



Philadelphia Authority for
Industrial Development

AGENDA

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, September 10, 2019, at 5:00 p.m. in PIDC's Board Room, 35th Floor, Centre Square West, 1500 Market Street, Philadelphia, PA.

- I. Approval of the Minutes of the Authority for the meeting held on August 20, 2019.
- II. Public Comments
- III. Consider and approve Resolutions authorizing PAID to:
 - A. Submit RACP Grant Applications to the Commonwealth of Pennsylvania's Office of the Budget; enter into Grant Agreements with the Office of the Budget on behalf of the grant recipients and enter into Sub-grant Agreements with the appropriate entities of individual projects.
 - B. Terminate, amend or modify a swap transaction with Merrill Lynch Capital Services, Inc. relating to the City of Philadelphia Stadiums.

RESOLUTION

Philadelphia Authority for Industrial Development

Redevelopment Assistance Grant Application

A Resolution authorizing the Philadelphia Authority for Industrial Development (PAID) to submit Redevelopment Assistance Capital Program (RACP) Grant Applications to the Commonwealth of Pennsylvania's Office of the Budget for an aggregate amount not to exceed \$24,442,000; and to enter into Grant Agreements with the Office of the Budget on behalf of the grant recipients; and to enter into Sub-grant Agreements with the appropriate entities of the following individual projects.

Beneficiary of Prospective Award	Grant Amount
1300 Fairmount, LLC	\$3,000,000
24th and Wharton, LLC	\$540,000
Allegheny West Foundation	\$1,000,000
Aramark Services, Inc.	\$8,500,000
D.C Humphrys Co, Inc.	\$1,000,000
Eastern State Penitentiary Historic Site, Inc.	\$1,000,000
Industrial Metals Manufacturing, LLC	\$2,000,000
NP Roosevelt Industrial II, LLC	\$2,000,000
Philadelphia Museum of Art	\$1,700,000
Trustees of the University of Pennsylvania	\$1,500,000
WHYY, Inc.	\$702,000
Yards Brewing Company, LLC	\$1,500,000
Total	24,442,000

BACKGROUND

PAID is qualified as a public authority to file applications to the Commonwealth of Pennsylvania for eligible approved RACP projects. The Commonwealth of Pennsylvania's Office of the Budget requires that the applicant (PAID) provide a resolution authorizing the filing of the application and stating the amount requested.

PROJECT DESCRIPTIONS

1300 Fairmount, LLC

1300 Fairmount, LLC is constructing a phased mixed-use transit oriented development featuring a supermarket, two levels of parking, two residential towers, and twenty-seven residential row homes. Situated at the junction of the West Poplar, Spring Gardens, Francisville, and Fairmount neighborhoods, the parcel represents a pivotal development in the North Broad region of the city. The RACP Grant is for \$3,000,000 and the total project costs are approximately \$181,000,000 with the retail and parking totaling \$22,000,000.

RACP GRANT: \$3,000,000

24th and Wharton LLC

The project consists of a new construction, mixed-use development including 12 apartments along with a corner commercial space that will house the newly reopened Barrett Education Center. The center will be renamed for longtime community volunteer Dorothy Allen. The RACP funds will be used to construct the community center which will occupy a prominent corner of the project. This will include complete construction of a bilevel community center, including complete buildout and fit out which will feature multi-functional space to accommodate community meeting space, classrooms, social services, and various other services. The RACP Grant is for \$540,000 and the total project costs are approximately \$2,300,000.

RACP GRANT: \$540,000

Allegheny West Foundation

The project will improve and benefit the community by supplying more community space through the new construction of a recreation center located at Panati Playground on the N. 22nd Street Commercial Corridor. The current recreation center serves as the central location for recreation and public participation for nearby neighborhoods and the Allegheny West community. The project will entail rebuilding a one-story recreation center to house current and future programs in the community. The RACP Grant is for \$1,000,000, which is in addition to prior grant of \$2,000,000 and the total project costs are approximately \$10,000,000.

RACP GRANT: \$1,000,000

Aramark Services, Inc.

Aramark Services, Inc. is constructing the new global headquarters at 2400 Market Street. Situated along the Schuylkill River, the existing structure, originally built as a Hudson Motor Car Company plant in the 1920s, has been transformed into a modern, 600,000 square foot, nine-story building with an emphasis on innovation, sustainability and green space. Aramark will occupy the top five floors and nearly 300,000 square feet as the building's anchor tenant. The RACP Grant is for \$8,500,000, which is in addition to prior grant of \$7,000,000, and the total project costs are approximately \$230,000,000.

RACP GRANT: \$8,500,000

D.C Humphrys Co, Inc.

The project consists of building additional manufacturing and production space to accommodate the growing family of companies under management. The new 30,000 square foot facility will connect two existing structures to create new manufacturing and production space. The RACP Grant is for \$1,000,000 and the total project costs are approximately \$2,500,000.

RACP GRANT: \$1,000,000

Eastern State Penitentiary Historic Site, Inc.

The Visitor Center project will include installing plumbing, electrical, and stormwater upgrades to the site. Exterior improvements include a new ADA-accessible concrete ramp and stair to be installed for improved access to the Bertillion, which houses the staff offices. A shading device at the start of the audio tour will also be added at the east end of the administration building. The new canopy will be a stand-alone structure that will protect the stairwell into the lower portion of the building from ice and snow, as well as provide some relief from the elements for visitors preparing to begin or end their tour. The RACP Grant is for \$1,000,000 and the total project costs are approximately \$9,300,000.

RACP GRANT: \$1,000,000

Industrial Metals Manufacturing, LLC

Building 57 was a former shipbuilding center that was in disrepair since the closure of the US Navy Yard in Philadelphia in 1994. Rhoads Industries is undertaking to renovate this building to its original purpose. This includes the design, renovation and construction of new heavily reinforced flooring, electrical systems, crane systems, roofing, lighting, rolling doors and office space to host the US Navy, prime contractor, and subcontractors who will design and construct major ship components for the existing and new class of submarines as the fleet expands. The RACP Grant is for \$2,000,000, in addition to prior grants of \$5,000,000 for prior phases, and the total project costs are approximately \$16,000,000.

RACP GRANT: \$2,000,000

NP Roosevelt Industrial II, LLC

The existing vacant and blighted building at 11601 E Roosevelt Boulevard (previously home to the IRS) will be razed and replaced with a new 315,000 square foot build-to-suit distribution facility. The facility will be a state of the art Class A industrial building and will bring employment and capital investment to Philadelphia. The RACP Grant is for \$2,000,000 and the total project costs are approximately \$25,000,000.

RACP GRANT: \$2,000,000

Philadelphia Museum of Art

The Core Project will reorganize circulation at the heart of the building to improve the visitor experience. It will add 90,000 square feet of public space within the building's existing footprint, including 23,000 square feet for displaying the Museum's renowned art collection and 67,000 for educational programs and visitor amenities. The project includes replacement of HVAC, electrical, IT, fire safety, and security systems. It will ensure permanent ADA access for the first time and will improve emergency egress. It will reduce energy consumption through cost-effective LED lighting, improved insulation, double-glazed windows, responsible water management, and building automation. The RACP Grant is for \$1,700,000, in addition to \$5,000,000 received for previous phases, and the total project costs are approximately \$250,000,000.

RACP GRANT: \$1,700,000

Trustees of the University of Pennsylvania

Building 227 is a former DuPont research laboratory built in 1950, consisting of a 68,400 square foot building to be completely renovated and repurposed as wet labs, offices, and flexible spaces to appeal to innovators attracted to the Pennovation Center. Building 227 will reuse the existing structure but will be a gut renovation with all new interior partitions and mechanical and electrical systems. It includes three typical floors of tenant space above a first floor that combines shared amenity, tenant space, and building service. A central corridor divides the typical floors with 55% of the available tenant space targeted for wet lab fit-out on one side and 45% for dry office/tech loft on the other. A shared break room and 12-person conference room is provided at each floor. Building 227 will allow for collaboration, business innovation and will have few restrictions on types of use to foster broad opportunities for corporate partnerships. The RACP Grant is for \$1,500,000, which is in addition to prior grant of \$1,000,000 and the total project costs are approximately \$20,000,000.

RACP GRANT: \$1,500,000

Yards Brewing Company, LLC

The project consists of the renovation of the 70,000 square foot space to accommodate for the brewery's production and entertainment space. On the ground floor, the facility hosts a tasting room, a merchandise room, a lounge, a kitchen, and a 58,000 square foot production area. The mezzanine floor houses banquet room, bar and a kitchen. Along with the renovation of the space, the project also included the purchase and installation of numerous pieces of brewing equipment and improvements to the facility's foundation. Yards also enabled the facility to utilize wind power as its exclusive energy source. The RACP Grant is for \$1,500,000 and the total project costs are approximately \$6,000,000.

RACP GRANT: \$1,500,000

WHYY, Inc.

The project will provide upgrades to WHYY's facility that will improve WHYY's ability to better serve the Greater Philadelphia Area community. Renovations will take place at WHYY's production and public facility located at 150 North Sixth Street, Philadelphia, PA, 19106. Use of funds will include finishing phases three to eight of HVAC replacement, replacement of facility work lights for LED work lights, replace the Lincoln Financial Digital Education Studio LED wall and window treatment for 6th Street Windows. The RACP Grant is for \$702,000 and the total project costs are approximately \$1,500,000.

RACP GRANT: \$702,000

RESOLUTION

Philadelphia Authority for Industrial Development

City of Philadelphia Stadiums

A resolution authorizing the Philadelphia Authority for Industrial Development (“PAID” or the “Authority”), at the direction of the City of Philadelphia (the “City”) to terminate, amend or modify all or a portion of the basis swap transaction between the Authority and Merrill Lynch Capital Services, Inc. completed on June 30, 2004, which was subsequently amended in connection with a partial termination pursuant to an amended confirmation dated July 14, 2006.

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

BACKGROUND

On April 10, 2001, the PAID Board approved the issuance of \$26,840,000 Lease Revenue Bonds, 2001 Series A and \$319,950,000 Lease Revenue Bonds, 2001 Series B (collectively the “2001 Bonds”). PAID’s Board approved an amended Resolution on June 5, 2001, which restated language in one of the paragraphs in the April 10th Resolution. The 2001 Bonds contributed to the land acquisition and construction of Philadelphia’s two professional sports stadiums, Lincoln Financial Field for the Eagles and Citizens Bank Park for the Phillies.

On September 11, 2007 the PAID Board approved the issuance of Fixed Rate Lease Revenue Refunding Bonds, 2007 Series A in the aggregate principal amount of \$50,320,000 and Variable Rate Multi-Modal Lease Revenue Refunding Bonds, 2007 Series B in the aggregate principal amount of \$289,675,000 (collectively the “2007 Bonds”). The proceeds of the 2007 Bonds were used to refinance the 2001 Bonds and pay certain costs of issuance.

On April 8, 2008 the PAID Board, at the direction of the City of Philadelphia (the “City”) and with the prior written consent of Financial Guaranty Insurance Company (“FGIC”), authorized the substitution and the replacement of the FGIC insurance policy and the Standby Bond Purchase Agreement provided by JPMorgan Chase Bank, N.A. and The Bank of New York for the 2007B Bonds with a direct-pay letter of credit issued by JPMorgan Chase Bank, National Association and The Bank of New York resultant FGIC’s downgrade by all three rating agencies.

On April 19, 2011 the PAID Board at the direction of the City, authorized the replacement of the direct-pay letters of credit issued by JPMorgan Chase Bank, N.A. and The Bank of New York for the Series 2007B Bonds, with direct-pay letters of credit with JPMorgan Chase Bank, N.A., Bank of America, N.A. and PNC Bank, N.A., as well as the conversion of a portion of the Series 2007B Bonds to another interest rate mode.

On April 24, 2012 the PAID Board at the direction of the City authorized the replacement of the direct-pay letter of credit issued by Bank of America, N.A. which provides funding for the 2007 Series B-2 Bonds, with a direct-pay letter of credit from TD Bank, N.A.

On April 8, 2014, the PAID Board at the direction of the City authorized the (i) current refunding of the 2007 Series B-1 and 2007 Series B-4 Bonds, (ii) extension of the direct-pay letter of credit issued by TD Bank, N.A. for the 2007 Series B-2 Bonds, (iii) the replacement of the remarketing agent in connection with the 2007 Series B-2 Bonds (iv) the extension of the direct-pay letter of credit issued by PNC Bank, National Association in connection with the 2007 Series B-3 Bonds and (v) payment of the costs of issuance.

On April 4, 2017, the PAID Board at the direction of the City authorized the extension of the Line of Credit issued by PNC Bank National Association in connection with the 2007 Series B-3 Bonds. This extension was completed on April 24, 2017 and will expire on May 22, 2020.

On May 9, 2017, the PAID Board at the direction of the City authorized PAID to retain, or remarket to Banc of America Preferred Funding Corporation, the purchaser of the 2014 Series A Bonds, and make certain amendments to documents relating to the Bonds. The documents associated with this were executed on May 10, 2017.

On March 26, 2019, the PAID Board at the direction of the City authorized the extension of the direct-pay letter of credit issued by TD Bank, N.A in connection with the 2007 Series B-2 Bonds. This extension was completed April 5, 2019 and will expire on May 24, 2024.

On July 10, 2019, the PAID Board at the direction of the City authorized the (i) the current refunding of all or a portion of the Series B-2 Bonds, Series B-3 Bonds and 2014A Bonds and amounts necessary to effect such refunding, (ii) any termination payments for all or a portion of the amended and restated 2007B/2014A Swaps and (iii) payment of the costs of issuance. This financing is anticipated to close on October 1, 2019.

PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT

RESOLUTION

Adopted September 10, 2019

AUTHORIZING APPROPRIATE OFFICERS OF THE AUTHORITY TO AGREE TO ANY TERMINATION, AMENDMENT OR OTHER MODIFICATION OF ALL OR ANY PORTION OF THE AUTHORITY'S BASIS SWAP (THE "BASIS SWAP") RELATED TO CERTAIN OF ITS LEASE REVENUE/LEASE REVENUE REFUNDING BONDS ISSUED IN CONNECTION WITH THE PHILADELPHIA SPORTS STADIUM PROJECTS; AUTHORIZING THE INCLUSION OF REINSTATEMENT PROVISIONS IN SWAP DOCUMENTATION RELATING TO ANY TERMINATION OF THE BASIS SWAP OR ANY OTHER SWAP RELATED TO ANY OF THE EXISTING BONDS ISSUED IN CONNECTION WITH THE PHILADELPHIA SPORTS STADIUMS PROJECTS; AND AUTHORIZING OTHER NECESSARY ACTION

WHEREAS, Philadelphia Authority for Industrial Development (the "Authority") is organized and existing under the laws of the Commonwealth of Pennsylvania (the "Commonwealth") pursuant to the Economic Development Financing Law, as amended (the "Act"), with all powers necessary or appropriate to carry out and effectuate the purposes and provisions of the Act including, *inter alia*, the power to finance projects, including recreational facilities, sports facilities, and public facilities and to refund its bonds issued to finance such projects; and

WHEREAS, at the request of The City of Philadelphia, Pennsylvania (the "City"), the Authority previously issued certain series of Lease Revenue Bonds and Lease Revenue Refunding Bonds (collectively, the "Prior Bonds") to finance or refinance projects related to the Philadelphia sports stadiums used by the Philadelphia Eagles and the Philadelphia Phillies; and

WHEREAS, the Prior Bonds were issued pursuant to a certain Trust Indenture dated as of April 1, 2001, as previously amended and supplemented (the "Existing Indenture") between the Authority and The Bank of New York Mellon Trust Company, N.A., as successor trustee; and

WHEREAS, in connection with certain of the Prior Bonds, the Authority and Merrill Lynch Capital Services, Inc. (together with any successors or assigns, "MLCS") entered into a basis swap transaction on June 30, 2004, which was subsequently amended in connection with a partial termination pursuant to an amended confirmation dated July 14, 2006 (as amended and currently in effect, the "Basis Swap"); and

WHEREAS, the Authority is willing, pursuant to the request of the City, to terminate all or a portion of the Basis Swap and to apply any payment from MLCS in accordance with the provisions of the Indenture and the request of the City; and

WHEREAS, the Authority desires to authorize the termination, amendment or other modification of all or a portion of the Basis Swap ("Basis Swap Transactions"), and desires to

authorize its Chairperson or Vice Chairperson to execute on behalf of the Authority, any agreements related to the Basis Swap Transactions, and such other instruments and documents as shall be necessary or appropriate in connection therewith; and

WHEREAS, the Authority has previously authorized the termination, amendment, modification or novation of all or any portion of the Amended and Restated 2007B/2014A Swaps (as defined in the Authority's resolution adopted July 16, 2019); and

WHEREAS, at the request of the City, the Authority desires to authorize the inclusion of certain reinstatement provisions in various swap termination documentation.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT AS FOLLOWS:

1. Basis Swap. The Chairperson or Vice Chairperson of the Authority are hereby authorized to execute and deliver such agreements and other instruments and documents as may be necessary or proper to accomplish the Basis Swap Transactions and the transactions in connection therewithall upon such terms and in such form as approved by the Chairperson or Vice Chairperson of the Authority, upon advice of Authority Counsel and Co-Bond Counsel, such approval to be conclusively evidenced by execution and delivery of such agreements and other instruments and documents by the Chairperson or Vice Chairperson of the Authority. The Chairperson or Vice Chairperson may delegate the acceptance of any such Basis Swap Transaction to another officer of the Authority.

2. Reinstatement Provisions. Any swap termination agreement, confirmation or other appropriate swap documentation related to the Basis Swap and/or the Amended and Restated 2007B/2014A Swaps may include provisions providing for the reinstatement in whole or in part of the Basis Swap or any of the Amended and Restated 2007B/2014A Swaps, including without limitation, provisions related to the payment of any reinstatement costs to the applicable swap counterparty ("Reinstatement Provision").

3. Binding Effect of Covenants and Agreements. All covenants, obligations and agreements of the Authority set forth in this Resolution and in the documents authorized hereby shall be deemed to be the covenants, obligations and agreements of the Authority to the full extent authorized or permitted by law, and all such covenants, obligations and agreements shall be binding upon the Authority and its successors from time to time and upon any board or body to which any powers or duties affecting the same shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Authority or the members thereof by the provisions of this Resolution or the documents authorized hereby shall be exercised or performed by such members, officers or other representatives of the Authority as may be required or permitted by law to exercise or perform the same. No covenant, obligation or agreement herein contained or contained in any documents authorized hereby shall be deemed to be a covenant, obligation or agreement of any member, officer, agent or employee of the Authority in his or her individual capacity and neither the members of the Authority nor any officer executing any document relating to the Basis Swap Transactions or any other documents authorized by this Resolution shall be

liable personally thereunder or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

4. Approval of Director of Finance. The terms of any Basis Swap Transaction or Reinstatement Provision pursuant to this Resolution are subject to the approval of the Director of Finance of the City.

5. Further Action. The officers of the Authority are hereby authorized and directed, without limitation of Section 1 hereof, to execute and deliver such other documents and instruments in connection with the Basis Swap Transactions or any Reinstatement Provision, together with any amendments or supplements required by or at the direction of the City and satisfactory to Authority Counsel and Co-Bond Counsel after the effective date of any Basis Swap Transaction or Reinstatement Provision, and to take such other action as may be necessary or appropriate in order to effectuate the implementation and completion of the Basis Swap Transactions or Reinstatement Provision, the execution, delivery and performance of the related swap documentation, or otherwise effectuate the purposes of this Resolution, all in accordance with the provisions of this Resolution.

6. Ratification of Prior Actions. The Authority approves, ratifies and confirms all action heretofore taken by officers and other persons in the name or on behalf of the Authority in connection with the undertakings herein contemplated.

7. Effective Date. This Resolution shall take effect immediately upon its adoption.

The undersigned (Assistant) Secretary of Philadelphia Authority for Industrial Development, does hereby certify that the foregoing is a true, correct and complete copy of a resolution duly adopted by the Authority at a meeting held on September 10, 2019, notice of which was given in accordance with the requirements of law and the by-laws of the Authority and at which a quorum of the Authority was present and acting throughout; and that such resolution has not been amended, modified or repealed.

Name:

Title: (Assistant) Secretary

Dated: September ____, 2019