



Philadelphia Authority for
Industrial Development

AGENDA

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

FROM: ILENE BURAK, ESQ., SECRETARY

The following is the Agenda for the Meeting of the Board of Directors of the Philadelphia Authority for Industrial Development (PAID) and its affiliates, to be held on Tuesday, May 2, 2023, 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 Tuesday, April 18, 2023.
- II. Public Comments
- III. Consider and approve Resolutions authorizing PAID to:
 - A. Issue one or more series of revenue bonds through the Philadelphia Authority for Industrial Development in an amount not to exceed \$35,000,000, on behalf of the Frankford Valley Foundation for Literacy II.

May 2, 2023

RESOLUTION

Philadelphia Authority for Industrial Development

Frankford Valley Foundation for Literacy II (the “Foundation”) Tacony Academy Charter School (the “School”)

A Resolution authorizing the issuance of one or more series of 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 \$35,000,000, on behalf of the Foundation.

The proceeds of the Bonds will be used by the Foundation to finance (I) the refunding of all or a portion of the outstanding amount of the Authority’s Revenue Bonds (Tacony Academy Charter School Project) Series A-1 of 2013, the proceeds of which were used by the Foundation to (a) refinance a taxable bridge loan, which was used to acquire the property at 1330 Rhawn Street, in the City of Philadelphia (the “Rhawn Street Facility”) to be leased by the Foundation to the School; (b) finance the expansion and renovation of the Rhawn Street Facility; (c) fund a debt service reserve fund; and (d) pay costs of issuance (II) the refunding of all or a portion of the outstanding amount of the Authority’s Revenue Bonds (Tacony Academy Charter School Project) Series of 2014 the proceeds of which were used by the Foundation to (a) refinance a taxable bridge loan, the proceeds of which were used to acquire property at 6201 Keystone Street, Philadelphia, Pennsylvania (the “Keystone Street Facility” and, together with the Rhawn Street Facility, the “School Facilities”) and leased by the Foundation to the School; (b) finance the construction, renovation, furnishing, finishing and equipping of the Keystone Street Facility for use as a high school building; (c) fund a debt service reserve fund; and (d) pay costs of issuance (III) finance and/or reimburse the costs of construction, renovation, and equipping of School Facilities and other buildings located at the respective School Facilities; (IV) the payment of capitalized interest on the Bonds, if deemed necessary; (V) the funding of any required reserves; and (VI) 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 interest of the Authority.

BACKGROUND

The Frankford Valley Foundation for Literacy II (the “Foundation”), a Pennsylvania 501(c)(3), was formed in 2011 for the benefit of Tacony Academy Charter School. The Foundation’s Board of Directors is appointed by the School.

Formerly known as Tacony Neighborhood Charter School, Tacony Academy Charter School is a public, independent tuition-free charter school with facilities located in the Fox Chase (Elementary School) and Wissinoming (High School) sections of the city of Philadelphia. Organized in 2007, and awarded its first charter in 2008, the School was formed to serve grades kindergarten through twelfth. The School has undergone two successful charter renewals in 2012 and 2017 respectively. The third renewal has been recommended and is pending.

On March 26, 2013 the PAID Board authorized tax-exempt and taxable financing in an amount not to exceed 35,000,000. The proceeds of the financing were used by the Foundation to finance (i) the construction, renovation, furnishing, and equipping of the property located at 1330 Rhawn Street for use as a kindergarten through eighth grade school facility, (ii) the purchase, construction, renovation, furnishing and equipping of the property located at 6201 Keystone Street for use as a high school facility; (iii) a debt service reserve fund for the Bonds and capitalized interest, if necessary, and (iv) certain costs of issuing the Bonds. This financing was issued in multiple series over a period of two years (2013 and 2014 respectively), and both were underwritten by M&T Securities, Inc. Upon the completion of the above contemplated financing the Series 2013A-1 Bonds and the Series 2014 Bonds will be refunded in full.

On July 19, 2011 the PAID Board authorized a tax-exempt and taxable financing in the amount of \$35,000,000 on behalf of the School for the acquisition, construction, and equipping of a 110,000 square foot kindergarten through twelfth grade charter school at 7071 Milnor Street, in the Tacony Section of Philadelphia. This issuance never came to market as environmental issues at the site resulted in the proposed property being deemed unsuitable for use.

PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT

RESOLUTION

Adopted: May 2, 2023

AUTHORIZING THE UNDERTAKING BY THE PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT OF THE FINANCING OF A PROJECT FOR THE BENEFIT OF FRANKFORD VALLEY FOUNDATION FOR LITERACY II (THE “BORROWER”); AUTHORIZING THE ISSUANCE OF UP TO \$35,000,000 AGGREGATE PRINCIPAL AMOUNT OF ONE OR MORE SERIES OF CHARTER SCHOOL REVENUE BONDS OF THE AUTHORITY (THE “BONDS”) PURSUANT TO A PLAN OF FINANCE FOR THE BENEFIT OF THE BORROWER; AUTHORIZING ALL ACTIONS OF THE AUTHORIZED OFFICERS OF THE AUTHORITY, INCLUDING WITHOUT LIMITATION THE APPROVAL, EXECUTION AND DELIVERY OF ALL FINANCING DOCUMENTS, NECESSARY AND APPROPRIATE TO EFFECTUATE THE ISSUANCE AND SALE OF THE BONDS AND FINANCING OF THE PROJECT; AND AUTHORIZING ALL ACTIONS OF THE AUTHORITY IN CONNECTION THEREWITH.

WHEREAS, the 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, the Act of August 23, 1967, P.L. 251, as amended (the “Act”); and

WHEREAS, pursuant to the Act, the Authority has the power to issue revenue obligations to pay costs of “educational facilities” as defined in the Act, pending approval by the Department of Community and Economic Development; and

WHEREAS, Frankford Valley Foundation for Literacy II (the “Borrower”), is a nonprofit corporation duly organized and existing under the laws of the Commonwealth and an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the Borrower has made an application to the Authority requesting that the Authority issue its revenue bonds, tax-exempt or taxable, in one or more series (together, the “Bonds”) pursuant to a plan of finance to fund the costs of a project (the “Project”) that consists of:

- (1) refunding all or a portion of the outstanding amount of the Authority’s Revenue Bonds (Tacony Academy Charter School Project) Series A-1 of 2013 (the “2013 Series A-1 Bonds”) originally issued in the aggregate principal amount of \$14,820,000, the proceeds of which were loaned to the Borrower to (a) refinance a taxable bridge loan, the proceeds of which were used to acquire property at 1330 Rhawn Street, Philadelphia, Pennsylvania (the “Rhawn Street Facility”) and leased by the Borrower to the School (as defined below); (b) finance the expansion and renovation of the Rhawn Street Facility; (c) fund a debt service reserve fund; and (d) pay costs of issuance of the 2013 Series A-1 Bonds;
- (2) refunding all or a portion of the outstanding amount of the Authority’s Revenue Bonds (Tacony Academy Charter School Project) Series of 2014 originally issued in the aggregate

principal amount of \$16,300,000 (the “Series 2014 Bonds”) the proceeds of which were loaned to the Borrower to (a) refinance a taxable bridge loan, the proceeds of which were used to acquire property at 6201 Keystone Street, Philadelphia, Pennsylvania (the “Keystone Street Facility” and, together with the Rhawn Street Facility, the “School Facilities”) and leased by the Borrower to the School; (b) finance the construction, renovation, furnishing, finishing and equipping of the Keystone Street Facility for use as a high school building; (c) fund a debt service reserve fund; and (d) pay costs of issuance of the Series 2014 Bonds;

- (3) financing and/or reimbursing the costs of construction, renovation, and equipping of school facilities and other buildings located at the Rhawn Street Facility;
- (4) financing and/or reimbursing the costs of construction, renovation, and equipping of school facilities and other buildings located at the Keystone Street Facility;
- (5) paying capitalized interest on the Bonds, if deemed necessary in connection with the sale of the Bonds;
- (6) funding any required reserves; and
- (7) paying issuance costs of the Bonds; and

WHEREAS, to finance the Project, the Authority, at the Borrower’s request, has determined to issue the Bonds, pursuant to one or more trust indentures or trust agreements (as may be amended or supplemented from time to time, the “Indenture”) to be dated as of the dated date to be established (the “Dated Date”), between the Authority and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), and to loan the proceeds of the Bonds (the “Loan”) to the Borrower to pay costs of the Project; and

WHEREAS, pursuant to one or more loan agreements dated as of the Dated Date (as may be amended or supplemented from time to time, the “Loan Agreement”), between the Authority and the Borrower, the Authority will make the Loan to the Borrower and the Borrower will (i) repay the principal and interest on the Loan in the amounts and at the times necessary for the Authority to timely pay debt service on the Bonds and (ii) pay other amounts as required under the Loan Agreement and the Indenture, including without limitation periodic payments to the Authority in amounts sufficient to pay the Authority’s administrative expenses; and

WHEREAS, the Borrower will continue to lease, as landlord, the School Facilities to Tacony Academy Charter School, a public charter school duly organized and validly existing under the Pennsylvania Charter School Law (24 P.S. §17-1701-A, *et seq.*), or an affiliate thereof or successor (by merger, consolidation, assignment or otherwise) thereto, as tenant (the “School”), pursuant to one or more lease agreements dated as of the Dated Date (as may be amended or supplemented from time to time, the “Lease Agreement”), between the Borrower and the School; and

WHEREAS, the School is a nonprofit corporation duly created and validly existing under the laws of the Commonwealth and a tax-exempt organization under Section 501(c)(3) of the Code; and

WHEREAS, to secure its obligations under the Loan Agreement, the Borrower will deliver to the Trustee, as assignee of the Authority, for the benefit of the Bondholders, a promissory note (the “Master Note”) to be issued by the Borrower under the terms of a Supplemental Master Trust Indenture No. 1 dated as of the Dated Date, supplementing the Master Trust Indenture dated as of the Dated Date, each between the Borrower and U.S. Bank Trust Company, National Association, as master trustee (the

“Master Trustee”), which Master Note is to be secured by a mortgage on the School Facilities to be granted by the Borrower to the Master Trustee; and

WHEREAS, to further secure its obligations under the Loan Agreement, the Authority may pledge and assign its rights under the Loan Agreement (including without limitation the Authority’s rights to the loan payments made by the Borrower thereunder) and the Master Note to the Trustee for the benefit of Bondholders pursuant to one or more assignments (the “Assignments”); and

WHEREAS, in connection with the offering and sale of the Bonds, the Authority will enter into a Bond Purchase Agreement (the “Purchase Agreement”) with the Borrower, the School and Raymond James & Associates, Inc., as underwriter (the “Underwriter”), pursuant to which the Underwriter will offer to purchase the Bonds upon the terms and conditions set forth therein; and

WHEREAS, in connection with the offering and sale of the Bonds, the Authority may prepare and deliver for use by the Underwriter a preliminary official statement or other preliminary offering document (the “Preliminary Offering Document”) and a final official statement or other final offering document (the “Offering Document”) relating to the Project, the Borrower, the School, the Authority and the Bonds; and

WHEREAS, the Authority desires to authorize and approve the Project, the issuance, execution and delivery of the Bonds, and the execution and delivery of the Indenture, the Loan Agreement, the Purchase Agreement, the Assignments, the Preliminary Offering Document, the Offering Document and such other instruments and documents as shall be necessary or appropriate to effectuate the purposes of this Resolution; and

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

Section 1. Approval of Project and Issuance of the Bonds. The Authority hereby authorizes and approves the undertaking of the Project and the issuance of the Bonds to finance all or a portion of the costs of the Project. The Bonds shall be issued in one or more series as tax-exempt and/or taxable bonds and secured pursuant to the Indenture in an aggregate amount not to exceed \$35,000,000. The Bonds shall be designated “Philadelphia Authority for Industrial Development Charter School Revenue Bonds (Tacony Academy Charter School Project), Series 2023” with such further designation or sub-designation as shall be set forth in the Indenture. The Bonds shall have a final maturity not exceeding 30 years, shall bear interest at a variable or fixed rate or rates to be established as provided in the Indenture and the Bonds, and shall contain such other terms and conditions as set forth in the Indenture and permitted in the Act. The Borrower and/or the School may pay for certain expenditures prior to the date of issuance of the Bonds for which the Borrower and/or the School will seek reimbursement from proceeds of the Bonds. As such, the Authority intends that this resolution shall serve as a declaration of official intent within the meaning of Section 1.150-2 of the Treasury Regulations.

Section 2. Approval of the Indenture and the Loan Agreement. The Authority hereby authorizes and approves the execution and delivery of the Indenture, and any amendments or supplements thereto, containing such terms and provisions as Bond Counsel (as defined in Section 8 hereof), counsel to the Authority and the Authorized Officer (as defined in Section 5 hereof) of the Authority executing the Indenture shall approve, such approval to be conclusively evidenced by such officer’s execution thereof.

The Authority hereby authorizes and approves the execution and delivery of the Loan Agreement, and any amendments or supplements thereto, containing such terms and provisions as Bond Counsel, counsel to the Authority and the Authorized Officer of the Authority executing the Loan Agreement shall approve, such approval to be conclusively evidenced by such officer’s execution thereof.

Section 3. Sale of the Bonds; Approval of the Purchase Agreement.

(a) The Authority hereby authorizes and approves the sale of the Bonds to the Underwriter. The Bonds shall be sold at such rates and on such terms and conditions as are set forth in the Purchase Agreement.

(b) The Authority hereby authorizes and approves the execution of the Purchase Agreement 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 officer's execution thereof.

Section 4. Approval of Preliminary Offering Document and Offering Document. The Authority hereby authorizes and approves the distribution of a Preliminary Offering Document and the distribution and execution of an Offering Document (if any), and any amendments or supplements thereto, in such forms as counsel to the Authority and the Authorized Officer of the Authority executing the same (if any) shall approve. The Authority hereby authorizes and directs any Authorized Officer to certify to the Underwriter that the Preliminary Offering Document and/or the Offering Document, as approved, is deemed final within the meaning of Rule 15c2-12 of the Securities and Exchange Commission.

Section 5. Direction to Authorized Officers.

(a) For purposes of this Resolution, the Chairperson or Vice Chairperson of the Board of the Authority shall be deemed to be an "Authorized Officer." Each Authorized Officer may act jointly or severally in performing its duties hereunder.

(b) The Board of the Authority hereby authorizes and directs any Authorized Officer to deliver the Preliminary Offering Document and execute and deliver the Bonds, the Indenture, the Loan Agreement, the Assignments, the Purchase Agreement, the Offering Document and any amendments or supplements thereto and, subject to the approval thereof by counsel to the Authority and the Authorized Officer executing the same, to execute and deliver any other agreement, amendment, supplement, instrument, certificate or other document, 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 offering, issuance and delivery of the Bonds and the Project, and such execution and delivery shall be conclusive evidence of the approval thereof by the Board of the Authority.

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

Section 6. Further Action. Each Authorized Officer is 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 7. Prior Actions. All actions heretofore taken and all documents and instruments heretofore executed by or on behalf of the Authority in connection with the Project and the Bonds are hereby ratified and approved.

Section 8. Appointment of Bond Counsel, Trustee and Underwriter. Ballard Spahr LLP is hereby appointed Bond Counsel; and Raymond James & Associates, Inc. (or any successor(s) to its underwriting business to be designated by the Borrower) is hereby appointed to serve as Underwriter with respect to the issuance, offering and sale of the Bonds; and U.S. Bank Trust Company, National Association is hereby appointed to serve as Trustee for the Bonds. The Authorized Officers are authorized to appoint a replacement Bond Counsel, Underwriter or Trustee at the request of the Borrower; provided that any such replacement firm has satisfied the related application approval requirements of the Pennsylvania Department of Community and Economic Development for the issuance of bonds by the Authority under the Act.

Section 9. 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 Indenture and Loan Agreement.

Section 10. Effective Date of Resolution. This Resolution shall take effect immediately.

CERTIFICATION

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 May 2, 2023 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