

**REDEVELOPMENT AUTHORITY OF THE CITY OF BETHLEHEM  
NOVEMBER 15, 2021**

Town Hall  
10 East Church Street  
Bethlehem, PA 18018  
and via GoToMeeting

**MINUTES**

The Board of the Redevelopment Authority of the City of Bethlehem met for a rescheduled regular meeting on Monday, November 15, 2021 at 5:00 P.M. This meeting occurred both in-person in Town Hall at Bethlehem City Hall; 10 East Church Street, Bethlehem, Pennsylvania as well as via GoToMeeting. The place, the hour and the date duly noted for the holding of this meeting was publicized.

Chairman Ronald Heckman called the meeting to order and the following members were present:

Lea Grigsby  
Tracy Oscavich  
Christopher Spadoni

The Chairman called a quorum present.

Also present were:

Tony Hanna, Executive Director (via GoToMeeting)  
Michael E. Riskin, Esq., Solicitor  
Heather M. Bambu-Weiss, Board Secretary  
Alicia Karner, Director of Department of Community / Economic  
Development for City of Bethlehem

RDA Board Member, Earl Bethel, did not participate in the meeting.

**APPROVAL OF MINUTES**

Ms. Oscavich made a motion to approve the minutes of the October 28, 2021 regular meeting of the Redevelopment Authority. The minutes were emailed earlier to each member of the Board. Mr. Spadoni seconded the motion. The motion carried unanimously and the minutes of the October 28, 2021 regular meeting of the Redevelopment Authority were approved.

**APPROVAL OF CASH REPORTS**

Ms. Oscavich made a motion to approve the cash reports for the month ended September 30, 2021. These cash reports were emailed earlier to each member of the Board. As there were no errors or changes reported, Mr. Spadoni seconded the motion. The motion carried unanimously and the cash reports for the month ended September 30, 2021 were approved.

**COURTESY OF THE FLOOR**

There were no guests present at Town Hall or via GoToMeeting. As a result, there were no comments during Courtesy of the Floor and the Chairman moved onto the next agenda item for the RDA meeting.

**BETHLEHEM REDEVELOPMENT AUTHORITY**  
**MINUTES – NOVEMBER 15, 2021**  
**PAGE – 2**

**RDA AUDIT – FISCAL PERIOD ENDED JUNE 30, 2020**

Mr. Heckman turned the meeting over to Ms. CruverKibi to discuss the RDA audit for the fiscal period ended June 30, 2020. Ms. CruverKibi joined the meeting via GoToMeeting and noted that she and Maher Duessel conducted the audit for the RDA fiscal period ended June 30, 2020. Ms. CruverKibi highlighted the following items from the RDA audit:

- 1) The Independent Auditor's Report is an unmodified opinion, which is the best opinion the RDA can receive.
- 2) The audit for the fiscal period ended June 30, 2020 was delayed due to the Pennsylvania Municipal Retirement System (PMRS) being delayed with providing certain data to the RDA in regards to its pension plan with PMRS. She noted that this delay affected all pension plans administered by PMRS and was not unique to the RDA.
- 3) All funds reported in the audit report are based upon the accrual basis of accounting.
- 4) The RDA assets decreased during this fiscal period, when compared with the prior fiscal period, by approximately \$9 million due to the use of debt service reserve funds for the repayment of TIF borrowings which were due June 1, 2020.
- 5) The RDA liabilities decreased during this fiscal period, when compared with the prior fiscal period, by approximately \$14.8 million due to the repayment of the TIF borrowings which were due June 1, 2020.
- 6) The *Deferred Inflows of Resources for Pension Value* reported on the *Statement of Net Position* is provided to the RDA by PMRS. It was noted that based upon the most current data provide by PMRS, this value is as of December 30, 2019, which is in-line with reporting of such PMRS valuations.
- 7) Included in the RDA *Balance Sheet* is a \$500,000 account payable which represents the RDA Board approved allocation to the Bethlehem Parking Authority (BPA) to assist with land acquisition cost for the future site of the Polk Street parking garage. It was noted that the transmittal of these funds occurred during the 2020-2021 fiscal period.

Ms. CruverKibi highlighted some of the notes contained in the financial statements and other documents including new accounting standards that will be implemented in the near future. She indicated a willingness to assist the RDA with research and implementation of these new standards.

Ms. CruverKibi also noted that the management letter indicated that the RDA had transitioned to a computerized accounting system during this 2019-2020 fiscal period with the implementation of QuickBooks. She noted that modifications are being done to better align QuickBooks with reporting requirements but noted that manual ledgers were no longer being used.

Mr. Spadoni asked Ms. CruverKibi if based upon their review there were any issues that needed to be brought to the attention of the RDA Board. Ms. CruverKibi indicated with the exception of the tweaks that are occurring with QuickBooks, as previously noted, there were no issues that needed the attention of the RDA Board.

As there were no questions by the RDA Board, Ms. Grigsby made a motion to approve and accept the RDA audit, for the fiscal period ended June 30, 2020, as presented and submitted to the RDA. Mr. Spadoni seconded the motion. The RDA unanimously approved and accepted the RDA audit for the fiscal period ended June 30, 2020 as presented and submitted to the RDA.

**EXECUTIVE DIRECTOR REPORT**

Mr. Heckman turned the meeting over to Mr. Hanna for his Executive Director Report. Mr. Hanna indicated he would defer this Executive Director report until the December 2021 RDA Board meeting at which time he will provide a more detailed report to the Board.

**RESOLUTION NUMBER 1493**

Mr. Heckman noted that the RDA Board has been asked to review and consider for approval Resolution Number 1493, which authorizes the RDA to provide conduit financing services to Moravian University.

Mr. Hanna indicated that this conduit financing request is similar to other conduit financing in which the RDA has been involved. He noted that past conduit financing involved ArtsQuest as well as Moravian College.

Mr. Hanna stated that a TEFRA Public Hearing occurred at 4:30 PM on November 15, 2021 and noted that the maximum of the tax exempt debt was reported at \$21.2 million. Mr. Hanna noted that the \$21.2 million reported at the TEFRA Public Hearing represented the maximum tax exempt financing involved in this conduit financing. He added that the \$26 million included in the resolution being considered by the Board would allow Moravian to refinance additional debt, if deemed necessary; however, such additional debt needed would be taxable and not eligible for tax exemption.

Mr. Hanna reminded the Board that the RDA does not incur any liability with this conduit financing transaction. He added that it is anticipated the settlement for this financing to occur during December 2021. He also indicated that RDA Solicitor Mr. Riskin has reviewed financing and will be issuing a legal opinion before closing. Mr. Heckman reiterated that this conduit financing does not pose any risk to the RDA.

Ms. Grigsby stated that she would abstain from voting on this matter due to her being married to the president of Moravian University, the party involved with the conduit financing being considered with this resolution.

Following this presentation and discussion, and with the abstention of Ms. Grigsby noted, Ms. Oscavich presented the following resolution and moved for its adoption by the Board.

**REDEVELOPMENT AUTHORITY OF THE CITY OF BETHLEHEM**

**A RESOLUTION OF THE BOARD OF THE REDEVELOPMENT AUTHORITY OF THE CITY OF BETHLEHEM, APPROVING, PURSUANT TO THE URBAN REDEVELOPMENT LAW OF THE COMMONWEALTH OF PENNSYLVANIA, THE FINANCING BY THIS AUTHORITY OF A PROJECT FOR THE BENEFIT OF MORAVIAN UNIVERSITY, AN INSTITUTION SERVING THE PUBLIC AND A CORPORATION NOT FOR PROFIT; AUTHORIZING THE ISSUANCE OF REVENUE BONDS TO ASSIST IN THE FINANCING OF THE PROJECT; AUTHORIZING THE EXECUTION AND DELIVERY OF THE REVENUE BONDS, A LOAN AGREEMENT, A TRUST INDENTURE, A BOND PURCHASE AGREEMENT AND SUCH OTHER DOCUMENTS, INSTRUMENTS, AGREEMENTS AND CERTIFICATES NECESSARY IN CONNECTION WITH THE PROJECT; AND AUTHORIZING OTHER NECESSARY AND APPROPRIATE ACTION.**

**WHEREAS**, Redevelopment Authority of the City of Bethlehem (the "Authority") has been incorporated under and is governed by the Urban Redevelopment Law, Act of 1945, Act of May 24, 1945, P.L. 991, as amended and supplemented (the "Act"), of the Commonwealth of Pennsylvania; and

**WHEREAS**, the Authority, by virtue of the Act, has power and authority, to finance or refinance certain projects and to incur debt and issue bonds, notes or other evidences of indebtedness in order to provide funds for and to fulfill and achieve its authorized public function and purposes; and

**WHEREAS**, the Authority, pursuant to the request of Moravian University (formerly Moravian College), a corporation not-for-profit organized and existing under the laws of the Commonwealth of Pennsylvania ("Moravian University" or the "University"), in accordance with its powers, has determined to undertake certain projects (collectively, the "Project") that consist of, among other things, any or all of the following: (1) refunding all or any portion of the outstanding Northampton County General Purpose Authority College Revenue Bonds (Moravian

**BETHLEHEM REDEVELOPMENT AUTHORITY**  
**MINUTES – NOVEMBER 15, 2021**  
**PAGE – 4**

College Project), Series of 2012 (the “2012 Bonds”) issued for the benefit of the University, (2) refunding all or any portion of the outstanding Moravian College Series of 2015 Master Note (Lafayette Ambassador Bank), dated July 10, 2015 (the “2015 Note”); (3) refunding all or any portion of the outstanding Redevelopment Authority of the City of Bethlehem College Revenue Note (Moravian College Project), Series of 2019, dated June 12, 2019 (the “2019 Note”) issued for the benefit of the University; (4) funding, if applicable, a debt service reserve fund or funds for the Bonds; (5) refunding any other outstanding debt of the University, if advantageous to the University; and (6) financing contingencies and paying the costs and expenses incident to the issuance of the Bonds, including bond insurance or other credit enhancement, if advantageous to the University; and

**WHEREAS**, to assist in the financing of the Project, the Authority is willing to issue one or more series of its tax-exempt and/or taxable University Revenue Bonds (Moravian University Project) (collectively, the “Bonds”); and

**WHEREAS**, the principal of and interest on the Bonds shall be the special limited obligation of the Authority, payable only out of the payments to be made by Moravian University to the Authority pursuant to one or more loan agreements (collectively, the “Loan Agreement”), to be entered into between the Authority and Moravian University, all as shall be more specifically provided therein; and

**WHEREAS**, Moravian University's obligations under the Loan Agreement will be secured by one or more notes (collectively, the “Master Note”) issued by Moravian University under the Master Trust Indenture, dated as of October 1, 2001 (the “Master Trust Indenture”), by and between the University and The Bank of New York Mellon Trust Company, N.A., as successor master trustee (the “Master Trustee”), as previously supplemented and as further supplemented by one or more Supplemental Indentures providing for the issuance of the Master Note (collectively, the “Supplemental Indenture”) by and between the University and the Master Trustee; and

**WHEREAS**, the Authority will assign all of its right, title and interest in and to the Loan Agreement and the Master Note (except for certain of the Authority's rights to indemnification and the payment of its costs, fees and expenses) to the Bond Trustee pursuant to one or more Assignments of Loan Agreement and Master Note (collectively, the “Assignment”); and

**WHEREAS**, the Authority has determined that it shall provide financing for the Project by issuing the Bonds in an aggregate principal amount not to exceed \$26,000,000, net of original issue discount or premium, under the terms of one or more trust indentures (collectively, the “Trust Indenture”), between the bond trustee named therein (the “Bond Trustee”) and the Authority; and

**WHEREAS**, to effect the financing of the Project by the issuance of the Bonds, the Authority must take, authorize and direct certain actions, and must authorize the execution and delivery of the Bonds, the Loan Agreement, the Trust Indenture and the documents, instruments, agreements and certificates to be executed and delivered by the Authority in connection therewith; and

**WHEREAS**, the Authority desires to authorize and approve such action as shall be necessary and appropriate in connection with the issuance of the Bonds and the financing of the Project.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of the Authority (the “Board”), as follows:

1. The Board hereby approves the issuance of the Bonds to assist in the financing of the Project. The proper officers of the Authority, in consultation with the Solicitor to the Authority, are hereby authorized to (i) approve the terms and conditions of such Bonds, including, without limitation, the denominations thereof, interest rates, interest payment dates, maturity dates and redemption provisions thereof as specified in the Bond Purchase Agreement (as hereinafter defined) to be entered into by and among the Authority, Moravian University and the Underwriter (as hereinafter defined); and (ii) execute and deliver such Bonds; the execution and delivery of the Bonds to constitute conclusive proof of such approval.
2. The Board approves, ratifies and confirms all action heretofore taken in the name and on behalf of the Authority in connection with the financing of the Project and the undertakings herein contemplated by the Chairman, Vice Chairman, Secretary, the Authority's Solicitor and/or Executive Director or other officers of the Authority and authorizes and directs any of such officers, after consultation with the Authority's Solicitor, to do any and all

acts and things and to execute and deliver any and all documents, instruments, agreements, certificates, letters and the like necessary, proper or desirable to effect the issuance of the Bonds and to assist in the financing of the Project on substantially the terms and conditions set forth herein.

**Neither the general credit of the Authority nor the general credit or taxing power of City of Bethlehem (the "City") or the Commonwealth of Pennsylvania (the "Commonwealth") or any political subdivision thereof is pledged for the payment of the Bonds. The Bonds will not be obligations of the City or of the Commonwealth or any political subdivision thereof. The Authority has no taxing power.**

The Bonds, when and if issued, shall bear the actual or facsimile signature of the Chairman or Vice Chairman of the Authority, and shall bear the actual or facsimile corporate seal of the Authority, attested by the actual or facsimile signature of the Secretary or Assistant Secretary or Executive Director or Solicitor of the Authority.

**Notwithstanding any other provision of this Resolution, the Bonds, when and if issued, shall not be deemed an obligation of the City or of the Commonwealth or of any political subdivision thereof, and shall be payable solely from amounts paid by Moravian University under the provisions of the Loan Agreement and the Master Note. No recourse shall be had for the payment of principal, or redemption price of, or interest on the Bonds, or for any other claim based on the Bonds or any other document, instrument or agreement delivered in connection with the issuance of the Bonds, against the Authority or any successor body, against any officer, board member or employee of the Authority, past, present or future, or against any other monies, accounts, rights or other assets that the Authority may possess.**

3. In order to effect the issuance of the Bonds, the financing of the Project as contemplated by this Resolution, the Chairman, Secretary or Executive Director or Solicitor or other proper officers of the Authority are authorized, empowered and directed to negotiate the terms of, to approve the form of and to execute, acknowledge, attest and deliver (i) the Loan Agreement by and between the Authority and Moravian University, in such form and containing such terms and conditions as shall be acceptable to the Authority and Moravian University (containing such indemnification provisions, covenants, representations, warranties and other terms and conditions as shall be acceptable to the Authority in consultation with the Solicitor to the Authority); (ii) the Assignment; (iii) the Trust Indenture; (iv) the Bonds; (v) the Bond Purchase Agreement; and (vi) such other documents, instruments, agreements and certificates as may be necessary, proper or desirable, in their discretion or in the opinion of the Authority's Solicitor or Bond Counsel, to accomplish the financing of the Project, including any documents, instruments, agreements and certificates as may be necessary, in the opinion of Bond Counsel, to comply with the requirements of applicable law, including, without limitation, the Act, Section 103 and Sections 141 through 150 of the United States Internal Revenue Code of 1986, as amended (the "Code"), and the regulations promulgated thereunder, each of which shall be subject to review and approval (as to both form and substance) by the Authority's Solicitor; the execution and delivery of all such documents, instruments, agreements and certificates to constitute conclusive evidence of such approval (all of the above described documents, agreements, instruments and certificates to be executed by the Authority being hereinafter referred to collectively as the "Authority Documents"). The Board hereby expresses its intent that the Authority's proper officers, subject to review and approval by the Authority's Solicitor, shall have full power and authority in their sole discretion, to effect the issuance of the Bonds and the financing of the Project in accordance with the terms and provisions of this Resolution and the Authority Documents.
4. The Authority hereby approves the underwriter or underwriters named in the Bond Purchase Agreement in connection with the structuring of the financing for the Project and the issuance, offer and sale of the Bonds (collectively, the "Underwriter"). Proper officers of the Authority, in the name and on behalf of the Authority, are authorized, empowered and directed to execute and deliver to the Underwriter one or more bond purchase agreements (collectively, the "Bond Purchase Agreement") providing for the sale and purchase of the Bonds, subject to the following conditions: (i) the Bond Purchase Agreement has been approved as to form and substance by Moravian University, Bond Counsel and the Solicitor to the Authority; (ii) such Bond Purchase Agreement has been previously executed and accepted in the name and on behalf of the Underwriter; (iii) the terms and conditions of the Bonds set forth in such Bond Purchase Agreement are satisfactory to the proper

**BETHLEHEM REDEVELOPMENT AUTHORITY**  
**MINUTES – NOVEMBER 15, 2021**  
**PAGE – 6**

officers of the Authority executing such Bond Purchase Agreement; and (iv) the Authority shall have received such other assurances, approvals or certificates, or taken such other action, as such officers of the Authority, and the Solicitor to the Authority, shall have determined to be necessary, proper or desirable. The execution by such officers of the Bond Purchase Agreement in a form approved by the Solicitor to the Authority shall evidence conclusively the Authority's approval of the terms and conditions of the Bond Purchase Agreement and the Bonds described therein.

5. The Authority hereby authorizes the preparation of one or more Preliminary Official Statements and one or more Official Statements in connection with the offer and sale of the Bonds. The Chairman or Vice Chairman and Secretary or Assistant Secretary or Executive Director or Solicitor, as appropriate, of the Authority are hereby authorized and empowered, in the name and on behalf of the Authority, to deliver the definitive Official Statements in connection with the issuance of the Bonds, when such Official Statements are acceptable to such officers of the Authority and Solicitor to the Authority and containing such additional or different information relating to the Authority as such officers, in their sole discretion, with the consent and approval of the Solicitor of the Authority may deem necessary or appropriate, their execution and delivery thereof to constitute conclusive evidence of their approval of such Official Statements as they relate to the Authority. The Chairman or Vice Chairman and Secretary or Assistant Secretary or Executive Director or Solicitor, as appropriate, are authorized to designate each Official Statement as a "final official statement" for purposes of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934.
6. The Authority hereby approves the selection by the University of Stevens & Lee, P.C., as Bond Counsel, in connection with the issuance of the Bonds as provided in this Resolution.
7. THE LIABILITY OF THE AUTHORITY UNDER ANY AND ALL OF THE DOCUMENTS, INSTRUMENTS, CERTIFICATES AND AGREEMENTS EXECUTED IN CONNECTION WITH THE ISSUANCE OF THE BONDS SHALL NOT CONSTITUTE ITS GENERAL OBLIGATION AND NO RECOURSE SHALL BE HAD AGAINST THE AUTHORITY ON THE BONDS, EXCEPT FOR THE PAYMENTS TO BE MADE TO THE AUTHORITY BY MORAVIAN UNIVERSITY UNDER THE LOAN AGREEMENT AND MASTER NOTE WHICH PAYMENTS WILL BE ASSIGNED BY THE AUTHORITY TO THE BOND TRUSTEE WITHOUT RECOURSE TO THE AUTHORITY. IT IS EXPRESSLY UNDERSTOOD THAT THE AUTHORITY SHALL NOT OTHERWISE BE OBLIGATED AND THAT NONE OF ITS MEMBERS, OFFICERS OR EMPLOYEES PAST, PRESENT OR FUTURE SHALL BE OBLIGATED IN ANY WAY FOR ANY COSTS, EXPENSES, FEES, OR OTHER OBLIGATIONS OR LIABILITIES INCURRED OR IMPOSED IN CONNECTION WITH THE BONDS, WHETHER INCURRED PRIOR TO, ON, OR AFTER THE DATE OF ISSUANCE, AND THAT NO RECOURSE SHALL BE HAD AGAINST THE AUTHORITY AND ITS MEMBERS, OFFICERS OR EMPLOYEES. IN ADDITION, THE BONDS WILL NOT BE OBLIGATIONS OF THE CITY OR OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF.
8. The Authority hereby designates any officer of the Authority, any member of the Board or the Authority's Solicitor or Executive Director, to conduct a public hearing, as required by Section 147(f) of the Code, at which time the Authority will provide a reasonable opportunity for interested individuals to express their views with respect to the proposed Project.
9. It is hereby found and determined that all requirements of Section 147(f) of the Code relative to public approval in connection with the issuance of the Bonds have been or will be complied with.
10. This Resolution shall become effective immediately.
11. In the event any provision, section, sentence, clause or part of this Resolution shall be held invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Resolution, it being the intent of the Board that such remainder shall be and shall remain in full force and effect. All previous resolutions of the Board are hereby repealed to the extent that they are inconsistent with provisions hereof.

**BETHLEHEM REDEVELOPMENT AUTHORITY**  
**MINUTES – NOVEMBER 15, 2021**  
**PAGE – 7**

12. The matters authorized and approved in the foregoing paragraphs of this Resolution are conditioned upon satisfaction of the following: (i) payment of the Authority's administrative fees, including, but not limited to, its issuance and application fees; (ii) payment of the Authority's expenses, including, but not limited to, the Authority's Solicitor's fee and all other expenses; and (iii) the approval of the Project by the "applicable elected representative" after public hearing in accordance with Section 147(f) of the Code.  
(Resolution Number 1493)

Mr. Spadoni seconded the motion. The motion unanimously passed with one abstention by Ms. Grigsby. As a result, Resolution Number 1493 was adopted by the RDA.

**ADJOURNMENT**

As there was no further business, Ms. Oscavich made a motion to adjourn this November 15, 2021 RDA Board meeting. Mr. Spadoni seconded the motion and the motion was unanimously carried. As a result, the meeting adjourned at 5:20 P.M.

Submitted by,

Heather M. Bambu-Weiss  
Board Secretary