allentown, the Commonwealth of Pennsylvania and the County of Lehigh, and

WHEREAS the Authority desires to partially modify the sources of funds to be used to fund the Project described above,

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

A. Provided there is in place an agreement from all related parties satisfactory to the Authority, the Authority shall provide funds to finance the Project as described above due and payable in accordance with the agreement as follows:

1. First, to the extent received by the Authority, up to \$125,000.00 shall be paid from the Tower 6 Project Annual Fee due and payable to the Authority;
2. Second, to the extent there is a balance due and payable for the Project unpaid after the payment above, then the balance due and payable shall be paid from the proceeds available from the Credit Facility, but in no event shall the total payments from both sources exceed \$135,000.000.

3. Notwithstanding any interpretation to the contrary, no payment shall be made from the proceeds of the Credit facility until the Authority has received in full the Tower 6 Project Annual Fee.

B. The Whereas clauses above are incorporated as part of this Resolution.

C. 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.

D. 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.

E. 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.

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

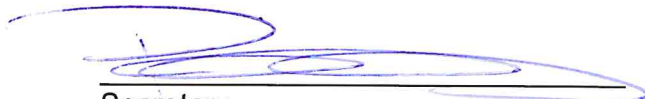
END OF RESOLUTION

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-2019-185 of the Board of Directors of the Authority passed at a duly convened meeting of said Board on the 3rd day of April, 2019. 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>		
David Mickenberg	✓		
Tiffany Polek	✓		
Adrian Shanker	✓		
John Stanley, Esq.	✓		
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 April, 2019.


Secretary