

**REDEVELOPMENT AUTHORITY OF THE CITY OF BETHLEHEM
JULY 21, 2016**

Bethlehem Armory
301 Prospect Avenue
Bethlehem, PA 18018

MINUTES

The Board of the Redevelopment Authority of the City of Bethlehem met for a regular meeting on Thursday, July 21, 2016 at 3:00 P.M. at the Bethlehem Armory, 301 Prospect Avenue, Bethlehem, PA. The place, the hour and the date duly noted for the holding of this meeting was publicized.

Chairman Jason Henninger called the meeting to order and the following members were present:

Earl Bethel
Ronald Heckman

The Chairman called a quorum present.

Also present were: Tony Hanna, Executive Director
 Heather M. Bambu, Board Secretary
 Michael E. Riskin, Esq., Solicitor

Guests present were: Nicole Mertz, Report from The Morning Call
 Sara Satullo, Reporter from The Express-Times

RDA Board Member Dennis Cunerd contacted the RDA office prior to the meeting and indicated that he was unable to attend. Mr. Spadoni contacted the RDA office just prior to the meeting with a conflict preventing him from attending this meeting as well.

APPROVAL OF MINUTES

Mr. Bethel made a motion to approve the minutes of the June 16, 2016 regular meeting of the Redevelopment Authority. The minutes were mailed earlier to each member of the Board. As there were no errors or changes reported, Mr. Heckman seconded the motion. The motion carried unanimously and the minutes of the June 16, 2016 regular meeting of the Redevelopment Authority were approved.

FINANCIAL REPORTS

The Financial Reports for the month ended May 31, 2016 were mailed to the Redevelopment Authority Board members prior to the meeting. As there were no changes or errors noted in these reports, Mr. Heckman made a motion that the cash reports for the month ended May 31, 2016 be accepted as presented. Mr. Bethel seconded the motion. Motion unanimously carried and the cash reports for the month ended May 31, 2016 were accepted as presented.

COURTESY OF THE FLOOR

Since no guests were present at this meeting, Mr. Henninger noted there that the Courtesy of the Floor portion was not necessary at this time. He then proceeded to the next agenda item and continued the meeting.

BETHLEHEM ARMORY

Mr. Henninger turned the meeting over to Mr. Hanna who provided the RDA Board with some information about the Bethlehem Armory proposals which were accepted and reviewed by a committee. Mr. Hanna noted that Board members Jason Henninger and Earl Bethel represented the RDA on this committee. Mr. Hanna explained that the ten (10) proposal were received, scored and reviewed by the committee. He added that five (5) proposals were selected to be interviewed by the committee. He noted that only four (4) presentations and interview were conducted because one of these finalists withdrew their proposal from consideration.

Mr. Hanna stated that the proposal received presented a vast assortment of uses for this property and noted that the committee reviewed all options. He noted that the four proposals, which continued to the interview step of the review process, included a residential reuse aspect to their projects. Mr. Hanna noted that after the interviews were conducted, the committee decided that the Peron Development proposal was their choice and the proposal they were going to recommend to the RDA for acceptance. Mr. Hanna acquired that the Peron acquired additional property adjacent to the Bethlehem Armory and their proposal was viewed extremely favorably due to their reuse of the site, including additional green space for the area.

Mr. Hanna added that an agreement of sale has been drafted and noted that the developer reviewed and signed a developer agreement and provided a down payment to secure the purchase of this property. Mr. Hanna stated that the developer agreement has a 270-day due diligence time period incorporated into it to allow time for the developer to receive all the approvals necessary for the proposed project. He noted that the project will still need to be presented to City Council, as well as receive Planning, Zoning and other approvals prior to it being considered finalized and ready to begin. Mr. Hanna noted that this due diligence period allows Peron the time to get all these approvals before acquiring the property while also protecting the RDA in case approvals are unable to be obtained by Peron. He explained that settlement for this property will only occur after all approvals are received and the RDA is sure the project will occur.

Mr. Hanna noted that Peron Development will be receiving its financing from Provident Bank and noted that they have been approved for a construction loan with them. He noted that the RDA required adequate security that Peron will be able to finance this work and noted that the Provident required security in the form of a personal lien on Mr. Perrucci of Peron, the owner of Peron.

Following this presentation by Mr. Hanna, Mr. Heckman presented the following resolution to the Board and moved for its adoption by the Board.

REDEVELOPMENT AUTHORITY OF THE CITY OF BETHLEHEM
RESOLUTION NUMBER 1432
RESOLUTION FOR THE SALE OF THE ARMORY PROPERTY

WHEREAS, the Redevelopment Authority of the City of Bethlehem (the "Authority") has entered into a Lease with the Commonwealth of Pennsylvania, Department of Military and Veteran Affairs, State Armory for the Bethlehem Armory at 301 Prospect Avenue, Bethlehem, Lehigh County, Pennsylvania (the "Armory Property") starting July 1, 2014 and ending June 30, 2018 (the "Lease"), and

WHEREAS, the Lease gives the Authority the right to purchase the Armory Property by giving "Notice of Intention to Purchase" by December 31, 2017 with a completion of the conveyance no later than July 9, 2018; and

WHEREAS, a redeveloper has been selected by the Authority to renovate, rehabilitate and redevelop the Armory Property; and

WHEREAS, a Contract for Sale of Land to a Private Redeveloper, Part I and Part II (hereinafter called "Contract for Sale") has been prepared between the Authority and Peron Armory, L.P., a Pennsylvania Limited Liability Company, ("Peron") for the purchase price of Three Hundred Twenty-Two Thousand Dollars which Contract is dated the _____ date of _____, 2016 and has been executed by Person (the "Contract"); and

WHEREAS, the Contract gives Peron a "Due Diligence Period" to obtain any and all requirements Peron needs to commence and complete the Project and thereafter, Peron shall notify the Authority that it has obtained all necessary requirements to proceed with the Project and provide the balance of the purchase price and upon receipt of said Notice and purchase price the Authority will exercise the option to purchase the Armory Property in the Lease.

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NOW, THEREFORE, BE IT RESOLVED THAT:

- A. The form and content of the Contract for Sale of Land is satisfactory and the Contract is hereby approved.
- B. Disposition of the land through negotiations is the appropriate method of making the land available for redevelopment.
- C. Peron has submitted documentation that appears to indicate it possesses the qualifications and financial resources necessary to acquire and develop the land in accordance with the Contract.
- D. The purchase price of the Contract exceeds the purchase price the Authority will pay to purchase the property under the Lease.

BE IT FURTHER RESOLVED that the Chairman or Vice-Chairman of the Redevelopment Authority of the City of Bethlehem is hereby authorized to sign said Contract for Sale of Land and all other documents related to the sale of this property on behalf of the Redevelopment Authority of the City of Bethlehem, same to be attested by the Secretary. Execution of the Contract by the Redevelopment Authority of the City of Bethlehem is further conditioned upon the approval of the City Council of the City of Bethlehem.

(Resolution Number 1432)

Mr. Bethel seconded the motion. The motion was unanimously approved. Resolution Number 1432 was unanimously adopted by the RDA.

EXECUTIVE DIRECTOR REPORT

Mr. Henninger asked Mr. Hanna to present any Executive Director report he may have for the Board at this meeting at this time. Mr. Hanna indicated that he did not have an Executive Director report to present at this time. He noted that the Bethlehem Armory item which was just presented as well as a few additional items requiring actions encompassed the activities of the RDA during this past month. He noted that he will be providing additional details on agenda items as this meeting continues.

RESOLUTION NUMBER 1433

Mr. Henninger stated that the RDA Board has been asked to review and consider for approval Resolution Number 1433, which allows for an increase in the amount included in the proposal from MaherDuessel to conduct the RDA audit for the fiscal periods ended June 30, 2014 and June 30, 2015.

Mr. Hanna noted that the cost for conducting this audit resulted in an amount greater than the amount MaherDuessel originally quoted the RDA in its original proposal from them. He explained that due to the significant increase in this cost, he was requesting the amount the RDA Board approved to pay to MaherDuessel for these services be increased to include these additional costs.

Mr. Bethel presented the following resolution to the Board and moved for its adoption by the Board.

WHEREAS, the Redevelopment Authority of the City of Bethlehem has retained the audit firm of MaherDuessel, Certified Public Accountants, to provide audit services for the fiscal years ended June 30, 2014 and June 30, 2015; and

WHEREAS, MaherDuessel submitted a proposal for audit services to the Redevelopment Authority on October 9, 2015 for an amount not to exceed \$30,000, and the proposal was approved and accepted by resolution number 1428, dated October 15, 2015; and

WHEREAS, during the course of the audit engagement for both fiscal years, MaherDuessel required more time to complete the required services and other additional services as proposed;

NOW, THEREFORE, BE IT RESOLVED, that the Redevelopment Authority of the City of Bethlehem agrees to amend the proposal from MaherDuessel, dated October 9, 2015 to reflect an increase in price to the new total sum of Forty-Eight Thousand Three Hundred and 00/100 Dollars (\$48,300.00).

(Resolution Number 1433)

Mr. Heckman seconded the motion. The motion was unanimously approved. Resolution Number 1433 was unanimously adopted by the RDA.

APPROVAL OF INVOICES – JULY 216

Mr. Henninger stated that the RDA Board has been asked to review and consider for approval the invoices as outlined on the July 2016 invoice summary. Costs incurred for the Bethlehem Works / TIF District project during July 2016 are included on this summary.

Mr. Bethel made a motion to approve the invoices as outlined on the July 2016 invoice summary for those costs incurred for the Bethlehem Works / TIF District project. Mr. Heckman seconded the motion. The motion was unanimously approved and the following payments were authorized to occur:

- 1) \$48,794.19 represents on-going / maintenance costs associated with projects located with the designated Bethlehem Works / TIF District site with payment of such costs to be made immediately following the RDA Board authorization and the completion of the transfer of funds from the RDA General Fund to the TIF Project Fund account. It is the understanding of the RDA Board that such a transfer will be reimbursed to the RDA General Fund upon receipt of additional TIF collections and/or other funds eligible to be used to pay such costs.
- 2) \$484.77 represents costs associated Phase II project costs with payment of such costs to be made immediately following the RDA Board authorization and the completion of the transfer of funds from the RDA General Fund to the TIF Project Fund account. It is the understanding of the RDA Board that such a transfer will be reimbursed to the RDA General Fund upon receipt of additional TIF collections and/or other funds eligible to be used to pay such costs.
- 3) \$6,059.40 represents reimbursement to the RDA from the Administrative Expense Fund account for administrative costs associated with the overall Bethlehem Works / TIF District project. The amount being paid is the balance available for such reimbursements to the RDA from the 2015-2016 allocation to this Administrative Expense Fund account.
- 4) \$9,730.45 represents reimbursement to the RDA from the Authority Fund account for administrative costs associated with Phase III of the Bethlehem Works / TIF District project.
- 5) \$8,666.19 represents reimbursement to the RDA from the TIF Authority Fund for administrative and other various costs associated with the overall Bethlehem Works / TIF District project.

RESOLUTION NUMBER 1434

Mr. Henninger stated that the RDA Board has been asked to review and consider for approval Resolution Number 1434, which pertains to the Otis Elevator Company maintenance agreement and the monthly maintenance fee for the Hoover-Mason Trestle elevator.

Mr. Hanna explained that the warranty with Otis Elevator Company for the Hoover-Mason Trestle elevator has expired. He noted that this elevator is heavily used and noted that the proposed agreement would allow this elevator to continue to be serviced for the RDA as necessary.

Mr. Heckman presented the following resolution to the Board and moved for its adoption by the Board.

WHEREAS, the service warranty for the elevator at the Hoover-Mason Trestle expired on May 31, 2016, and;

WHEREAS, Otis Elevator Company has provided the Redevelopment Authority of the City of Bethlehem with a proposed Elevator Maintenance Agreement, a copy of which is attached, and;

WHEREAS, the agreement is effective June 1, 2016 for a 12-month period, and;

WHEREAS, the monthly cost of this agreement is \$520 per month payable annually.

NOW, THEREFORE, BE IT RESOLVED, that the Redevelopment Authority of the City of Bethlehem accepts the proposal as presented for the period June 1, 2016 through May 31, 2016.

(Resolution Number 1434)

Mr. Bethel seconded the motion. The motion was unanimously approved. Resolution Number 1434 was unanimously adopted by the RDA.

RESOLUTION NUMBER 1435

Mr. Henninger stated that the RDA Board has been asked to review and consider for approval Resolution Number 1435, which allows the RDA to enter into an agreement for 2016 Community Development Block Grant (CDBG) funding from the City of Bethlehem.

Following this discussion, Mr. Heckman presented the following resolution to the Board and moved for its adoption by the Board.

WHEREAS, the City of Bethlehem is undertaking and carrying out a Community Development Program utilizing funds made available by the Federal Government under the provisions of Title I of the Housing and Community Development Act of 1974, as amended;

WHEREAS, the City has designated the Department of Community and Economic Development to undertake planning, execution, and administration of eligible activities in conjunction with the Community Development Program; and

WHEREAS, the City, acting through the Director of Department of Community and Economic Development, has previously authorized the Redevelopment Authority of the City of Bethlehem to act as its agent in the administration of its existing economic development loan portfolio; and

WHEREAS, the City will provide reimbursement to the Authority pertaining to various administrative costs generally described as Redevelopment Authority Administration and Delivery costs, acquisition and demolition costs, property maintenance costs, and costs associated with Section 108/TIF.

NOW, THEREFORE, BE IT RESOLVED, that the Redevelopment Authority of the City of Bethlehem hereby approves the attached Agreement with the City of Bethlehem which provides funds up to \$10,000 for various administrative costs generally described as Redevelopment Authority Administration and delivery costs, acquisition and demolition costs, property maintenance costs and costs associated with Section 108/TIF and which the Chairperson shall be authorized to sign said Agreement, same to be attested to be the Secretary.

(Resolution Number 1435)

Mr. Bethel seconded the motion. The motion was unanimously approved. Resolution Number 1435 was unanimously adopted by the RDA.

LERTA EXPANSION

Mr. Hanna asked Mr. Henninger to have the RDA Board to consider one additional item – the expansion of the LERTA area for the City of Bethlehem to include some additional neighborhoods within the City of Bethlehem. Mr. Hanna explained that the City of Bethlehem is proposing to include some neighborhoods in Center City Bethlehem as part of the LERTA area. He explained that the enabling legislation makes provisions for both the Planning Commission and the Redevelopment Authority to review the proposed boundary changes and provide comment and / or endorsement.

Mr. Hanna reminded the Board that he had forwarded to them the PowerPoint presentation done by the City of Bethlehem Department of Community and Economic Development which further explained this expansion. Mr. Hanna indicated that he was recommending the RDA support this expansion and requested that if the Board concurs with such support he be authorized to issue a letter, on behalf of the RDA, to the City of Bethlehem conveying that support.

Mr. Henninger stated that the RDA Board was being asked to consider supporting this expansion of the LERTA area to include neighborhoods located in Center City Bethlehem. He noted that such support could be done by motion and such motion should include an authorization for Mr. Hanna to provide the City of Bethlehem a letter of support for this expansion on behalf of the RDA.

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ADJOURNMENT

As there was no further business, Mr. Heckman made a motion to adjourn the meeting of the RDA. Mr. Bethel seconded the motion. The motion was unanimously approved and the meeting of the Bethlehem RDA was adjourned at 3:45 P.M.

Submitted by,

Heather M. Bambu
Board Secretary