



Philadelphia Authority for  
Industrial Development

# AGENDA

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

**FROM:** KATE HAGEDORN, 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, November 20, 2018, at 5:00 p.m. in PIDC's Board Room, 26th Floor, Centre Square West, 1500 Market Street, Philadelphia, PA.

- I. Approval of the Minutes of the Authority for the meeting held on October 23, 2018
- II. Consider and approve Resolutions authorizing PAID to:
  - A. Issue tax-exempt revenue bonds to Alliance for Education Foundation Inc.
  - B. Supplement and amend a previous Resolution to issue tax-exempt revenue bonds to Worlds of Opportunity Foundation and Independence Charter School.

November 20, 2018

## RESOLUTION

Philadelphia Authority for Industrial Development

*Alliance for Education Foundation Inc. (the "Foundation" or the "Borrower")*

A Resolution authorizing the issuance of tax-exempt revenue bonds (the "Bonds") through the Philadelphia Authority for Industrial Development ("PAID" or the "Authority") in the form attached hereto, in an amount not to exceed \$15,000,000, on behalf of the Borrower.

The proceeds of the Bonds will be used by the Borrower to finance (i) the acquisition of 1821-39 Cecil B. Moore Avenue and certain renovations, furnishings and equipping thereof for use as a school building housing grades sixth through eighth; (ii) the acquisition of 1722-42 Cecil B. Moore Avenue, (the "New Campus") and demolishing existing structures thereon and constructing, furnishing, finishing and equipping of improvements to the New Campus for use as a school building housing grades kindergarten through fifth; (iii) a debt service reserve fund for the Bonds and capitalized interest, if necessary; and (iv) costs of issuance.

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 Foundation upon such terms and conditions as they deem to be in the best interests of the Authority.

## BACKGROUND

Alliance for Education Foundation Inc. is a Pennsylvania non-profit corporation formed for the support and benefit of Alliance for Progress Charter School, which is currently located in the vicinity of 16<sup>th</sup> and 18<sup>th</sup> Streets & Cecil B Moore Avenue in North Philadelphia.

Founded in 1998, Alliance for Progress Charter School is an independent public charter school formed to serve students from Kindergarten through eighth grades. The original charter was issued for an initial term of 4 years. Since that time the School has undergone 4 successful charter renewals in 2002, 2007, 2012 and 2017, and anticipates a successful renewal in 2022. The charter renewal in 2017 year allowed an increase of enrollment to serve 671 students. The School currently serves 496 students.

This is the Borrower's first tax-exempt bond financing through PAID.

**PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT**

**RESOLUTION**

**Adopted November 20, 2018**

AUTHORIZING A PROJECT FOR ALLIANCE FOR EDUCATION FOUNDATION INC.; AUTHORIZING AND DIRECTING THE ISSUANCE OF ONE OR MORE SERIES OF THE AUTHORITY'S REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$15,000,000; APPROVING THE FORM AND EXECUTION OF CERTAIN FINANCING DOCUMENTS RELATING TO THE ISSUANCE AND SALE OF THE BONDS; AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF THE BONDS; APPOINTING BOND COUNSEL; AND AUTHORIZING INCIDENTAL ACTION.

**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**, Alliance for Education Foundation Inc. (the "**Foundation**") is a nonprofit corporation duly created and validly existing under the laws of the Commonwealth; and

**WHEREAS**, the Foundation has made application to the Authority requesting that the Authority undertake a project consisting the issuance of a one or more series of Revenue Bonds, Series 2018 of the Authority (the "**Bonds**"), the proceeds of which will be used to finance (i) the acquisition of 1821-39 Cecil B. Moore Avenue, Philadelphia, PA and certain renovations, furnishings and equipping thereof for use as a school building housing grades six through eight; (ii) the acquisition of 1722-42 Cecil B. Moore Avenue, Philadelphia, PA (the "**New Campus**") and demolishing existing structures thereon and constructing, furnishing, finishing and equipping of improvements to the New Campus for use as a school building housing grades kindergarten through five; (iii) a debt service reserve fund for the Bonds and capitalized interest thereon, if necessary; and (iv) certain costs of issuance relating to the Bonds (collectively, the "**2018 Project**"); and

**WHEREAS**, the Bonds will be issued pursuant to the terms of a bond purchase, loan and security agreement or other similar financing agreement (the "**Bond Purchase and Loan Agreement**") among the Authority, the Foundation and a purchaser or purchasers as may be designated by the Foundation and not determined by the Authorized Officers (as defined in Section 7(a) hereof) to be unacceptable to the Authority (the "**Bond Purchaser**"); and

**WHEREAS**, pursuant to the Bond Purchase and Loan Agreement, the Authority will make proceeds of the Bonds available to the Foundation to fund and undertake the 2018 Project; and

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

**WHEREAS**, in order to evidence its obligations to the Authority with respect to the Bonds and the Bond Purchase and Loan Agreement, the Foundation will execute and deliver to the Authority its promissory note (the “**Foundation Note**”), which Foundation Note shall be assigned by the Authority to the Bond Purchaser pursuant to an assignment thereof (the “**Assignment of Foundation Note**”); and

**WHEREAS**, the Authority has determined that the 2018 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 2018 Project;

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

Section 1. Approval of 2018 Project and the Issuance of the Bonds. The Authority hereby approves the 2018 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 2018 Project.

Section 2. Approval of the Bond Purchase and Loan Agreement. The Authority hereby authorizes and approves the execution and delivery of the Bond Purchase and Loan Agreement by and among the Authority, the Bond Purchaser and the Foundation, containing such terms and provisions as bond counsel, counsel to the Authority and the officer of the Authority executing the same shall approve, such approval to be conclusively evidenced by such officer’s execution thereof.

Section 3. Approval of the Assignment of Foundation Note. The Authority hereby authorizes and approves the execution and delivery of the Assignment of the Foundation Note in favor of the Bond Purchaser, containing such terms and provisions as bond counsel, counsel to the Authority and the officer of the Authority executing the same shall approve, such approval to be conclusively evidenced by such officer’s execution thereof.

Section 4. Form and Execution of Bonds. The form of the Bonds shall be contained in the Bond Purchase and Loan Agreement. The execution of the Bonds by the manual or facsimile signatures of the Authorized Officers 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 the manual or facsimile signature, in such form as counsel to the Authority may recommend and the Authorized Officers executing the same may approve, such approval to be conclusively evidenced by their execution thereof. The Authorized Officers are hereby authorized and directed to deliver the Bonds or cause them to be delivered to the Bond Purchaser in accordance with the terms of the Bond Purchase and Loan Agreement against receipt of the purchase price therefor.

Section 5. Terms of the Bonds. The Bonds shall be designated “Philadelphia Authority for Industrial Development (Alliance for Education Project) Revenue Bonds, Series 2018” and shall be issued in one or more series as tax-exempt and/or taxable bonds. The Bonds shall have the terms set forth in the Bond Purchase and Loan Agreement, subject to the following terms: (a) the aggregate principal amount of the Bonds shall not exceed \$15,000,000; (b) the interest rate borne by the Bonds shall be determined as set forth in the Bond Purchase and Loan Agreement; and (c) the final maturity date of the Bonds shall be no later than 30 years from the date of issuance.

Section 6. Application of Funds under the Bond Purchase And Loan Agreement. The Bond Purchaser 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 Bonds to the costs of the 2018 Project pursuant to the terms of the Bond Purchase and Loan Agreement.

Section 7. Direction 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 its duties hereunder.

(b) The Board hereby authorizes and directs any Authorized Officer to execute and deliver the Bonds, the Bond Purchase and Loan Agreement, the Assignment of Foundation Note, 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 required 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 of the Authority to affix and attest the seal of the Authority to any document as required, and to attest the signature of any Authorized Officer where required.

Section 8. Further Action. 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 2018 Project, to issue and sell the Bonds, or to otherwise effect the purposes of this Resolution.

Section 9. Prior Actions. All actions heretofore taken and all documents and instruments heretofore executed by or on behalf of the Authority in connection with the 2018 Project and the Bonds are hereby ratified and approved.

Section 10. Appointment of Bond Counsel. Stradley Ronon Stevens & Young, LLP of Philadelphia, Pennsylvania, is hereby appointed Bond Counsel.

Section 11. 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 Bond Purchase and Loan Agreement.

Section 12. Additional Actions. The Authorized Officers of the Authority are hereby authorized and directed, jointly and severally, to take such further actions and execute such additional documents, including any amendments or supplements thereto, as may be necessary or appropriate to effectuate the matters contemplated by this Resolution, to implement and complete the Project, to issue and sell the Bonds, or to otherwise effectuate the purposes of this Resolution.

Section 13. Effective Date of Resolution. This Resolution shall take effect immediately this 20<sup>th</sup> day of November, 2018.

I, the undersigned (Assistant) Secretary of the Philadelphia Authority for Industrial Development, hereby certify that this is a true and correct copy of the Resolution adopted by the Board of the Philadelphia Authority for Industrial Development on November 20, 2018 at a duly called and convened public meeting of said Board; that public notice of said meeting was given as required by law; and that such Resolution and the votes thereon have been duly recorded in the minutes.

[SEAL]

By: \_\_\_\_\_  
(Assistant) Secretary

November 20, 2018

## **RESOLUTION**

Philadelphia Authority for Industrial Development

*Worlds of Opportunity Foundation (the "Foundation") and Independence Charter School (the "School" and collectively the "Borrowers")*

A Resolution supplementing and amending the bond Resolution adopted by the PAID Board at its meeting of May 8, 2018 which authorized the approval of a tax-exempt financing through the Philadelphia Authority for Industrial Development ("PAID" or the "Authority") in an amount not to exceed \$23,000,000, on behalf of the Borrowers.

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 Borrowers upon such terms and conditions as they deem to be in the best interests of the Authority.

## **BACKGROUND**

Worlds of Opportunity Foundation, is a Pennsylvania 501(c)(3) not-for-profit corporation and was formed to own and operate the facilities together with its wholly owned subsidiary 1600 Lombard Associates L.P., in which Independence Charter School is located. Independence Charter School (the "School") is an independent, public school located at 1600 Lombard Street in the City of Philadelphia.

The School, formed in 2000, serves students in Kindergarten through eighth grade. The original charter was issued for an initial term of five years. Since that time the School has undergone three successful charter renewals in 2005, 2010, and 2015 respectively. The School currently serves 813 students.

The Borrowers have asked the Authority amend the previously approved project on behalf of the Borrower. The proposed amendments shall include but are not limited to, the conversion of the project from a public offering financing to a direct purchase structure, the appointing of a financial advisor to the Borrower and appointing the bond purchaser as Sunflower Bank, N.A.

On May 8, 2018, the PAID Board authorized a tax exempt financing in the amount of \$15,000,000 on behalf of the Borrowers to finance (i) the current refunding of all or a portion of the Authority's outstanding 2007A Bonds; (ii) a capital project consisting of the financing of the costs of: (a) the expansion of the School's facility formerly known as the Durham School, consisting of a new approximately 13,000 square foot wing; (b) renovations to approximately 6,000 square feet of the School's facility; (c) various equipment for use at the School's facility; and (d) other related capital costs including a cafeteria, gymnasium, classrooms, and rooftop playground; (iii) the funding of a debt service reserve fund; and (iv) the costs of issuance. This financing has not yet closed and is the subject of the resolution to be supplemented and amended.

On July 17, 2007, the PAID Board authorized a tax exempt financing in an amount of \$18,000,000 on behalf of the Borrowers for the project consisting of (1) the acquisition of the Durham School facility located at 16th & Lombard Streets (the "School Facility"); (2) the construction of a four-story, approximately 15,000 square foot addition to the School Facility; (3) renovations and improvements to the School Facility; (4) miscellaneous equipment and other capital costs (including capitalized interest, if needed); (5) the funding of a debt service reserve fund; and (6) costs of issuance. This financing closed on September 27, 2007, in an amount of \$18,000,000 and was issued in two Series. These bonds will be refunded in full with the above contemplated financing.

PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT  
(COMMONWEALTH OF PENNSYLVANIA)

AMENDMENT TO BOND RESOLUTION

November 20, 2018

SUPPLEMENTING AND AMENDING THE BOND RESOLUTION ADOPTED BY THE AUTHORITY ON MAY 8, 2018, WHICH AUTHORIZED A PROJECT FOR INDEPENDENCE CHARTER SCHOOL AND WORLDS OF OPPORTUNITY FOUNDATION TO BE FINANCED THROUGH THE ISSUANCE OF THE AUTHORITY'S REVENUE BONDS; AND CERTAIN RELATED MATTERS.

WHEREAS, the Philadelphia Authority for Industrial Development (the "Authority"), pursuant to the Bond Resolution of the Authority adopted on May 8, 2018 (the "May Resolution") authorized the issuance of the Bonds (as defined in the May Resolution) for the purposes set forth in the May Resolution and authorized the sale of the Bonds to the Underwriter pursuant to the Bond Purchase Agreement (as such terms are defined in the May Resolution); and

WHEREAS, the Authority has been advised that it is in the interest of the Borrowers, in order to efficiently and timely finance the 2018 Project (as such terms are defined in the May Resolution), to provide for the direct sale of the Bonds by the Authority to a bank or other financial institution, as an alternative to selling the Bonds in connection with a public offering; and

WHEREAS, BB&T Capital Markets, a division of BB&T Securities, LLC, will replace George K. Baum & Company for purposes of the May Resolution but BB&T Capital Markets, a division of BB&T Securities, LLC, may act as a financial advisor to the Borrowers, rather than as the Underwriter, in connection with the direct sale of the Bonds to the Direct Purchaser (as defined herein); and

WHEREAS, the Authority desires to supplement and amend the May Resolution to provide for the direct sale of the Bonds to Sunflower Bank, N.A. (or an affiliate thereof) or another financial institution to be selected by the Borrowers (the "Direct Purchaser") and certain other related or useful additions to the May Resolution.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF THE AUTHORITY AS FOLLOWS:

SECTION 1. The Authority is hereby authorized to enter into any agreement relating to the issuance, terms, sale and/or purchase of the Bonds, to which the Direct Purchaser (and the Borrowers) may be a party, and which agreement may contain provisions of the types set forth in trust indentures and/or loan agreements relating to conduit bond issues (each such agreement, a "Direct Purchase Bond Agreement"). Any Direct Purchase Bond Agreement shall provide for the negotiated sale of the Bonds to the Direct Purchaser through a private placement at such price,

plus accrued interest, if any, and on such other terms as may be mutually agreed upon by all parties. Any Direct Purchase Bond Agreement shall be in such form as may be acceptable to the Authority, its counsel and bond counsel (approval of such form to be evidenced by execution of the Direct Purchase Bond Agreement). Any officer or member of the Authority is hereby authorized to execute and deliver any Direct Purchase Bond Agreement in accordance with Section 6 of the May Resolution.

SECTION 2. The Chairman, Vice Chairman, or any other officer of this Authority are hereby authorized and directed, jointly and severally, to take such further actions and execute such additional documents, including any amendments or supplements thereto, as may be necessary or appropriate to effectuate the matters contemplated by the May Resolution, as supplemented and amended by this Amendment to Bond Resolution, to implement and complete the 2018 Project, to issue and sell the Bonds, or to otherwise effectuate the purposes of the May Resolution, as supplemented and amended by this Amendment to Bond Resolution.

SECTION 3. This Amendment to Bond Resolution shall be liberally construed so the Authority may complete the direct placement of the Bonds as contemplated hereby, and to the extent necessary or useful to effect such purpose, references in the May Resolution to the "Underwriter" may be construed to include the Direct Purchaser and references therein to the "Bond Purchase Agreement" may be construed to include any Direct Purchase Bond Agreement.

SECTION 4. As supplemented and amended hereby, the May Resolution shall remain in full force and effect.

SECTION 5. All actions previously taken in furtherance of the purposes of this Amendment to Bond Resolution are hereby ratified and confirmed.

SECTION 6. All prior resolutions or parts thereof inconsistent herewith are hereby repealed to the extent of such inconsistency.

SECTION 7. This Amendment to Bond Resolution shall take effect immediately.

Adopted: November 20, 2018

CERTIFICATE OF SECRETARY

The undersigned, (Assistant) Secretary of the Philadelphia Authority for Industrial Development (the "Authority"), hereby certifies that the foregoing is a true and correct copy of the Amendment to Resolution which was adopted by a majority vote of the Authority, at a meeting thereof held after due public notice as required by law, on November 20, 2018.

(SEAL)

BY: \_\_\_\_\_  
(Assistant) Secretary