



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:** 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, January 23, 2024 at 5:00 p.m. via Zoom. <https://zoom.us/j/98677306381?pwd=Z3U4TTVrR21Ma2tuYVJ6RIY2M0lVQT09>

Meeting ID: 986 7730 6381

Passcode: 973395

- I. Approval of the Minutes of the Authority for the meeting held on Tuesday, January 9, 2024.
- II. Public Comments
- III. Consider and Approve Resolutions authorizing PAID to:
  - A. renew its commercial line of credit from PNC Bank, N.A. (PNC) of up to \$20 million for a one (1) year term at an interest rate of Secured Overnight Financing Rate (SOFR) plus 160 basis points.
  - B. issue a tax-exempt revenue Note (the "Note") through the Philadelphia Authority for Industrial Development ("PAID" or the "Authority") in the form attached hereto, in an amount not to exceed \$6,000,000 on behalf of Friends of West Oak Lane Charter School, LLC (the "Borrower").

January 23, 2024

## **RESOLUTION**

Philadelphia Authority for Industrial Development

*PNC Bank, N.A. Commercial Line of Credit*

A Resolution authorizing Philadelphia Authority for Industrial Development (PAID) to renew its commercial line of credit from PNC Bank, N.A. (PNC) of up to \$20 million for a one (1) year term at an interest rate of Secured Overnight Financing Rate (SOFR) plus 160 basis points.

Any and all officers are hereby authorized and empowered to execute all necessary and desired documents and agreements and do such other acts necessary upon such terms and conditions as they deem to be in the best interests of the corporation.

## **BACKGROUND**

Additional companies named as borrowers on the line of credit are PIDC-Local Development Corporation and PIDC Community Capital. The line of credit is guaranteed by Philadelphia Industrial Development Corporation (PIDC).

This line of credit will be available to provide interim financing for a broad range of programs, including but not limited to, the Contractor Line of Credit, loans to certain clients of PAID who are awaiting the receipt of grant funding from the Commonwealth of Pennsylvania through the Redevelopment Assistance Capital Program and various other projects such as those for infrastructure development at The Navy Yard.

The borrowers are required to pay an unused fee in the amount of 15 basis points per annum based on the average unused daily balance of the credit facility.

During 2022, the Commonwealth implemented program changes to RACP, which affects the timing in which signed award letters are provided to grantees. The line of credit renewal includes a carve out provision up to \$10 million that can be used for those RACP recipients who are pending a signed award letter from the Commonwealth, provided that PIDC obtain interim collateral as approved by the Loan Committee.

January 23, 2024

## RESOLUTION

Philadelphia Authority for Industrial Development

*Friends of West Oak Lane Charter School, LLC (the "Borrower")*

A Resolution authorizing the issuance of a tax-exempt revenue Note (the "Note") through the Philadelphia Authority for Industrial Development ("PAID" or the "Authority") in the form attached hereto, in an amount not to exceed \$6,000,000 on behalf of the Borrower.

The proceeds of the Note will be used by the Borrower in connection with the issuance, reissuance and refinancing of the Friends of West Oak Lane Charter School, LLC Project Series of 2010 Note, issued in the original principal amount of \$9,836,250, and payment of the costs associated with this project.

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 interests of the Authority.

## BACKGROUND

Friends of West Oak Lane Charter School, LLC, is a single member LLC whose sole member is Ogontz Avenue Revitalization Company, a Pennsylvania 501(c)(3) organization which owns and operates the facilities which West Oak Lane Charter School is located.

West Oak Lane Charter School ("WOLCS") is public, tuition-free charter school located in the City of Philadelphia. WOLCS was formed in 1998 to serve students from Kindergarten through eighth grades. WOLCS' original charter was issued for a term of four (4) years. Since that time WOLCS has undergone five (5) successful charter renewals in 2002, 2007, 2012, 2017 and 2021, and currently serves 960 students.

On May 7, 2019 the PAID Board authorized a financing in an amount not to exceed \$7,500,000 on behalf of the Borrower, the proceeds of which were used in connection with the reissuance of the Friends of West Oak Lane Charter School, LLC Project Series of 2010 Note. The financing closed on July 31, 2019 and Fulton Bank remains the lender.

On April 6, 2010 the PAID Board approved the issuance of a \$13,300,000 bank qualified tax exempt financing to finance (i) the acquisition, financing, development, and construction of a charter school at 7115 Stenton Avenue and (ii) costs of issuance. This financing closed on November 29, 2010 in the amount of 9,836,250 and was purchased by Fulton Bank. This financing was reissued in 2019, and upon completion of the aforementioned project, the term will be extended and the rate will be reset.

RESOLUTION OF THE PHILADELPHIA AUTHORITY  
FOR INDUSTRIAL DEVELOPMENT  
PHILADELPHIA, PENNSYLVANIA  
ADOPTED: January 23, 2024

WHEREAS, the Philadelphia Authority for Industrial Development (the “Authority”) is a public instrumentality of the Commonwealth of Pennsylvania (the “Commonwealth”) and a public body corporate and politic organized and existing under the Pennsylvania Economic Development Financing Law, Act of August 23, 1967, P.L. 251, as amended (the “Act”), for the purposes set forth therein; and

WHEREAS, at the request of the Friends of West Oak Lane Charter School, LLC, a single member Pennsylvania limited liability company (the “Borrower”), the Authority modified and extended the maturity date of its (Friends of West Oak Lane Charter School, LLC Project) Series of 2010 Note, in the original principal amount of \$9,836,250 (the “Series of 2010 Note”) for the benefit of the Borrower;

WHEREAS, the Borrower has further requested that the Authority again modify and extend the Series of 2010 Note for the benefit of the Borrower;

WHEREAS, a public hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”) was held on April 6, 2010, and the Mayor of the City of Philadelphia approved the issuance of the Series of 2010 Note on April 16, 2010;

WHEREAS, the Borrower used the proceeds of the Series of 2010 Note, along with other funds available therefor, to finance a project consisting of:

- (i) the payment of the costs of acquisition, financing, development, construction, leasing and upgrades to the real estate and improvements located on the 7100 block of Stenton Avenue, Philadelphia Pennsylvania, for use as a charter school the “Facilities”); and
- (ii) the payment of certain costs of issuance of the Series of 2010 Note (collectively, (i) and (ii) are referred to herein as the “Original Project”); and

WHEREAS, Fulton Bank (the “Lender”) purchased the Series of 2010 Note from the Authority, and the Authority loaned the proceeds of the Series of 2010 Note to the Borrower pursuant to a certain Note Purchase Agreement/Construction Rider dated November 29, 2010 (the “Original Note Purchase Agreement”), as amended by a First Amendment to Note Purchase Agreement dated March 28, 2017 (the “First Amendment to Note Purchase Agreement”), and as further amended by a Second Amendment to Note Purchase Agreement dated July 25, 2019, (the “Second Amendment to Note Purchase Agreement,” and collectively with the Original Note Purchase Agreement, and the First Amendment to Note Purchase Agreement, the “Note Purchase Agreement”); and

WHEREAS, to evidence its payment obligations under the Note Purchase Agreement, the Borrower executed and delivered a promissory note in the original principal amount of \$9,836,250 dated as of November 29, 2010 (the “Promissory Note”) in favor of the Authority and the

obligations of the Borrower under the Promissory Note are secured by (i) a lien on and security interest in the Facilities pursuant to an Open-End Leasehold Mortgage and Security Agreement of even date therewith, made by the Borrower in favor of the Authority and assigned to the Lender (the “Original Mortgage”), and (ii) a certain Accommodation Open-End Mortgage and Security Agreement dated March 28, 2017 made by Ogontz Avenue Revitalization Corporation, a Pennsylvania non-profit corporation and sole member of the Borrower in favor of the Authority and assigned to Lender (the “Ogontz Mortgage”), and (iii) a certain Accommodation Open-End Mortgage and Security Agreement dated March 28, 2017 made by Haines Eastburn Stenton Corporation, a Pennsylvania non-profit corporation in favor of the Authority and assigned to Lender (the “Haines Mortgage” and together with the Original Mortgage and the Ogontz Mortgage, the “Mortgage”); and

WHEREAS, the Lender and the Borrower have executed allonges to the Series of 2010 Note and the Promissory Note from time to time in order to extend the respective terms thereof, the Series of 2010 Note, the Promissory Note, the Note Purchase Agreement, the Mortgage, and ancillary documents executed in connection therewith, all as amended to date, are collectively referred to herein as the “Original Documents”; and

WHEREAS, the Lender and the Borrower intend to further amend the terms of the Original Documents in order to further amend the Series of 2010 Note to (i) extend the maturity date of the Series of 2010 Note to December 31, 2028, or such later date determined at the discretion of the Lender, but not to a date beyond May 1, 2032, and to make other changes to the terms thereof, and (ii) amend and restate the interest rate, such amendments and modifications constitute a reissuance under the Code (the “Refinancing Project”);

WHEREAS, the Borrower requests that the Authority reissue its Series of 2010 Note in a principal amount of not to exceed \$9,836,250, or such amount as is currently outstanding under the Series of 2010 Note, including payment of all or a portion of the costs such reissuance;

WHEREAS, after inquiry, and based upon the representations of the Borrower, the Authority has determined that undertaking the Refinancing Project through the reissuance of the Series of 2010 Note will serve the public purposes of the Act by providing financing for a charter school.

NOW THEREFORE, BE IT RESOLVED by the Board of the Authority, that;

1. Based upon representations of the Borrower in its application to the Authority, the Authority hereby finds and determines that:

(a) the financing of the Project was, and the undertaking of the Refinancing Project is, a “project” within the meaning of that term as defined in the Act;

(b) the financing of the Project through the issuance or reissuance by the Authority under the Act of its Series of 2010 Note and the Refinancing Project is consistent with the public purposes of the Act.

2. The Authority hereby authorizes the issuance, reissuance and refinancing of the Series of 2010 Note in original principal amount of \$9,836,250 (and the current outstanding principal amount of which is not to exceed \$6,000,000, including a portion of the costs of issuance or reissuance. The terms and conditions of such Series of 2010 Note, as amended or reissued in connection with the Refinancing Project (including, without limiting the generality of the foregoing, the denomination thereof, interest rates, interest payment dates, conversion provisions, maturity dates and redemption provisions thereof) and the form of such reissued Series of 2010 Note shall be as approved by Bond Counsel (as hereinafter appointed) and shall be approved by the officers of the Authority who execute and deliver such reissued Series of 2010 Note, after consultation with Bond Counsel to the Authority, the execution and delivery of such reissued Series of 2010 Note by officers of the Authority to constitute conclusive evidence of such approval. It is anticipated that the amended interest rate accruing on the outstanding principal balance of the reissued Series 2010 Note shall be a fixed rate equal to Six and Thirty-Three Hundredths Percent (6.33%).

3. The Authority has caused the loan proceeds from the Series of 2010 Note to be deposited with the Borrower, for use in accordance with the provisions of the Note Purchase Agreement. Any officer of the Authority is authorized and directed to execute and deliver appropriate closing certifications or other certificates, instruments, elections, letters, financing statements, documents and agreements in connection with the reissuance of the Series of 2010 Note and the use, deposit and disposition of the proceeds of the reissued Series of 2010 Note as may be required by Bond Counsel to the Authority.

4. The Chairman, Vice Chairman, Treasurer, Secretary or Assistant Secretary and any other officer of the Authority are authorized and directed to proceed with the undertakings herein contemplated. Such officers are authorized, empowered, and directed to do any and all acts and things and to execute and deliver any and all documents, agreements, instruments or certificates that may be necessary, proper or desirable to effect the transactions contemplated by this Resolution, including, but not limited to, the execution and delivery of such documents, instruments, certificates, agreements, financing statements, letters, etc. as may be reasonably requested and as may be approved by Bond Counsel for the Authority. The execution and delivery, by any officer of the Authority, of any and all documents, instruments or certificates that may be necessary, proper or desirable to effect the transactions contemplated by this Resolution shall constitute conclusive evidence of approval by such officer.

5. The Authority hereby appoints Turner Law, P.C., Philadelphia, Pennsylvania to serve as Bond Counsel and Counsel to the Authority in connection with the issuance or reissuance of the Note.

6. Payment of any and all attorney fees, and all other professional and advisory fees incurred in connection with the Project and the Refinancing Project shall be the responsibility of the Borrower and not of the Authority. The Authority shall have no liability with respect to such costs.

7. The officers of the Authority are hereby authorized and directed to execute and deliver such other documents including any amendments or supplements thereto, as may be

necessary or appropriate to effectuate the matters contemplated by this Resolution, and to take such other action as may be necessary or appropriate in order to effectuate the financing of this Refinancing Project, the Note, the Note Purchase Agreement and all documents, instruments, certificates, agreements, financing statements, letters in accordance with the foregoing Resolutions.

8. This Resolution shall become effective immediately.

9. In the event any provision, section, sentence, clause or part of this Resolution shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Resolution, it being the intent of the Authority that such remainder shall be and shall remain in full force and effect.

10. All resolutions or parts of resolutions, inconsistent herewith are repealed, canceled and annulled.

**SECRETARY CERTIFICATION**

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 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 January 23, 2024.

[SEAL]

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