



Ted Zeller – Chairperson
Candida Affa – Vice Chairperson
Santo Napoli – Treasurer
Daryl Hendricks - Secretary

John N. Morgan – Executive Director
Dan McCarthy, Davison McCarthy – APA Solicitor

ALLENTOWN PARKING AUTHORITY BOARD OF DIRECTORS MINUTES

A regular meeting of the Allentown Parking Authority Board was held at 12:00 p.m. on August 26, 2020, at the office of the Allentown Parking Authority, located at 603 W. Linden St. Allentown, PA 18101.

The following attended:

Ted Zeller – Chairperson
Candida Affa – Vice Chairperson
Daryl Hendricks – Secretary
Santo Napoli – Treasurer
Dan McCarthy – APA Solicitor
John Morgan – Executive Director
Christina Dayton – Deputy Director / Minutes
Jon Haney – Deputy Director
Connie Abercrombie – Finance Manager
Andrew Wagaman – Morning Call / Guest
Chuck Smith – Attorney / Guest
Joe Fitzpatrick – Attorney / Guest
John Palumbo – Manhattan Building Company / Guest
Alex Wright – Manhattan Building Company / Guest
Will Rothbone – Attorney / Guest

Mr. Zeller called the meeting to order at 12:15pm. Mr. Zeller asked for a review of the July Meeting Minutes, and then asked for a motion to approve. Mr. Hendricks made a motion, Ms. Affa seconded. The Board voted and approved the July minutes.

Mr. Zeller explained that we would move directly to the Courtesy of the Floor, as we have guests in attendance that would like to do a presentation to the Board.



COURTESY OF FLOOR

Attorney Joe Fitzpatrick introduced himself and Will Rathbone, from Manhattan Building Company, based in New Jersey. He also introduced Alex Wright, property owner in Allentown and John Palumbo, who handles the real estate side.

They are here to discuss one of our existing surface parking lots, 500 Railroad. They are proposing development to this lot. Manhattan Building Co. would like to do something similar to the existing Strata project. They are looking to bridge the Waterfront project to downtown Allentown. They understand that this property is not in the NIZ.

The developer needs to acquire our 500 Railroad surface lot to consolidate all of the other properties to complete the Riverview Lofts 2 Apartment project. The apartment building would consist of 50 residential units – Studios, 1 bedroom and 2 bedrooms. Two levels of structured parking are built into the plans, with the lower level housing 30 public spaces and the second level housing 42 spaces for the residents of the Riverview Loft 2 apartments. The proposal is a condominium arrangement, where the Allentown Parking Authority would own the structured parking, would maintain and operate it, as we do our other decks, would get a monthly stream of revenue for every space and the understanding is that the upper level 42 spaces belong to the residents.

The developers understand that this is a mix-use neighborhood. They are working extensively with Leonard Lightner's team (AEDC) with the plans for this project. The developer would like to enter into a cooperative agreement with the APA where by, we would transfer and then reacquire by condominium, as we've done in the past, the parking structures, and we'll go to a licensing agreement to operate, maintain, get income from these gentlemen. They would handle the direct leasing with the residents, but, in order to make this happen, they need to consolidate all of the spaces discussed.

Mr. Zeller went over all the facts that Mr. Fitzpatrick discussed, to reiterate the details of the proposal. Mr. Fitzpatrick asked if there were any other questions about the details of the transaction. The Board stated they understood the proposal.

Mr. Palumbo gave a brief presentation of their company, The Manhattan Building Company. He provided a visual presentation of the proposed project, as well as numerous projects their company has completed in Hoboken, NJ and Jersey City, NJ. This Riverview Lofts 2 project is not in the NIZ, therefore, it is all private dollars going into this project.



COURTESY OF FLOOR..... continued

These units will be high-end type residences, with several common-area amenities (business center, roof-top lounge area, fitness center) with an average rent of \$1,100.00 to \$1,200.00 per month.

Mr. Smith asked about the issue with the adjacent Church. Mr. Fitzpatrick explained the area in question is known as "Limestone Alley", which shoulders the Church's property, but it does not belong to the Church. In discussions with the Church, it was agreed that they needed to formalize their specific property lines, for deed purposes. The Church will maintain all its current property lines and will not be affected by this development.

Mr. Zeller explained that this project has a lot of moving parts. He is excited about bringing this project to Allentown, and Daryl Hendricks agreed. He thinks this company is respectful of the existing neighborhood and not changing the zoning district. By tweaking the technical part of the ordinance, you can mix single family attached homes with independent multi-family units that have parking and takes a lot of the strain off the streets.

Mr. Zeller asked if there was any more questions the Board may have for the guests and it was agreed they understood the proposal. Mr. Zeller thanked The Manhattan Building Company for their presentation and said the Board would discuss the project. These guests exited the meeting at this time.

Mr. Zeller stated this project would be discussed in Executive Session, as well as a confidential settlement agreement to talk about potentially, with Chuck Smith who is here. Mr. Zeller explained to Mr. Wagaman that he needed to exit the meeting at this time, but they will probably take some action coming out of the Executive Session. Mr. Wagaman exited the meeting at this time.

The Board broke at 12:50 p.m. for an Executive Session to discuss Real Estate and Other Issues. The Board ended their Executive Session and the regular meeting resumed at 1:30 p.m.



EXECUTIVE SESSION ACTION TAKEN

Mr. Zeller stated that coming out of Executive Session, two real estate matters were discussed amongst the Board. One involves a resolution for the N. 7th Street Taking.

Mr. Zeller made a motion for a Resolution to authorize our Counsel, Chuck Smith, to finalize negotiations with Univest Bank, to purchase the bank's debt, consistent with the numbers discussed, subject to and conditional upon further legal analysis. If those conditions are satisfied, the Executive Director is authorized to execute any documents to affect the transaction. Ms. Affa seconded. The Board voted and approved the Resolution.

The second matter is in regard to the proposed project involving our 500 Railroad surface lot. Mr. Zeller made a motion to pursue negotiations with the proposed developers of the 500 Railroad property, for what is, in essence, a private-public partnership to retain our ownership of parking, which would be developed into a structure. We would go from 28 spots to 72 spots and to solicit a proposal from them for further consideration of the Board, at a future meeting. Mr. Hendricks seconded. The Board voted and approved to pursue negotiations.

Mr. Zeller then requested the Executive Director's Report.

EXECUTIVE DIRECTOR'S REPORT

Mr. Morgan reported that we have been very busy. Due to the nature of our current business transactions, he would like to change the check signing procedures. The transactions requiring signatures are all for items capital budgeted operating expenses. The new procedure will reflect:

- Checks up to \$20,000.00 will be a single sign by the Executive Director.
- Checks from \$20,000.00 to \$49,900.00 will require signatures; one from the Executive Director AND one from either the Finance Manager or one of the Deputy Directors.
- Checks from \$50,00.00 and above, will require two signatures, one of which will be a Board Member, the other will be the Executive Director or one of the Deputy Director.



EXECUTIVE DIRECTOR'S REPORT.....continued

The Board discussed and agreed it was a good idea. The Board voted and approved the Check Signing Policy changes.

Mr. Morgan stated that on March 30th of 2020, out of our 4,200 parking spaces, we had 172 contract spaces available in all our facilities. As of today, we have 790 available spaces. We are at a deficit of 618 contracts. Aside from this, there has also not been one event at the arena this year, and we are being told there will not going to be any events for the rest of the year.

We applied for and were denied for hazard payment from the state. Our staff showed up every day they were supposed to. They wore masks, gloves, etc.,. We were, however, granted the payroll funds. We are going to give our employees hazard pay, even though we were not awarded funds by the state.

Mr. Haney stated our enforcement staff has begun enforcing on Sundays. It has been requested numerous times to enhance our enforcement to seven days a week. We now have officers on the street seven days a week. Monday – Fridays, from 6am – 11pm, Saturday are 8am – 530pm and Sundays are 8am – 4pm. We received 13 service calls on our first Sunday.

Mr. Hendricks asked about the double-parking issue on N. 7th Street on the weekends. We did approx. 240 double-parking tickets for the entire year in 2019. So far this year, we have written approx.. 250+. Mr. Zeller stated the need to knock down that N. 7th St property and creating a surface lot to help with the congestion on the street.

Mr. Haney discussed several recent incidents where our officers have been involved in hazardous situations, some causing personal injury to our staff. These officers worked every day during the COVID issue, without a single call-out. The same is true of our office staff.

Mr. Zeller asked for the numbers related to the hazard pay, by the next Board Meeting. Mr. Morgan stated he has the numbers available. The state guideline is it is for employees who make under \$40K per year. The amount comes out to a total of \$1,200.00 per employee, which will be paid out by adding \$3.00 per hour to their current payrate for 10 weeks. A complete report will be given to the Board at the next meeting.



EXECUTIVE DIRECTOR'S REPORT.....continued

Ms. Dayton reported a specific incident where another officer was threatened by someone with a weapon. This incident required APD backup.

Mr. Morgan reported that cameras have been installed in all the enforcement vehicles. From a safety standpoint, it helps, but we also use it for training purposes.

Mr. McCarthy stated that he has sent some dates for possible appointments to meet with the Magistrates' Director, from the Court Administrator's Office. There are several issues discussed in previous Board Meetings regarding the recent court decisions, that need to be discussed. Mr. Morgan and Mr. Zeller need to pick a date and set it up.

Mr. Zeller asked Connie to proceed with the financial report.

FINANCIAL REPORT

Ms. Abercrombie reported on this past month's financials.

July, 2020 - Total Revenue for the month of July was \$721,461 (9.56% under budget). Operating revenue was \$700,860 (10.83% under budget). Non-operating revenue in July was \$20,601 (75.57% ahead of budget).

Total Operating Expenses for the month of July were \$382,676 (27.17% under budget). Personnel costs for the month were \$267,562 (31.84% under budget), services and charges were \$109,352 (12.95% under budget), and materials and supplies were \$5,761 (20.80% under budget).

For the month of July, total Revenue exceeded total Expenses by \$338,787 (24.45% better than budget). After transfers to Capital, the City of Allentown, and the Debt Service Fund, the general operating fund shows an excess of \$131,521.

YTD – Operating Revenue was \$4,664,518 (15.22% under budget) and Expenses were \$2,699,625 (26.61% under budget)

Overall, for the seven-month period ending July 31st, total revenue exceeded total expenses by \$2,173,724 (14.08% ahead of budget). After transfers to Capital, the City of Allentown and Debt Service Fund, the operating fund shows an excess of \$485,347.

Not shown on the Operating Statement are the work-in-process costs incurred for capital and grant projects, currently at \$230,431 year-to-date.



COURTESY OF FLOOR

Mr. Zeller asked for any comments or discussion to be addressed. Ms. Affa thanked the APA for all they do for the City of Allentown. She asked about the request for free parking in front of both County Government Centers on Hamilton St. and S. 7th Street. The parking spots will be for voter ballot drop-off ONLY, from October 20th through November 3rd. This issue will be discussed in detail at the next meeting. With no further topics to discuss, Mr. Zeller closed the meeting.

This meeting was adjourned at 2:06 pm

The next Board Meeting will be held on Wednesday, September 23, 2020 at 12:00pm
at The Allentown Parking Authority - 603 W. Linden St. Allentown, PA 18101