

ANIZDA Board
MEETING MINUTES
December 06, 2023
America On Wheels
HubCap Café
5 North Front Street, Allentown, PA

Attendance:

Board Members: Seymour Traub, Esquire (Chairperson), Nelson Diaz and Pedro Torres attended in person. Dr. Ann Bieber and Stephen Breininger attended via Zoom video conference. Absent were Eileen Aguilera, Tiffany Polek and John Stanley, Esquire.

Board Staff: Steve Bamford (Executive Director), Selma Ritter (Manager, Finance and Administration) and Jerome B. Frank, Esquire (Solicitor).

Members of the public and media were present.

1. **Call to Order.** The meeting was called to order by Chairperson S. Traub, Esquire, at 5:00 p.m. A quorum was met.
2. **Approval of November 01, 2023 Meeting Minutes.** A motion to approve the November 01, 2023 meeting minutes, as written, was made by P. Torres and seconded by S. Breininger. The public was given the opportunity to comment. No comment(s) or change request(s) were received. The minutes were approved by a vote of 5-0.
3. **Public Comment on all Matters to be Acted Upon.** Comments were deferred until matters were to be acted upon.
4. **Old Business** - None.
5. **New Business.**
 - a. **Transfer of Surplus Funds to Excess NIZ Revenue Account – Resolution R2023-305.** Effective January 31, 2016, ANIZDA entered into an “Agreement” with the Commonwealth of Pennsylvania (the “Commonwealth”) acting through its Department of Revenue (“DOR”) and through its Office of the Budget providing for distribution of the Excess NIZ Revenue to DOR, among other things. Pursuant to the Agreement, the Authority has determined there is Excess NIZ Revenue for 2022 over and above the \$22,000,000 in Preliminary Excess NIZ Revenue transferred to the State in May 2023.

S. Bamford stated there are \$2,600,000 in excess funds not required to pay debt service during 2023. Therefore, the Authority is required to direct transfer of the funds on a pro rata basis to the Commonwealth of PA in the amount of \$2,483,000 and \$117,000 to the

City of Allentown. Resolution R2023-305 authorizes the transfer of the funds and the execution of an Officer's Certificate.

A motion to approve Resolution R2023-305 was made by N. Diaz and seconded by P. Torres. The public was given the opportunity to comment. No public comment was received. Resolution R2023-305 was approved by a vote of 5-0.

b. Third Quarter Statement of Operational Revenue and Expenses. The Third Quarter 2023 Financial Report was prepared on a cash basis for the Authority's unrestricted operating accounts.

S. Bamford reported revenues through September 30, 2023 totaled approximately \$1,146,000, which is approximately \$25,000 more than budgeted. The favorable variance is due entirely to receiving a slightly larger annual developer fee from City Center than budgeted.

Expenses through September 30, 2023 totaled approximately \$620,000.

The net result was an operating surplus of approximately \$526,000 for the period.

c. Estimated Operating Budget for 2024 – Resolution R2023-306. The 2024 Operating Budget has been prepared on a cash basis. S. Bamford explained it is similar to the 2023 Operating Budget with some notable differences.

Budgeted revenues for 2024 total \$1,387,756, which is approximately \$155,000 more than the 2023 Budget. Pursuant to the terms of the Arena Lease, annual rent decreases in September 2024. Rent for calendar year 2023 totaled \$100,000 more than it will in 2024. However, the other source of operating revenue, developer fees, is budgeted to be \$255,000 more in 2024 because it was assumed both the Neuweiler Lofts and City Center bond issues would generate new fee revenue.

Budgeted expenses for 2024 total \$1,046,713, which is approximately \$63,000 less than 2023. This is largely due to a reduction in budgeted legal and accounting expenses. The expense budget includes a three percent (3%) salary increase for staff.

The Budgeted net income for 2024 is \$341,043.

A motion to approve Resolution R2023-306 was made by S. Breininger and seconded by P. Torres. The public was given the opportunity to comment. No public comment was received. Resolution R2023-306 was approved by a vote of 5-0.

d. Capital Project Account Budget for 2024– Resolution R2023-307. S. Bamford stated adoption of a Capital Project Account Budget each year is a requirement under the bond Indentures.

There is currently \$674,105 on deposit with Pennsylvania Local Government Investment Trust which will be utilized for capital projects. It is anticipated the full amount of \$674,105 will be used for improvements to the Parking Facilities connected to the arena.

A motion to approve Resolution R2023-307 was made by P. Torres and seconded by N. Diaz. The public was given the opportunity to comment. No public comment was received. Resolution R2023-307 was approved by a vote of 5-0.

e. Reappointment of Solicitor – Resolution R2023-308. The firm King Spry, Herman, Freund & Faul, LLC currently serves as legal counsel to ANIZDA. Their current appointment as solicitor expires December 31, 2023. S. Bamford recommended their reappointment for a 3-year period effective January 01, 2024 through December 31, 2026.

A motion to approve Resolution R2023-308 was made by N. Diaz and seconded by S. Breininger. The public was given the opportunity to comment. No public comment was received. Resolution R2023-308 was approved by a vote of 5-0.

f. Executive Director Bonus and Reappointment for 2024 – Resolution R2023-309. S. Traub explained the Executive Director’s annual compensation includes a semi-annual bonus. He then summarized S. Bamford’s activities and key accomplishments for the past six (6) months and recommended a year-end bonus payment in the amount of \$7,500.00.

S. Traub noted Resolution R2023-309 would reappoint S. Bamford as ANIZDA’s Executive Director for 2024 and also eliminate his annual bonus beginning in 2024 while adjusting the annual salary.

A motion to approve Resolution R2023-309 was made by S. Traub and seconded by P. Torres. The public was given the opportunity to comment. No public comment was received. Resolution R2023-309 was approved by a vote of 5-0.

g. 2024 Board meeting dates – Resolution R2023-310. S. Bamford explained the 2024 meetings would continue to be on the first Wednesday of each month, except for October when the meeting would be held on the second Wednesday of the month due to the Rosh Hashana holiday.

A motion to approve Resolution R2023-310 was made by P. Torres and seconded by N. Diaz. The public was given the opportunity to comment. No public comment was received. Resolution R2023-310 was approved by a vote of 5-0.

h. Consent for City Center Investment Corp. (“CCIC”) to Transfer Real Estate to Donor Advised Fund – Resolution R2023-311. Solicitor J. Frank explained CCIC’s desire to gift the property located at 513 W. Hamilton Street (a/k/a Three City Center) to Dechomai Asset Trust (the “Donee”), a Donor Advised Fund dealing with specialty assets, for charitable purposes.

S. Traub asked how ANIZDA would be assured the NIZ obligations would be fulfilled and the Donee would comply with their obligations. Solicitor J. Frank provided a brief history on the NIZ obligations and the legal mandate for developers and tenants to pay their annual taxes and file annual NIZ reports. He noted the original Funding Agreement states how the property owner must perform, that the property cannot be sold or transferred without ANIZDA's consent, and the new owner would be responsible to comply with all of the agreements as if they initially signed them.

There will also be a Memorandum of Understanding ("MOU"), and a separate Property Management Agreement between the Developer and the Donee. Within both documents there is language that protects ANIZDA. While the Donee would be the new owner, CCIC will oversee and manage the property. Solicitor J. Frank stated the intent is for the building to continue to operate in the same manner as it has in the past and CCIC will continue to be responsible for all of the requirements under the Funding Agreement.

J. Frank stated both the draft MOU and draft Property Management Agreement are currently being revised. A. Bieber expressed concern for the ANIZDA Board approving the transaction before the official documents are finalized and signed.

A motion to approve Resolution R2023-311 was made by P. Torres and seconded by N. Diaz. The public was given the opportunity to comment. No public comment was received. Resolution R2023-311 was approved by a vote of 4-1.

6. Executive Director's Report.

- a. S. Bamford reported the Neuweiler Loft Bond issue, in the amount of \$25,935,000, is expected to close on December 13, 2023.

7. Adjournment. The meeting was adjourned at 5:50 p.m.

Next scheduled ANIZDA Board Meeting: Wednesday, January 03, 2024, at 5:00 p.m.

Respectfully Submitted,



Pedro Torres, Jr., Secretary