

ANIZDA Board Meeting Minutes
October 7, 2020
Virtual Public Meeting Held via Videoconference

Attendees: Adrian Shanker, Sy Traub, Esq., David Mickenberg, Pedro Torres, Greg Dudkin, and John Stanley, Esq.

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

Members of the media and public were present.

1. **The meeting was called to order by Sy Traub, Chairperson, at 5:00 p.m.** A quorum was met. S. Traub asked the Executive Director to make some introductory remarks. S. Bamford stated:

In accordance with Act 15 of 2020, and the declaration of a disaster emergency by the Governor and to protect the public from the spread of COVID-19, the Allentown Neighborhood Improvement Zone Development Authority (ANIZDA) Board of Directors is holding this previously scheduled regular public meeting virtually via Zoom video conferencing.

Instructions and the link to attend this meeting were posted on the ANIZDA website at www.allentownniz.com as were the meeting agenda and draft resolutions. The meeting notice was also published in the Morning Call.

Members of the public who are attending this virtual meeting may provide written comment on matters before the board using the Zoom chat function throughout the meeting. Depending on the device you are using, the chat icon may appear at the top, bottom, or side of your screen. Board Chair Sy Traub will request and pause for public comment before each vote on matters before the board this evening. Comments received will be read aloud by staff. We ask that any member of the public submitting comment also provide their first and last name so that it may be reflected in the meeting minutes.

We are fortunate to have videoconferencing technology available to us during these challenging times and are appreciative of everyone's flexibility and understanding.

2. **Approval of September 2, 2020 Meeting Minutes** – A motion to approve the September 2nd meeting minutes was made by J. Stanley, seconded by D. Mickenberg, 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.

4. Request for Extension of Construction Phase and Maturity Date from Americus Investors, LP and Americus Hotel, LLC – Resolution R2020-228

- a. S. Bamford indicated that Albert Abdouche, developer of the Americus Hotel located at 541 W. Hamilton Street and his lender, First Keystone Community Bank, have requested that the loan approved by the board in 2018 be modified. The \$9 million credit facility was established to fund a portion of the cost of the project to include hotel rooms on floors 1-5, extended stay units on floors 6-9, commercial space on floors 10-11, and street level retail. The developer and lender are requesting an extension of the interest only period as well as the maturity date by 12 months due to construction delays and the effects of the pandemic.
- b. Work on the lobby, ballroom, and restaurant, as well as the hotel rooms on floors 1-5 is nearing completion and can be finished with the funds remaining to be advanced from the \$9 million facility. Significant work remains to be completed on floors 6-11. The developer has indicated that work can be completed on floors 6-11 after the hotel opens with the costs to complete those floors funded from sources other than the NIZ credit facility.
- c. A. Abdouche was present and stated that the hotel rooms on floors 1-5 would be ready to open this fall under management of Marshall Hospitality and a Wyndham flag while work continues on the extended stay units on floors 6-9. Paul Sharp has been hired as general manager. The 10th floor will be apartments. The 11th floor will be reception, banquet, and restaurant space.
- d. G. Dudkin moved to approve Resolution R2020-228 and D. Mickenberg seconded the motion. A public comment received through the chat function from Andy Wagaman regarding hotel details was read to the board. The resolution was unanimously approved.

5. Second Quarter 2020 Statement of Operational Revenues and Expenses

- a. S. Bamford reviewed the 2nd Quarter financial statement prepared on a cash basis for unrestricted operating accounts only, with a comparison to the budget that was approved by the board for 2020. Actual revenue was approximately \$329,000 and expenses were about \$373,000 resulting in a deficit of approximately \$39,000 after adding interest income. The deficit through June 30 was substantially less than budgeted.

6. **Executive Directors Report**

- a. S. Bamford reported that a Request for Proposals for audit services has been issued. The RFP was posted on the ANIZDA website on September 11 and a notice was run in The Morning Call. Proposals are due October 13th.
- b. S. Bamford updated the board regarding the effects of COVID-19 on the NIZ. Much of the workforce that would occupy the downtown office buildings in the NIZ is working remotely. The PPL Center has not hosted an event since March. The Renaissance Hotel has also been closed since March. However, despite the negative impact on economic activity within the NIZ, there is reason to be encouraged. The demand for apartment units has remained remarkably strong throughout the pandemic. When offices do reopen, they will likely reopen to a more vibrant downtown with more downtown residents than pre-COVID. City Center Investment Corporation reports strong leasing activity, apartment occupancy close to 100%, and plans to complete an additional 300 apartment units between now and May 2021. Allentown will likely remain a very desirable business location as it eventually regains momentum.

The meeting was adjourned at 5:29 pm.

Next ANIZDA Board Meeting: Wednesday, November 4, 2020 at 5:00 pm.

Respectfully Submitted,

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke, positioned above a solid black horizontal line.

Secretary

ALLENTOWN NEIGHBORHOOD IMPROVEMENT ZONE
DEVELOPMENT AUTHORITY

RESOLUTION NO. R-2020- 228
MODIFYING RESOLUTION R-2020-209
MODIFYING RESOLUTION R-2018-146

WHEREAS, the Allentown Neighborhood Improvement Zone Development Authority (the "Authority") by its Resolution No. R-2018-146, approved issuance of a credit facility, modified by Resolution R220-209, to finance capital improvements to a hotel structure located at 541 West Hamilton Street, Allentown, PA, (the Project") to be developed by Americus Investors L.P., Americus hotel LLC and Albert Abdouche (together the "Developer") ; and

WHEREAS the credit facility as modified, is in place with First Keystone Community Bank (the "Bank"); and

WHEREAS, the Developer has requested a modification of the Project; and

WHEREAS, the Developer and the Bank have requested a further modification to the credit facility which does not negatively impact on the liability of the Authority.

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

1. Based on representation from the Developer that floors 1 through 5, the Hotel portion of the Project, have been or are imminently to be completed and available for occupancy utilizing the balance of the credit facility, as confirmed by the Bank, the Authority hereby accepts and approves the requests of the Developer to modify the Project as outlined in the Resolution R-2018-146 by allowing the Developer to self-fund all costs of completion of construction work required for floors 6 through 11 comprising 4 floors of extended stay units (floors 6 through 9), a floor of apartments (10th floor) and a floor for a reception facility (11th floor) whereby the capital costs to complete the improvements to floors 6 through 11 including construction labor, supplies and equipment will be solely the responsibility of the Developer and therefore not funded as part of the credit facility.

2. The Authority hereby accepts and approves the requests of the Developer and the Bank to modify the credit facility dated June 19, 2018, as modified, by extending the Maturity Date from September 19, 2030 to September 19, 2031 and the interest only period to 39 months.

3. The Authority hereby authorizes the Chairperson, or Vice Chairperson, and the Secretary or any Assistant Secretary, to execute and attest, where deemed necessary, any amendments to the respective credit facility documents, the Funding Agreement and any other related agreements and/or documents and to take any and all actions necessary with the advice of counsel to implement fulfillment of the purposes of this Resolution and to consummate the transactions contemplated herein.

4. 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, and 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 hereto.

5. 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.

6. 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.


CERTIFICATION ON NEXT PAGE

CERTIFICATION

I, Pedro L. Torres, Jr., Secretary of the Neighborhood Improvement Zone Development Authority, do hereby certify that the foregoing is a true and correct copy of the Resolution R-2020-228 of the Board of Directors of the Authority passed at a duly convened meeting of said Board on the 7th day of October 7, 2020. Authority members present and voting were as follows:

	<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Seymour Traub, Esq.	✓		
Nelson A. Diaz	<i>absent</i>		
Gregory N. Dudkin	✓		
David Mickenberg	✓		
Tiffany Polek	<i>absent</i>		
Adrian Shanker	✓		
John Stanley, Esq.	✓		
Pedro L. Torres, Jr.	✓		
vacant			

IN WITNESS WHEREOF, I hereunto set my hand and seal on this 7th day of October 2019.


Secretary