

City of Philadelphia



Council of the City of Philadelphia
Office of the Chief Clerk
Room 402, City Hall
Philadelphia

(Resolution No. 150389)

RESOLUTION

Initiating action to establish a neighborhood improvement district in the area generally bounded by, and including, 11th Street to the West, Filbert Street to the North, 8th Street to the East and Market Street to the South, with the exception of certain condominium units at 801 Market Street Condominium not included in the District, to be known as the Gallery Neighborhood Improvement District, and for which Gallery Neighborhood Improvement District Corporation, a Pennsylvania nonprofit corporation, would serve as the Neighborhood Improvement District Management Association; and authorizing and directing the Committee on Rules and the Clerk of Council to take all actions that are required by the Community and Economic Improvement Act, prior to enactment of an ordinance that would formally establish the District.

WHEREAS, Council is authorized by the Community and Economic Improvement Act, Act of December 21, 1998, P.L. 1307, No. 174 (“Community and Economic Improvement Act”) (53 P.S. §18101 *et seq.*) to establish, by ordinance, neighborhood improvement districts and to designate certain entities to administer programs and services within such districts in order “to promote and enhance more attractive and safer commercial, industrial, residential and mixed-use neighborhoods; economic growth; increased employment opportunities; and improved commercial, industrial, business districts and business climates”; and

WHEREAS, The Gallery Neighborhood Improvement District will generally overlay a proposed tax increment financing district to be created in accordance with the Tax Increment Financing Act, Act of July 11, 1990, P.L. 465, No. 113, as amended, and by separate ordinance of Council; and

WHEREAS, Before an ordinance establishing a neighborhood improvement district is enacted, the Community and Economic Improvement Act requires that a public hearing be held on the preliminary plan for the district and at least 30 days prior to the hearing, notice of the hearing and the preliminary plan be mailed to all property owners and lessees of property owners, located in the proposed district; and

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WHEREAS, The purpose of this resolution is to initiate action to create a neighborhood improvement district in a portion of the central business district of the City, to be known as the “Gallery Neighborhood Improvement District” (“District”) and to ensure that all actions required by the Community and Economic Improvement Act to establish such a district are taken prior to enactment of an ordinance formally establishing the District; and

WHEREAS, Gallery Neighborhood Improvement District Corporation, a Pennsylvania nonprofit corporation, will serve as the Neighborhood Improvement District Management Association for the District; now, therefore

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That Council hereby initiates action to establish a neighborhood improvement district in the area generally bounded by, and including, 11th Street to the West, Filbert Street to the North, 8th Street to the East and Market Street to the South, excluding certain excepted interests consisting of the following: Condominium Unit 2 (Parcel ID# 883013300) and Condominium Unit 3 (Parcel ID# 883013400) at 801 Market Street Condominium, all as more particularly described on the preliminary plan attached hereto and made a part hereof. Such district is to be known as the “Gallery Neighborhood Improvement District.” Council hereby approves as the preliminary plan for the Gallery Neighborhood Improvement District, the preliminary plan attached as Exhibit “A”, and Council adopts as the City’s report concerning the Gallery Neighborhood Improvement District, the report included as part of the preliminary plan.

RESOLVED FURTHER, That the Committee on Rules is hereby authorized and directed to take all actions required by the Community and Economic Improvement Act, prior to enactment of an ordinance formally establishing the Gallery Neighborhood Improvement District, including the holding of any and all public hearings required by the Community and Economic Improvement Act. The Clerk of Council shall arrange for all mailings and publication of all notices required by the Community and Economic Improvement Act, as directed by the Chair of the Committee on Rules.

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EXHIBIT A

NID Plan

PLAN FOR THE GALLERY NEIGHBORHOOD IMPROVEMENT DISTRICT AND REPORT OF THE CITY OF PHILADELPHIA CONCERNING THE DISTRICT

1. The name of the district is the Gallery Neighborhood Improvement District (the "District"). A map of the District is attached as Exhibit A-1 and an enlarged copy of the map shall be kept on file with the Chief Clerk of Council to be made available for inspection by the public during regular hours.
2. The service area of the District includes all commercial, industrial and residential properties and all public space in the area generally bounded by, and including, 11th Street to the west, Filbert Street to the north, 8th Street to the east and Market Street to the south, excluding certain excepted interests consisting of the following: Condominium Unit 2 (Parcel ID# 883013300) and Condominium Unit 3 (Parcel ID# 883013400) at 801 Market Street Condominium. The District includes both exterior areas as well as indoor public spaces and extends to the center line of Filbert Street, 8th Street and Market Street to the north, east and south, respectively. In the case of the western boundary, the District extends across 11th Street and includes the public right of way up to the easternmost boundary of the property line of the property situated at 1101 Market Street (such property is not included in the District). The District will generally overlay a proposed tax increment financing district to be created in accordance with the Tax Increment Financing Act, being the Act of July 11, 1990, P.L. 465, No. 113, as amended (the "Tax Increment Financing Act").
3. A list of all properties to be assessed is set forth as Exhibit A-2.
4. The proposed improvements and services within the District consist of improvements and maintenance to specific areas or properties within the District, including interior and exterior public spaces, consisting of pedestrian walks, lighting, landscaping, hardscaping, way finding, environmental improvements, beautification, streetscape enhancements, security measures in the District and other "business improvements," "neighborhood improvements" and "neighborhood improvement district services" permitted under the Community and Economic Improvement Act, 53 P.S. § 18101 *et. seq* (the "Community and Economic Improvement Act"). In addition to the ability to pay for or finance the improvements described above directly, the District is being created to provide for the ability to levy assessments to cover shortfalls in debt service on indebtedness issued under the Tax Increment Financing Act that finances improvements consistent with the improvements described above (such indebtedness is hereinafter referred to as "TIF Indebtedness"). The Gallery Neighborhood Improvement District Corporation (the "Corporation"), which will serve as the administrative body that will govern the District, will have the power to pledge the assessments to secure any TIF Indebtedness or other indebtedness used to finance the improvements described above.

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5. The Corporation will have the power to levy assessments to pay the costs of improvements and services directly and to levy assessments to cover shortfalls in TIF Indebtedness or other indebtedness used to finance improvements and services. In the event that the Corporation determines to pay the costs and improvements directly, the estimated cost of the improvements for the first year of operation of the District are as follows:

<u>Improvements/Services</u>	<u>Cost</u>
Capital Improvements (including streetscape and sidewalk enhancements, lighting, way finding and beautification)	\$3,000,000
Maintenance and Operating Expenses (including public safety)	\$2,000,000
Administrative Expenses	<u>\$250,000</u>
Total:	\$5,250,000

In the event that the Corporation pledges the assessments to secure TIF Indebtedness and does not elect to pay the costs of improvements and services directly, the estimated cost of improvements in the first year of operation will be equal to the administrative expenses of the District (estimated to be \$250,000) plus the amount necessary to cover any actual shortfall that exists between the debt service on such TIF Indebtedness and the tax increment revenues collected and pledged to such indebtedness.

In the event that improvements, programs and services are financed through the issuance of indebtedness other than TIF Indebtedness, the estimated cost of improvements in the first year of operation will be equal to the administrative expenses of the District (estimated to be \$250,000) and any and all required payments relating to such indebtedness, including, but not limited to, debt service payments and payments necessary to fund any required reserves.

6. The proposed budget for the first fiscal year of the District is set forth as Exhibit A-3.
7. The primary proposed revenue source for financing all improvements, programs and services will be the assessments levied on real property within the service area. The District will also seek out grant funding and other funding mechanisms in order to fund improvements, programs and services. Additionally, to the extent that improvements, programs and services are financed through the issuance of TIF Indebtedness in accordance with the Tax Increment Financing Act, assessments may be levied in the District to the extent that a shortfall exists between the debt service on such TIF Indebtedness and the tax increment revenues collected and pledged to such TIF Indebtedness. The special assessments in any such year to be used for such purposes will

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be equal to the difference in annual debt service payments and administrative expenses of the tax increment financing district and the tax increment collected and pledged to the TIF Indebtedness. In the event that improvements, programs and services are financed through the issuance of indebtedness other than TIF Indebtedness, assessments may be levied in the District in order to make any and all required payments relating to such indebtedness, including, but not limited to, debt service payments and payments necessary to fund any required reserves.

8. The estimated time for implementation and completion of all proposed improvements, programs and services is the later of 20 years from the date of the Ordinance establishing the District or the retirement date of TIF Indebtedness or other indebtedness the proceeds of which will be used to finance a portion of the costs of improvements to the District and which are expected to be supported in whole or in part by assessments within the District. The District shall not terminate while any indebtedness supported in whole or in part by assessments remains outstanding.
9. The administrative body that will govern the District is the Gallery Neighborhood Improvement District Corporation, a Pennsylvania non-profit corporation.
10. The bylaws of the Corporation are attached hereto as Exhibit A-4.
11. The assessment fees in the District will be equitably apportioned among all properties within the District according to the following method:
 - a. The total gross leasable area of each property within the District shall be calculated.
 - b. For each property, the total gross leasable area of such property shall be divided by the total gross leasable area of all property within the District. This result shall then be multiplied by the annual budget amount of the District for the given year to determine the amount of the special assessment for that property for the given year. In the event that the assessments have been pledged to secure TIF Indebtedness or other indebtedness, the annual budget amount shall be adjusted in order to provide for all required payments on such TIF Indebtedness or other indebtedness.
12. The specific duties and responsibilities of the City of Philadelphia (the "City") and the Corporation with respect to the District are as follows:
 - a. The City will be responsible for maintaining the same level of municipal programs and services within the District after its designation as a neighborhood improvement district as before its designation, including, for any public streets that are within the boundaries of the District, maintenance and care for such streets. The City will also be responsible for applying and enforcing liens on properties for non-payment of property assessment fees as set forth in the Community and Economic Improvement Act.

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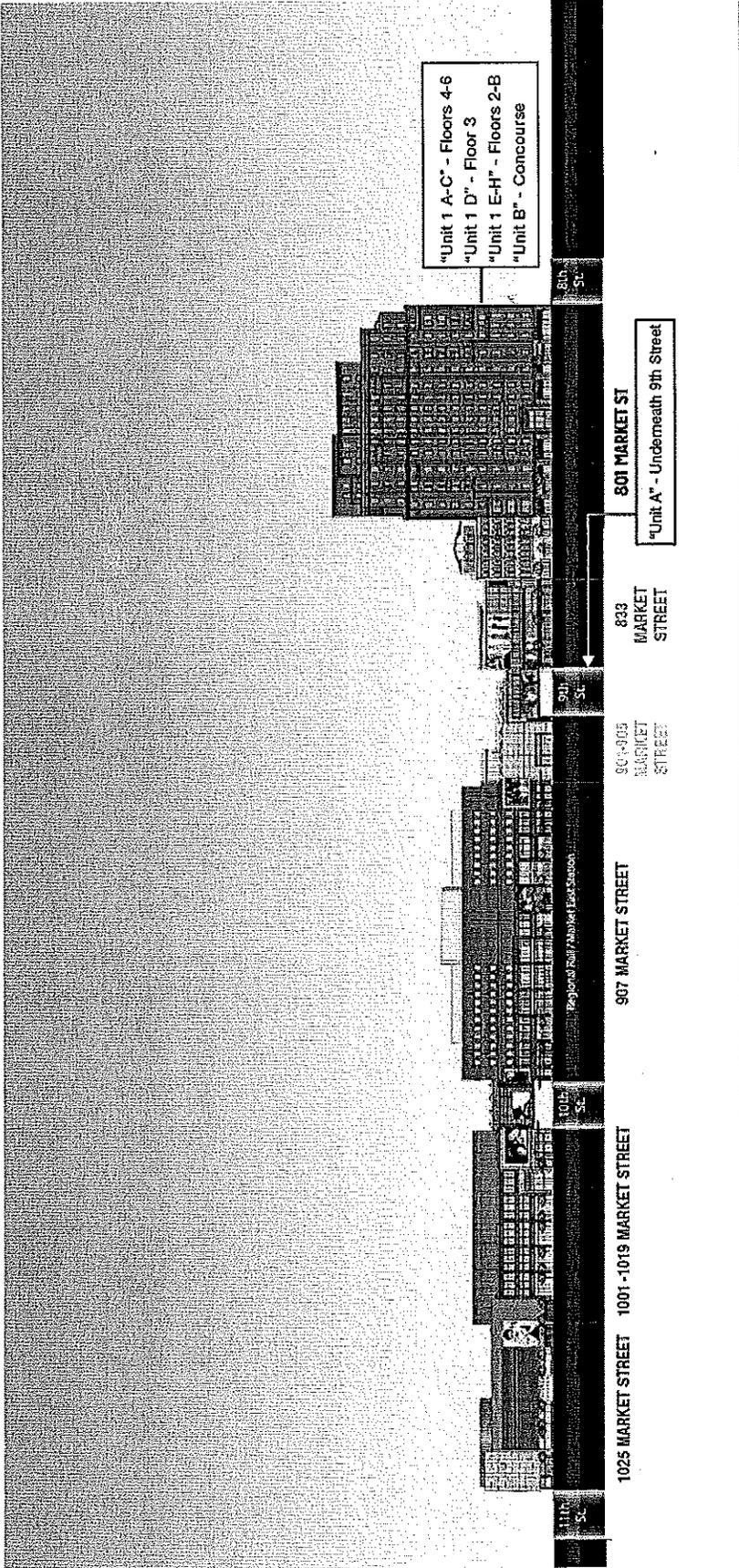
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- b. The Corporation shall fulfill all the duties and responsibilities of a Neighborhood Improvement District Management Association as set forth in the Community and Economic Improvement Act. The Corporation may contract with governmental or private entities to assist in the fulfillment of its duties and responsibilities. In its capacity as the NIDMA, the Corporation shall annually submit an audit report of all income and expenditures to the Department of Community and Economic Development, to the City Commerce Department and to City Council within 120 days after the end of each fiscal year, and submit a report, including financial and programmatic information and a summary of audit findings, to the City Commerce Department, to City Council and to all assessed property owners located in the District (as required by 53 P.S. §18109).
13. A written agreement shall be signed by the City and the Corporation containing the following provisions:
 - a. The respective duties of the City and the Corporation with respect to the District;
 - b. The City's agreement to maintain within the District the same level of municipal programs and services that were provided in the District before its establishment;
 - c. The Corporation's agreement to be responsible for the collection of all assessment fees levied within the District and the City's agreement to file and enforce any necessary liens for nonpayment of property assessment fees as set forth in the Community and Economic Improvement Act.
 - d. A sunset provision under which the agreement will terminate upon the later of 20 years from the date of the Ordinance establishing the District or the retirement date of TIF Indebtedness or other indebtedness the proceeds of which will be used to finance a portion of the costs of improvements to the District and which are expected to be supported in whole or in part by assessments within the District.
 - e. Other provisions as agreed upon by the City and the Corporation.
14. The District will allow for and encourage tax-exempt property owners within the District (if any), if not assessed, to provide in-kind services or financial contributions to the Corporation, in lieu of a property assessment fee.
15. The negative vote of at least 51% of the property owners within the District or property owners within the District whose property valuation as assessed for taxable purposes amounts to 51% of the total property valuation located within the District shall be required to defeat the establishment of the proposed District by filing objections with the Chief Clerk of City Council within 45 days of presentation of the final plan.

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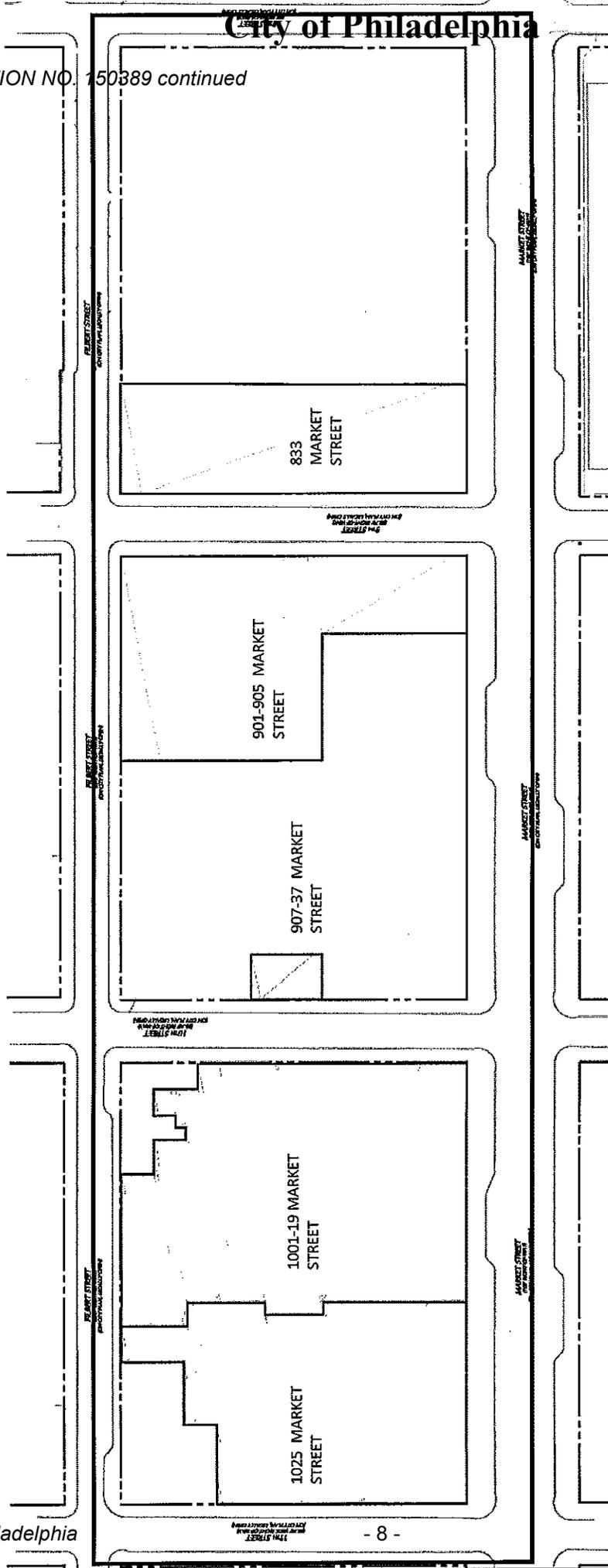
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EXHIBIT A-1 (Part 1) Elevation View of District



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EXHIBIT A-1 (Part 2)
Aerial Map of District



* Building contains certain condominium units that will not be included in the District. See next page.

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EXHIBIT A-2 List of Properties¹²

Address	Parcel ID #
1. 801 Market Street: Unit 1 A-C	883013505
2. 801 Market Street: Unit 1 D	883013516
3. 801 Market Street: Unit 1 E-H	882506315
4. 801 Market Street: Unit A	781209000
5. 801 Market Street: Unit B	781209200
6. 833 Market Street	882506502
7. 901 Market Street	781209500
8. 901 Market Street: Unit A	781209600
9. 903 Market Street	781209800
10. 905 Market Street	781210000
11. 907-37 Market Street	882506600
12. 1001-1019 Market Street	882508010
13. 1025 Market Street	882508100

¹ 801 Market Street: Unit 2 (Parcel ID# 883013300) and 801 Market Street: Unit 3 (Parcel ID: 883013400) are not included in the District.

² The District extends to the center line of Filbert Street, 8th Street and Market Street to the north, east and south, respectively. In the case of the western boundary, the District extends across 11th Street and includes the public right of way up to the easternmost boundary of the property line of the property situated at 1101 Market Street (such property is not included in the District).

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EXHIBIT A-3 **ESTIMATED 1ST YEAR BUDGET**

In the event that the Corporation determines to pay the costs and improvements directly, the estimated cost of the improvements for the first year of operation of the District are as follows:

Revenues

Assessment Fees	\$5,250,000
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Expenses

Capital Improvements(including streetscape and sidewalk enhancements, lighting, way finding and beautification)	\$3,000,000
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Maintenance and Operating Expenses (including public safety)	\$2,000,000
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Administrative Expenses	\$250,000
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<u>Total Expenses</u>	<u>\$5,250,000</u>
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In the event that the Corporation pledges the assessments to secure TIF Indebtedness and does not elect to pay the costs of improvements and services directly, the estimated cost of improvements in the first year of operation will be equal to the administrative expenses of the District (estimated to be \$250,000) plus the amount necessary to cover any actual shortfall that exists between the debt service on such TIF Indebtedness and the tax increment revenues collected and pledged to such indebtedness.

In the event that improvements, programs and services are financed through the issuance of indebtedness other than TIF Indebtedness, the estimated cost of improvements in the first year of operation will be equal to the administrative expenses of the District (estimated to be \$250,000) and any and all required payments relating to such indebtedness, including, but not limited to, debt service payments and payments necessary to fund any required reserves.

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EXHIBIT A-4
BYLAWS FOR GALLERY NEIGHBORHOOD IMPROVEMENT DISTRICT
CORPORATION

BYLAWS
OF
GALLERY NEIGHBORHOOD IMPROVEMENT DISTRICT CORPORATION
A PENNSYLVANIA NONPROFIT CORPORATION
EFFECTIVE _____, 2015

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BYLAWS

OF

GALLERY NEIGHBORHOOD IMPROVEMENT DISTRICT CORPORATION

A Pennsylvania Nonprofit Corporation

These Bylaws are adopted by the Corporation and are supplemental to the Pennsylvania Nonprofit Corporation Law of 1988, as amended, and as the same shall from time to time be in effect.

ARTICLE I

Name and Purpose

1.1 Name. The name of the corporation is Gallery Neighborhood Improvement District Corporation (the "Corporation").

1.2 Purpose.

1.2.1 The Corporation is organized and shall be operated exclusively for charitable, educational, and scientific purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any corresponding provision or provisions of subsequent superseding federal revenue laws (the "Code"). In furtherance of such purposes, the Corporation shall:

1.2.1.1 Operate a Neighborhood Improvement District ("NID") and function as a Neighborhood Improvement District Management Association ("NIDMA") under the Pennsylvania Community and Economic Improvement Act, 53 P.S. § 18101 et seq.;

1.2.1.2 Formulate, promote and implement the economic revitalization of the commercial and public areas generally bounded by, and including, 11th Street to the west, Filbert Street to the north, 8th Street to the east and Market Street to the south, excluding certain excepted interests consisting of the following: Condominium Unit 2 (Parcel ID# 883013300) and Condominium Unit 3 (Parcel ID# 883013400) at 801 Market Street Condominium. The NID includes both exterior areas as well as indoor public spaces and extends to the center line of Filbert Street, 8th Street and Market Street to the north, east and south, respectively. In the case of the western boundary, the NID extends across 11th Street and includes the public right of way up to the easternmost boundary of the property line of the property situated at 1101 Market Street (such property is not included in the NID). The NID will generally overlay a proposed tax increment financing district to be created in accordance with the Tax Increment Financing Act, being the Act of July 11, 1990, P.L. 465, No. 113, as amended;

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1.2.1.3 Provide a self-help mechanism to make and maintain improvements, improve property values and enhance the environment for residents, shoppers and visitors;

1.2.1.4 Mobilize public and private resources for this purpose and maintain communication with property owners and tenants within the District; and

1.2.1.5 Implement the activities described by the authorizing ordinance of the NID.

1.2.2 Notwithstanding any other provision of these Bylaws, the Corporation's purposes are limited to and shall include only charitable, educational, and scientific purposes within the meaning of those terms as used in section 501(c)(3) of the Code or the corresponding section of any future federal tax code, and all references to the purposes of the Corporation shall be construed to include this limitation. The Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of the Corporation as so limited.

ARTICLE II

Nonmembership Corporation

2.1 Nonmembership Corporation. The corporation shall have no members. The directors shall have all powers and duties for the conduct of the activities of the corporation.

2.2 Honorary Titles. The corporation may create such classes of "membership," such as contributing members or honorary members, as the Board of Directors (the "Board of Directors" or "Board") sees fit however, such persons shall not have the rights of "members" under the Pennsylvania Nonprofit Corporation Law of 1988.

ARTICLE III

Board of Directors

3.1 General Powers and Duties.

3.1.1 General Authority of the Board. The property and affairs of the Corporation shall be managed under the direction of, and the policies of the Corporation shall be determined by, the Board of Directors. The Board may exercise all of the powers of the Corporation and do all lawful acts and things as are required, directed, or permitted to be exercised or done by (i) the Pennsylvania Nonprofit Corporation Law of 1988, as the same shall from time to time be in effect, or the corresponding section of any; (ii) the Corporation's Articles of Incorporation; (iii) these Bylaws; or any other provision of law. The directors shall act only as a Board of Directors, or as a committee thereof; individual directors shall have no power as such. The Board also shall have the authority to interpret the provisions of the Bylaws and its interpretation shall be binding upon the Corporation.

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3.1.2 Duties of the Board of Directors with respect to the Corporation's function as a NIDMA. The Board shall ensure that the Corporation satisfies the requirements of a NIDMA in the conduct of its operations, including, but not limited to, the completion of the following: (i) setting priorities and planning the NID's work; (ii) submitting an annual audit of all income and expenditures to the Pennsylvania Department of Community and Economic Development and to the City of Philadelphia; and (iii) submitting an annual report, including financial and programmatic information, including a summary of audit findings to the City of Philadelphia and to all assessed property owners located in the NID.

3.1.3 Limitation on Board's authority. Notwithstanding the foregoing, the Board of Directors may not engage directly or indirectly in any activity that would invalidate the Corporation's status (i) as an organization described in section 501(c)(3) of the Code, or the corresponding section of any future federal tax code; or (ii) as a corporation described in section 170(c)(2) of the Code to which contributions are deductible under section 170(a)(1) of the Code, or the corresponding section of any future federal tax code.

3.2 Composition of the Board of Directors.

3.2.1 Qualification of Directors. Each member of the Board of Directors shall be an individual of at least 18 years of age and need not be a citizen of the United States or a resident of the Commonwealth of Pennsylvania. One (1) director shall be a representative of the government of the City of Philadelphia and one (1) director shall be a representative of the Philadelphia Industrial Development Corporation. All other directors shall represent the property owners, business owners, and any institutions located in the NID.

3.2.2 Number. The Board of Directors shall be comprised of not less than five (5) or more than nine (9) directors.

3.2.3 Term. Directors shall serve for a term of two (2) years, and until the director's successor has been appointed and qualified or until the director's earlier death, resignation or removal.

3.2.4 Appointment of Directors. For any vacancy in the Board of the representative of the government of the City of Philadelphia, the Councilperson of the First Council District shall appoint the director. For any vacancy in the Board of the representative of the Philadelphia Industrial Development Corporation, the Executive Director of Philadelphia Industrial Development Corporation shall appoint the director. All other directors shall be appointed by a representative of the property owners, business owners, and any institutions located in the NID ("Residents' Representative"). The votes for determining the Residents' Representative shall be apportioned among each such property owner, business owner, and institution, based on the square footage of property owned in the NID. The directors shall be appointed at each annual meeting of the Board for the years in which there are vacancies on the Board or at such time as necessary to fill a vacancy that results for a reason other than the end of a director's term.

3.2.5 Vacancies. Vacancies in the position of director, including vacancies resulting from an increase in the number of directors, shall be filled in accordance with Section

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3.2.4, for each type of director. A director appointed to fill a vacancy shall take office immediately upon appointment and shall hold office for the unexpired term of his or her predecessor or until the director's successor has been appointed and qualified or until the director's earlier death, resignation, or removal.

3.2.6 Resignations. A director may resign at any time by giving notice thereof in writing to the Secretary. Any such resignation shall take effect at the time specified therein or, if the time is not specified therein, upon receipt of the notice. Acceptance of such resignation shall not be necessary to make it effective.

3.2.7 Removal. Directors may be removed from office at any time, with or without cause, upon a two-thirds (2/3) vote of the Board of Directors present at a meeting called for that purpose at which a quorum is present. Notice of the intention to remove a director shall be given in accordance with Section 3.3.3 (regarding notice).

3.2.8 Chair; Vice Chair. The Board of Directors, at its annual meeting each year, may elect one director as Chair of the Board of Directors, and one director as Vice Chair of the Board of Directors, each to serve at the pleasure of the Board.

3.3 Meetings of the Board of Directors.

3.3.1 Regular Meetings. Regular meetings of the Board of Directors may be held, without notice, at such time and place as will from time to time be determined by the Board. Unless the Board determines otherwise, the last regular meeting of the Board in each annual accounting period of the Corporation shall constitute the annual meeting of the Board. Regular meetings may be held within or outside of the Commonwealth of Pennsylvania.

3.3.2 Special Meetings. Special meetings may be called at the discretion of the President or by a majority of directors in office, and such special meeting shall be held at such time and place, within or outside of the Commonwealth of Pennsylvania, as is determined by the President or by the directors calling for the meeting. A special meeting of the Board may be held upon notice of at least three (3) days. Notice of a special meeting of the Board of Directors shall specify the date, time and place of the meeting, but, except as otherwise provided in these Bylaws, need not specify the purpose for the meeting or the business to be conducted.

3.3.3 Notice.

3.3.3.1 Any notice required or permitted to be given pursuant to these Bylaws, shall be given to the person either personally or by sending a copy thereof:

(i) By e-mail, facsimile, or other electronic communication to the person's facsimile number or address for e-mail or other electronic communications supplied by the person to the Corporation for the purpose of notice. Notice under this Section 3.3.3 shall be deemed to have been given to the person entitled thereto when sent.

(ii) By first class or express mail, postage prepaid or courier service, charges prepaid to the person's postal address supplied by the person to the Corporation for the purpose of notice. Notice under this Section 3.3.3.1 shall be deemed to have been given to the person

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entitled thereto when deposited in the United States mail or with a courier service for delivery to that person.

3.3.3.2 Notwithstanding the foregoing, a director may waive notice of any meeting of the Board of Directors by written statement (that includes an electronic communication) signed by the person entitled to the notice filed with the Secretary. Attendance at a meeting of the Board shall also constitute a waiver of notice, except where a director states that he or she is attending for the purpose of objecting to the conduct of business on the ground that the meeting was not lawfully called or convened.

3.3.4 Participation in Meetings via Electronic Technology. One or more directors may participate in a meeting of the Board of Directors or any committee thereof by means of a conference telephone or other electronic technology by which all persons participating in the meeting can hear each other.

3.3.5 Quorum. A majority of the number of directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. If a quorum is not present at any meeting of the Board, the directors present may adjourn the meeting, from time to time, without notice other than an announcement at the meeting, until a quorum shall be present.

3.3.6 Transactions by Board of Directors. Except as otherwise provided by law, the Articles of Incorporation, or these Bylaws, all matters before the Board of Directors shall be decided by a majority vote of the directors present at a meeting at which a quorum exists.

3.3.7 Action Taken Without Meeting. Any action that may be taken at a meeting of the Board of Directors may be taken without a meeting if a consent or consents in writing setting forth the action so taken shall be signed by all of the directors in office and shall be filed with the Secretary.

ARTICLE IV

Officers

4.1 Number and Titles. The officers of the Corporation shall be a Chair, a Vice Chair (if appointed by the Board of Directors), the President, a Secretary, a Treasurer, and such other officers with such titles and duties as shall be stated in these Bylaws or as may be determined by the Board. Any number of offices may be held by the same person.

4.2 Election and Term of Office. Each officer shall be elected at the annual meeting of the Board of Directors and shall serve for a term of one year and until the officer's successor is duly elected and qualified, or until the officer's earlier resignation, removal or death. Officers may be elected for consecutive terms. If the election of such officers is not held at the annual meeting, such election shall be held as soon thereafter as may be convenient.

4.3 Removal and Resignation of Officers. Any officer of the Corporation may be removed, with or without cause, at any time by a majority of the directors in office; provided that removal shall not affect any contract rights that the officer may have. Any officer may resign

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from office at any time, with such resignation to be made in writing, unless waived by vote of the Board of Directors, and to take effect from the time of its receipt by the Corporation, unless some later time may be fixed in the resignation, and then from that date. The acceptance of the resignation shall not be required to make it effective.

4.4 Vacancies. Any vacancy occurring in any office of the Corporation shall be filled by the Board of Directors.

4.5 Power and Duties of Officers. The powers and duties of the officers shall be those customarily exercised by corporate officers holding such offices, except to the extent that such duties and powers are inconsistent with these Bylaws or with any provision made pursuant hereto.

4.5.1 Chair. If the Board of Directors appoints a Chair, the Chair shall provide leadership to the Board in order to assist the Board in accomplishing the purposes of the Corporation and fulfilling the Board's duties as provided in these Bylaws. The Chair shall serve as the presiding officer at meetings of the Board; and appoint the members and chairs of each committee of the Corporation. The Chair shall maintain open, two-way communication with the President; be responsible for discussing with the President any concerns of the Board and any of the Corporation's other constituencies; provide guidance regarding any concerns that the President and other staff members have with respect to the role of the Board or individual directors; prepare the agenda for each meeting of the Board, after consultation with the President. The Chair shall perform such other duties as provided in these Bylaws or as may be prescribed by the Board. In the event that the Board does not appoint a Chair, the President shall serve in the role of Chair.

4.5.2 Vice Chair. The Vice Chair, if any, shall act in the Chair's stead in the event of the absence or disability of the Chair; and perform such other duties as shall be provided in these Bylaws, or as may be prescribed by the Board.

4.5.3 President. The President shall be the chief executive officer of the Corporation and, subject to the control of the Board of Directors, shall perform all duties customary to that office and shall supervise and control all of the day-to-day affairs of the Corporation in accordance with any policies and directives approved by the Board; employ and terminate employees, as necessary, provided that any personnel expenditures shall be within the Corporation's operating budget or as otherwise approved by the Board. As authorized by the Board, the President shall execute all instruments requiring such execution, except to the extent that signing and execution thereof is expressly delegated by the Board to some other officer or agent of the Corporation. Upon request of the Board, the President shall report to it all matters which the interests of the Corporation may require to be brought to the attention of the Board.

4.5.4 Secretary. The Secretary shall be responsible for keeping an accurate record of the proceedings of all meetings of the Board of Directors, and such other actions of the Corporation as the Board shall direct. Except as otherwise provided in these Bylaws or by the Board, the Secretary shall give or cause to be given all notices in accordance with these Bylaws or as required by law. The Secretary shall have such other duties and have such other powers as shall be designated by the Board.

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4.5.5 Treasurer. The Treasurer shall have care and custody of the books and records of account of the Corporation and, subject to the direction of the Board of Directors, shall have charge of and be responsible for all funds and securities of the Corporation. The Treasurer shall supervise the provision of financial statements to the Board from time to time upon request. The Treasurer shall have such other powers and duties as may be designated by the Board.

4.5.6 Other Officers. Other officers of the Corporation shall have such powers and duties as may be designated from time to time by the Board of Directors.

ARTICLE V

Committees

5.1 General Provisions. The Board of Directors shall have the power at any time to: (i) define and delegate the purpose or purposes of any committee; (ii) designate a member of any committee as its Chair; (iii) designate the term of committee membership and fill vacancies therein; (iv) change the membership of any committee; and (v) disband any committee. The members of a committee shall act only as a committee and shall report to the Board of Directors on the committee's actions and findings. All committee actions shall be recorded in or attached to the minutes of the meetings of the Board.

5.2 Committees of the Board. The Board of Directors may, by resolution passed by at least a majority of all the directors in office, designate one or more committees of the Board. Any committee shall have and exercise the authority of the Board in the management of the Corporation, except as otherwise provided by law or in a resolution by the Board. Each such committee of the Board shall consist of one or more directors appointed by the Chair. If any person who is not a director is appointed to any committee of the Board, such non-director shall have no right to vote on any question that would create a binding obligation on the Corporation.

5.3 Ad-Hoc and Special Committees and Task Forces. The Board of Directors may, by resolution passed by at least a majority of the directors present at a meeting at which quorum is present, establish one or more Ad-Hoc committees, which shall have such powers as the Board of Directors may assign it from time to time, but shall not have or exercise the authority of the Board of Directors in the management of the Corporation. Any such Ad-Hoc committee or task force may consist of directors and other persons.

5.4 Attendance by the President. The President shall be entitled to participate as a voting member in meetings of all of the committees of the Corporation.

5.5 Limitation on Authority. No committee shall have any power or authority as to the following:

5.5.1 The filling of vacancies on the Board of Directors.

5.5.2 The adoption, amendment or repeal of the Bylaws.

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5.5.3 The amendment or repeal of any resolution of the Board of Directors.

5.5.4 Action on other matters committed by resolution of the Board of Directors or by Pennsylvania law to the full Board of Directors or to another committee.

ARTICLE VI

Personal Liability of Directors and Indemnification of Directors, Officers, and Other Persons Employees; Insurance

6.1 Personal Liability of Directors.

6.1.1 A director of this Corporation shall not be personally liable for monetary damages as such for any action taken, or any failure to take any action, unless:

6.1.1.1 the director has breached or failed to perform the duties of his or her office under 15 Pa.C.S. § 511 or 5712 (which, as amended from time to time, is hereafter called Section 511 or Section 5712 respectively); and

6.1.1.2 the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

6.1.2 This Section 6.1 shall not limit a director's liability for monetary damages to the extent prohibited by the provisions of the Pennsylvania Nonprofit Corporation Law of 1988.

6.2 Mandatory Indemnification of Directors and Officers. The Corporation shall, to the fullest extent permitted by applicable law, indemnify any present or former director or officer who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, proceeding, issue or matter, whether civil, criminal, legislative, administrative, or investigative (whether or not such action, suit or proceeding arises or arose by or in the right of the Corporation or other entity) by reason of the fact that such director or officer is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee, partner, trustee, agent or fiduciary of another corporation, partnership, limited liability company, joint venture, trust or other enterprise (including service with respect to employee benefit plans), against expenses (including, but not limited to, attorneys' fees and costs), judgments, fines (including excise taxes assessed on a person with respect to any employee benefit plan) and amounts paid in settlement actually and reasonably incurred by such director or officer in connection with such action, suit, proceeding, issue or matter, except as otherwise provided in Section 6.4 hereof. A director or officer of the Corporation entitled to indemnification under this Section 6.2 is hereafter called a "person covered by Section 6.2 hereof."

6.3 Advance of Expenses. Expenses (including attorneys fees and costs) incurred by a person covered by Section 6.2 hereof in defending a threatened, pending or completed civil or criminal action, suit, proceeding, issue or matter shall be paid by the Corporation in advance of

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the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation, except as otherwise provided in Section 6.4. The director's or officer's right to advancement of expenses shall not be subject to any condition other than submission of such an undertaking. The undertaking need not be secured and shall be accepted without reference to the financial ability of the director or officer to make repayment.

6.4 Exceptions. No indemnification under Section 6.2 or advancement or reimbursement of expenses under Section 6.3 shall be provided to a person covered by Section 6.2 hereof (a) if a final unappealable judgment or award establishes that such director or officer engaged in self-dealing, willful misconduct or recklessness; (b) for expenses or liabilities of any type whatsoever (including, but not limited to, judgments, fines, and amounts paid in settlement) which have been paid directly to such person by an insurance carrier under a policy of officers' and directors' liability insurance maintained by the Corporation or other enterprise; or (c) for amounts paid in settlement of any threatened, pending or completed action, suit, proceeding, issue or matter without the written consent of the Corporation, which written consent shall not be unreasonably withheld. The Board of Directors is hereby authorized, at any time by resolution, to add to the above list of exceptions from the right of indemnification under Section 6.2 or advancement or reimbursement of expenses under Section 6.3, but any such additional exception shall not apply with respect to any event, act or omission which has occurred prior to the date that the Board of Directors in fact adopts such resolution. Any such additional exception may, at any time after its adoption, be amended, supplemented, waived or terminated by further resolution of the Board of Directors.

6.5 Continuation of Rights. The indemnification and advancement or reimbursement of expenses provided by, or granted pursuant to, this Article VI shall continue as to a person who has ceased to be a director or officer of the Corporation, and shall inure to the benefit of the heirs, executors and administrators of such person.

6.6 Notice of Commencement of Action. As a condition of any right to indemnification hereunder, the director or officer shall give the Corporation written notice of the commencement of a claim, action, suit, proceeding, issue or matter against him or her as soon as practicable, but in any event, no later than sixty (60) days from when he or she becomes aware of such claim, action, suit, proceeding, issue or matter. Where a director or officer fails to give such notice and that failure causes the Corporation material prejudice, the Corporation may, in its discretion, choose not to indemnify such director or officer for any expenses incurred by him or her with respect to such claim, action, suit, proceeding, issue or matter. The Corporation shall have the right, at its election and expense, to assume or participate in the defense of any such civil action, suit or proceeding, if to do so will not subject it to a conflict of interest and is not unreasonable under the circumstances. If the Corporation assumes the defense, the director or officer may participate in the defense at his or her own expense. The Corporation shall only be obligated to pay a settlement of a civil action, suit, proceeding, issue or matter to which it consents in writing, its consent not to be unreasonably withheld. If the Corporation is obligated to indemnify or advance expenses to a director or officer as to a proceeding relating to his or her service at the Corporation's request as a director, officer, employee, partner, trustee, agent or fiduciary of another corporation, partnership, limited liability company, joint venture, trust or other enterprise (including service with respect to employee benefit plans), the Corporation's

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obligation shall be secondary to and in excess of any indemnification and advancement obligation owed by such other corporation, partnership, limited liability company, joint venture, trust or enterprise, or its insurer, and the Corporation shall be subrogated to the director's or officer's rights to such obligation of indemnification, advancement or insurance, if not duly paid.

6.7 General Provisions.

6.7.1 The term "to the fullest extent permitted by applicable law," as used in this Article VI, shall mean the maximum extent permitted by public policy, common law or statute. Any person covered by Section 6.2 hereof may, to the fullest extent permitted by applicable law, elect to have the right to indemnification or to advancement or reimbursement of expenses, interpreted, at such person's option (i) on the basis of the applicable law on the date this Article VI was adopted, or (ii) on the basis of the applicable law in effect at the time of the occurrence of the event or events giving rise to the action, suit or proceeding, or (iii) on the basis of the applicable law in effect at the time indemnification is sought.

6.7.2 The right of a person covered by Section 6.2 hereof to be indemnified or to receive an advancement or reimbursement of expenses pursuant to Section 6.3 (i) may also be enforced as a contract right pursuant to which the person entitled thereto may bring suit as if the provisions hereof were set forth in a separate written contract between the Corporation and such person; and (ii) shall continue to exist after the rescission or restrictive modification (as determined by such person) of this Article VI with respect to events, acts or omissions occurring before such rescission or restrictive modification is adopted.

6.7.3 If a request for indemnification or for the advancement or reimbursement of expenses pursuant hereto is not paid in full by the Corporation within thirty (30) days after a written claim has been received by the Corporation together with all supporting information reasonably requested by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim (plus interest at the prime rate announced from time to time by the Corporation's primary banker) and, if successful in whole or in part, the claimant shall be entitled also to be paid the expenses (including, but not limited to, attorney's fees and costs) of prosecuting such claim. Neither the failure of the Corporation (including its Board of Directors or independent legal counsel) to have made a determination prior to the commencement of such action that indemnification of or the advancement or reimbursement of expenses to the claimant is proper in the circumstances, nor an actual determination by the Corporation (including its Board of Directors or independent legal counsel) that the claimant is not entitled to indemnification or to the reimbursement or advancement of expenses, shall be a defense to the action or create a presumption that the claimant is not so entitled.

6.7.4 The indemnification and advancement or reimbursement of expenses provided by, or granted pursuant to, this Article VI shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement or reimbursement of expenses may be entitled under any bylaw, agreement, vote of the directors or otherwise, both as to action in such director's or officer's official capacity and as to action in another capacity while holding that office.

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6.7.5 Nothing contained in this Article VI shall be construed to limit the rights and powers the Corporation possesses under Subchapter C of the Pennsylvania Nonprofit Corporation Law of 1988 (as amended from time to time) or otherwise, including, but not limited to, the powers to purchase and maintain insurance, create funds to secure or insure its indemnification obligations, and any other rights or powers the Corporation may otherwise have under applicable law.

6.7.6 The provisions of this Article VI may, at any time (and whether before or after there is any basis for a claim for indemnification or for the advancement of reimbursement of expenses pursuant hereto), be amended, supplemented, waived, or terminated, in whole or in part, with respect to any person covered by Section 6.2 hereof by a written agreement signed by the Corporation and such person.

6.8 Indemnification of Employees; Optional Indemnification. The Corporation may indemnify employees on the same terms and conditions as its directors and officers or otherwise, if the Board of Directors decides that it is in the best interests of the Corporation to indemnify any such employee. The Corporation may, to the fullest extent permitted by applicable law, indemnify and advance or reimburse expenses for persons in all situations other than that covered by this Article VI.

6.9 Insurance. The Corporation shall have the power to purchase liability insurance on behalf of any person who is or was serving as a director, officer, or employee of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of another corporation, partnership, limited liability company, joint venture, trust, other enterprise or employee benefit plan, whether or not the Corporation would have the power to indemnify such persons against liability under the Code.

6.10 Severability of Provisions. Each provision of this Article VI is intended to be severable, and, if any term or provision is invalid for any reason whatsoever, such invalidity shall not affect the validity of the remainder of this Article.

ARTICLE VII

Compensation of Directors and Officers

7.1 Compensation of Directors. Directors shall not receive any compensation for their services as such; however, the Board of Directors may authorize reimbursement for reasonable expenses incurred in connection with the performance of services for the Corporation, including but not limited to, attendance at annual, regular, or special meetings of the Board. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

7.2 Compensation of Officers. Salaries and other compensation of officers who are employees of the Corporation, may be fixed from time to time by the Board of Directors, provided that such salaries and compensation shall not be excessive in amount and shall be for services which are reasonable and necessary for performance of the Corporation's purposes.

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ARTICLE VIII

Termination and Dissolution

8.1 General. In the event of winding up or dissolution of the Corporation, all outstanding debts and liabilities shall be satisfied.

8.2 Distribution. If, after satisfaction of all debts and liabilities, there remains any property, the same shall be given to the City of Philadelphia, for a public purpose, as may be determined by the Board of Directors at or before the time of dissolution.

ARTICLE IX

Miscellaneous Provisions

9.1 Offices. The Corporation shall maintain continuously in the Commonwealth of Pennsylvania a registered office at such place as may be designated by the Board of Directors. The Corporation may also have offices at such other places, both within and outside of the Commonwealth of Pennsylvania, as the Board of Directors may from time to time determine.

9.2 Funds of the Corporation; Signatories. The funds of the Corporation shall be deposited to its credit in such a manner and in such depositories as the Board of Directors may from time to time designate and all checks, drafts or other orders for the payment of money shall be signed by such officer or officers or such other person or persons as the Board may from time to time designate.

9.3 Annual Accounting Period. The annual accounting period of the Corporation shall be the calendar year.

9.4 Grants. The Board of Directors, in furtherance of its charitable, educational, and scientific purposes, shall have the exclusive power to receive and allocate contributions, within the discretion of the Board, to any organization organized and operated exclusively for charitable, educational, or scientific purposes within the meaning of section 501(c)(3) of the Code. The Board, in its absolute discretion, may refuse to make any grants or contributions or otherwise render financial assistance to or for any or all the purposes for which funds are requested. After the Board has approved a grant to another organization for a specific project or purpose, the Board shall, at all times, have the right to withdraw approval of the grant and use the funds for other charitable, educational, or scientific purposes. The Board may prospectively or retroactively authorize any officer or officers, agent or agents, in the name, and on behalf, of the Corporation, and in the administration of an approved program, to make any grants or contributions or provide financial assistance to any qualified organizations in furtherance of charitable, educational, and scientific purposes, within the meaning of section 501(c)(3) of the Code, so long as such grants meet the requirements set forth in this Section 9.4.

9.5 Execution of Contracts. The Board of Directors, except as otherwise provided in these Bylaws, may prospectively or retroactively authorize any officer or officers, agent or agents, in the name, and on behalf, of the Corporation, to enter into any contract, or execute and deliver any instrument as may be necessary to carry out the purposes of the Corporation.

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9.6 Loans. The Board of Directors may authorize the President or any other officer or agent of the Corporation to: (i) obtain loans and advances at any time for the Corporation from any bank, trust company, firm, corporation, individual, or other institution; (ii) make, execute, and deliver promissory notes, bonds, or other certificates or evidences of indebtedness of the Corporation; (iii) pledge and hypothecate, or transfer any securities or other property of the Corporation as security for any such loans or advances; and (iv) lend money for the charitable, educational, and scientific purposes of the Corporation and take and hold real and personal property as security for the payment of funds so loaned. Such authority conferred by the Board of Directors may be general or confined to specific instances. No loans shall be made by the Corporation to any director, officer or other "disqualified person" with respect to the Corporation, as such term is defined in section 4946 of the Code.

9.7 Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the purposes of the Corporation.

9.8 Investments. The Corporation shall have the right to invest and reinvest any funds held by it according to the judgment of the Board of Directors. The Board is restricted to the prudent investments which a director is or may hereafter be permitted by law to make.

9.9 Voting of Securities Held by the Corporation. Stocks and other securities owned by the Corporation shall be voted, in person or by proxy, as the Board of Directors may specify. In the absence of any direction by the Board, such stocks and securities shall be voted as the President may determine.

ARTICLE X

Amendments

10.1 Amendment of Bylaws. These Bylaws may be altered, amended or repealed, or new Bylaws may be adopted, at any meeting of the Board of Directors, by a majority vote of the Directors if, at least ten (10) days prior to the meeting, notice and a copy of the proposed changes are given to each director.

10.2 Amendment of Articles of Incorporation. The Articles of Incorporation may be altered or amended, or new Articles of Incorporation may be adopted, at any meeting of the Board of Directors, by a majority vote of the directors, if, at least ten (10) days prior to the meeting, notice and a copy of the proposed changes are given to each director.

10.3 Recording. The text of each amendment to or repeal of these Bylaws shall be attached hereto or incorporated within these Bylaws with a notation of the date of such amendment or repeal.

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CERTIFICATE OF SECRETARY

I, **[Insert]**, Secretary of Gallery Neighborhood Improvement District Corporation, do hereby certify that the foregoing is a true and complete copy of the Bylaws of this nonprofit corporation as submitted to and adopted by, the Board of Directors on Gallery Neighborhood Improvement District Corporation.

IN WITNESS WHEREOF, I have hereunder subscribed my name on this _____ day of _____, 2015.

GALLERY NEIGHBORHOOD IMPROVEMENT DISTRICT CORPORATION

By: _____

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CERTIFICATION: This is a true and correct copy of the original Resolution, Adopted by the Council of the City of Philadelphia on the thirtieth day of April, 2015.

Darrell L. Clarke
PRESIDENT OF THE COUNCIL

Michael A. Decker
CHIEF CLERK OF THE COUNCIL

Introduced by: Councilmember Squilla

Sponsored by: Councilmember Squilla