

LOCUS



Smart Growth America
Improving lives by improving communities



Presenters



Shannon Callouri, Acting Director, Department of Community and Economic Development



Ed Pawlowski, Mayor of Allentown, PA

Allentown, PA

A smart choice for urban investment

Introduction: Shannon Calluori



The City of Allentown

Allentown is located in Lehigh County, which is ranked No. 7 among top U.S. communities positioned to attract investment and growth.*

*FEC Index 2013



Allentown is the third-largest city in Pennsylvania with a population of 119,141.

Ideally situated 90 miles from NYC and 60 miles from Philadelphia with direct routes to both.

The Lehigh Valley is home to 11 top colleges and universities.

69th Largest Metro in the United States

- 64 – New Haven, CT
- 65 – Knoxville, TN
- 66 – Ventura, CA
- 67 – El Paso, TX
- 68 – Mission, TX

69 - Lehigh Valley, PA

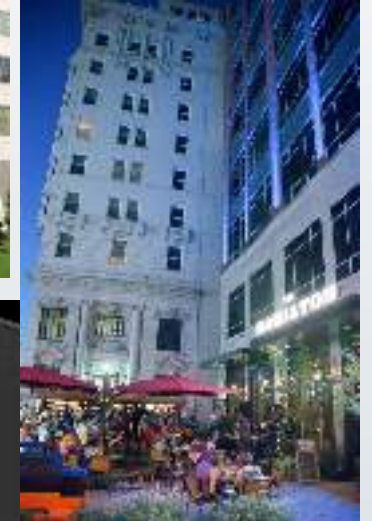
- 70 – Baton Rouge, LA
- 71 – Dayton, OH
- 72 – Columbia, SC
- 73 – Sarasota, FL
- 74 – Greensboro, NC

Source: United States Census Bureau, Population Division. July 2014

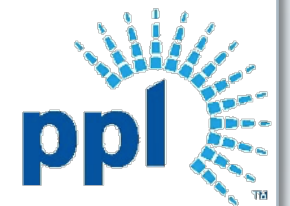
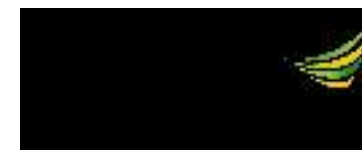


Lehigh Valley at a Glance

- › **\$35.4 billion dollar economy (MSA)**
- › **658,477 estimated population**
- › **28,146 jobs created between 2003 – 2015 (11% increase)**
- › **Home to three Fortune 500 Companies**



**AIR
PRODUCTS**



PPL Corporation

Lehigh Valley Gross Domestic Product (GDP) by Industry Section (\$Billions) – 2015



Source: U.S. Bureau of Economic Analysis

ALLENTOWN A CITY OF TRANSFORMATION

2.6 million square feet developed in the last 24 months

Over \$1 Billion invested

Entertainment, historic renovation, Class A office, retail/restaurant, Marriott Renaissance hotel



Allentown is Making Headlines

“ TOP 10 BEST
CITIES FOR
FAMILIES ”

Parenting
MAGAZINE

“ MODEL CITY ”

The Philadelphia Inquirer

“ 1 OF FIVE
CITIES WITH
UP-AND-COMING
DOWNTOWNS ”

“ TOP TEN BEST U.S.
CITIES FOR FINANCE &
IT OPERATIONS ”

FORTUNE

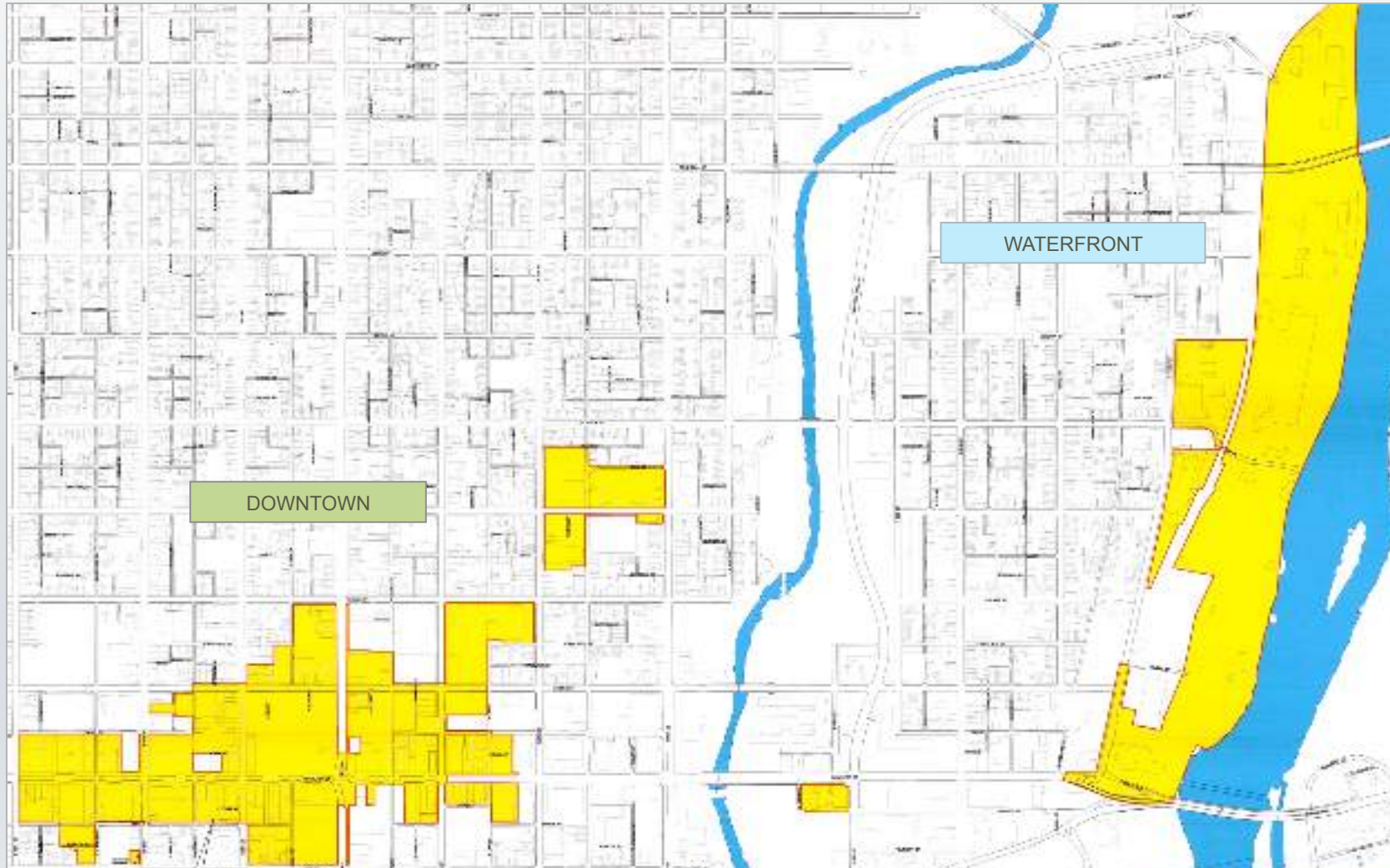
**What was the catalyst for all this
downtown development?**

Development Fueled by the Neighborhood Improvement Zone

- › Legislation passed in 2011 which authorized 127 acres eligible for revitalization through the utilization of tax increment revenues to pay for debt.
- › 21 State taxes (corporate income tax, sales/use tax, employer withholding tax, etc.) and 4 local taxes can be directed toward an “eligible approved project’s” debt service.
- › \$2M minimum project
- › Ability to execute development/lease strategy leads to a higher ROI



The Neighborhood Improvement Zone Map



Introduction: Mayor Ed Pawlowski



NIZ Benefits for Your Business

- › NIZ benefits in place for 30 years
- › Your tax dollars can be used to reduce your rent and pay for capital improvements
- › Use your reduced rent as a competitive advantage
- › Work in a strengthened, more collaborative urban community
- › Urban setting helps you attract and retain workforce



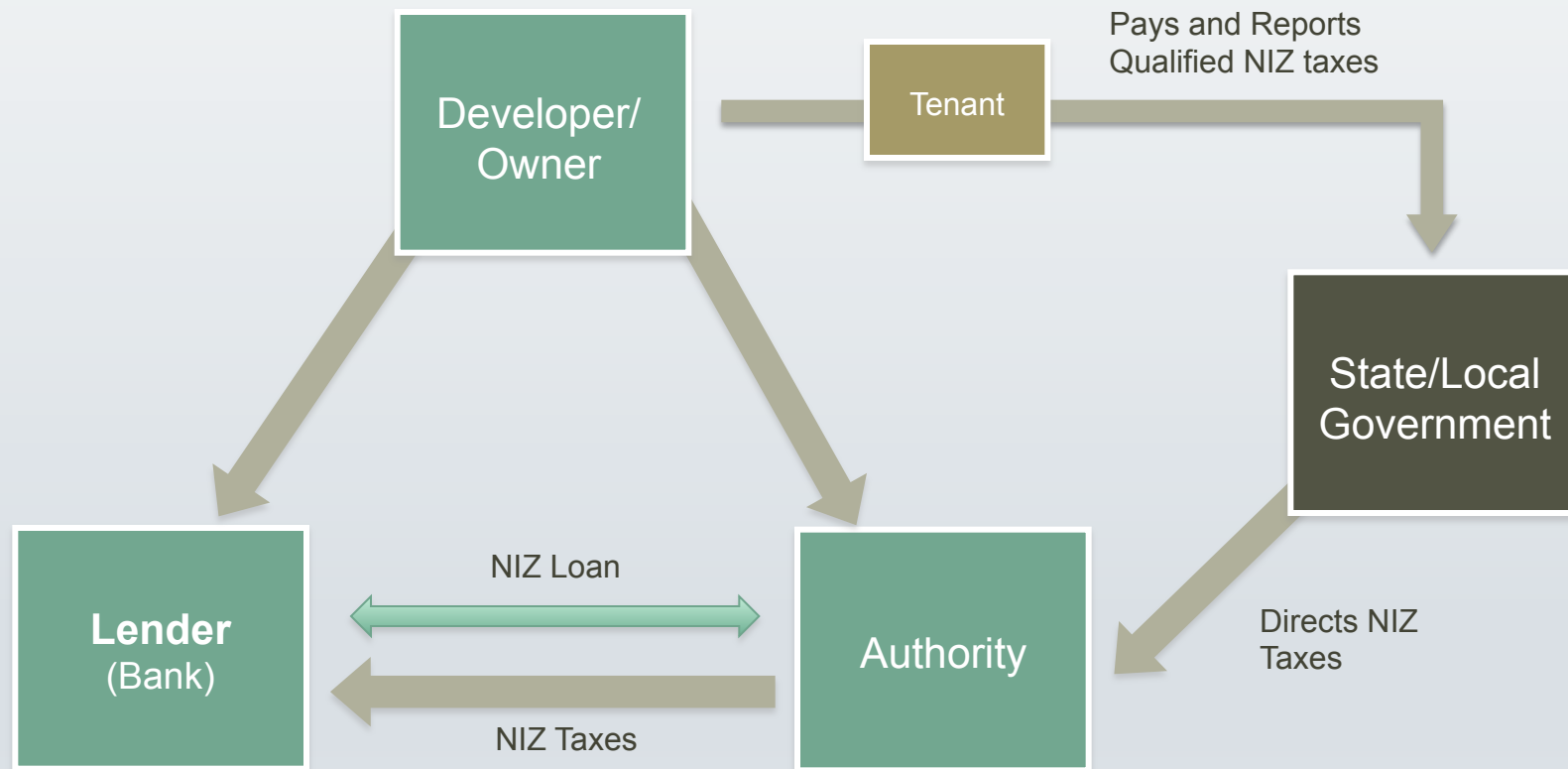


How does the Financing Work?

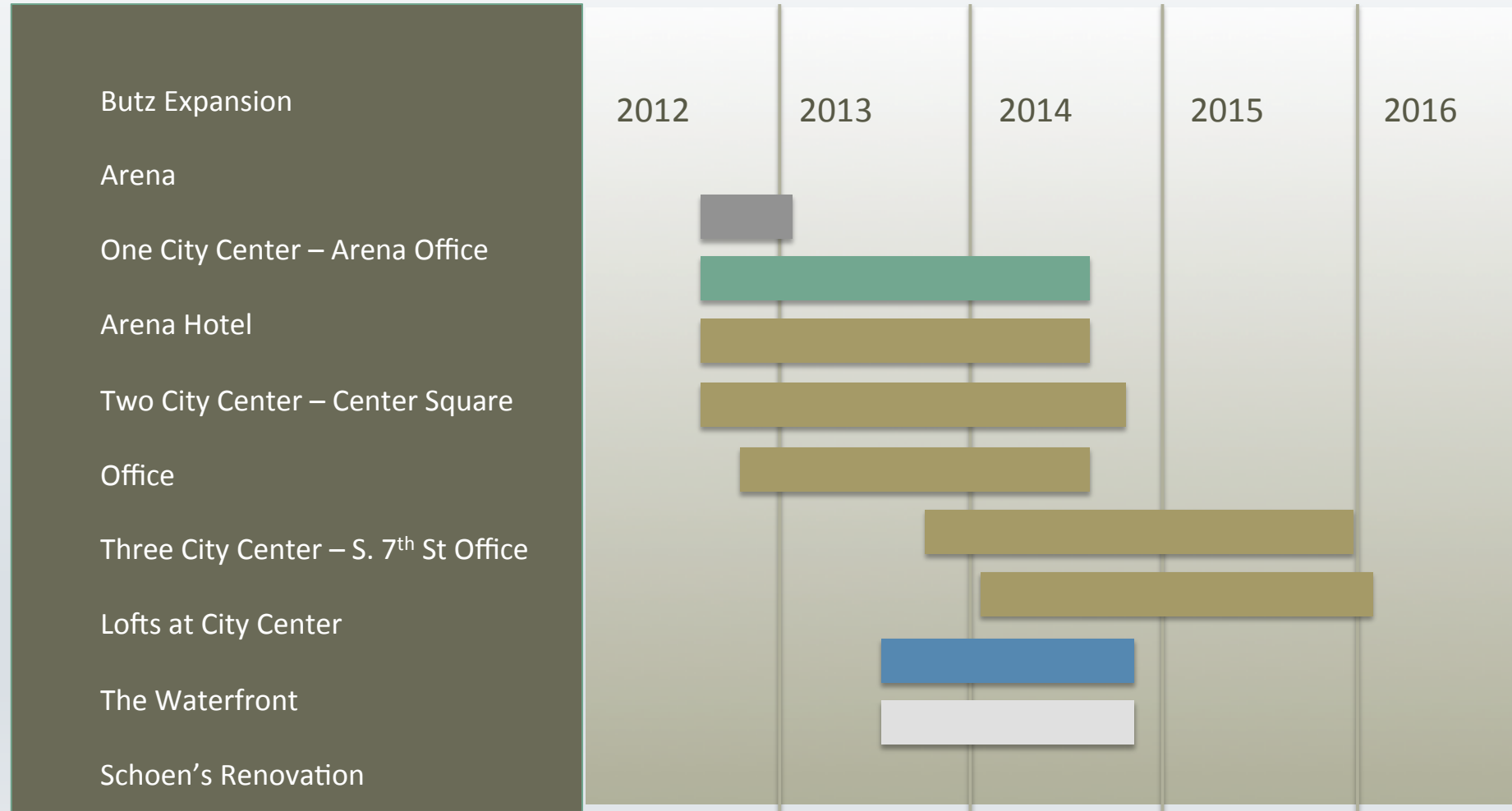
- › A new or existing business makes an initial **determination of the future incremental increase in tax revenue** they will generate in the NIZ (i.e. new tax revenue not currently generated in the zone).
- › Determine **level of financing that can be leveraged** using this future tax revenue as collateral.
- › **Apply to the NIZ Authority (ANIZDA)** for qualification of your proposed project.
- › Upon project approval, **finalize terms with a financing institution** and ANIZDA.
- › **Build your project.**
- › *Once in operation, the payment of taxes can be used to service NIZ debt.*

Financing through the NIZ provides funding for a physical or a capital project through payment of your taxes.

NIZ Structure



Accelerated Growth



Anchored by Entertainment



New Offices and Business



Over 1 million sf. In new office space

NEW RESTAURANTS AND RETAIL

Twenty new
restaurants and
eateries opened in
the last 24 months



grain.



DOWNTOWN RESIDENTIAL DEVELOPMENT

Millennials, empty-nesters seeking an up-and-coming urban environment moving into the city.

300 new market-rate, mixed-use residential units online within 12 months.

170 units fully leased

67 new under construction

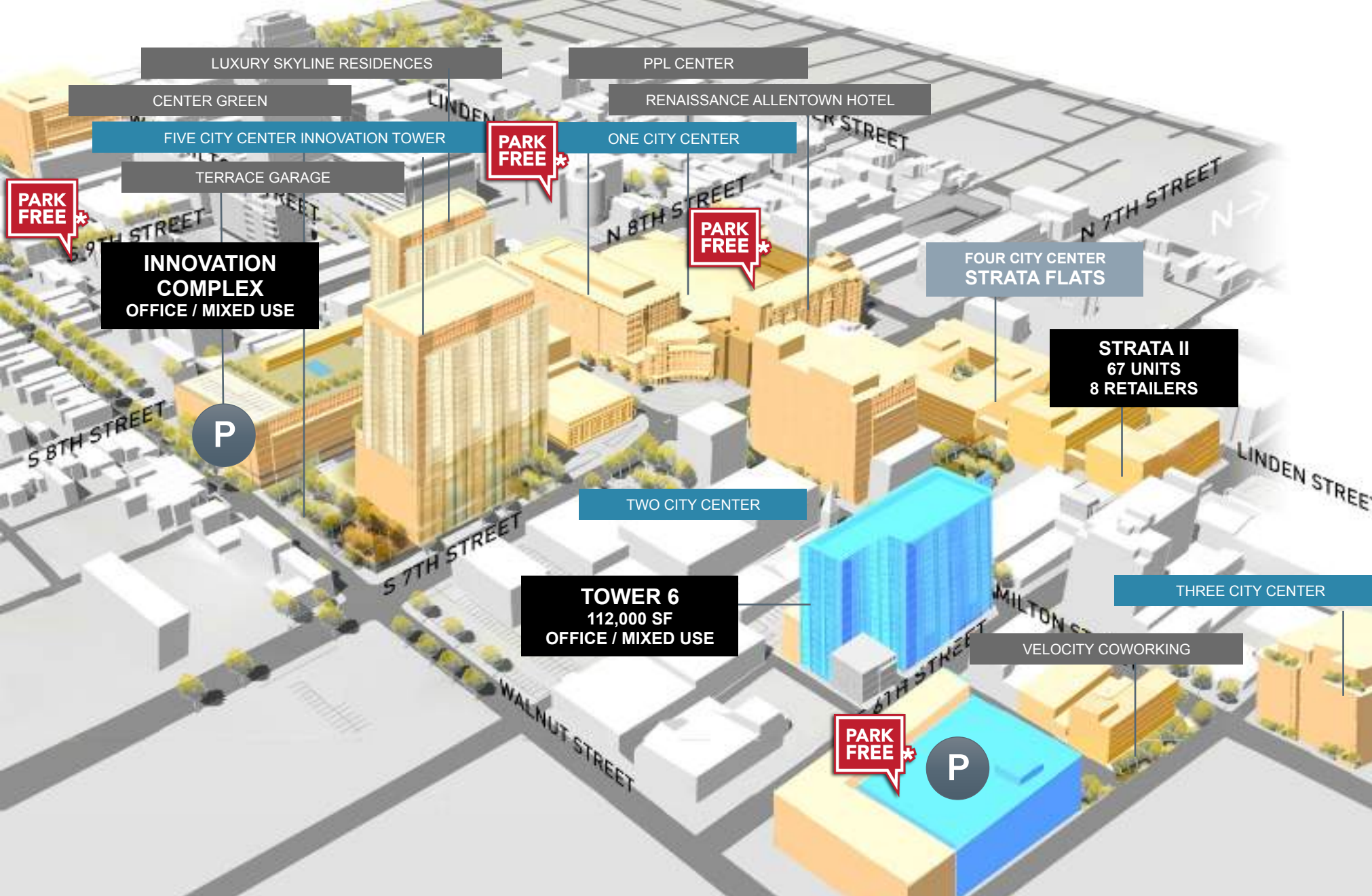
71 new on the boards

DACDI –live near your work –
offering down payments of up to
\$10K for homeowners



New Parking





CITY CENTER MASTER PLAN

2013–TODAY

\$500 MILLION DEVELOPED

\$600+ MILLION IN PLANNING

CO-WORKING SPACE AND TECHNOLOGY COMPANIES

Trifecta Technologies

Co-working space for emerging technology businesses- Velocity and Bridgeworks

Ben Franklin Ventures at Lehigh University – renowned early stage investment incubation program supporting technology based companies

Penn State's Happy Valley LaunchBox

Bridgeworks Incubator operated by Allentown Economic Development Corporation – launched 40 companies in Allentown



VELOCITY I>A
INCUBATOR > ACCELERATOR



Ben Franklin
TechVentures



UNDER CONSTRUCTION – TOWER 6

Redefining Allentown's
Skyline

12 Stories – 180 foot tall
mixed use Class A Office

Ready 1st Quarter 2018



NEW ECONOMIC IMPACT AND JOBS

These projects have employed more than 900 local construction workers and 1000 new permanent jobs in the urban core.

Over 64% of the jobs went to Allentown residents, many in the surrounding communities.

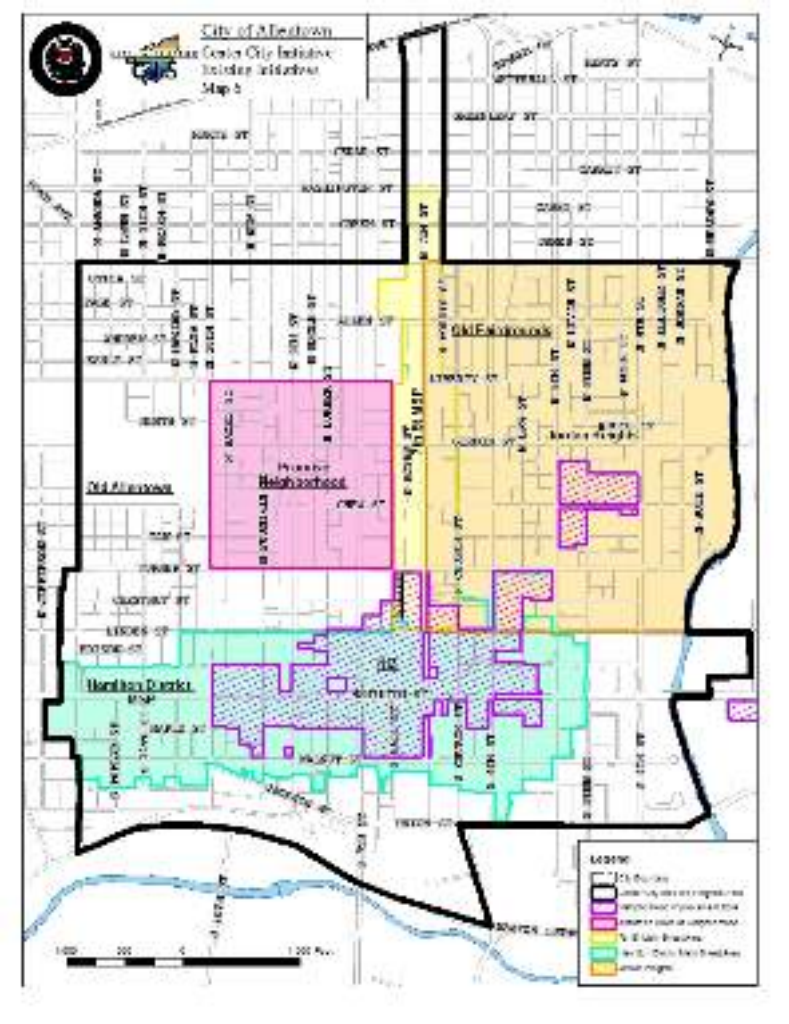
These projects have created numerous economic ripple effects across the state.



COMMUNITY DEVELOPMENT

Center City Initiative Program

The city has committed over \$2.5 million to rebuild some of our poorest neighborhoods through blight remediation, home ownership, education and job training and development.



THE WATERFRONT DEVELOPMENT

26 acre mixed-use campus
development

Over \$300 million planned

675,000 sq. feet of class A office
over 6 buildings

425 market rate residential units

40,000 square feet of riverside/main
street dining and retail

Riverwalk

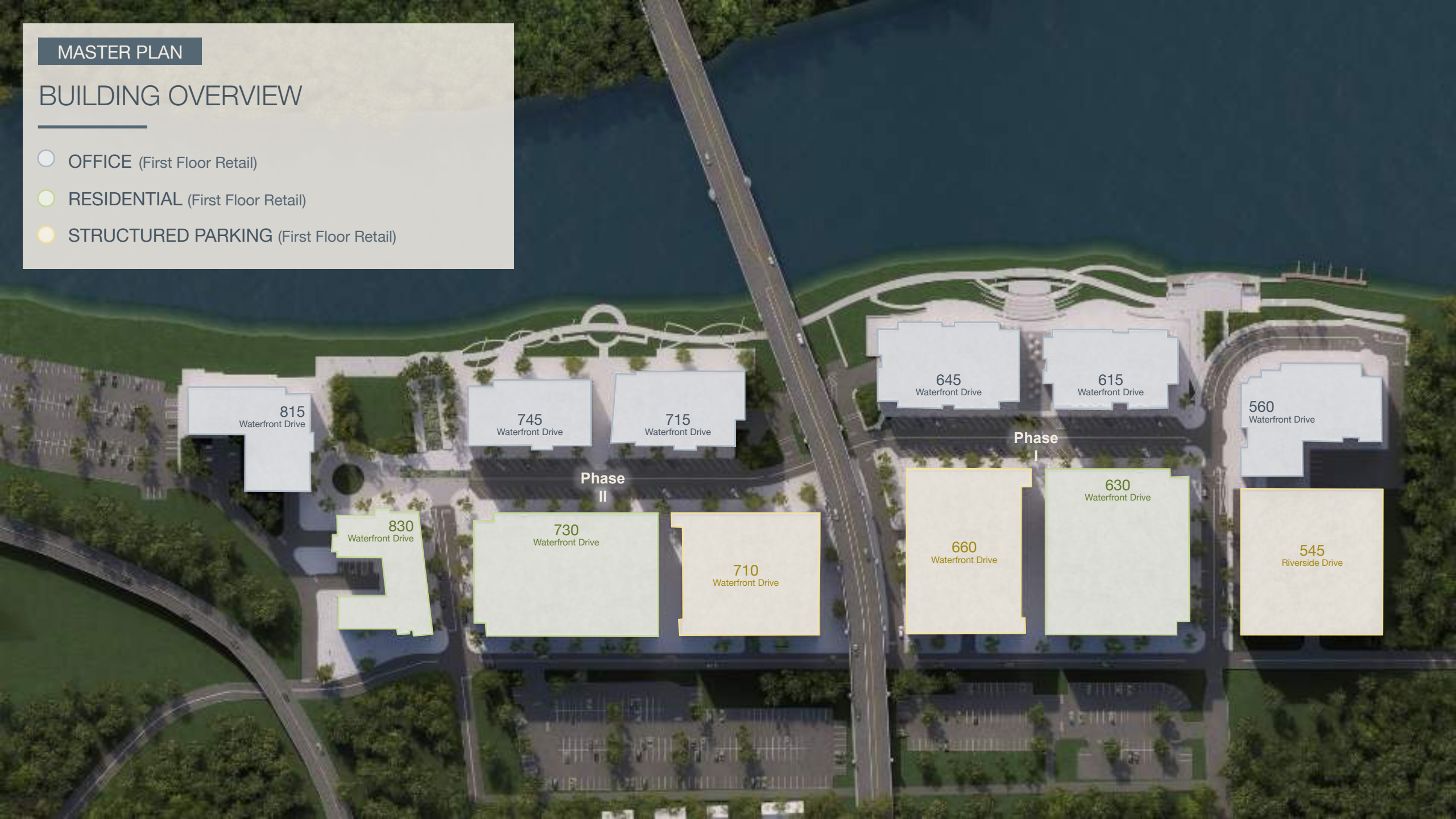
LEED Certified/ Smart Design



MASTER PLAN

BUILDING OVERVIEW

- OFFICE (First Floor Retail)
- RESIDENTIAL (First Floor Retail)
- STRUCTURED PARKING (First Floor Retail)



815
Waterfront Drive

745
Waterfront Drive

715
Waterfront Drive

645
Waterfront Drive

615
Waterfront Drive

560
Waterfront Drive

830
Waterfront Drive

730
Waterfront Drive

710
Waterfront Drive

660
Waterfront Drive

630
Waterfront Drive

545
Riverside Drive

Phase II

Phase I



MANUFACTURING ON THE RISE – ALLENTOWN METAL WORKS

Onshoring of manufacturing is driving demand for ready-to-go space

6% vacancy rate in the City of Allentown for industrial space

Benefits

- Reuse of Existing Infrastructure
- Workforce Accessibility
- Overhead Crane Potential
- Keystone Opportunity Zone
- Good Access to I-78
- DEP ACT II Compliant Site
- Potential Rail Access



Allentown Metal Works

- ❑ Renovation of 3 Remaining Buildings
- ❑ 215,000 SF of Future Industrial Use
- ❑ 20'-40' Ceiling Heights
- ❑ 17+ Acre Site



City Stability



We have striven to make government work for you, not against you...we did this by:

- Rebuilding our finances (turning deficits into surplus)
- Improving our bond rating from a B- to an A+
- Using an innovative approach to fully fund our Pensions (something no other city in the state or maybe even the country has accomplished...we won a national award for our creativity and ingenuity...Reducing our annual pension contribution by over \$8 million dollars a year as recently reported by the auditor General
- This last year we Negotiated a 5 year Collective bargaining agreement with the city fire union with a first time Contribution to healthcare. Avoiding costly arbitration and Saving tax payer dollars.
- Eliminated the Per Capita Tax
- And again in 2016 the citizens of Allentown will be seeing their eleventh straight year of no property tax increases, thus providing predictability in our tax base.



Safety and Security

We set out to change that and focused on public safe city...

As a result of all these efforts by our police, Allentown is becoming a much safer city.

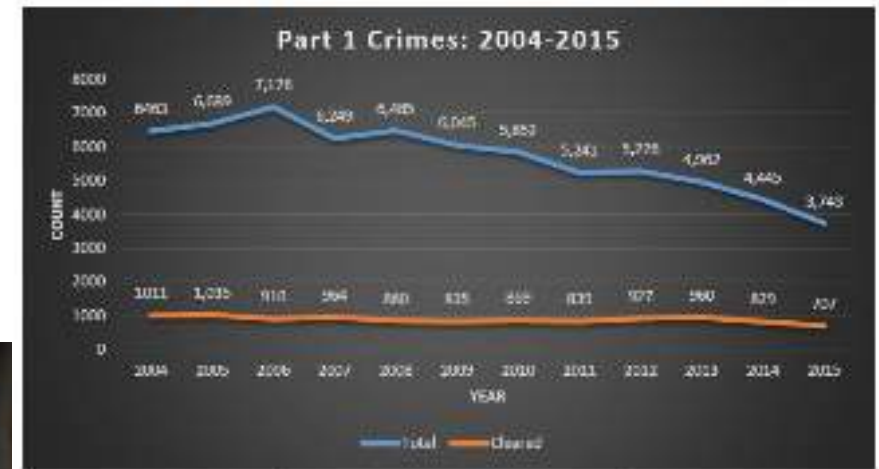
Eleven straight years of consistent crime reduction....

We have reduced our overall crime rate by a total of 30 percent, including a dramatic decrease in the most violent crime, homicides.

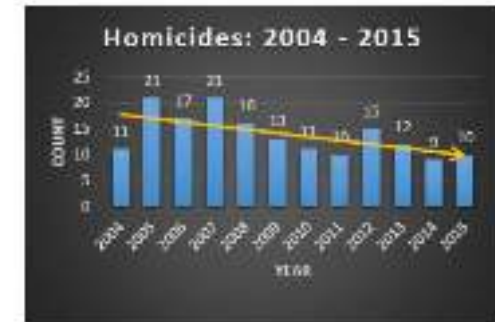
48% reduction in part one crimes



Citywide Part-1 Crime Charts: 2004 – 2015



47% overall decrease in total crime



9% decrease in homicides

ALLENTOWN

T R A N S F O R M A T I O N



Points of Contact

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Question and Answers





Thank you for joining!

