camoin associates
ECONOMIC DEVELOPMENT

MEMORANDUM

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Scarborough, ME
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To: Alan Salinger - City of Allentown
Scott Unger - AEDC

From: Christa Franzi
Date: August 18, 2014
Re: Metal Works - Financial Pro Forma Results – Draft 1

Scenario 1: AEDC Acts as Developer

Camoin Associates has prepared a pro forma cash flow statement for the Metal Works Property located in the City of Allentown, PA. The assumptions that went into the model and results of the financial feasibility tests are summarized below. The full list of assumptions and pro forma model are attached.

SCENARIO 1: AEDC AS DEVELOPER

In the following pro forma scenario, we assume AEDC retains ownership of the Metal Works property and acts as the developer. The financial model is based on subdivision Option No. 1, where each building is occupied by a single tenant. We assume the redevelopment to occur as follows:

- Year 1: Demolition and Site Work for $4,175,412
- Year 2: Redevelopment of Building A for $30,450
- Year 3: Redevelopment of Building B for $118,040, Building A Leased
- Year 4: Redevelopment of Building G for $51,125, Buildings A & B Leased
- Year 5: Construction completed, Buildings A, B, & G Leased

We anticipate the site being marketed as a potentially rail served site. Should tenants require rail, AEDC would work with the tenant(s) to bring rail into the site through grants and public-private financing.

Once the site is fully occupied, (year 5) we anticipate that the City will re-evaluate the need for widening the 1-lane bridge to accommodate truck traffic generated by the new Metal Works tenants (currently the bridge is adequate for existing truck loads). City engineers estimate the cost of widening the bridge to allow for 2-way traffic is approximately $4.5 million. Should it be necessary to widen the bridge, the City would bond for the project. It is not included in the pro forma model.

Site acquisition costs ($484,000) and environmental cleanup costs (+/- $365,000) are not included in the financial model as AEDC already owns the property and environmental cleanup is underway. These are considered part of the “public investment” in the project described below.

FINANCIAL ASSUMPTIONS

Assumptions that went into this analysis were developed based on findings from the real estate market analysis and site analysis prepared for the Metal Works property by Camoin Associates and Bergmann Associates . A complete list of these assumptions is provided in the attached tables, with key assumptions crucial to the financial feasibility below:

- **Construction Costs** – We used construction cost figures provided by Bergmann Associates of $110.50/sf for Building A, $110.04/sf for Building B, and $99.45/sf for Building C. Including demolition and site work, the total construction costs are estimated at $133.55/sf or $26.7 million.
- **Industrial Lease Rate** – The rate used for the space ($8.00 sf/year) is aggressive and is at the high-end range of for industrial properties in the City. This is the lease rate at which AEDC is able to recoup their investment into the property.
- **Industrial Lease** – We also assumed that there would be three tenants—one in each of the three buildings. We assumed a 5-year lease for each space (three spaces) and those spaces will perform as such (i.e. starting in year 8 with a 5% vacancy annually).
- **Debt Service Interest Rate** – Assumed 5.5%, but this is only likely if interest rates continue to be abnormally low on a historical basis.
- **Equity Investment** – Assumed 35% of the total project cost or $9.33 million, which AEDC would be responsible for over the first four years of the project.
- **Capitalization Rate** – We assumed a 7% capitalization rate (the rate of return based on the expected net operating income the property will generate). This figure is used to calculate sale proceeds—in Year 11, we assume the property is sold, generating $5.834 million net of commission and after paying off all remaining debt.

FEASIBILITY TESTS

When considering the financial feasibility of a project, it must be examined from the perspective of all stakeholders, which includes the bank (source of financing), developer (source of risk equity), and public agency (potential source of public assistance).

Bank: The debt service coverage ratio (DSCR) is a measure of the resources available to pay debt service (calculated as the ratio of net operating income to debt service payments). Typically, banks like to see a ratio of at least 1.25. Based on the assumptions for this project, the DSCR is 0.61 in the first year of income generation and increases annually as additional space is leased, surpassing the 1.25 minimum by the third year. Therefore, it appears that the project may be feasible from a private financing point of view.

Developer (AEDC): The internal rate of return (IRR) is a formula used to calculate the rate of return for investments that create different amounts of annual cash flow. It is a good measure of the developer's return-on-investment for undertaking a project (on a pre-tax basis only). Depending on the risk profile of a project, the minimum benchmark IRR will change. For this project, we have assumed a benchmark of 15% as the minimum IRR a private investor will accept. Based on the current assumptions for this project, the IRR is zero and, therefore, the project does not pass this risk equity test for a private developer; however, AEDC would recoup their investment in year 11.

Public Investment: Price points for the financial model were estimated assuming site acquisition ($484,000) and environmental remediation ($365,000) have occurred. While not directly included in the financial model, these are necessary public investments that contribute the feasibility of the project.

CONCLUSIONS

Our conclusions of the financial feasibility analysis for the Metal Works property include:

- DSCR is okay, a bank would likely be willing to finance the project.
- IRR is not sufficient for this project "as-is" for a **private** developer. If a developer is choosing from several projects to undertake, the low IRR (on a risk-adjusted basis) takes it out of consideration.
- As a public agency, AEDC has different priorities than the private sector that take precedent over seeing a return on investment (job creation, for example). While, under this scenario, AEDC would not see a return on their investment, they would recoup their investment costs in year 11 when the project is sold.

All of the above are subject to change with adjustments to the assumptions.

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All of the above are subject to change with adjustments to the assumptions.

Pro Forma: Scenario 1 - AEDC as Developer

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Revenue											
Gross Income	$ -	$ -	$ 258,435	$ 1,298,072	$ 1,797,348	$ 1,851,268	$ 1,906,806	$ 1,964,010	$ 2,022,930	$ 2,083,618	$ 2,146,127
Less: Vacancy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 98,201	$ 101,147	$ 104,181	$ 107,306
Effective Gross Income	**$ -**	**$ -**	**$ 258,435**	**$ 1,298,072**	**$ 1,797,348**	**$ 1,851,268**	**$ 1,906,806**	**$ 1,865,810**	**$ 1,921,784**	**$ 1,979,437**	**$ 2,038,821**
Expenses											
CAM of Vacant Space	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 24,550	$ 25,287	$ 26,045	$ 26,827
Management Costs	$ -	$ -	$ 7,753	$ 38,942	$ 53,920	$ 55,538	$ 57,204	$ 58,920	$ 60,688	$ 62,509	$ 64,384
Total Expenses	$ -	$ -	$ 7,753	$ 38,942	$ 53,920	$ 55,538	$ 57,204	$ 83,470	$ 85,975	$ 88,554	$ 91,210
Net Operating Income	**$ -**	**$ -**	**$ 250,682**	**$ 1,259,130**	**$ 1,743,427**	**$ 1,795,730**	**$ 1,849,602**	**$ 1,782,339**	**$ 1,835,809**	**$ 1,890,884**	**$ 1,947,610**
Add: Inflow											
Permanent Financing Draw	$ -	$ 3,463,765	$ 2,233,018	$ 8,620,520	$ 3,374,391						
Construction Financing Draw	$ 3,392,522	$ (1,205,433)	$ 6,256,123	$ (5,138,226)	$ (3,304,986)						
Sale Proceeds											$5,998,788
Total Inflow	**$ 3,392,522**	**$ 2,258,332**	**$ 8,489,141**	**$ 3,482,293**	**$ 69,405**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 5,998,788**
Less: Capital Outlays											
Construction & Site Prep	$ 5,219,265	$ 3,364,753	$ 12,989,558	$ 5,084,594							
Loan Origination Fee	$ 50,888	$ 32,806	$ 126,648	$ 49,575							
Construction Period Interest	$ 152,664	$ 98,419	$ 379,945	$ 148,724							
Total Capital Outlays	**$ 5,422,816**	**$ 3,495,978**	**$ 13,496,150**	**$ 5,282,893**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Debt Service		**$238,326**	**$ 391,969**	**$ 985,108**	**$ 1,217,284**	**$ 1,217,284**	**$ 1,217,284**	**$ 1,217,284**	**$ 1,217,284**	**$ 1,217,284**	**$1,217,284**
Pre-Tax Cash Flow	**$ (2,030,294)**	**$ (1,475,971)**	**$ (5,148,296)**	**$ (1,526,577)**	**$ 595,548**	**$ 578,446**	**$ 632,318**	**$ 565,055**	**$ 618,526**	**$ 673,600**	**$ 6,729,115**
Debt Service Coverage (1.25 min)		0.00	0.64	1.28	1.43	1.48	1.52	1.46	1.51	1.55	1.60
IRR (15% min)	0%										
Cap Rate	**7.00%**										

Assumptions: Scenario 1 - AEDC as Developer

AEDC retains ownership of the property for 10-years
In year 11, property is sold to private investor
1-year construction period per phase

Environmental cleanup is complete	$365,000
Site Acquisition Cost (Purchased by AEDC)	$484,000

Cell Formatting Key
Formula, Referenced, or Fixed Value
Assumption: Can be adjusted
Important Assumption
Not included in model

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Annual Inflation rate	3%	1.00	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27	1.30	1.34

Revenue

Add: Income

Total leasable space (SF) (Option 1)	199,615
Building A	30,450
Building B	118,040
Building G	51,125
Lease space does not include basement SF	
Lease rate per SF (NNN)	$8.00
Gross Income Building A	$243,600
Gross Income Building B	$944,320
Gross Income Building G	$409,000
Total Annual Gross Income	$1,596,920

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
	Unadjusted Gross Income	$0	$0	$243,600	$1,187,920	$1,596,920	$1,596,920	$1,596,920	$1,596,920	$1,596,920	$1,596,920	$1,596,920
	Adjusted Gross Income	$0	$0	$258,435	$1,298,072	$1,797,348	$1,851,268	$1,906,806	$1,964,010	$2,022,930	$2,083,618	$2,146,127
Less: Vacancy												
Lost Revenue Due to Vacancy (starting in year 8)	5%	$0	$0	$0	$0	$0	$0	$0	$98,200.51	$101,147	$104,181	$107,306

Expenses

Common Area Maintenance (CAM) (PSF)	$2											
Expenses From Vacancy (CAM of Vacant Space)	5%	$0	$0	$0	$0	$0	$0	$0	$24,550	$25,287	$26,045	$26,827
Management (% of Gross Income)	3%	$0	$0	$7,753	$38,942	$53,920	$55,538	$57,204	$58,920	$60,688	$62,509	$64,384

Site Improvement Costs		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Phase I: Demolition	$1,305,312	$5,219,265	$3,364,753	$12,989,558	$5,084,594							
Site Work	$2,870,100											
Combined Costs	$4,175,412											
General Conditions at 10%	$417,541											
Contingency at 15%	$626,312											
Total Site Work & Demo Costs (Year 1)	$5,219,265											
Phase II: Building A	$2,691,802											
General Conditions at 10%	$269,180											
Contingency at 15%	$403,770											
Total Cost Building A (Year 2)	$3,364,753											
PSF Cost Building A	$110.50											
Phase III: Building B	$10,391,646											
General Conditions at 10%	$1,039,165											
Contingency at 15%	$1,558,747											
Total Cost Building B (Year 3)	$12,989,558											
PSF Cost Building B	$110.04											
Phase IV: Building G	$4,067,675											
General Conditions at 10%	$406,768											
Contingency at 15%	$610,151											
Total Cost Building G (Year 4)	$5,084,594											
PSF Cost Building G	$99.45											
Total Site Improvement Costs (With Site Work)	**$26,658,169**											
PSF Costs - Total Site	**$133.55**											

Debt Service	Phase I	Phase II	Phase III	Phase IV
Site Improvement Costs	$5,219,265	$3,364,753	$12,989,558	$5,084,594
% Equity	35%	35%	35%	35%
Equity Contribution	$1,826,743	$1,177,663	$4,546,345	$1,779,608
Amount Financed for Construction	$3,392,522	$2,187,089	$8,443,212	$3,304,986
Construction Financing Rate	4.50%	4.50%	4.50%	4.50%
Construction Period Interest	$152,664	$98,419	$379,945	$148,724
Operation Period (Year 1+)				
Loan Origination Fee %	1.50%	1.50%	1.50%	1.50%
Loan Origination Fee	$50,888	$32,806	$126,648	$49,575
Total Financial Costs	$203,551	$131,225	$506,593	$198,299
% Equity of Financial Costs	35%	35%	35%	35%
Amount of Equity for Financial Costs	$71,243	$45,929	$177,307	$69,405
Interest Rate	5.5%	5.50%	5.50%	5.50%
Term	30	30	30	30
Principal (Permanent Financing Draw)	**$3,463,765**	**$2,233,018**	**$8,620,520**	**$3,374,391**

Construction Financing Draw	Year 1	Year 2	Year 3	Year 4	Year 5
Phase I	$3,392,522	($3,392,522)			
Phase II		$2,187,089	($2,187,089)		
Phase III			$8,443,212	($8,443,212)	
Phase IV				$3,304,986	($3,304,986)
Total Construction Financing Draw	**$3,392,522**	**($1,205,433)**	**$6,256,123**	**($5,138,226)**	**($3,304,986)**

Debt Service

Phase I: Demo & Site Prep	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Financing Year		1	2	3	4	5	6	7	8	9	10
Debt Service		$238,326	$238,326	$238,326	$238,326	$238,326	$238,326	$238,326	$238,326	$238,326	$238,326
Interest		($190,507)	($187,877)	($185,102)	($182,175)	($179,087)	($175,829)	($172,391)	($168,765)	($164,939)	($160,903)
Principal		($47,819)	($50,449)	($53,223)	($56,151)	($59,239)	($62,497)	($65,934)	($69,561)	($73,387)	($77,423)
Year End Remaining Principal		$3,415,947	$3,365,498	$3,312,275	$3,256,124	$3,196,885	$3,134,388	$3,068,454	$2,998,893	$2,925,506	$2,848,083

Phase II: Building A Construction	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Financing Year			1	2	3	4	5	6	7	8	9
Debt Service			$153,644	$153,644	$153,644	$153,644	$153,644	$153,644	$153,644	$153,644	$153,644
Interest			($122,816)	($121,120)	($119,332)	($117,445)	($115,454)	($113,353)	($111,137)	($108,799)	($106,333)
Principal			($30,828)	($32,523)	($34,312)	($36,199)	($38,190)	($40,291)	($42,507)	($44,844)	($47,311)
Year End Remaining Principal			$2,202,190	$2,169,667	$2,135,355	$2,099,156	$2,060,966	$2,020,675	$1,978,169	$1,933,324	$1,886,014

Phase III: Building B Construction	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Financing Year				1	2	3	4	5	6	7	8
Debt Service				$593,138	$593,138	$593,138	$593,138	$593,138	$593,138	$593,138	$593,138
Interest				($474,129)	($467,583)	($460,678)	($453,392)	($445,706)	($437,597)	($429,043)	($420,017)
Principal				($119,010)	($125,555)	($132,461)	($139,746)	($147,432)	($155,541)	($164,096)	($173,121)
Year End Remaining Principal				$8,501,510	$8,375,955	$8,243,494	$8,103,748	$7,956,316	$7,800,775	$7,636,680	$7,463,559

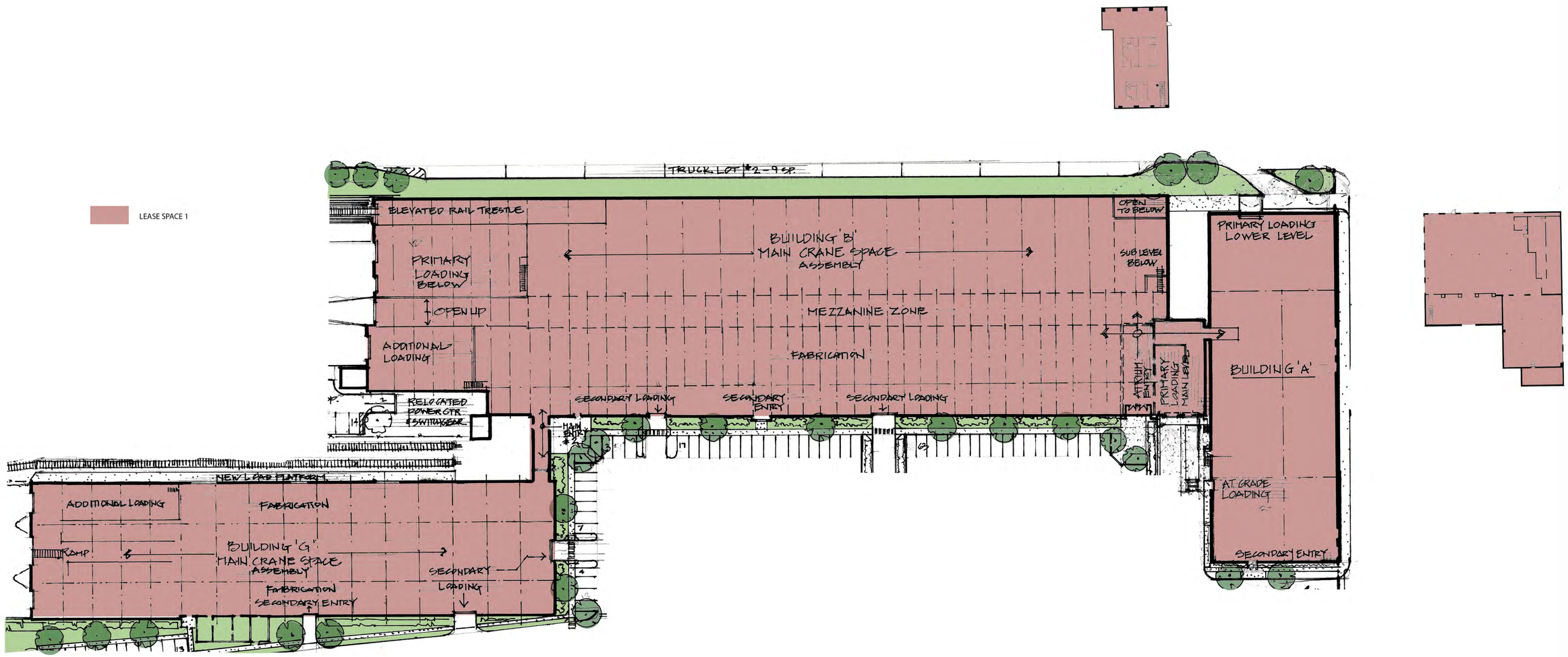
Phase III: Building G Construction	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Financing Year					1	2	3	4	5	6	7
Debt Service					$232,176	$232,176	$232,176	$232,176	$232,176	$232,176	$232,176
Interest					($185,591)	($183,029)	($180,326)	($177,474)	($174,466)	($171,292)	($167,943)
Principal					($46,585)	($49,147)	($51,850)	($54,702)	($57,710)	($60,884)	($64,233)
Year End Remaining Principal					$8,573,935	$8,524,788	$8,472,938	$8,418,236	$8,360,526	$8,299,642	$8,235,408

	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Debt Service			**$238,326**	**$391,969**	**$985,108**	**$1,217,284**	**$1,217,284**	**$1,217,284**	**$1,217,284**	**$1,217,284**	**$1,217,284**	**$1,217,284**
Interest			($190,507)	($310,693)	($780,351)	($954,681)	($940,238)	($925,001)	($908,925)	($891,965)	($874,073)	($855,196)
Principal			($47,819)	($81,276)	($204,756)	($262,603)	($277,046)	($292,283)	($308,359)	($325,318)	($343,211)	($362,088)
Year End Remaining Principal			$3,415,947	$5,567,688	$13,983,452	$22,341,369	$22,064,324	$21,772,040	$21,463,682	$21,138,363	$20,795,152	$20,433,064

Year 11: Sale of Project

Net Operating Income Year 11	$ 1,947,610
Cap Rate	7.00%
Sale Value	$27,823,003
Sale Commission Rate	5%
Sale Commission	$1,391,150
Remaining Principal on Debt	$20,433,064
Sale Proceeds	$5,998,788

PROPOSED OPTION 3 FIGURE 10



ALLENTOWN METAL WORKS BUILDING A,B,G

One Lease Space:

- Lease Space No. 1 - Building A	30,450 SF + 11,269 SF Bsm't.	41,719 SF
- Building B	105,500 SF + 15,900 SF Mezz + 3,600 Bsm't =	125,000 SF
– Building G		51,125 SF
Total Lease space		**217,844 SF**

ALLENTOWN METAL WORKS // RE-INDUSTRIALIZATION STRATEGY
ALLENTOWN, PA

REMEDIATION AND RENOVATION FIGURE 11

BUILDING "A"

1. Remove brick infills at all openings
2. Remove paint from brick masonry, re-point and reseal
3. Remove paint from wood trim, replace/repair and repaint
4. Install new entrances & glazed fenetrations in the openings
5. Remove existing roof system, stabilize existing wood substrate and apply new insulated plywood sheathing
6. Install new membrane roof, roof drainage and flashing
7. Stabilize and replace sidewalks along 10th street and building perimeter
8. Construct two bay truck tailgate loading at west side of building
9. Reconstruct loading bay at lower level north side
10. Level/infill existing floors, coordinated to exterior fenestrations and access
11. Insulate perimeter walls
12. New lighting, fire protection, plumbing services, ventilation and life safety systems

BUILDING "B"

1. Remove masonry and glazed infills at all openings including clerestory monitors
2. Remove paint from brick masonry and concrete.
3. Repoint masonry, repair concrete envelope and reseal
4. Remove wood and metal trim, replace, repair and paint
5. Remove existing roof systems, stabilize existing wood substrate and apply new insulated plywood sheathing
6. Install new membrane roof, roof drainage, gutters/downspouts and flashing
7. Option: green roof to reduce stormwater management at flat roof areas
8. Install new glazed window systems or kalwall at openings in exterior and rooftop monitors.
9. Install new curtainwall & skylit atrium main entrance on south side, adjacent to building a loading dock
10. Install new drive in and tailgate loading bays on south and west ends of buildings
11. Option: reconstruct rail trestle access at west end
12. Remove old trestles and appurtenant structures along south side
13. Level/infill existing floors, coordinated to exterior fenestration and access
14. Insulate perimeter walls
15. Stabilize, repair and repaint interior mezzanine
16. New lighting, fire protection, plumbing services, ventilation and life safety systems

BUILDING "G"

1. Remove masonry and glazed infills at all openings, including clerestory monitors
2. Remove paint and cement from brick masonry
3. Repoint masonry, repair exposed concrete and reseal
4. Remove wood and metal trim, replace, repari and paint
5. Stabilize and repair existing supplemental bracing that supports south walls
6. Remove existing roof systems, stabilize existing wood substrate and apply new insulated plywood sheathing
7. Install new membrane roof, roof drainage, gutters/downspoint and flashing
8. Install new glazed window systems or kalwall at openings in exterior and at rooftop monitors
9. Install new primary entrance at connecting corridor between buildings b and g
10. Install new drive in and tailgate loading bays on south and west sides
11. Install new double railroad siding with loading platform on north side of building
12. Restore rail access into building at west end
13. Level/infill existing floors, coordinated with exterior fenestrations and access
14. Insulate perimeter walls
15. New lighitng, fire protection, plumbing services, ventilation and life safety systems

ALLENTOWN METAL WORKS BUILDING A,B,G

This exhibit is intended to graphically convey in general terms, the intent to stabilize, restore and thermally enhance the exterior envelopes of the three primary structures to remain. maximum advantage of opportunities will be taken to re-introduce natural lighting and ventilation to these factory spaces. The building configurations permit multi-modal access for efficient delivery of raw materials and optimal loading and shipping of fabricated items both between and from individual buildings .

ALLENTOWN METAL WORKS // RE-INDUSTRIALIZATION STRATEGY
ALLENTOWN, PA

PERSPECTIVE

FIGURE 1

ALLENTOWN METAL WORKS - SOUTH 10TH ST. ENTRANCE, BUILDING A

This rendering is intended to express both branding and a gateway to this revitalized industrial campus. The proposed gateway framework and piers represent Allentown's rich history of raw steel casting, custom steel fabrication, cement manufacturing and brickworks. New entrances are created on three sides of Building A to improve access and enhance flexibility of use. Formerly blocked up fenestrations are re-opened up to capture natural light and a sense of transparency. The overall impression along South 10th Street should present the image of a friendly neighbor committed to Allentown's industrial, economic, urban, labor pool and residential revitalization.

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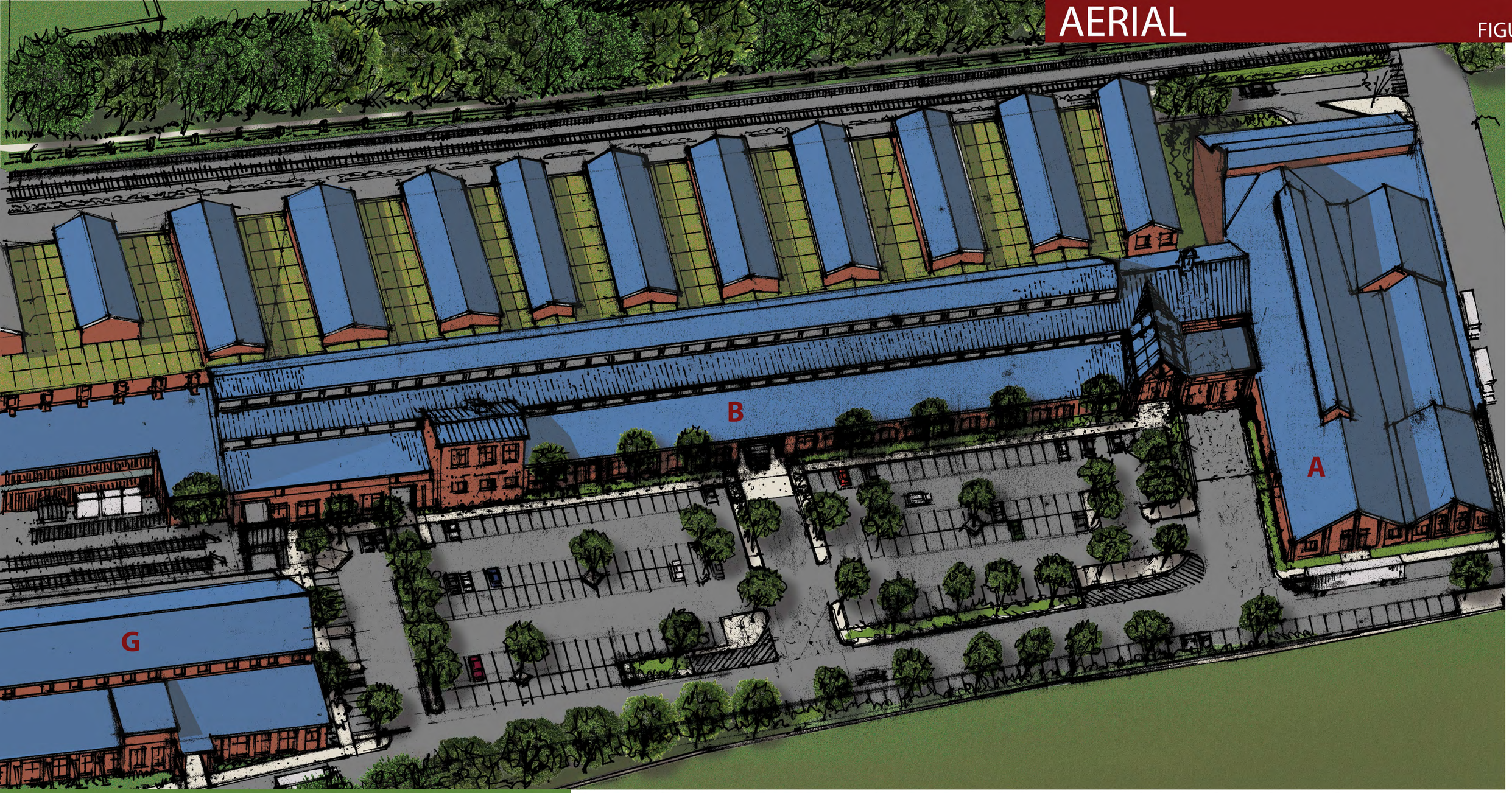
AERIAL

FIGURE 2



ALLENTOWN METAL WORKS BUILDING A,B,G

This rendering is intended to represent how a well landscaped parking plaza combined with primary and secondary services access points can be created between the three buildings designated to remain. Principal entrances will be created with a glass atrium between Buildings A and B and enhancement to the existing connecting corridor between Buildings B & G. Exposed masonry and stucco on all the buildings will be repaired, stabilized and cleaned with proper respect paid to their historic character Existing openings in the masonry walls and at the clerestories will be reopened with thermally efficient curtainwall and/or Kalwall will be installed to provide natural light and ventilation. The multiple layers of existing roofing materials will be removed to the wood or metal substrate, new insulation, flashing, ventilators, membrane, metal siding and/or metal roofing where appropriate will restore water tightness and provide thermal efficiency to each building's envelope.

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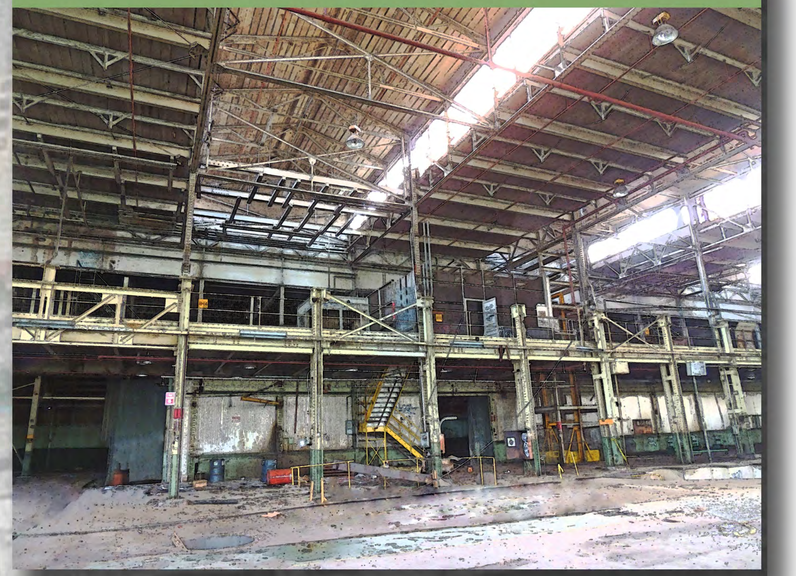
INTERIOR RENDERINGS FIGURE 3

BUILDING "G"

BUILDING "A"

BUILDING "B"



ALLENTOWN METAL WORKS BUILDING A,B,G

These images are intended to convey the types of spaces within the three Buildings targeted for revitalization. The re-introduction of natural lighting, heavy cranes, building services, life safety and flat working floor will create a positive, flexible and efficient industrial environment for a wide range of potential uses.

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EXISTING SITE PLAN

FIGURE 4

ALLENTOWN METAL WORKS BUILDING A,B,G

The current property is accessed primarily from one connection at South 10th Street. The two way access road along with the adjacent parking zones are in a poor state of repair and will require replacement and upgraded to standards appropriate for heavy industrial use. The existing buildings A, B, C, D, E, F and G along with appurtenant structures such as trestles, treliis frames, chimneys and sheds have been abandoned for a number of years and show the effects of infiltration by the elements, vagrancy and vandalism. Staging yards are also overgrown and existing railroad sidings will require complete replacement. While all the buildings are showing deterioration, Buildings A, B & G have for the most part not been structurally compromised over the past few years. It is clear that many layers of decommissioned existing utilities will require removal and replacement, extending to new utility connections at South 10th Street. The rail banked railroad right-of-way adjacent to Little Lehigh Creek shows evidence of unauthorized access for hiking and other unsanctioned recreational activities.

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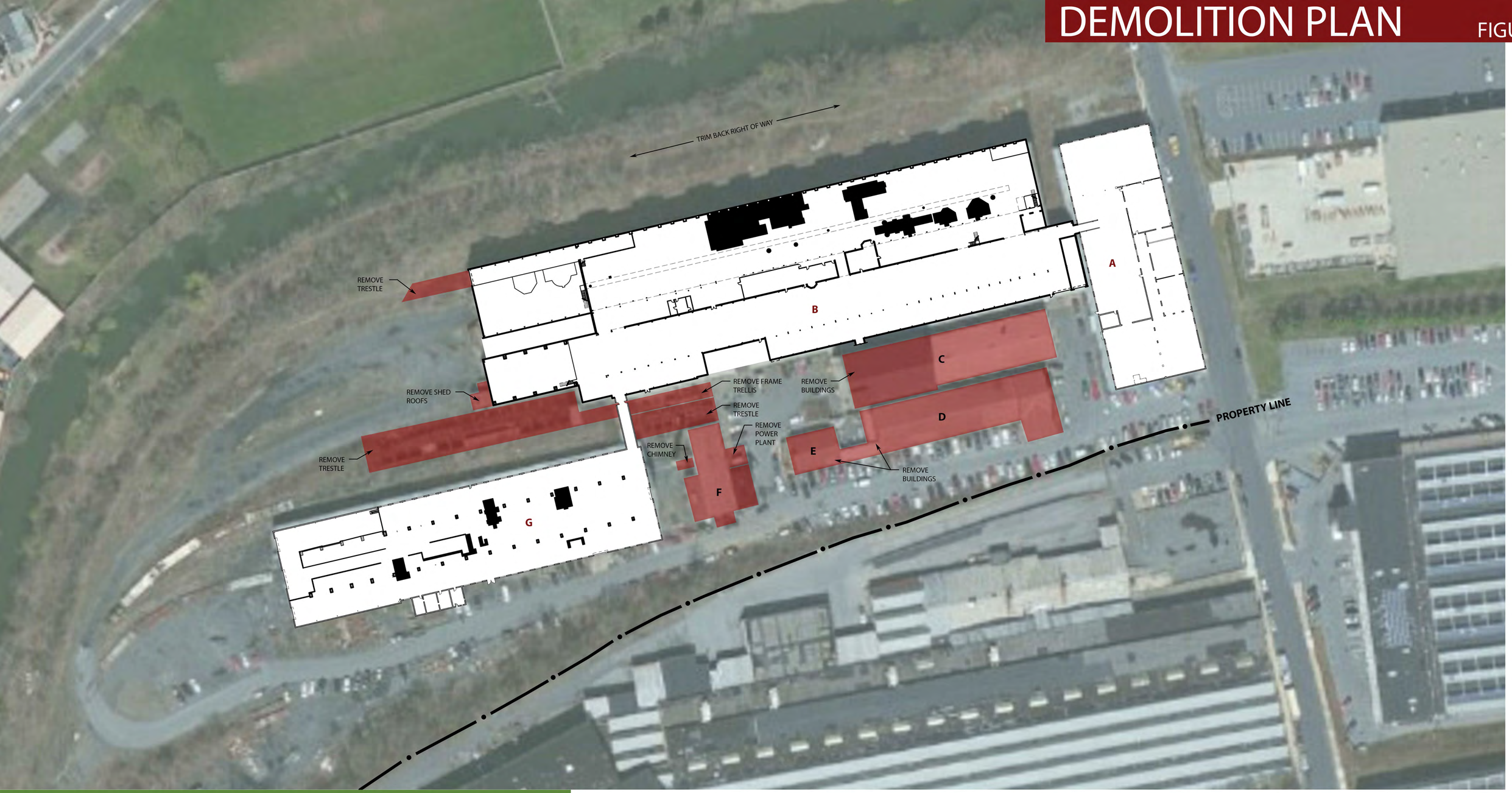
DEMOLITION PLAN

FIGURE 5



ALLENTOWN METAL WORKS BUILDING A,B,G

The Allentown Metal Works (AMW) complex has more than a dozen interconnected and separate buildings and structures with a gross footprint of over 200,000 SF on a crowded 19.22 acre site. The complex has been abandoned and shows some infiltration of the elements and vandalism. In addition, some structures have a greater reuse potential than others due to condition, and space available. In an effort to provide the best value to the City of Allentown, members of the consulting team, toured the AMW complex with City and AEDC staff in order to decide which buildings to eliminate from further consideration. During the tour, the AEDC, city representatives and the consultants have confirmed that the optimal approval for Phase III would be to focus on Buildings A, B and G as shown in the image above. During Phase III, it will be assumed that the remaining buildings (C, D, E and F) will be demolished.

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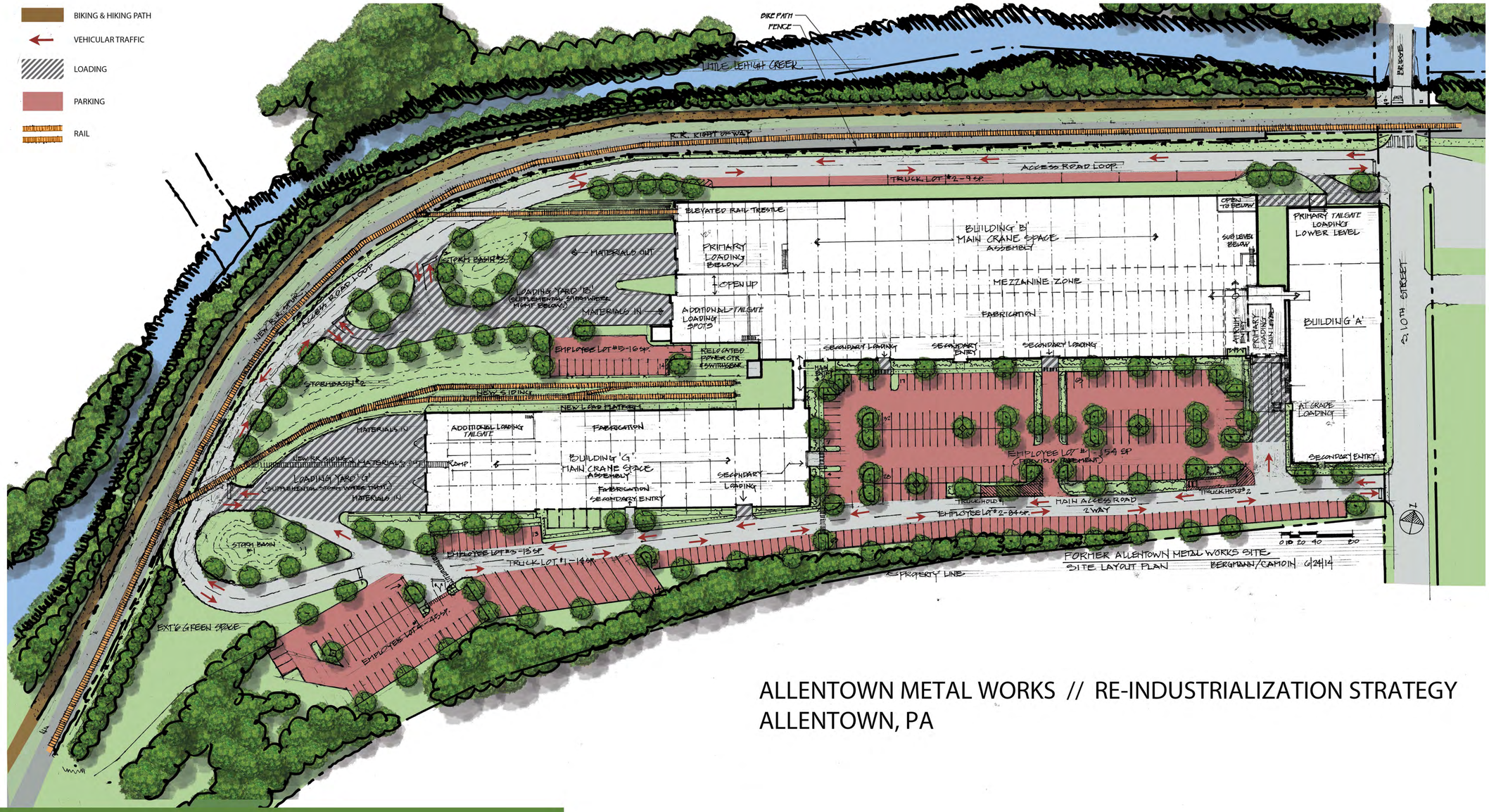
PROPOSED SITE CIRCULATION

FIGURE 6



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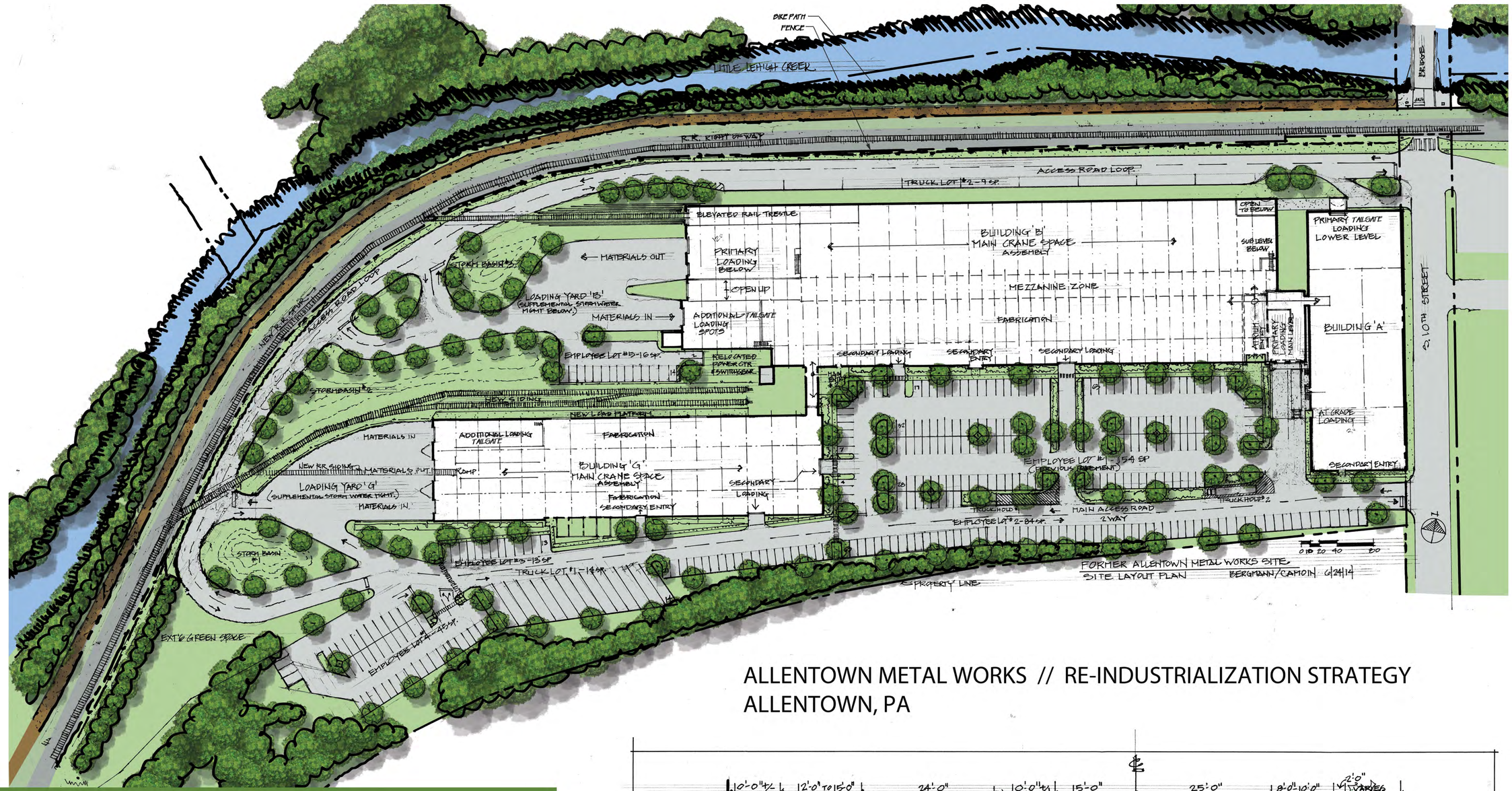
ALLENTOWN METAL WORKS BUILDING A,B,G

Access into the site is proposed via two gated entrance/exit points to the north and south of Building A along South 10th Street. These connect to a two-way main loop road. Vehicular parking is provided immediately adjacent to this loop road or in defined and landscaped parking areas. Secondary service delivery points at grade are also provided within parking zones. Semi-tractor trailer parking is provided in designated areas to the north and south of the building complex. The main loop road also provides access to three separate heavy loading yards and bay entrances. It is intended that railroad spurs, sidings and trestles (as applicable) serving Buildings B & G be restored/repaired or replaced. This assumes that the railroad line will be brought back within the existing right-of-way along Little Lehigh Creek. Between the railroad right-of-way and creek edge, a paved hiking and biking trail is proposed. Protective fencing along the railroad line and creek will be required. The space between the railroad right-of-way and Little Lehigh Creek varies significantly in depth, an is currently overgrown, subject to flood damage and unstable. This area will require a guardrail and stabilization to allow for the proposed hiking and bike path.

Note: Secondary loading is at grade and for drive in access with 35' panel truck Max.

PROPOSED SITE LAYOUT

FIGURE 7



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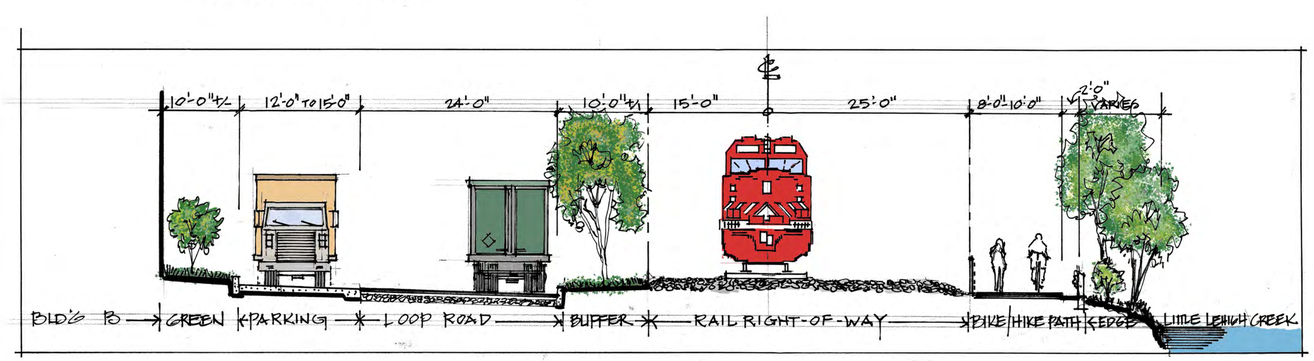
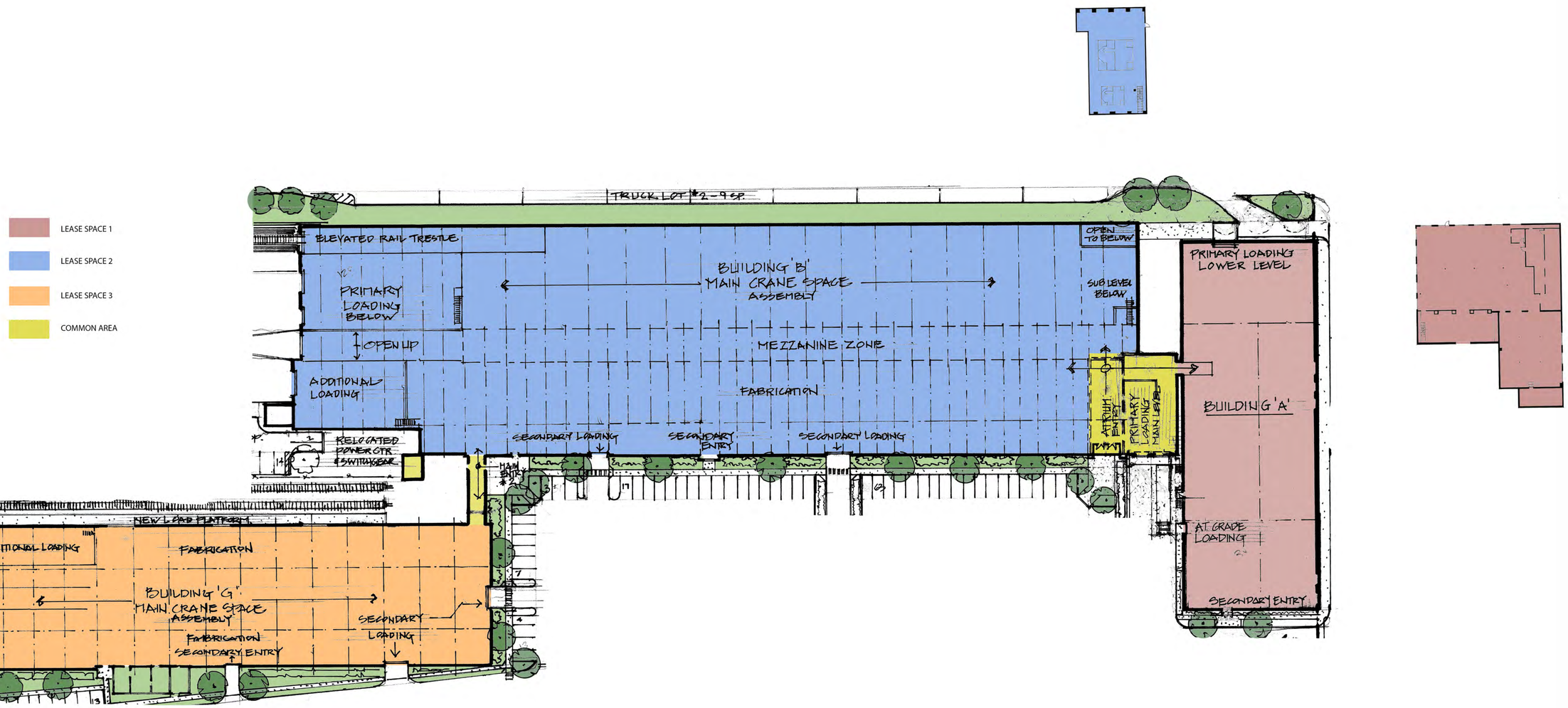


ALLENTOWN METAL WORKS BUILDING A,B,G

The proposed layout is intended to provide efficiency of use, flexibility in partitioning, ease of access and multiple means to bring in materials, convey, fabricate, assemble and ship finished product. The building exteriors are to be uncovered and repaired to reflect their early 20th Century industrial character, but with efficient and code compliant thermal envelopes and building systems. Hardy landscaping with both soft scape and hard scape will be provided for shade, passive recreation and aesthetic enhancement. The extension of the proposed hiking and biking trail is intended to provide amenity and connection to the citizens of Allentown and employees working within this facility. With railroads being a major driver for re-industrialization within the greater Northeastern Corridors, spurs and sidings are proposed to enhance and encourage interest by industrial operations looking for new facilities.

PROPOSED OPTION 1

FIGURE 8



ALLENTOWN METAL WORKS BUILDING A,B,G

Subdivision of the buildings individually.

- Lease Space No. 1 - Building A	30,450 SF + 11,269 SF Bsm't. =	41,719 SF
- Lease Space No. 2 - Building B	102,140 SF + 15,900 SF Mezz.+ 3,600 SF Bsm't. =	121,640 SF
- Common Space - Building B		3,360 SF
- Lease Space No. 3 - Building G		51,125 SF

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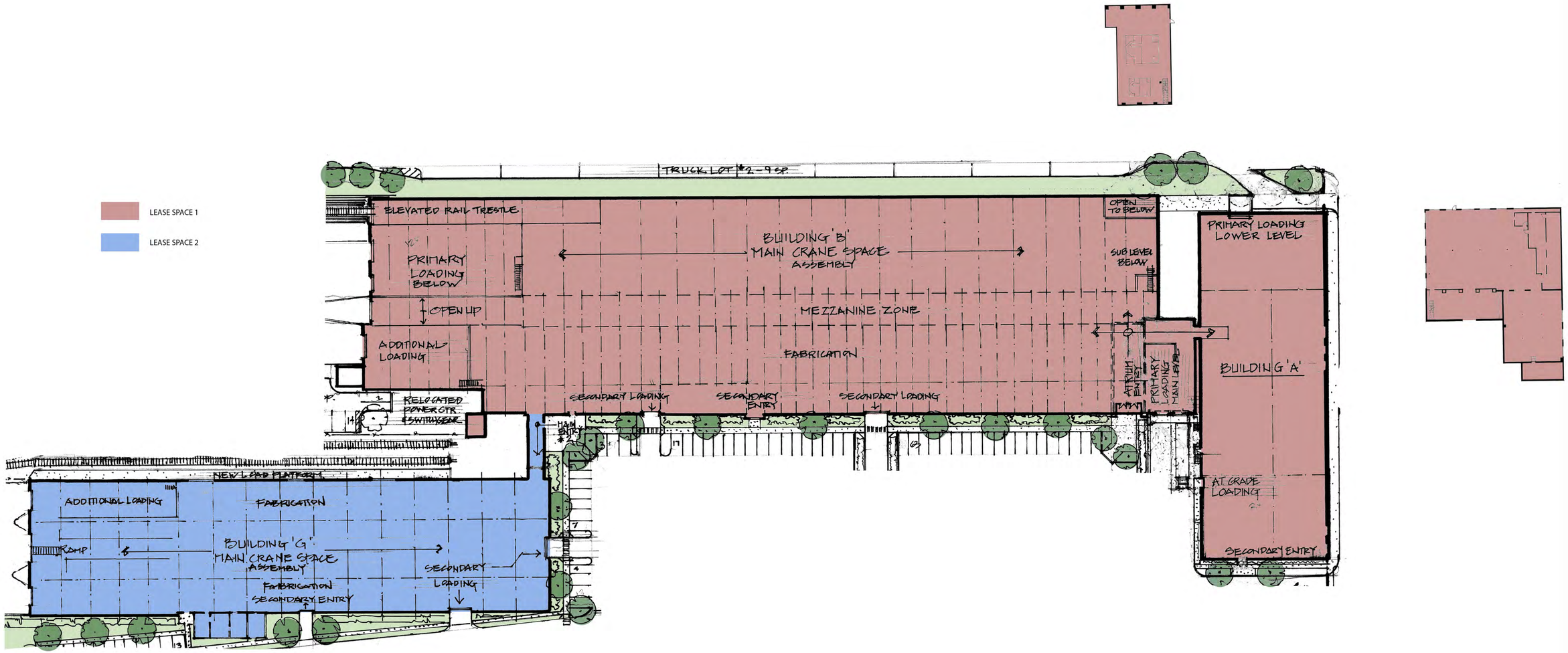
PROPOSED OPTION 2

FIGURE 9



ALLENTOWN METAL WORKS BUILDING A,B,G

Two Lease Spaces:

- Lease Space No. 1	- Building A	30,450 SF + 11,269 SF Bsm't =	41,719 SF
	- Building B	105,500 SF +15,900 SF Mezz + 3,600 SF Basement =	125,000 SF
- Total Lease Space No. 1 - Building A & B			**166,719 SF**
- Lease Space No. 2 -	Building G		51,125 SF

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