

ANIZDA Board Meeting Minutes
December 2, 2020
Virtual Public Meeting Held via Videoconference

Attendees: Adrian Shanker, Sy Traub, Esq., David Mickenberg, Pedro Torres, Tiffany Polek, and Nelson Diaz

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

Presenters: Don Bernhard, Executive Director, Downtown Allentown Community Development Initiative

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 November 4, 2020 Meeting Minutes** – A motion to approve the November 4, 2020 meeting minutes was made by N. Diaz, seconded by P. Torres, and unanimously approve
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. **Downtown Economic Data Presentation** – D. Bernhard of the Downtown Allentown Community Development Initiative (DACDI) presented a power point presentation containing economic data

for center city Allentown for the period 2010-2018. He addressed residential property values, fiscal impact of development, unemployment, poverty, household income, homeownership, etc. DACDI consists of a group of downtown CEO's and foundation heads organized to promote informal collaboration and coordinated philanthropy.

5. **Transfer of Surplus Funds to Excess NIZ Revenue Account – Resolution R2020-234**

- a. J. Frank explained that in accordance with the terms of the agreement with the Pennsylvania Department of Revenue, ANIZDA has determined that there is Excess NIZ Revenue for 2019 in the sum of \$8,039,676 held by the Master Trustee in the Surplus Fund under the Master Trust over and above the Preliminary Annual Excess NIZ Revenue which was previously distributed to the Commonwealth. The Authority is required to direct the transfer of these funds on a pro rata basis to the Commonwealth of Pennsylvania in the amount of \$7,742,207.99 and to the City of Allentown in the amount of \$297,468.01 as set forth in the Officer's Certificate attached to the resolution.
- b. After opportunities for comment from the public present, a motion to approve Resolution R2020-234 was made by A. Shanker, seconded by D. Mickenberg, and was unanimously approved.

6. **Third Quarter Statement of Operational Revenue and Expenses**

- a. S. Bamford reviewed the 3rd quarter financial statement prepared on a cash basis for unrestricted operating accounts through September with a comparison to the budget that was approved by the board for 2020. Actual operating revenues for the period were approximately \$442,000 and expenses about \$638,000 resulting in a deficit of \$191,000 after adding interest income. S. Bamford explained that ANIZDA received a developer fee in October that is not reflected in this report. Had the fee been received in September as budgeted, there would have been a surplus rather than deficit.

7. **Estimated Operating Budget for 2021 – Resolution R2020-235**

- a. S. Bamford presented the 2021 Estimated Operating Budget for board approval. Total revenues of \$1,072,612 are estimated to be available to fund 2021 operations from arena rent payments and developer fees. Annual expenses are estimated at \$1,222,182. The resulting deficit would be funded from reserves. In response to discussion among the board, S. Bamford indicated expense line items such as project development contingency, marketing, and planning could be adjusted downward to balance the budget.
- b. After opportunities for comment from the public present, a motion to direct S. Bamford to make expense line item adjustments to balance the budget, and with a balanced budget to approve Resolution R2020-235 was made by D. Mickenberg, seconded by A. Shanker, and was unanimously approved.

8. **Capital Project Account Budget for 2021 – Resolution R2020-236**

- a. S. Bamford presented the Capital Projects Account Budget for 2021. The preliminary budget totals \$4,152,000, the amount needed to complete previously approved public improvement projects.
- b. After opportunities for comment from the public present, a motion to approve Resolution R2020-236 was made by N. Diaz, seconded by P. Torres, and was unanimously approved.

9. **Executive Director Bonus and Reappointment for 2021 – Resolution R2020-237**

- a. S. Traub reviewed the activity and accomplishments of the Executive Director over the last six months and recommended payment of a \$7,500 performance-based bonus and his reappointment at a base annualized salary of \$152,337 effective January 1, 2021.
- b. After opportunities for comment from the public present, a motion to approve Resolution R2020-237 was made by P. Torres, seconded by N. Diaz and was approved unanimously. A. Shanker recommended, and it was the consensus of the board, that the minutes also reflect the board acknowledges S. Bamford is given the latitude to provide reasonable incentives for staff including bonuses at his discretion.

10. **Executive Directors Report**

- a. S. Bamford spoke of the upcoming reporting deadline. Businesses in the NIZ are required to file annual state and local NIZ reports by January 31, 2021 to report on a cash basis the taxes paid less refunds received for applicable taxes in calendar 2020. The Business Information Packet has been posted to the ANIZDA website as well as the City of Allentown reporting form.
- b. Negotiation for the extension of the Peoples Line of Credit used to fund public improvement projects has wrapped up. The credit facility has a 5-year term with the ability to extend an additional 3 years, not the 7-year term originally contemplated. The Guarantor is required to make a deposit to be held in escrow by the lender in the event ANIZDA is unable to make an annual payment from excess NIZ revenue of at least \$2 million. If it becomes necessary for the Guarantor to fund the escrow, ANIZDA will be required to receive the consent of the lender and Guarantor to approve new projects.
- c. Earlier in the meeting S. Traub had referred to the conclusion of the litigation with Somera Road/Plaza LP. S. Bamford asked Solicitor J. Frank to elaborate. J. Frank reported the federal case had been dismissed with prejudice. ANIZDA is no longer party to any litigation.

The meeting was adjourned at 6:32 pm.

Next ANIZDA Board Meeting: Wednesday, January 6, 2021 at 5:00 pm.

Respectfully Submitted,

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end.

Secretary

ALLENTOWN NEIGHBORHOOD IMPROVEMENT ZONE
DEVELOPMENT AUTHORITY

RESOLUTION NO. R-2020-234

WHEREAS, the Allentown Neighborhood Improvement Zone Development Authority (the "Authority") duly adopted Resolution No. R-2016-89 on February 3, 2016 authorizing entry into an "Agreement" with the Commonwealth of Pennsylvania acting through its Department of Revenue ("DOR") and through its Office of the Budget providing for distribution of the Preliminary and Year End Amount Excess NIZ Revenue to DOR among other things; and

WHEREAS the Agreement was executed by all parties and is effective as of January 31, 2016; and

WHEREAS, for the calendar year 2019, the Authority adopted Resolution R2020-214 authorizing distribution of the Preliminary Annual Excess NIZ Revenue to the Commonwealth of Pennsylvania; and

WHEREAS, the Authority by this Resolution desires to take further action in accordance with the terms of said Agreement and the Master Trust Indenture dated as of September 15, 2012 ("Master Trust") between the Authority and Bank of New York-Mellon Trust Company N.A. ("Master Trustee"),

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

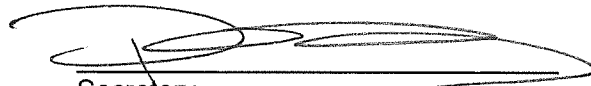
1. That the WHEREAS clauses set forth above are hereby incorporated herein.
2. That in the Surplus Fund held by the Master Trustee under the Master Trust there is Excess NIZ Revenue for 2019 remaining for distribution over and above the Preliminary Annual Excess NIZ Revenue distributed to the Commonwealth under the Agreement in accordance with Resolution R2020-214.
3. That the Authority hereby authorizes transfer from the Surplus Fund to the Excess NIZ Revenue Account an amount equal to the balance in the Surplus Fund after payment of the sum paid for debt service for the year 2020 on the Master Indenture Obligations and retention in the Surplus Fund of the amount required to maintain the Surplus Fund Reserve Requirement.
4. That, in accordance with the terms of the Agreement, the Authority hereby authorizes payment of the Pro Rata share of the Year End Annual Excess NIZ Revenue Payment to the Commonwealth of Pennsylvania, from the Excess NIZ Revenue Account in accordance with Section 5.5(a) of the Master Trust Indenture, and to the local governmental entities that collected local taxes included in the NIZ Revenues, as set forth in the Officer's Certificate and Transfer Payment ("Certificate") attached hereto.
5. The Chairperson or Vice Chairperson of the Authority is hereby authorized to execute the Certificate and to deliver said Certificate to the Master Trustee and DOR.
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 the date of its adoption.

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-2020-234 of the Board of Directors of the Authority passed at a duly convened meeting of said Board on the 2nd day of December, 2020. Authority members present and voting were as follows:

	<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.	<i>absent</i>		
Pedro L. Torres, Jr.	✓		
Vacant			

IN WITNESS WHEREOF, I hereunto set my hand and seal on this 2nd day of December, 2020.


Secretary

**ALLENTOWN NEIGHBORHOOD IMPROVEMENT
ZONE DEVELOPMENT AUTHORITY
OFFICER'S CERTIFICATE AND TRANSFER REQUEST
YEAR END EXCESS NIZ REVENUE**

For Fiscal Year 2019, in accordance with Section 5.5 of the Master Trust Indenture ("Indenture") between Allentown Neighborhood Improvement Zone Development Authority (the "Authority") and the Bank of New York Mellon Trust Company, N.A. as "Master Trustee", dated as of September 15, 2012, and the Agreement effective January 31, 2016, between the Authority and the Commonwealth of Pennsylvania ("Commonwealth") acting through its Department of Revenue ("DOR") and through its Office of Budget, Seymour Traub, Esquire, Chairperson of the Authority, as of December 2, 2020, hereby certifies as follows:

1. The requirements of Section 5.5(c) of the Master Trust Indenture are satisfied as follows:

- i. As of the date hereof, no Event of Default exists under the Master Trust Indenture;
- ii. The amount currently held in the Surplus Fund is at least equal to the Surplus Fund Reserve Requirement;
- iii. The Debt Service Coverage Ratio, taking into account all Outstanding Indentures, secured by and payable from Pledged Revenues, for the completed Fiscal Year 2019 for which Audited Financial Statements were provided (i.e., 2019 – Audited Financial Statement dated May 27, 2020) is not less than 1.25 for Fiscal Year 2019.
- iv. Not applicable. (No other proposed Indebtedness is incurred.)

2. In accordance with Section 5.5(a) of the Indenture, attached is a certified copy of Resolution R2020-234 approved by the Authority on December 2, 2020.

3. In accordance with Section 5.5(f) of the Indenture, funds in the Surplus Fund, in the sum of \$8,039,676.00 are excess funds not required to pay any unpaid debt service or Obligations or other costs permitted by the NIZ Act for the calendar year 2020.

4. The Master Trustee is hereby directed to transfer forthwith said \$8,039,676.00 from the Surplus Fund into the Excess NIZ Revenue Account, and then

promptly to transfer the sum therein free and clear of the Indenture to the recipients as allocated herein:

A. Commonwealth of Pennsylvania \$7,742,207.99

In accordance with a letter dated May 1, 2020 from the Governor's Office of General Counsel for the Commonwealth of Pennsylvania to and accepted by the Authority's Executive Director on May 4, 2020, and confirmed by the Economic Development Coordinator for DOR on November 25, 2020, the Master Trustee is hereby directed to promptly transfer the sum of \$7,742,207.99 from the Excess NIZ Revenue Account to the Commonwealth of Pennsylvania DOR by wire transfer as follows:

[REDACTED]

This is in lieu of transfer by Automated Clearing House ("ACH").

When payment has been processed, Please **notify** DOR by e-mail to mforti@pa.gov and to ANIZDA at sbamford@allentownniz.com.

If for some reason you are unable to make payment by wire transfer, please contact the Authority Executive Director at 610 467-8810 ext. 1 or at the e-mail address above. As an alternative, upon direction from the Authority Executive Director, then please forward a paper check for \$7,742,207.99 payable to the "Commonwealth of Pennsylvania" as follows:

Pennsylvania Dept. of Revenue
Attn: Office of Economic Development Coordinator
11th Floor Strawberry Square
Harrisburg, PA. 17128

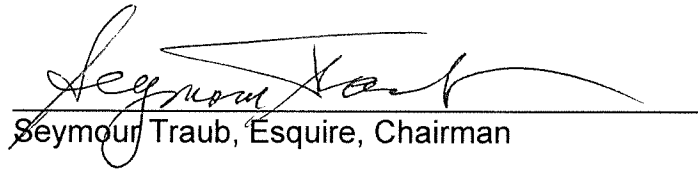
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B. City of Allentown

\$297,468.01

Attn: City Treasurer
435 Hamilton Street
Allentown, PA 18101

4. All capitalized terms used herein are to be defined as set forth in the Indenture, unless otherwise referred herein.



Seymour Traub, Esquire, Chairman

ALLENTOWN NEIGHBORHOOD IMPROVEMENT ZONE
DEVELOPMENT AUTHORITY

RESOLUTION R-2020-235


BE IT RESOLVED, that the Allentown Neighborhood Improvement Zone Development Authority (the "Authority") hereby accepts the recommendation of the Finance Committee and approves the Estimated Operating Budget Projections for 2021 set forth on the attachment hereto.

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-2020-235 of the Board of Directors of the Authority passed at a duly convened meeting of said Board on the 2nd day of December, 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	<i>absent</i>		
David Mickenberg	✓		
Tiffany Polek	✓		
Adrain Shanker	✓		
John Stanley, Esq.	<i>absent</i>		
Pedro L. Torres, Jr.	✓		
Vacant			

IN WITNESS WHEREOF, I hereunto set my hand and seal on this 2nd day of December, 2020.


Secretary

Allentown Neighborhood Improvement Zone Development Authority
Estimated Operating Budget (Cash Basis)
Fiscal Year Ending December 31, 2021

	Proposed 2021	Approved* 2021
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ESTIMATED REVENUE (CASH RECEIVED)

Arena Rent	450,000	450,000
Developer Fees	622,612	622,612
	-	-

TOTAL ESTIMATED REVENUE	1,072,612	1,072,612
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ESTIMATED CASH EXPENDITURES

Staff Salary and Benefits	246,971	246,971
Rent and Utilities	23,408	23,408
Office Set up and Fit-out	-	-
ANIZDA Legal Fees	163,525	163,525
Compliance Officer/Allocation Agent	226,000	226,000
Trustee/Rating Agency/ FA Fees	24,000	24,000
Insurance	21,377	21,377
Project Development Contingency	100,000	75,000
Annual Audit	40,000	40,000
Marketing	150,000	75,000
Planning	100,000	50,000
Accounting	62,432	62,432
Miscellaneous	64,469	64,469

TOTAL ESTIMATE CASH EXPENDITURES	1,222,182	1,072,182
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CASH RECEIVED LESS CASH EXPENDITURES	(149,569)	431
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*Expense line item adjustments to balance budget authorized by motion to approve Resolution R2020-235 passed December 2, 2020.

ALLENTOWN NEIGHBORHOOD IMPROVEMENT ZONE
DEVELOPMENT AUTHORITY

RESOLUTION R-2020-236

BE IT RESOLVED, that the Allentown Neighborhood Improvement Zone Development Authority (the "Authority") hereby approves the Capital Projects Account Budget for 2021 set forth on the attachment hereto and authorizes the Chairperson to forward the Budget to the Bank of New York Trust Company, N.A., Master Trustee.

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-2020-236 of the Board of Directors of the Authority passed at a duly convened meeting of said Board on the 2nd day of December, 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	<i>absent</i>		
David Mickenberg	✓		
Tiffany Polek	✓		
Adrian Shanker	✓		
John Stanley, Esq.	<i>Absent</i>		
Pedro L. Torres, Jr.	✓		
Vacant			

IN WITNESS WHEREOF, I hereunto set my hand and seal on this 2nd day of December, 2020.


Secretary

Preliminary Capital Additions Budget

2021

Sources of Revenue:

On Deposit	\$ 2,990,000
Draw on Indebtedness	1,162,000

	\$4,152,000

Estimated Expenses to be determined as costs are identified specifically:

Street and Sidewalk improvements	
Public space, park areas and public art	
Lighting improvements	
Aesthetic improvements	
NIZ infrastructure improvements	_____
	\$ 4,152,000

ALLENTOWN NEIGHBORHOOD IMPROVEMENT ZONE
DEVELOPMENT AUTHORITY

RESOLUTION NO. R-2020-237

WHEREAS, since 2017, Steven Bamford has skillfully performed the duties of the Executive Director of the Authority in response to the multiple tasks and challenges incumbent on the position, meeting the goals and needs as they arose,

NOW THEREFORE, BE IT RESOLVED, that the Allentown Neighborhood Improvement Zone Development Authority (the "Authority") hereby approves a performance-based bonus in the sum of \$7,500.00 payable as of December 30, 2020; and

BE IT FURTHER RESOLVED that the Authority hereby approves continuing engagement of Steven Bamford as Executive Director for the year 2021 in accordance with the terms of his engagement letter dated December 6, 2016 with modification to increase the base annualized salary to \$152,337.00 effective January 1, 2020 and extending the stated bonus opportunity for the year 2021, with all other terms remaining as set forth in the engagement letter.

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-2020-237 of the Board of the Authority passed at a duly convened meeting of said Board on the 2nd day of December, 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	<i>absent</i>		
David Mickenberg	✓		
Tiffany Polek	✓		
Adrian Shanker	✓		
John Stanley, Esq.	<i>absent</i>		
Pedro L. Torres, Jr.	✓		
Vacant			

IN WITNESS WHEREOF, I hereunto set my hand and seal on this 2nd day of December, 2020.


Secretary