



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, November 26, 2024, 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 November 12, 2024.
- II. Public Comments
- III. Consider and Approve Resolutions authorizing PAID to:
 - A. authorize the Philadelphia Authority for Industrial Development (PAID) to convey a 3.9-acre parcel located at 5501 Tacony St. ("Site.") to Hankin Management Company, or its assignee or nominee, for consideration of \$1,025,000.
 - B. authorize the Philadelphia Authority for Industrial Development (PAID) to execute and deliver certain remedial documents relating to the Authority's Revenue Refunding Bonds (National Board of Medical Examiners Project) Series 2016 on behalf of the National Board of Medical Examiners ("NBME").

November 26, 2024

RESOLUTION

Philadelphia Authority for Industrial Development

5501 Tacony St.

A Resolution authorizing the Philadelphia Authority for Industrial Development (PAID) to convey a 3.9-acre parcel located at 5501 Tacony St. (“Site.”) to Hankin Management Company, or its assignee or nominee, for consideration of \$1,025,000.

Any and all officers of PAID 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 PAID.

BACKGROUND

Hankin Management Company is the primary owner of the former Frankford Arsenal (“Arsenal”) property in Bridesburg. The purchaser will construct an approximately 300-vehicle parking lot on the Site to provide parking for the tenants in the Arsenal. The Site is a portion of a 47-acre acquisition PAID completed in 2014.

The purchase price is supported by two recent, independent real estate appraisals of the property. Net proceeds from the sale of the Site will be deposited in the Industrial and Commercial Development Fund.

The sale of this property by PAID is subject to the terms and conditions of the Philadelphia Industrial and Commercial Development Agreement (Bill No. 1048, approved April 25, 1974) and the approval of the Director of Commerce.

November 26, 2024

RESOLUTION

Philadelphia Authority for Industrial Development

National Board of Medical Examiners

A Resolution authorizing the Authority to execute and deliver certain remedial documents relating to the Authority's Revenue Refunding Bonds (National Board of Medical Examiners Project) Series 2016 on behalf of the National Board of Medical Examiners ("NBME").

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 National Board of Medical Examiners upon such terms and conditions as they deem to be in the best interests of the Authority.

BACKGROUND

Headquartered in the City of Philadelphia at 3750 Market Street, the National Board of Medical Examiners, founded in 1915, is a 501(c)(3) corporation organized under the laws of the District of Columbia.

The National Board of Medical Examiners prepares and administers qualifying examinations to persons who wish to practice medicine in the United States. All licensing authorities governing the practice of medicine in the United States rely on the results of examinations developed by NBME, in conjunction with the Federation of State Medical Boards, to determine whether to grant an applicant a license to practice medicine in their respective jurisdictions.

On July 12, 2016 the PAID Board authorized a tax exempt financing in an amount not to exceed \$40,000,000, the proceeds of which were used to finance (i) the advanced refunding of the Authority's Series of 2008A Bonds (National Board of Medical Examiners Project) and, (ii) the costs of issuance. This financing closed on August 17, 2016 and remains outstanding.

On July 15, 2008, PAID's Board authorized a tax-exempt financing in an amount not to exceed \$41,000,000, the proceeds of which financed (i) the current refunding of the Authority's Series 2008 Bonds and; (ii) the costs of issuance. This financing closed on August 5, 2008 and was refunded in full on August 17, 2016.

On November 20, 2007, the PAID Board authorized the issuance of a tax exempt financing in an amount not to exceed \$41,000,000, the proceeds of which financed (i) equipment purchases for, capital improvements to, and further expansion of the Borrower's Headquarters Facility; (ii) the purchase of parking spaces located at 3711 Market Street, in the City of

Philadelphia; and (iii) the payment of the costs of issuance. This financing closed on January 10, 2008 in an amount of \$40,310,000 and was refunded on August 5, 2008.

On April 6, 1999 the PAID Board authorized the issuance of a tax-exempt financing in an amount not to exceed \$25,000,000 the proceeds of which financed (i) the advance refunding of the Authority's Series 1992 Bonds; (ii) the expansion and equipping of the Borrowers Headquarters Facility and; (iii) the costs of issuance. This financing closed on May 5, 1999 in an amount of \$21,945,000 and was underwritten by First Union Capital Markets. These bonds are no longer outstanding – final maturity in 2012.

On August 13, 1991, the PAID Board Authorized the issuance of a tax-exempt financing in an amount not to exceed \$25,000,000 the proceeds of which financed (i) the acquisition of a 59,455 square foot parcel of land located at the southeast corner of 38th and Market Streets, Philadelphia, Pennsylvania and the construction of the Borrower's Headquarters Facility; and (ii) the costs of issuance. This financing closed on May 20, 1992 in an amount of \$22,145,000, was refunded in 1999.

PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT

RESOLUTION

AUTHORIZING THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL TRUST INDENTURE, FORM 8038 AND THE MODIFICATION, EXECUTION AND DELIVERY OF OTHER CERTAIN FINANCING DOCUMENTS NECESSARY FOR THE PURPOSES OF PROVIDING A REMEDIAL ACTION IN CONNECTION WITH THE 2016 BONDS (DEFINED BELOW) AND AUTHORIZING ANY OTHER NECESSARY ACTION.

WHEREAS, the Philadelphia Authority for Industrial Development (the "Authority") is organized under the Economic Development Financing Law, as amended and supplemented from time to time (73 P.S. § 371 *et seq.*) (the "Act") and is empowered under the Act to acquire, by purchase or otherwise, any lands or interest therein or other property which it may determine is reasonably necessary for any project and to enter into contracts with respect to the planning, designing, financing, construction, reconstruction, improvement, equipping, furnishing, operation and maintenance of a project, for such consideration and upon such terms and conditions as the Authority may determine to be reasonable. Capitalized terms used herein but not defined herein shall have the meaning ascribed to them in the Indenture (as defined herein); and

WHEREAS, the National Board of Medical Examiners of the United States of America, a District of Columbia not-for-profit corporation (the "NBME") requested the Authority to undertake a project consisting of: (i) the advance refunding of the Authority's Series of 2008A Bonds (National Board of Medical Examiners Project) (the "2008A Bonds"); and (ii) the payment of certain costs of issuance for the 2008A Bonds; and

WHEREAS, the Authority previously issued its Revenue Bonds, Series of 2008 (National Board of Medical Examiners Project) (the "2008 Bonds") for the purpose of financing a project consisting of: (i) the further expansion of the NBME's Headquarters Facility, (ii) the acquisition of equipment to be used in the NBME's Headquarters Facility together with certain renovations and refurbishing therein and the acquisition of equipment to be used in its further expanded Headquarters Facility, (iii) the purchase of parking spaces located at 3711 Market Street, Philadelphia Pennsylvania and (iv) the financing of costs of issuance for the 2008 Bonds; and

WHEREAS, the Authority further issued its \$33,180,000 Revenue Refunding Bonds (National Board of Medical Examiners Project), Series 2016 (the "2016 Bonds" and together with the 2008A Bonds and the 2008 Bonds, the "Bonds") pursuant to an Indenture of Trust between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee, dated as of August 1, 2016 (the "Indenture") of which \$22,765,000 is currently outstanding; and

WHEREAS, in connection with the issuance of the 2008 Bonds, a portion of the proceeds of the 2008 Bonds was used to finance the purchase of a parking facility located at 3711 Market Street (the "Parking Facility"); and

WHEREAS, on July 31, 2023; the Parking Facility was sold for \$3,500,000 (the “Sale Proceeds”) to an entity that is not a 501(c)(3); and

WHEREAS, because the disposition of the Parking Facility was exclusively for cash, to maintain the tax-exempt status of the Bonds, the NBME is required to take a remedial action within 2 years of the disposition of the Parking Facility, such remedial action to include applying the Sale Proceeds to either an alternative eligible project or to redeem a portion of the Bonds; and

WHEREAS, for the NBME to avail itself of the remedial action provisions under Section 1.141-12(e) of the Internal Revenue Code, the Authority must file a form 8038 with the Internal Revenue Service (“IRS”), and request a waiver of the late filing of the form 8038; and

WHEREAS, if the waiver of the late filing of the form 8038 is not accepted by the IRS; then to preserve the tax-exempt status of the Bonds; the NBME intends to negotiate and enter into a voluntary closing agreement program (“VCAP”) with the IRS; and

WHEREAS, to negotiate and enter into a VCAP agreement, the NBME may require the cooperation and participation of the Authority to execute and finalize a VCAP agreement; and

WHEREAS, Authority desires to authorize the execution and delivery of a form 8038 related to the disposition of the Parking Facility, the waiver of the late filing of the form 8038 and if necessary a VCAP agreement and other necessary documentation necessary to preserve the tax-exempt status of the Bonds, including a supplemental trust indenture, and an escrow agreement, and desires to authorize its Chairperson, Vice Chairperson, Secretary, Assistant Secretary or Treasurer to execute on behalf of the Authority, a supplemental trust indenture, form 8038, any necessary or desirable escrow agreement, and such other instruments and documents as shall be necessary or appropriate; and

NOW, THEREFORE, BE IT RESOLVED, by the Philadelphia Authority for Industrial Development as follows:

1. Authorization of Remedial Actions. The Authority is hereby authorized to take such remedial actions required to preserve the tax-exempt status of the Bonds, such actions to include but are not limited to, the execution and delivery of a waiver request of the late filing of form 8038 for the Sale Proceeds, the execution and delivery of a form 8038 for the Sale Proceeds; the execution and delivery of a VCAP agreement in connection with the disposition of the Parking Facility; the execution and delivery of any other necessary forms, agreements or documents (collectively, “Remedial Documents”) necessary or desirable to preserve the tax-exempt status of the Bonds.

2. Authorization of Supplemental Indenture. The Sale Proceeds shall be subject to the pledge and lien of the Indenture. The Authority hereby approves and authorizes a supplemental trust indenture in such form as may be acceptable to counsel to the Authority, the officers of the Authority and bond counsel which approval by the Authority shall be conclusively evidenced by the execution thereof.

3. Authorization of Escrow Agreement. The Authority is hereby authorized to enter into an Escrow Agreement with the NBME and the Trustee, to effect the application of

the Sale Proceeds to eligible projects and the redemption and payment of a portion of the Bonds, as may be necessary.

4. Direction to Authorized Officers. For purposes of this Resolution, the Chairperson, Vice Chairperson or Secretary of the Board of the Authority shall each be deemed to be an “Authorized Officer” and collectively they are referred to herein as “Authorized Officers.” Each Authorized Officer may act jointly or severally in performing his or her duties hereunder.

The Board of the Authority hereby authorizes and directs the Authorized Officers to execute and deliver any Remedial Document, subject to the approval thereof by counsel to the Authority and the Authorized Officers executing the same, and to execute and deliver any other agreement, amendment, supplement, restatement, instrument, certificate or other document required to be executed by the Authority in connection with the Remedial Documents, and such execution and delivery shall be conclusive evidence of the approval thereof by the Board of the Authority.

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.

5. Further Action. The Authorized Officers 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, or to otherwise effectuate the purposes of this Resolution.

6. 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 Financing Documents are hereby ratified and approved.

7. Limitation of Liability. The execution and delivery of the Remedial Documents 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 sources provided for in the Indenture and Loan Agreement for the Bonds.

8. Repeal of Inconsistent Resolutions. All prior resolutions of this Authority or portions thereof which are inconsistent with this Resolution are hereby repealed.

9. Effective Date. This Resolution shall take effect immediately.

CERTIFICATE

I certify that I am the Secretary of the Philadelphia Authority for Industrial Development and that the foregoing Resolution was adopted at a meeting of the Authority on the ___ day of November, 2024, after due and proper notice and at which a quorum was in attendance and that no other actions have been taken by the Authority altering, amending or revoking said Resolution.

WITNESS my hand and seal of the Authority this ____ day of _____, 2024.

Secretary