

ANIZDA Board Meeting Minutes
July 11, 2018
America On Wheels
1st Floor Conference Room/Theater
5 North Front Street, Allentown, PA

Attendees: Seymour Traub, Esq., Nelson Diaz, Oldrich Foucek III, Esq., Tiffany Polek, John Stanley Esq., Pedro Torres, David Mickenberg, Greg Dudkin

Board Staff: Jerome Frank (Solicitor), Steve Bamford (Executive Director), and Michelle Reid (Executive Assistant)

Members of the media and public were present.

1. Call to Order

The meeting was called to order by O. Foucek, Vice Chairperson, at 5:00 p.m. A quorum was met and the meeting proceeded accordingly. Chairman S. Traub joined the meeting in progress.

2. Approval of June 6, 2018 Meeting Minutes

A motion to approve the June 6th meeting minutes was made and approved.

3. Public Comment on all Matters to be Acted Upon—Members of the public were present but comments were deferred until matters were to be acted upon. Members of the media were present.

4. Guidelines and Procedures for Transfer and Replacement of Parcels –Resolution R2018-157.

- a. An initial draft of Guidelines and Procedures for Transfer and Replacement of Parcels was previously presented and discussed at the April 4, 2018 board meeting at which time members of the public present including Jeff Fegley, Josh Tucker and Tom Williams objected to removing parcels from the NIZ. A revised draft had been posted to the ANIZDA website and is now before the board for action. S. Bamford pointed out the material changes including four additional criteria to be used in identifying parcels for possible transfer out of the NIZ as well as language to clarify the purpose of a public hearing. Members of the public present commented on these revised guidelines. Jeff Fegley objected to these revised guidelines because they still permit removing parcels other than publicly owned property. Jeremy Wells advocated for additional notification requirements and definition of tasks to be completed by property owners to avoid transfer. During board discussion and public comment, it was pointed out that the board has the ability to amend the guidelines in the future.
- b. A motion to approve Resolution R2018-157 approving the Guidelines and Procedures for Transfer and Replacement of Parcels was made by J. Stanley, seconded by N. Diaz, opposed by D. Mickenberg, and subsequently approved.

5. Officer's Certificate and Transfer Request for Peoples Security Bank and Trust Company - Resolution R2018-158

- a. S. Bamford explained ANIZDA entered into a revolving credit facility with People's Bank and Trust Company in 2017 and drew down \$2,550,000. The Authority has determined that there remains excess NIZ Revenue for 2017 held by the Master Trustee in the Surplus Fund under the Master Trust over and above the sum required to pay debt service on the Master Trust Obligations and after payment of the preliminary annual excess NIZ revenue already distributed to the Commonwealth of Pennsylvania. The resolution before the board authorizes a \$2 million payment to the bank from the Surplus Fund as well as execution of the Officer's Certificate.
- b. After opportunities for comment from the public present, a motion to approve Resolution R2018-158 was made by O. Foucek, seconded by D. Mickenberg, and was unanimously approved.

6. Authorization of Executive Director performance bonus -Resolution R2018-159

- a. S. Traub reviewed the activity and accomplishments of the Executive Director over the last six months. After opportunities for comment from the public present, a motion to approve Resolution R2018-159 approving a performance-based bonus was made by D. Mickenberg, seconded by J. Stanley and was unanimously approved.

7. Executive Directors Report

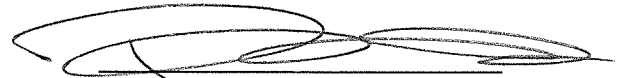
- a. The Americus Hotel closing occurred on June 19. First Keystone Community Bank was the lead lender on the \$9 million financing. Construction is underway. The bank and developer will host a celebration at the Americus on July 19, 2018 at noon. The board is invited to attend.
- b. ANIZDA received a request from the Lehigh Valley Planning Commission for a letter of support for application to the U.S. Department of Transportation for a 2018 BUILD Grant. S. Bamford participated in the working group established by LVPC. The Riverside Drive Multimodal Revitalization Corridor Project 2018 consists of 3.25 miles of two-lane road paired with a 12' wide bike and walking trail running from the City of Allentown to Whitehall Township. It is adjacent to and integrated into The Waterfront development project. The board consensus was to provide a letter of support.
- c. To date \$4.73 million of public improvement projects have been approved by the ANIZDA board. The Authority has entered into a tri-party agreement with the City of Allentown and City Center Investment Corp to fund the Court Street extension of the artswalk. Design is complete and construction is underway. Agreements have not been executed for the other 3 projects yet. At the May meeting, the board voted to engage the services of Goody Clancy to assist in establishing criteria and a process for solicitation, application, and review of additional public improvement projects. At the same meeting, the board established a

moratorium on approving additional public improvement projects until a process was approved and adopted. Although the moratorium is in effect, a number of parties have indicated interest in pursuing funding. The Allentown Parking Authority (APA) is among those who have expressed interest. APA Chairman Ted Zeller and Executive Director John Morgan were present and briefed the board on their plans for pay stations in the NIZ.

A motion to adjourn the meeting was made, seconded and approved.

Next ANIZDA Board Meeting: Wednesday, August 1, 2018 at 5:00 PM in the First Floor Conference Room/Theater at America on Wheels, 5 N. Front Street, Allentown.

Respectfully Submitted,

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end, identifying the signatory as Pedro Torres.

Pedro Torres, Secretary

ALLENTOWN NEIGHBORHOOD IMPROVEMENT ZONE
DEVELOPMENT AUTHORITY

RESOLUTION R-2018-157

BE IT RESOLVED, that the Allentown Neighborhood Improvement Zone Development Authority (the "Authority"), in accordance with the addition of Section 8904.3-B, effective October 30, 2018, to the Neighborhood Improvement Zone Act (Article XIX-B of the Tax Reform Code of 1971, 72 P.S. 8901-B et seq.) as amended (the "NIZ Act") hereby approves the Guidelines and Procedures for Transfer and Replacement of Parcels in the City of Allentown Neighborhood Improvement Zone, as set forth on the attachment hereto, to be effective as of October 30, 2018.

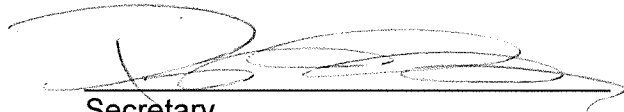
END OF RESOLUTION

CERTIFICATION

I, Pedro L Torres, Jr., Secretary of the Allentown Neighborhood Improvement Zone Development Authority, do hereby certify that the foregoing is a true and correct copy of the Resolution R-2018-157 of the Board of Directors of the Authority passed at a duly convened meeting of said Board on the 11th day of July 2018. Authority members present and voting were as follows:

| <u>Vote</u> | <u>Yes</u> | <u>No</u> | <u>Abstain</u> |
|---------------------------|------------|-----------|----------------|
| Seymour Traub, Esq. | ✓ | | |
| Nelson A. Diaz | ✓ | | |
| Gregory N. Dudkin | ✓ | | |
| Oldrich Foucek, III, Esq. | ✓ | | |
| David Mickenberg | | ✓ | |
| Tiffany Polek | ✓ | | |
| John Stanley, Esq. | ✓ | | |
| Pedro L. Torres, Jr. | ✓ | | |
| John Williams, Jr., Esq. | Absent | | |

IN WITNESS WHEREOF, I hereunto set my hand and seal on this 11th day of July, 2018.


Secretary

Allentown Neighborhood Improvement Zone Development Authority Guidelines and Procedures for Transfer and Replacement of Parcels

The Allentown Neighborhood Improvement Zone Development Authority (ANIZDA) is tasked with revitalizing the City of Allentown Neighborhood Improvement Zone (NIZ). The intent of the legislation enabling ANIZDA is to promote active development of properties located within the NIZ. All developers seeking to improve and develop properties within the NIZ may apply to ANIZDA to utilize financing available pursuant to the NIZ Act.

Although the development finance tool available to qualified projects has been used successfully to fund improvement and development of numerous parcels in the NIZ, other parcels within the NIZ remain undeveloped where the Owners have chosen not to improve and develop their parcels. The decision by owners not to improve and develop parcels located within the NIZ is inconsistent with the intent underlying the NIZ Act.

In order to optimize the impact of the NIZ, the Pennsylvania Legislature has amended the NIZ Act effective October 30, 2018 to provide for the possible transfer of a parcel out of the NIZ and replace it with transfer of a parcel into the NIZ. ANIZDA establishes the following GUIDELINES AND PROCEDURES FOR TRANSFER AND REPLACEMENT OF PARCELS.

I. Application for Transfer of a parcel into the NIZ by a Developer

An Application for Transfer of a parcel into the NIZ by a Developer shall include the following:

- a) Developer's name, address, phone number, email address, and name of contact person
- b) Parcel street address
- c) Parcel identification number
- d) Parcel tax map
- e) Parcel Legal description from boundary survey or deed indicating parcel acreage
- f) Evidence of site control by developer
- g) Certification by the Pennsylvania Department of Revenue that there is currently no activity on the parcel proposed to be transferred into the NIZ that generates tax receipts or other revenue to the Commonwealth of Pennsylvania
- h) Certification by the City of Allentown that there is currently no activity on the parcel proposed to be transferred into the NIZ that generates tax receipts or other revenue, other than taxes on real property to the City of Allentown, the Allentown School District, and Lehigh County.
- i) Description of the proposed improvement and development of the parcel ("Project") including status of Project planning, design, and financing
- j) Assuming acceptance into the NIZ, timeline for completion of the proposed improvement and development of the parcel identifying major milestones including expected timing of an application to ANIZDA for financing pursuant to ANIZDA's Guidelines for Obtaining Financing for Projects in the City of Allentown's NIZ
- k) A City street map indicating location of the parcel and its distance to the nearest parcel currently within the NIZ

I) Written evidence from Developer of Developer's financial ability to complete the Project.

II. Evaluation of Application for Transfer into the NIZ

ANIZDA staff shall evaluate an Application for Transfer into the NIZ by applying the following criteria:

- a) Proximity to parcels currently within the NIZ. A key goal of ANIZDA is to transfer parcels that contribute to the success of building a whole neighborhood that has its own sustained economic momentum.
- b) Duration of development timeline. A key goal of ANIZDA is to transfer parcels where planning and design is advanced enough that with sufficient funding construction can begin within one year after the approval date of the transfer.
- c) Consistency with the priorities of the Downtown Allentown Development and Urban Design Plan or the Lehigh Riverfront Master Plan, as they are applicable to the parcel transferring into the NIZ.

Provided the Application is complete and the staff evaluation concludes that the Application is ready for consideration by ANIZDA, the Application shall proceed as follows.

III. ANIZDA Review and Approval

There shall be 4 stages of review and approval by ANIZDA.

Stage 1: ANIZDA's Project Review Committee

In this stage, the Application for Transfer of a parcel into the NIZ, applying the criteria above, shall be presented to ANIZDA's Project Review Committee in a public meeting.

Upon receiving a favorable non-binding confirmation of interest from the Project Review Committee, but only after Stage 2 has been completed, the Application for Transfer shall advance to Stage 3.

Stage 2: Identification of parcels to Transfer Out of the NIZ by staff and Project Review Committee; hearing by ANIZDA Board, if requested

In this stage, ANIZDA staff shall identify a parcel or parcels currently in the NIZ for possible transfer out of the NIZ applying the following criteria:

- a) no improvement or development has occurred on the parcel utilizing financing available pursuant to the NIZ Act
- b) the parcel or parcels consist of acreage equal to or greater than the acreage of the parcel that is the subject of the Application for Transfer of a parcel into the NIZ

- c) no application is pending or has been approved for financing of the parcel pursuant to ANIZDA's Guidelines for Obtaining Financing for Projects in the City of Allentown's Neighborhood Improvement Zone.
- d) the parcel or parcels do not produce substantial NIZ Revenue pledged for ANIZDA's series 2012A and 2012B tax revenue bonds.
- e) priority may be given to transfer out a parcel or parcels whose owners agree in advance and have no objection to the transfer.
- f) priority may be given to transfer out a parcel or parcels that have not been maintained or deemed blighted by the City.
- g) no parcel or parcels may be transferred out before November 1, 2019 without the consent of the owner

PUBLIC MEETING

Parcels meeting the above criteria shall be presented to the Project Review Committee in a public meeting. This may occur at the same meeting for an Application for Transfer of a parcel into the NIZ. Upon receiving a determination to transfer a parcel out of the NIZ from the Project Review Committee, ANIZDA staff in writing shall notify the owner of the parcel identified for transfer out of the NIZ, and the City of Allentown.

Pursuant to a written request from either the owner of a parcel receiving a determination to transfer the parcel out of the NIZ, or the City of Allentown, received by ANIZDA within 30 days of the owner's receipt of delivery of the notification from ANIZDA staff, ANIZDA's Board of Directors shall then conduct a public hearing in accordance with Section 908 of the Act of July 31, 1968 (P.L. 805, NO. 247), known as the Pennsylvania Municipalities Planning Code. At the hearing, the owner or the City of Allentown shall have the opportunity to show cause as to why the ANIZDA Board of Directors should not act to transfer the parcel or parcels out of the NIZ. Upon conclusion of the hearing, if ANIZDA's Board determines that it will transfer the parcel out of the zone, ANIZDA's Board shall issue a written opinion to the owner and the City of Allentown, setting forth the reasons supporting the determination within 45 days of the hearing.

If, either a) no request for a public hearing is received by ANIZDA either from the property owner or the City of Allentown within 30 days of written notification from the ANIZDA staff, or b) a public hearing is held, and the ANIZDA Board of Directors approves transfer of the parcel out of the NIZ, the Application for Transfer of a parcel into the NIZ shall advance to the Stage 3.

Stage 3: Approval by ANIZDA Board of Directors

In this stage, the ANIZDA Board of Directors shall make the determination whether to deny or approve the Application for Transfer of a parcel into the NIZ. An approval shall be conditioned upon the following:

- a) Receipt of an updated and current Certification by the Department of Revenue and the City of Allentown of the Certifications required as part of the Application for Transfer of a parcel into the NIZ
- b) An amount equal to the NIZ Tax Revenue generated by the parcel(s) to be transferred out during the calendar year prior to the year in which the Application for Transfer in was received by ANIZDA shall become the NIZ Tax Revenue Baseline to be allocated to ANIZDA as Pledged Revenue from Developer's NIZ Tax Revenue generated from the Project on the parcel to be transferred into the NIZ.
- c) Within 6 months from the date of approval of the Application for Transfer by the ANIZDA Board of Directors, the Developer shall apply to ANIZDA for financing the Project pursuant to ANIZDA's Guidelines for Obtaining Financing for Projects in the City of Allentown's Neighborhood Improvement Zone and the Project shall be approved by ANIZDA, the Pennsylvania Department of Community and Economic Development, Developer's lender and Moody's Services, Inc.
- d) Within one year of the approval of the Application for Transfer by the ANIZDA Board of Directors, the Developer shall secure the necessary permits for the Project, provide to ANIZDA for signature loan documents providing adequate financing, enter into a Funding Agreement with ANIZDA and provide an executed construction contract together with a start date for the improvement and development of the parcel to be transferred into the NIZ.

Stage 4: NIZ Map Amendment

- a) Upon compliance by Developer of all of the terms of the approval set forth under Stage 3 above, the NIZ Map will be amended by action of ANIZDA to transfer the parcel out and to transfer the parcel into the NIZ.
- b) ANIZDA shall notify the Commonwealth of Pennsylvania of amendments to the NIZ Map.

Disclaimer

These guidelines are intended for informational purposes only. They are not meant to constitute any contractual offer or promise by ANIZDA. These guidelines shall not be construed to limit in any way the discretion of ANIZDA. ANIZDA reserves the right to waive or modify provisions of these guidelines. To the extent of any inconsistency between these guidelines and the provisions of the NIZ Act as it may be amended or interpreted, the provisions of the NIZ Act shall control.

ALLENTOWN NEIGHBORHOOD IMPROVEMENT ZONE
DEVELOPMENT AUTHORITY

RESOLUTION NO. R-2018-158

WHEREAS, the Allentown Neighborhood Improvement Zone Development Authority (the "Authority") duly adopted Resolution No. R-2017-130 on November 1, 2017 authorizing entry into a Credit Facility with Peoples Bank and Trust Company (the "Bank"); and

WHEREAS the Related Financing Documents, including the Credit Facility, were executed on December 29, 2017, provided to and acknowledged by the Master Trustee as Indebtedness in accordance with the Master Trust Indenture dated as of September 15, 2012 (THE "Master Trust") between the Authority and Bank of New York-Mellon Trust Company N.A. (THE "Master Trustee"); and

WHEREAS, under the Indebtedness, the Authority drew down from the Bank and forwarded to the Master Trustee the sum of Two Million Five Hundred Fifty Thousand and 00/100 (\$2,550,000.00) Dollars held by the Master Trustee in the Public Improvement Project Fund to be utilized for payment of costs incurred by the City of Allentown ("City") for construction of certain public improvements in the City's Neighborhood Improvement Zone; and

WHEREAS, the Authority, by this Resolution, desires to take action to pay down a portion of the Indebtedness incurred and

NOW, THEREFORE, BE IT RESOLVED by the Authority as follows:

1. That the WHEREAS clauses set forth above are hereby incorporated herein.
2. That the Authority has determined that there remains excess NIZ Revenue for 2017 held by the Master Trustee in the Surplus Fund under the Master Trust over and above the sum required to pay debt service for the year 2017 on the Master Trust Obligations, the amount to be held in the Surplus Fund to maintain the Surplus Fund Reserve Requirement and after payment of the Preliminary Annual Excess NIZ Revenue which was distributed to the Commonwealth of Pennsylvania under the Agreement with the Commonwealth of Pennsylvania acting through the Department of Revenue through the Office of Budget effective as of January 31, 2016.
3. That the Authority hereby authorizes payment to the Bank of the sum of Two Million and 00/100 (\$2,000,000.00) Dollars from the Surplus Fund balance in accordance with Section 5.5(a) of the Master Trust, as set forth in the Officer's Certificate and Transfer Request Peoples Security and Trust Company, attached hereto ("Certificate").

4. That the Chairperson or Vice Chairperson of the Authority is hereby authorized to execute the Certificate and to deliver said Certificate to the Master Trustee..

5. All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed and this Resolution shall be in immediate effect from and after the date of its adoption.

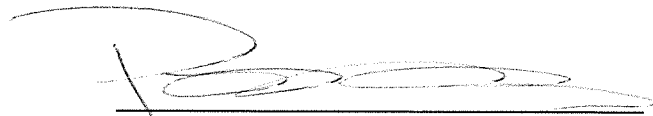
END OF RESOLUTION

CERTIFICATION

I, Pedro Torres, Secretary of the Allentown Neighborhood Improvement Zone Development Authority, do hereby certify that the foregoing is a true and correct copy of the Resolution R-2018-158 of the Board of Directors of the Authority passed at a duly convened meeting of said Board on the 11th day of July, 2018. Authority members present and voting were as follows:

| <u>Vote</u> | <u>Yes</u> | <u>No</u> | <u>Abstain</u> |
|---------------------------|------------|-----------|----------------|
| Seymour Traub, Esq. | ✓ | | |
| Nelson A. Diaz | ✓ | | |
| Gregory N. Dudkin | ✓ | | |
| Oldrich Foucek, III, Esq. | ✓ | | |
| David Mickenberg | ✓ | | |
| Tiffany Polek | ✓ | | |
| John Stanley, Esq. | ✓ | | |
| Pedro L. Torres, Jr. | ✓ | | |
| John Williams, Jr., Esq. | Absent | | |

IN WITNESS WHEREOF, I hereunto set my hand and seal on this 11th day of July, 2018.


Secretary

**ALLENTOWN NEIGHBORHOOD IMPROVEMENT
ZONE DEVELOPMENT AUTHORITY
OFFICER'S CERTIFICATE AND TRANSFER REQUEST
PEOPLES SECURITY BANK AND TRUST COMPANY**

For calendar year 2017, in accordance with Section 5.5(a) of the Master Trust Indenture between Allentown Neighborhood Improvement Zone Development Authority (the "Authority") and the Bank of New York Mellon Trust Company, N.A. as "Master Trustee", dated as of September 15, 2012, Seymour Traub, Esquire, Chairperson of the Authority, as of July 11, 2018, hereby certifies as follows:

1. The requirements of Section 5.5(c) of the Master Trust Indenture are satisfied as follows:
 - i. As of the date hereof, no Event of Default exists under the Master Trust Indenture;
 - ii. The amount currently held in the Surplus Fund is at least equal to the Surplus Fund Reserve Requirement;
 - iii. The Debt Service Charge Ratio, taking into account all Outstanding Indentures, secured by and payable from Pledged Revenues, for the completed Fiscal Year preceding the date hereof for which Audited Financial Statements were provided (i.e., 2017 – Audited Financial Statement dated May 31, 2018) is not less than 1.25 for Fiscal Year 2017.
 - iv. The projected Debt Service Coverage ratio, taking into account the additional Indebtedness, separately provided for authentication by the Master Trustee, for each of the Fiscal Years succeeding the date on which the Indebtedness was incurred, is not less than 1.25 as indicated by the attached forecasted financial statements of the Authority reflecting the relevant assumptions upon which the pro forma financial statements are based.
2. In accordance with Section 5.5(a) of the Master Trust Indenture, attached is a certified copy of Resolution R-2018-158 approved by the Authority on July 11, 2018.
3. In accordance with Section 5.5(b) of the Master Trust Indenture, for purpose of payment of the debt service incurred by the additional Indebtedness and no funds remaining in the Revenue Fund, the Master Trustee is hereby directed to transfer forthwith the sum of \$2,000,000.00 to Peoples Security Bank and Trust Company follows:

Bank Name: Peoples Security Bank & Trust Co.

Bank Address: 150 N Washington Ave Scranton, PA 18503

ABA/Routing # 031311807

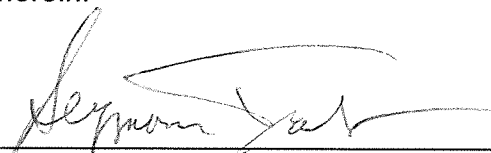
Customer Name: Allentown Neighborhood Improvement Zone Development Authority

Customer Address: 5 North Front Street, Allentown, PA 18102

Customer Account #: 135000132525

When payment has been processed, please notify the Authority by e-mail to sbamford@allentownniz.com.

4. All capitalized terms used herein are to be defined as set forth in the Master Trust Indenture, unless otherwise referred herein.



Seymour Traub, Esquire, Chairman

ALLENTOWN NEIGHBORHOOD IMPROVEMENT ZONE DEVELOPMENT AUTHORITY

CONSULTANT'S REPORT

In connection with the issuance by the Allentown Neighborhood Improvement Zone Development Authority (the "Authority") of its Indebtedness, in an amount up to \$10,000,000, to Peoples Security Bank and Trust Company (the "Bank"), PFM Financial Advisors LLC ("PFM") has been engaged by the Authority to serve as Consultant and provide the Consultant's Report relating to projected Debt Service Coverage Ratio of the Authority as required by Section 3.2(f)(i)(B) of the Master Trust Indenture dated as of September 15, 2012 (the "Master Indenture") between the Authority and The Bank of New York Mellon Trust Company, N.A. (the "Trustee"). Capitalized terms used herein and not defined herein shall have the meaning given to those terms in the Master Indenture.

In preparing this Consultant's Report, we have examined and relied on the following:

- (a) historical calculations of Pledged NIZ Revenues, Non-NIZ Revenues, and Operating Expenses provided by the Authority, based on the Authority's Audited Financial Statements and Final Accountants Allocation Reports for each of the past three fiscal years preceding the date of this Consultant's Report;
- (b) assumptions made by CSL International LLC in its CSL Report in connection with the issuance of the Authority's Series of 2012 Bonds (the "2012 Bonds")
- (c) information in the Official Statement for the Authority's 2012 Bonds showing the Maximum Annual Debt Service Requirements on the 2012 Bonds;
- (d) the Loan Agreement between the Authority and the Bank dated as of December 29, 2017 (the "Loan Agreement")

In addition, we have relied upon our skill and experience with respect to engagements of this nature.

In reliance on the foregoing, we hereby conclude as follows:

1. As set forth on Schedule 1 attached hereto and made a part hereof, the Maximum Annual Debt Service Requirements, taking into account the outstanding debt service on the 2012 Bonds as well as the estimated debt service on the Indebtedness is shown in Schedule 1.
2. As set forth on Schedule 2 attached hereto and made a part hereof, the projected Net Income Available for Debt Service, taking into account certain assumptions for Pledged Revenues and Operating Expenses, is shown in Schedule 2.
3. As set forth on Schedule 3 attached hereto and made a part hereof, the Debt Service Coverage Ratio, taking the proposed Indebtedness into account as well as the 2012 Bonds, for each of the Fiscal Years through the maturity date of the Indebtedness, is not less than 2.00.

In arriving at the conclusions above, we have made certain assumptions, including, but not limited to, the following:

- A. Per the Authority, a maximum of \$2,000,000 of Pledged NIZ Revenues from the Surplus Fund will be used towards debt service on the Indebtedness until maturity date of the Indebtedness on May 31, 2020.
- B. Pledged NIZ Revenues is assumed to grow at 0%, based on the Authority's 2017 Audited Financial Statements, through the maturity date of the Indebtedness.
- C. Non-NIZ Revenues is assumed to grow in the amounts described in the CSL Report through the maturity date of the Indebtedness.
- D. Operating Expenses is assumed to grow at 2%, based on the Authority's 2017 Audited Financial Statements, through the maturity date of the Indebtedness.

This report has been prepared for the Authority in connection with the issuance of the Indebtedness for the purpose of meeting the requirements set forth in the Master Indenture. It may be provided to the Authority's counsel and the Trustee and included in a transcript of closing documents prepared with respect to the Indebtedness. This report is not intended to be an economic forecast, but rather the assumptions contained within this report are based on conservative estimates of current information. This report is not intended to be used for any other purpose or relied upon for any other reason without PFM's prior written consent.

PFM FINANCIAL ADVISORS LLC

By:  _____

Name: Scott Shearer
Title: Managing Director

Dated: July 11, 2018

SCHEDULE 1

| 1 | 2 | 3 | 4 |
|--------------------------|-------------------------------------|--|---------------------------------|
| Fiscal Year Ending | 2012 Bonds Gross Debt Service | Indebtedness Estimated Debt Service ^[1] | Debt Service Requirements |
| 12/31/2018 | 15,181,426 | 2,000,000 | 17,181,426 |
| 12/31/2019 | 15,182,087 | 2,000,000 | 17,182,087 |
| 12/31/2020 | 15,181,663 | 2,000,000 | 17,181,663 |
| TOTAL | 45,545,176 | 6,000,000 | 51,545,176 |

^[1] Per assumptions provided by Authority, a maximum of \$2,000,000 of Pledged Revenues from the Surplus Fund will be used as debt service per year through maturity of the Indebtedness in 2020

SCHEDULE 2

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | (Actual) | (Actual) | (Actual) | (Projected) | (Projected) | (Projected) | (Projected) |
| Fiscal Year 12/31 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | |
| Pledged NIZ Revenues | 35,447,136 | 47,132,146 | 47,063,993 | 47,063,993 | 47,063,993 | 47,063,993 | 47,063,993 |
| Actual Growth Rate | 4.35% | 32.96% | (0.14%) | | | | |
| Assumed Growth Rate | | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Non-NIZ Revenues | 816,961 | 1,047,711 | 954,182 | 787,500 | 450,000 | 450,000 | 450,000 |
| | | | | [1] | [1] | [1] | [1] |
| Total Pledged Revenues | 36,264,097 | 48,179,857 | 48,018,175 | 47,851,493 | 47,513,993 | 47,513,993 | 47,513,993 |
| Operating Expenses | 1,080,193 | 1,009,575 | 824,742 | 841,237 | 858,062 | 875,223 | 875,223 |
| Actual Growth Rate | (17.04%) | (6.54%) | (18.31%) | | | | |
| Assumed Growth Rate | | | | 2.00% | 2.00% | 2.00% | 2.00% |
| Net Income Available for Debt Service | 35,183,904 | 47,170,282 | 47,193,433 | 47,010,256 | 46,655,931 | 46,638,770 | 46,638,770 |

[1] Per CSL Report projections issued in conjunction with the Authority's Series of 2012 Bonds.

SCHEDULE 3

| 1 | 2 | 3 | 4 |
|--------------------------|---|---------------------------------|-----------------------------------|
| Fiscal Year Ending | Net Income Available for Debt Service | Debt Service Requirements | Debt Service Coverage Ratio |
| 12/31/2018 | 47,010,256 | 17,181,426 | 2.74x |
| 12/31/2019 | 46,655,931 | 17,182,087 | 2.72x |
| 12/31/2020 | 46,638,770 | 17,181,663 | 2.71x |

ALLENTOWN NEIGHBORHOOD IMPROVEMENT ZONE
DEVELOPMENT AUTHORITY

RESOLUTION NO. R-2018-159

WHEREAS, Steven Bamford has dutifully performed as the Executive Director of the Authority in response to the tasks and challenges incumbent on the position, meeting the goals and needs as they arose through June 30, 2018,

NOW THEREFORE, BE IT RESOLVED, that the Allentown Neighborhood Improvement Zone Development Authority (the "Authority") hereby approves a performance based bonus in the sum of \$7,500.00 payable forthwith.

END OF RESOLUTION

CERTIFICATION

I, Pedro L Torres, Jr., Secretary of the Allentown Neighborhood Improvement Zone Development Authority, do hereby certify that the foregoing is a true and correct copy of the Resolution R-2018-159 of the Board of Directors of the Authority passed at a duly convened meeting of said Board on the 11th day of July 2018. Authority members present and voting were as follows:

| <u>Vote</u> | <u>Yes</u> | <u>No</u> | <u>Abstain</u> |
|---------------------------|------------|-----------|----------------|
| Seymour Traub, Esq. | ✓ | | |
| Nelson A. Diaz | ✓ | | |
| Gregory N. Dudkin | ✓ | | |
| Oldrich Foucek, III, Esq. | ✓ | | |
| David Mickenberg | ✓ | | |
| Tiffany Polek | ✓ | | |
| John Stanley, Esq. | ✓ | | |
| Pedro L. Torres, Jr. | ✓ | | |
| John Williams, Jr., Esq. | Absent | | |

IN WITNESS WHEREOF, I hereunto set my hand and seal on this 11th day of July, 2018.


Secretary