

ANIZDA Board Meeting Minutes
December 7, 2022
America On Wheels
2nd Floor Cafe
5 North Front Street, Allentown, PA

Attendees: Sy Traub, Esq., Stephen Breininger, Tiffany Polek, and Pedro Torres in person and Lewis Edwards, Dr. Ann Bieber, and Eileen Aguilera by video conference.

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

Members of the public were present.

- 1. Call to Order - The meeting was called to order by Sy Traub, Esq., Chairman, at 5:00 p.m. - A quorum was met.**
- 2. Approval of November 2, 2022, Meeting Minutes –** A motion to approve the November 2, 2022, meeting minutes was made by S. Breininger and seconded by T. Polek. The minutes were 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. S. Traub recognized Senator Patrick M. Browne for his years of public service representing Allentown and the Lehigh Valley in the state legislature. Senator Browne was responsible for the legislation that created the Neighborhood Improvement Zone. His leadership has been instrumental to Allentown’s revitalization efforts.**
- 5. Credit Facility Modification-City Center Investment Corp.– Resolution R2022-280**
 - a. S. Bamford explained that ANIZDA has entered into a construction loan agreement with M&T Bank and co-lenders defining the terms of a credit facility for City Center Investment Corp. (CCIC) projects. ANIZDA has also entered into a funding agreement providing for ANZIDA to approve future CCIC projects. CCIC, with the approval of M&T Bank and its co-lenders, has requested a modification of the credit facility to release the Three City Center building as collateral. This resolution approves modification of the construction loan agreement and the funding agreement to allow for the release of collateral. The release of collateral does not affect ANIZDA’s liability which remains limited to the allocation of Developer Dedicated NIZ Revenue.
 - b. Solicitor J. Frank summarized the resolution.
 - c. P. Torres moved to approve and S. Breininger seconded Resolution R2022-280. The public was given the opportunity to comment. No public comment was received. The resolution was approved.

6. Transfer of Surplus Funds to Excess NIZ Revenue Account– Resolution R2022-281

- a. S. Bamford explained that pursuant to the agreement between the Pennsylvania Department of Revenue and ANIZDA, the Authority has determined there is Excess NIZ Revenue for 2021 over and above the \$22 million in Preliminary Excess NIZ Revenue transferred to the state in May 2022.
- b. \$7,111,900 in Surplus Funds are excess funds not required to pay debt service during 2022. The Authority is required to direct transfer of these funds on a pro rata basis to the Commonwealth of PA in the amount of \$6,870,095.40 and to the City of Allentown in the amount of \$241,804.60.
- c. P. Torres moved to approve and S. Breininger seconded Resolution R2022-281. The public was given the opportunity to comment. No public comment was received. The resolution was approved.

7. Third Quarter Statement of Operational Revenue and Expenses

- a. S. Bamford reviewed the third quarter financial report which is prepared on a cash basis for unrestricted operating accounts. Revenue through September 30 totaled approximately \$1,450,000 which is about \$383,000 more than budgeted. ANIZDA received unbudgeted closing and annual fees from the 2022 Subordinate bond issue for City Center projects and for the City Center bank credit facility.
- b. Expenses through September 30 totaled approximately \$521,000 which is about \$245,000 less than budgeted. Much of that favorable variance is attributed to legal fees, project development contingency and marketing. Regarding legal fees, although our solicitor has been very busy on ANIZDA's behalf, much of the legal work so far this year has been reimbursed by developers or from bond proceeds.
- c. Net income through September 30 is approximately \$929,000.

8. Estimated Operating Budget for 2023 – Resolution R2022-282

- a. S. Bamford presented the proposed operating budget for 2023. It is very similar to 2022. The budget has been reviewed by the Finance Committee. Revenues budgeted for 2023 are approximately \$54,000 more than 2022 largely due to the annual fees generated by the 2022 Subordinate bond issue for City Center projects and the annual fee expected from the Da Vinci financing.
- b. The only substantial increase in budgeted expenses for 2023 is the approximately \$97,000 increase to salaries and benefits. The budget assumes the new full time Manager, Finance and Administration position is filled and the parttime Executive Assistant position to be vacated by Michelle remains unfilled.

- c. S. Breininger moved to approve and P. Torres seconded Resolution R2022-282. The public was given the opportunity to comment. No public comment was received. The resolution was approved.

9. Capital Project Account Budget for 2023- Resolution R2022-283

- a. S. Bamford explained this resolution approves the Capital Additions Budget for 2023 as required by the Master Trust Indenture. \$840,453 is budgeted for the planned improvements to the arena block parking facilities to be paid from funds freed up as part of the arena bond refinancing. This includes the new Parking Access Revenue Control system discussed at the last board meeting.
- b. P. Torres moved to approve and T. Polek seconded Resolution R2022-283. The public was given the opportunity to comment. No public comment was received. The resolution was approved.

10. Executive Director Bonus and Reappointment for 2023 – Resolution R2022-284

- a. S. Traub summarized S. Bamford’s accomplishments for the prior 6 months. He recommended board approval of a year-end bonus and continued employment of the Executive Director for the year 2023.
- b. S. Breininger moved to approve and P. Torres seconded Resolution R2022-284. The public was given the opportunity to comment. No public comment was received. The resolution was approved

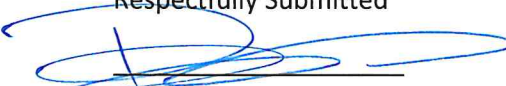
11. S. Traub recognized Executive Assistant Michelle Reid upon her retirement from ANIZDA and thanked her for her years of service. S. Bamford expressed his appreciation for Michelle’s contributions to the Authority. When Michelle first joined ANIZDA 6 years ago there was no office, no office equipment or phone system, and no website. Since then she has assisted with organizing 57 board meetings, \$850 million in financings, and 6 annual audits among other things.

12. Executive Directors Report

S. Bamford reported that closing on the \$17.5 million financing for Da Vinci Science Center is expected next week. In addition, closing on the \$2.5 million loan modification for Butz Corporate Center is scheduled for next week as well.

The meeting was adjourned at 5:36 pm.

Next ANIZDA Board Meeting: Wednesday, January 4, 2023, at 5:00 pm.

Respectfully Submitted

Secretary