



Philadelphia Authority for
Industrial Development

AGENDA

TO: THE MEMBERS OF THE BOARD OF DIRECTORS OF THE PHILADELPHIA
AUTHORITY FOR INDUSTRIAL DEVELOPMENT

FROM: MALCOLM INGRAM, SECRETARY

The following is the Agenda for the Meeting of the Board of Directors of the Philadelphia Authority for Industrial Development to be held on Tuesday, January 25, 2022, at 5:00 p.m. via Zoom:

<https://zoom.us/j/96979692980?pwd=YUJZOTBBeGdBeTBJZDJxSXdlQU5LZz09>

Meeting ID: 969 7969 2980

Passcode: 183876.

- I. Approval of the Minutes of the Authority for the meeting held on January 11, 2022.
- II. Public Comments.
- III. Consider and approve a Resolution authorizing PAID to:
 - A. Issue tax-exempt revenue bonds to the Philadelphia Museum of Art.
 - B. Enter into a contract with Tectonic.

***THOSE WHO WISH TO PROVIDE COMMENTS OR QUESTIONS ARE ASKED TO DO SO VIA
Email: paidmeeting@gmail.com, PRIOR TO 3pm Monday, January 24, 2022.***

RESOLUTION

Philadelphia Authority for Industrial Development

Philadelphia Museum of Art (the "Museum" or the "Borrower")

A Resolution authorizing the issuance of multiple series of tax-exempt revenue bonds through the Philadelphia Authority for Industrial Development ("PAID" or the "Authority"), on behalf of the Borrower, in an amount not to exceed \$115,000,000.

The proposed Bond proceeds will finance (i) refinancing of the Authority's Revenue Bonds, Series 2008; (ii) refinancing of the Authority's Revenue Bonds, Series 2017; (iii) a portion of the costs and expenses associated with the upgrade of the fire alarm and public address system in certain areas of the Museum, and (iv) all or a portion of the costs associated with the issuance of the Bonds.

The appropriate officers of PAID are hereby authorized and empowered to execute all necessary documents and agreements, and to do such other acts necessary to assist the Borrower, upon such terms and conditions as they deem to be in the best interest of the Authority.

BACKGROUND

The Philadelphia Museum of Art, founded in 1876, is a Pennsylvania 501(c)(3) not-for-profit corporation. The Museum has an art collection of approximately 225,000 objects for public exhibition, education and research.

On February 21, 2017, the PAID Board approved the issuance of \$100,000,000 tax-exempt bonds to finance renovation of the Museum, bond reserves and costs of issuance. The bonds were issued on April 13, 2017 in an amount of \$100,000,000 and remain outstanding.

On February 26, 2008, the PAID Board approved the issuance of \$70,000,000 tax-exempt bonds to finance all or a portion of various capital projects, including the construction of a landscaped parking facility and sculpture garden, the acquisition of certain works of art, and the current refunding of the Authority's Revenue Bonds Series of 2000 and the Authority's Revenue Bonds Series of 2005. The bonds were issued on June 17, 2008 in an amount of \$68,650,000 and remain outstanding.

On October 26, 2004, the PAID Board approved the issuance of \$35,000,000 tax-exempt bonds to finance (i) renovations to the Museum's Main Building, as well as to the various properties operated by the Museum, including Building #11 at the Philadelphia Navy Yard, and (ii) costs of issuance. The bonds were issued on January 12, 2005 and were underwritten by Lehman Brothers. These bonds are no longer outstanding.

On May 9, 2000 the PAID Board approved the issuance of \$25,000,000 Revenue Bonds, the proceeds of which were used to finance (i) the renovation of the Perelman building located at 2501 Benjamin Franklin Parkway, (ii) capital improvements to the Museum's facilities located at 22nd & 26th Streets and Benjamin Franklin Parkway, and (iii) costs of issuance. The bonds were issued on June 13, 2000 and were underwritten by Morgan Stanley Dean Witter. These bonds are no longer outstanding.

PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT

RESOLUTION

Adopted January 25, 2022

AUTHORIZING A PROJECT FOR THE PHILADELPHIA MUSEUM OF ART; AUTHORIZING AND DIRECTING THE ISSUANCE OF MULTIPLE SERIES OF THE AUTHORITY'S REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$115,000,000; APPROVAL OF THE 2022 PROJECT AND THE ISSUANCE OF THE BONDS; APPROVAL OF THE 2022A/B TRUST INDENTURE, 2022A/B LOAN AGREEMENT, 2022A/B PLACEMENT AGREEMENT AND 2022C BOND PURCHASE AND LOAN AGREEMENT; APPROVAL OF THE ASSIGNMENT OF THE MUSEUM NOTES; FORM AND EXECUTION OF THE BONDS; TERMS OF THE BONDS; APPLICATION OF FUNDS UNDER THE 2022A/B TRUST INDENTURE; APPLICATION OF FUNDS UNDER THE 2022C BOND PURCHASE AND LOAN AGREEMENT; DIRECTIONS TO AUTHORIZED OFFICERS; AUTHORIZING FURTHER INCIDENTAL ACTIONS; RATIFYING CERTAIN PRIOR ACTIONS; APPOINTING BOND COUNSEL; APPOINTING 2022A/B TRUSTEE; ACKNOWLEDGING LIMITATIONS ON LIABILITY OF THE AUTHORITY AND ESTABLISHING THE EFFECTIVE DATE AND REPEALING INCONSISTENT PRIOR RESOLUTIONS.

WHEREAS, the Authority is a body corporate and politic constituting a public instrumentality of the Commonwealth of Pennsylvania ("**Commonwealth**"), created under and pursuant to the Pennsylvania Economic Development Financing Law, Act No. 102 of the General Assembly of the Commonwealth, approved August 23, 1967 (P.L. 251), as amended and supplemented (the "**Act**"); and

WHEREAS, the Authority is authorized, pursuant to the Act to acquire, hold, construct, improve, maintain, operate, own, finance, and lease, either in the capacity of lessor or lessee, industrial, commercial, or specialized development projects; and

WHEREAS, the Philadelphia Museum of Art (the "**Museum**") is a nonprofit corporation duly created and validly existing under the laws of the Commonwealth; and

WHEREAS, the Museum has made application to the Authority requesting that the Authority undertake a project consisting of the issuance of multiple series of revenue bonds of the Authority (collectively, the "**Bonds**"), the proceeds of which will be used, in the aggregate, for the following purposes:

- (a) the refinancing of the Authority’s Revenue Bonds (Philadelphia Museum of Art Project) Series 2008 (the “**2008 Bonds**”), the proceeds of which were used to finance (i) a portion of the costs of constructing a landscaped parking facility and sculpture garden, (ii) all or a portion of the costs of acquiring certain works of art, the development, use, occupancy and management of certain buildings by the Museum for one or more museum-related purposes (including art galleries, art storage, art conservation, and administrative offices), the acquisition and installation of equipment, fixtures and furnishings at such buildings; and all development costs and expenses and architectural, engineering, consulting and professional fees, costs and expenses related to such buildings; (iii) the refunding of the Authority’s Revenue Bonds (Philadelphia Museum of Art Project) Series of 2000, the proceeds of which were used to finance a portion of the costs of the acquisition and renovation of certain real property and buildings located thereon, and the renovation, design, improvement to and equipping of certain other properties operated by the Museum; (iv) the refunding of the Authority’s Revenue Bonds (Philadelphia Museum of Art Project) Series of 2005, the proceeds of which were used to finance a portion of the costs of such facilities; and (v) the payment of the costs of issuance related thereto;
- (b) the refinancing of the Authority’s Revenue Bonds (Philadelphia Museum of Art Project) Series 2017 (the “**2017 Bonds**”), the proceeds of which were used for (i) the financing of the renovation of the Museum’s existing building at 2600 Benjamin Franklin Parkway, Philadelphia, Pennsylvania, including the restoration, substantial upgrades and equipping of the Museum’s building systems, the addition of 23,000 square feet of new gallery space, improvements to the Museum’s visitor amenities, creation of new food and dining services and centrally located stores, and other related capital improvements within the Museum’s Facilities Master Plan; (ii) the funding of any necessary reserves in respect of the Bonds; and (iii) the payment of the costs of issuance related thereto;
- (c) the financing of a portion of the costs and expenses associated with the upgrade of the fire alarm and public address system in certain areas of the Museum’s existing building at 2600 Benjamin Franklin Parkway, Philadelphia, Pennsylvania; and
- (d) the financing of all or a portion of the costs associated with the issuance of the Bonds (collectively, the “**2022 Project**”); and

WHEREAS, the Authority desires to issue the Bonds in multiple series as follows:

- (a) the 2022A/B Bonds (as defined in Section 5 hereof) will be issued pursuant to the Act and the terms of a Trust Indenture (the “**2022A/B Trust Indenture**”) by and between the Authority and The Bank of New York Mellon, Trust Company, N.A., as trustee (the “**2022A/B Trustee**”); and
- (b) the 2022C Bonds (as defined in Section 5 hereof) will be issued pursuant to the Act and the terms of a Bond Purchase and Loan Agreement (or other similar financing agreement) (the “**2022C Bond Purchase and Loan Agreement**”) among the Authority, the Museum and Bank of America, N.A, or such other initial purchaser or purchasers as

may be designated by the Museum and set forth in the 2022C Bond Purchase and Loan Agreement (the “**2022C Purchaser**”); and

WHEREAS, the Authority desires to loan to the Museum (a) the proceeds of the 2022A/B Bonds pursuant to one or more Loan Agreements (together, the “**2022A/B Loan Agreement**”) by and between the Authority and the Museum; and (b) the proceeds of the 2022C Bonds pursuant to the 2022C Bond Purchase and Loan Agreement in order to fund and undertake a portion of the 2022 Project consisting of the refunding of the 2008 Bonds, the refunding of a portion of the 2017 Bonds, the financing of the new capital expenditures and paying a portion of the costs of issuance; and

WHEREAS, 2022A Bonds are expected to be purchased by PNC Bank, National Association (the “**2022A Purchaser**”) in accordance with a Bond Placement Agreement (the “**2022A Placement Agreement**”) among the Authority, the Museum and the 2022A Purchaser in order to fund and undertake a portion of the 2022 Project consisting of the refunding of the remaining portion of the 2017 Bonds and paying a portion of the costs of issuance; and

WHEREAS, the 2022B Bonds are expected to be purchased by PNC Bank, National Association (the “**2022B Purchaser**” and, together with the 2022A Purchaser, the “**2022A/B Purchaser**” and, collectively with the 2022A Purchaser and the 2022C Purchaser, the “**Purchasers**”) without the necessity of a Bond Placement Agreement or, alternatively, in accordance with a separate Bond Placement Agreement (the “**2022B Placement Agreement**” and, together with the 2022A Placement Agreement, the “**2022A/B Placement Agreement**”) among the Authority, the Museum and the 2022B Purchaser, the date of which shall be at least fifteen days later than the 2022A Placement Agreement and of even date with the 2022C Bond Purchase and Loan Agreement, such that the 2022B Bonds and the 2022C Bonds shall be treated as a single issue for federal tax purposes; and

WHEREAS, as a condition to purchasing the 2022A/B Bonds pursuant to the 2022A/B Placement Agreement, the Museum shall enter into a Continuing Covenants Agreement (the “**2022A/B Continuing Covenants Agreement**”) with the 2022A/B Purchaser; and

WHEREAS, pursuant to both the 2022A/B Loan Agreement and the 2022C Bond Purchase and Loan Agreement, the Authority will make proceeds of each series of the Bonds available to the Museum to fund and undertake the 2022 Project; and

WHEREAS, pursuant to the 2022A/B Loan Agreement and the 2022A/B Continuing Covenants Agreement, the Museum will agree to make payments to the 2022A/B Trustee, as assignee of the Authority (or, alternatively, directly to the 2022A/B Purchaser), sufficient to pay when due, *inter alia*, the principal or redemption price of and interest on the 2022A/B Bonds; and

WHEREAS, pursuant to the 2022C Bond Purchase and Loan Agreement, the Museum will agree to make payments to the 2022C Purchaser, as assignee of the Authority, sufficient to pay when due, *inter alia*, the principal or redemption price of and interest on the 2022C Bonds; and

WHEREAS, in order to evidence its obligations to the Authority with respect to the 2022A/B Bonds and the 2022A/B Loan Agreement, the Museum will execute and deliver to the 2022A/B Trustee, as assignee of the Authority, one or more of its promissory notes (together, the

“**2022A/B Museum Notes**”), without recourse, pursuant to one or more assignments thereof (together, the “**2022A/B Assignments of Museum Notes**”); and

WHEREAS, in order to evidence its obligations to the Authority with respect to the 2022C Bonds and the 2022C Bond Purchase and Loan Agreement, the Museum will execute and deliver to the 2022C Purchaser, as assignee of the Authority, one or more of its promissory notes (together, the “**2022C Museum Notes**,” and together with the 2022A/B Museum Notes, the “**Museum Notes**”), without recourse, pursuant to one or more assignments thereof (together, the “**2022C Assignments of Museum Notes**,” and together with the 2022A/B Assignments of Museum Notes, the “**Assignments of Museum Notes**”); and

WHEREAS, the Authority has determined that the 2022 Project represents an authorized undertaking by the Authority pursuant to the Act; and

WHEREAS, certain action is required to be taken by the Authority as a prerequisite to the issuance and sale of the Bonds and the financing of the 2022 Project;

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

Section 1. Approval of 2022 Project and the Issuance of the Bonds. The Authority hereby approves the 2022 Project as an authorized undertaking by the Authority, and authorizes the issuance of the Bonds and approves the application of the proceeds thereof for the purpose of financing the 2022 Project.

Section 2. Approval of the 2022A/B Trust Indenture, the 2022A/B Loan Agreement, the 2022A/B Placement Agreement and the 2022C Bond Purchase and Loan Agreement. The Authority hereby authorizes and approves the execution and delivery of (a) the 2022A/B Trust Indenture, the 2022A/B Loan Agreement and the 2022A/B Placement Agreement with respect to the 2022A/B Bonds and (b) the 2022C Bond Purchase and Loan Agreement with respect to the 2022C Bonds, each containing such terms and provisions as bond counsel, counsel to the Authority and the Authorized Officer (as defined in Section 8(a) hereof) of the Authority executing the same shall approve, such approval to be conclusively evidenced by such Authorized Officer’s execution thereof.

Section 3. Approval of the Assignment of Museum Notes. The Authority hereby authorizes and approves the execution and delivery of (a) the 2022A/B Assignments of Museum Notes in favor of the 2022A/B Trustee and (b) the 2022C Assignments of Museum Notes in favor of the 2022C Purchaser, without recourse, each containing such terms and provisions as bond counsel, counsel to the Authority and the Authorized Officer of the Authority executing the same shall approve, such approval to be conclusively evidenced by such Authorized Officer’s execution thereof.

Section 4. Form and Execution of Bonds. The form of the 2022A/B Bonds shall be contained in the 2022A/B Trust Indenture, and the form of the 2022C Bonds shall be contained in the 2022C Bond Purchase and Loan Agreement. The execution of the Bonds by the manual or facsimile signatures of an Authorized Officer is hereby authorized and directed, and the Secretary or Assistant Secretary is hereby authorized and directed to affix or imprint the corporate seal of the Authority (or a facsimile thereof) to, and attest, the Bonds, by manual or facsimile signature, in such

forms as bond counsel and counsel to the Authority may recommend and the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by such Authorized Officer's execution thereof. Each of the Authorized Officers is hereby further authorized and directed to (a) deliver the 2022A/B Bonds or cause them to be delivered to the 2022A/B Purchaser in accordance with the terms of the 2022A/B Trust Indenture and (b) deliver the 2022C Bonds or cause them to be delivered to the 2022C Purchaser in accordance with the terms of the 2022C Bond Purchase and Loan Agreement, in each case against receipt of the applicable purchase price therefor.

Section 5. Terms of the Bonds. The Bonds shall be designated by series as follows: (a) "Philadelphia Authority for Industrial Development Museum Revenue Bonds, Series 2022A (Philadelphia Museum of Art Project)" (the "**2022A Bonds**"); (b) "Philadelphia Authority for Industrial Development Variable Rate Museum Revenue Bonds, Series 2022B (Philadelphia Museum of Art Project)" (the "**2022B Bonds**" and, together with the 2022A Bonds, the "**2022A/B Bonds**"); and (c) "Philadelphia Authority for Industrial Development Museum Revenue Bonds, Series 2022C (Philadelphia Museum of Art Project)" (the "**2022C Bonds**") and each series shall be issued as tax-exempt bonds. The 2022A/B Bonds shall have the terms set forth in the 2022A/B Trust Indenture, and the 2022C Bonds shall have the terms set forth in the 2022C Bond Purchase and Loan Agreement, subject to the following terms: (a) the aggregate principal amount of the Bonds shall not exceed \$115,000,000; (b) the interest rates borne by the 2022A/B Bonds shall be determined as set forth in the 2022A/B Trust Indenture; (c) and the interest rate borne by the 2022C Bonds shall be determined as set forth in the 2022C Bond Purchase and Loan Agreement; and (d) the final maturity dates of the Bonds shall be no later than 30 years from the date of issuance.

Section 6. Application of Funds under the 2022A/B Trust Indenture. The Museum, the 2022A/B Purchaser and the 2022A/B Trustee, with respect to the 2022A/B Bonds, shall, by virtue of this Resolution and without further authorization from the Authority, be authorized, directed and requested to apply the proceeds of the sale of the 2022A/B Bonds to the costs of the 2022 Project pursuant to the terms of the 2022A/B Trust Indenture.

Section 7. Application of Funds under the 2022C Bond Purchase and Loan Agreement. The Museum and the 2022C Purchaser, with respect to the 2022C Bonds, shall, by virtue of this Resolution and without further authorization from the Authority, be authorized, directed and requested to apply the proceeds of the sale of the 2022C Bonds to the costs of the 2022 Project pursuant to the terms of the 2022C Bond Purchase and Loan Agreement.

Section 8. Directions to Authorized Officers.

(a) For purposes of this Resolution, any officer or member of the Board of the Authority shall be deemed to be an "Authorized Officer" and each Authorized Officer may act jointly or individually in performing his or her duties hereunder.

(b) The Board hereby authorizes and directs any Authorized Officer to execute and deliver the Bonds, the 2022A/B Trust Indenture, the 2022A/B Loan Agreement, the 2022A/B Placement Agreement, the 2022C Bond Purchase and Loan Agreement and, without recourse, the Assignments of Museum Notes, and, subject to the approval thereof by bond counsel, counsel to the Authority and the Authorized Officer executing the same, to execute and deliver such other documents, agreements, instruments or certificates, including escrow deposit or refunding

agreements; tax and closing certificates; and any other instruments, documents, certificates or agreements, each as may be necessary or appropriate to be executed by the Authority in connection with the issuance of the Bonds, and such execution and delivery shall be conclusive evidence of the approval thereof by the Board.

(c) The Board hereby authorizes and directs the Secretary, Assistant Secretary, or another Authorized Officer of the Authority to affix and attest the seal of the Authority to any document if and as may be required, and to attest the signature of any Authorized Officer if and as may be required.

Section 9. Further Actions. The Authorized Officers are hereby authorized and directed, jointly and individually, to take such further actions as may be necessary or appropriate to effect the matters contemplated hereby, to implement and complete the 2022 Project, to issue and sell the Bonds, or otherwise to effect the purposes of this Resolution.

Section 10. Ratification of Prior Actions. All actions heretofore taken and all documents and instruments heretofore executed by or on behalf of the Authority in connection with the 2022 Project and the Bonds are hereby ratified and approved.

Section 11. Appointment of Bond Counsel. Ballard Spahr LLP of Philadelphia, Pennsylvania, is hereby appointed as Bond Counsel to the Authority in connection with the issuance of the Bonds. The Authorized Officers are authorized to appoint a replacement Bond Counsel at the request of the Museum.

Section 12. Appointment of 2022A/B Trustee. The Bank of New York Mellon Trust Company, N.A. is hereby appointed as the 2022A/B Trustee under the 2022A/B Trust Indenture, with respect to 2022A/B Bonds. The Authorized Officers are authorized to appoint a replacement Trustee at the request of the Museum.

Section 13. Limitation of Liability. The issuance and sale of the Bonds shall not be construed so as to give rise to any pecuniary liability of the Authority or any of its members, officers, or employees, or to give rise to a charge upon the general credit of the Authority or such members, officers or employees, including without limitation in respect of general liability for repayment of the Bonds; any pecuniary liability hereunder of the Authority shall be limited exclusively to the extent provided for in the 2022A/B Trust Indenture, the 2022A/B Loan Agreement, the 2022A/B Placement Agreement and/or the 2022C Bond Purchase and Loan Agreement.

Section 14. Effective Date of Resolution; Repeal of Prior Inconsistent Resolutions. This Resolution shall take effect immediately this 25th day of January 2022 and all prior resolutions inconsistent with the terms hereof are hereby repealed.

I, the undersigned (Assistant) Secretary of the Philadelphia Authority for Industrial Development, hereby certify that the foregoing is the text of the Resolution adopted by said Authority at a meeting held January 25, 2022 after the giving of the required public notice and at which a quorum was present.

(Assistant) Secretary

[SEAL]

January 25, 2022

RESOLUTION

Philadelphia Authority for Industrial Development

Tectonic

A Resolution authorizing the Philadelphia Authority for Industrial Development (PAID) to enter into a contract with Tectonic in the amount of \$1,557,755 to provide construction management/inspection services for a Wetlands Restoration Project at Franklin Delano Roosevelt (FDR) Park in South Philadelphia.

The appropriate officers of PAID are hereby authorized and empowered to execute all necessary documents and agreements, and to take such other actions upon such terms and conditions as they deem to be in the best interests of the Corporation.

BACKGROUND

In early 2018, the Philadelphia Division of Aviation (DOA) acquired the Henderson Tract, a 135-acre property in Tinicum Township immediately adjacent to the runway at the Philadelphia International Airport (PHL) for development into an air logistics hub. The property contains jurisdictional wetlands and waterways subject to federal and state regulation that will need to be relocated to support the DOA's proposed development.

The City, acting through the DOA, has entered into a professional service Provider Agreement with PAID to provide support services to air cargo projects at PHL. Under that Provider Agreement, PAID was requested to contract with a consulting firm for a project encompassing construction management and inspection services for FDR Park Wetlands Mitigation Project.

PIDC managed a publicly-advertised competitive proposal process for this work. A selection committee consisting of PIDC and DOA staff reviewed the responses and selected Tectonic. The mitigation wetlands at FDR Park will compensate for impacts of proposed and future development of PHL. The FDR Park site was selected by the City after extensive evaluations of potential mitigation sites throughout the region, primarily in the Pennsylvania coastal zone, in response to the regulatory agencies' preference for coastal sites with tidal influence.

Tectonic's proposal has been reviewed and deemed responsive by the Office of Economic Opportunity. The City has appropriated capital funding that will be allocated for City payment to PAID under the Provider Agreement.