

**REDEVELOPMENT AUTHORITY OF THE CITY OF BETHLEHEM
MAY 16, 2019**

Bethlehem City Hall – Room B-504
10 East Church Street
Bethlehem, PA 18018

MINUTES

The Board of the Redevelopment Authority of the City of Bethlehem met for a regular meeting on Thursday, May 16, 2019 at 3:00 P.M. in Room B-504 of Bethlehem City Hall, 10 East Church Street, Bethlehem, PA. The place, the hour and the date duly noted for the holding of this meeting was publicized. The location of this meeting was posted in various locations at Bethlehem City Hall due to its change in location.

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

Earl Bethel
Christopher Spadoni

The Chairman called a quorum present.

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

Guests present were: Eric Evans, Business Administrator for City of Bethlehem
 Olga Negron, City Council Liaison to the Bethlehem RDA
 Mark Sivak, Director of Financing for City of Bethlehem

RDA Board Members Dennis Cunerd and Jason Henninger contacted the RDA office prior to the meeting and indicated that they were unable to attend due to scheduling conflicts.

APPROVAL OF MINUTES

Mr. Bethel made a motion to approve the minutes of the April 18, 2019 regular meeting of the Redevelopment Authority. The minutes 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 minutes of the April 18, 2019 regular meeting of the Redevelopment Authority were approved.

COURTESY OF THE FLOOR

No guests present at the meeting had anything to share as part of the Courtesy of the Floor portion of the meeting.

EXECUTIVE DIRECTOR REPORT

Mr. Heckman turned the meeting over to Mr. Hanna for his Executive Director Report. Mr. Hanna presented a verbal report of events involving the RDA. He noted the following items:

- 1) **Casino Sale** – Mr. Hanna stated that the sale of the Sands Casino to Wind Creek is expected to occur prior to the end of May 2019. He indicated that he is hopeful that Wind Creek will move ahead with the building of an additional hotel on the site as well as development of the Number 2 Machine Shop parcel. He noted that all will have a positive impact to the site. He also noted that indications are these developments will also result in the completion of the last portion of the Hoover-Mason Trestle. Mr. Hanna added that after closing the Mayor has indicated a desire to meet with the principals of Wind Creek to see how the City of Bethlehem and Bethlehem RDA can assist them, especially with these upcoming projects.
- 2) **Skyline West** – Mr. Hanna noted that work is still being done to resolve this right-of-way with PennDot. He added that a resolution has been identified but the timing of this resolution is still being addressed.

RESOLUTION NUMBER 1460

Mr. Heckman stated that the RDA Board has been asked to review and consider for approval Resolution Number 1460, which authorizes the RDA to provide conduit financing services to Moravian College.

Mr. Hanna explained that while he did not actively solicit being involved in this financing with Moravian College, the RDA was approached to be involved in this transaction. Mr. Hanna explained that Moravian College is located in both Lehigh County and Northampton County and since the RDA can provide these conduit financing services it allowed the financing to occur as a single transaction, rather than having to involve both counties.

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

**REDEVELOPMENT AUTHORITY OF THE CITY OF BETHLEHEM
CONDUIT FINANCING WITH MORAVIAN COLLEGE**

WHEREAS, the Redevelopment Authority of the City of Bethlehem (the “Authority”) is a public instrumentality of the Commonwealth of Pennsylvania and a public body corporate and politic organized and existing under Urban Redevelopment Law, Act of 1945, Act of May 24, 1945, P.L. 991, as amended and supplemented (the “Act”); and

WHEREAS, Moravian College (the “College”), a Pennsylvania not-for-profit corporation and a charitable organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), has requested the assistance of the Authority in connection with financing of all or any of the following: (1) the design, construction, renovation, equipping and furnishing of improvements and additions to the existing facilities of the College, including, but not limited to, renovations and improvements to The Sports Medicine and Rehabilitation Center, The Hauptert Union Building and The Athletics and Recreation Center and the acquisition and installation of boilers for the College’s Hurd Campus; (2) site and infrastructure improvements and various other capital improvements to the College’s existing facilities and the acquisition of capital equipment for use in or in connection with the facilities of the College; and (3) funding contingencies and paying all or a portion of the costs and expenses of issuance of the hereinafter defined Revenue Notes (collectively, the “Project”); and

WHEREAS, the Authority desires to finance the Project through the sale of one or more series of its College Revenue Notes (Moravian College Project) (collectively, the “Revenue Notes”), in an aggregate principal amount not to exceed \$6,000,000; and

WHEREAS, the Revenue Notes will be purchased by a lender (the “Bank”) to be selected by the College, pursuant to the terms of a Commitment Letter from the Bank to the College as such letter may be amended and supplemented from time to time (the “Bank Commitment”); and

WHEREAS, after inquiry, and based upon the representation of the College, the Authority has determined that the financing of the Project through the issuance of the Revenue Notes will serve the purposes of the Act; and

WHEREAS, certain action is required to be taken by the Authority as a prerequisite to the issuance and sale of the Revenue Notes;

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

1. This Board hereby (i) approves the request of the College and agrees to assist in the financing of the Project and (ii) authorizes the issuance of the Revenue Notes.
2. For the purpose of financing the Project through the issuance of the Revenue Notes, the Authority (a) hereby approves the issuance and sale of one or more series of its College Revenue Notes (Moravian College Project), in an aggregate principal amount not to exceed \$6,000,000 and (b) shall execute the Bank Commitment, if required, such Bank Commitment to be substantially on such terms and conditions as may be acceptable to the College, the Authority and counsel to the Authority.

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3. The Authority shall enter into a Loan Agreement with the College (the “Agreement”), such Agreement to be substantially on such terms and conditions as may be acceptable to counsel to the Authority. Pursuant to the Agreement, the Authority will loan the proceeds of the Revenue Notes to the College and the College will agree, among other things, to make certain loan repayments in amounts and at times equal to the principal of, premium, if any, and interest on the Revenue Notes.
4. The Authority shall enter into an Assignment of Loan Agreement and College Note (the “Assignment”) pursuant to which the Authority shall assign all of its right, title and interest (except for its right to indemnification and payment of its fees and expenses) in and to the Agreement and the loan payments to be paid by the College thereunder to the Bank.
5. The Chairman or Vice-Chairman of the Authority are hereby authorized, empowered and directed to execute, attest, acknowledge and deliver, as applicable, the Bank Commitment, if required, the Agreement and the Assignment, all substantially in the forms of such instruments as may be acceptable to counsel to the Authority, with such terms and conditions therein or modifications thereto as such counsel may approve, their execution and delivery thereof to constitute conclusive evidence of such approval.
6. The Authority hereby authorizes the issuance, delivery and sale of the Revenue Notes, in fully registered form, in one or more series in an aggregate principal amount not to exceed \$6,000,000. The terms and conditions of the Revenue Notes (including, without limiting the generality of the foregoing, the series designation, the interest rates, interest payment dates, maturity dates and redemption provisions thereof) and the form of the Revenue Notes shall be approved by the College and Bond Counsel and shall be acceptable to the officers of the Authority who execute and deliver the Revenue Notes, its execution and delivery thereof to constitute conclusive evidence of such approval.
7. The Chairman or Vice-Chairman of the Authority are hereby authorized, empowered and directed to execute, by true or facsimile signature, the Revenue Notes, and to cause to be affixed thereto the facsimile of or the true corporate seal of the Authority, and the Secretary or Assistant Secretary of the Authority is authorized, empowered and directed to attest, by true or facsimile signature, the execution of the Revenue Notes and the affixing of the corporate seal; and such officers of the Authority are authorized and directed to deliver the Revenue Notes to the Bank.

Neither the general credit of the Authority nor the general credit or taxing power of the Commonwealth of Pennsylvania (the “Commonwealth”) or any political subdivision thereof, including, without limitation, the City of Bethlehem (the “City”) is pledged for the payment of the Revenue Notes. The Revenue Notes will not be an obligation of the City or of the Commonwealth or any political subdivision thereof. The Authority has no taxing power.

Notwithstanding any other provision of this Resolution, the Revenue Notes, 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 from amounts paid by the College under the provisions of the Agreement or from any other monies held by or available to the Bank or the Authority pursuant to the Agreement. No recourse shall be had for the payment of principal, or redemption price of, or interest or premium on the Revenue Notes or for any other claim based on the Revenue Notes or any other document, instrument or agreement delivered in connection with the issuance of the Revenue Notes, 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.

8. The Chairman or Vice-Chairman of the Authority is authorized and directed to execute and deliver appropriate closing certifies and other certificates, instruments, elections, letters, financing statements, documents and agreements in connection with the issuance and sale of the Revenue Notes and the use, deposit and disposition of the proceeds of the Revenue Notes as may be required by Bond Counsel and counsel to the Authority.
9. The Chairman or Vice-Chairman are authorized and directed to proceed promptly with the undertaking herein contemplated. Such officers are authorized, empowered and directed to do any and all acts and things and to execute and deliver any and all documents, agreements, instruments, security documents or certificates that may be necessary, proper or desirable to effect the transactions contemplated by this Resolution, including, but not limited to, the execution and delivery of such documents, instruments, certificates, agreements, financing statements, letters, etc. as may be reasonably requested by Bond Counsel and as may be approved by counsel for the Authority. The execution and delivery, by the Chairman or Vice-Chairman of the Authority, of any and all such documents, instruments, or certificates that may be necessary, proper or desirable to effect the transactions contemplated by this Resolution shall constitute conclusive evidence of approval of any such document, instrument or certificate, as applicable, by the Authority.

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10. The Chairman or Vice-Chairman of the Authority are each authorized to execute and cause to be filed the Form 8038 and any other letters, elections, statements, certificates, documents or instruments that may be necessary in the opinion of Bond Counsel and counsel to the Authority to assure and maintain the tax-exempt status of the Revenue Notes as required by the Code and the regulations promulgated thereunder. The execution and delivery, by any officer of the Authority, of the Form 8038 and any and all such other letters, elections, statements, certificates, documents or instruments, shall constitute conclusive evidence of approval of any and all such other letters, elections, statements, certificates, documents or instruments by the Authority.
11. In accordance with the provisions of Section 265(b)(3) of the Code, this Authority hereby finds, determines and designates each of the Revenue Note as a “qualified tax- exempt obligation” as defined in Section 265(b)(3)(B) of the Code, for the purposes of Section 265(b) of the Code, and shall have authority to issue a declaration to effectuate such election. The Authority determines that it and all entities with which it is aggregated under Section 265(b)(3)(E) of the Code have not issued, and do not reasonably expect to issue, tax-exempt obligations which, in the aggregate, exceed or will exceed Ten Million Dollars (\$10,000,000) during the calendar year 2019. The Authority also determines that it will not engage in any action or inaction which will or may cause the Revenue Note to fail or cease to constitute “qualified tax-exempt obligations” under Section 265(b)(3) of the Code.
12. The Authority approves, ratifies and confirm all action heretofore taken by officers and other persons in the name or on behalf of the Authority in connection with the undertakings herein contemplated.
13. The Revenue Notes will be limited obligations of the Authority, payable solely from proceeds of the Revenue Notes and from amounts paid by the College under the Agreement. Neither the credit nor the taxing power of the City or the Commonwealth or of any political subdivision thereof is pledged for the payment of the Revenue Notes, nor shall the Revenue Notes be deemed an obligation of the City or of the Commonwealth or of any political subdivision thereof. No recourse shall be had against the Authority on the Revenue Notes. No recourse shall be had against the Authority on the Revenue Notes. No recourse shall be had on the Revenue Notes against the Authority or any successor body or 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. None of the Authority’s members, officers or employees shall be obligated in any way for any costs, expenses, fees or other obligations or liabilities incurred or imposed in connection with the Revenue Note, whether incurred prior to, on, or after the date of issuance of the Revenue Notes.
14. 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 Revenue Notes have been or will be complied with.
15. The Authority hereby approves the appointment of Stevens & Lee, P.C. Allentown, Pennsylvania, as Bond Counsel in connection with the Project and the issuance of the Revenue Notes.
16. All attorney fees, commitment fees, and all other professional and advisory fees incurred in connection with the Project shall be paid by the College. The Authority shall have no liability with respect to such costs.
17. The Resolution shall become effective immediately.
18. In the event any provision, section, sentence, clause or part of the Resolution shall be held to be 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 Authority that such remainder shall be and shall remain in full force and effect.
19. All resolutions or parts of resolutions inconsistent herewith are repealed
(Resolution Number 1460)

Mr. Bethel seconded the motion. The motion was unanimously passed. As a result, Resolution Number 1460 was unanimously adopted by the RDA Board.

RESOLUTION NUMBER 1461

Mr. Heckman stated that the RDA Board has been asked to review and consider for approval resolution Number 1461, which authorizes Vitko Lawn Service to provide various landscaping and maintenance services for the RDA at Steel Stacks, located within the designated Bethlehem Works / TIF District.

Mr. Hanna noted that ArtsQuest is responsible for most landscaping maintenance at the Steel Stacks campus, but added that the RDA has been doing some flower beds at the Bethlehem Landing Visitor Center and Levitt Pavilion area.

Mr. Spadoni indicated a desire to see the RDA ween the services it provides to the Steel Stacks Campus and to shift such responsibility more to the stakeholders at the site. Mr. Hanna indicated that the RDA has decreased the amount of services it continues to provide at the site and added that he has started discussions with ArtsQuest in preparation for upcoming lease negotiations. Mr. Hanna explained that he would like an RDA Board member to join him during these negotiations.

Mr. Hanna explained that his goal is to have the Levitt Pavilion be self-sufficient and to gain some sponsorship assistance for the Hoover-Mason Trestle. Mr. Hanna also added that ArtsQuest does pay a majority of the costs at the Bethlehem Landing Visitor Center, but indicated his goal is ween them even more in that area as well.

Following this discussion, 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 (RDA) has been sharing in the cost of maintenance of the landscaped areas and planting beds at the SteelStacks Campus with ArtsQuest and with PBS 39 since the project's inception, and

WHEREAS, ArtsQuest has agreed to assume more responsibility for on-going maintenance at the site, in particular as it relates to the areas around the Levitt Pavilion and the Visitor Center, and

WHEREAS, in 2018 both ArtsQuest and the RDA had contracted with Integrity Lawncare and Landscape Service, LLC for this work, and

WHEREAS, in 2019 ArtsQuest solicited proposals and pricing from several other services for landscape and lawncare services, and

WHEREAS, Vitko Lawn Service was recommended as the best provided based on preliminary pricing and on customer recommendations.

NOW, THEREFORE, BE IT RESOLVED, that the RDA will contract with Vitko's Lawn Service to provide spring cleanup, fall cleanup and bed maintenance at SteelStacks for 2019.
(Resolution Number 1461)

Mr. Spadoni seconded the motion. The motion was unanimously passed. As a result, Resolution Number 1461 was unanimously adopted by the RDA Board.

APPROVAL OF INVOICES – MAY 2019

Mr. Heckman stated that the RDA Board has been asked to review and consider for approval the invoices / reimbursements as outlined on the May 2019 invoice summary.

Mr. Spadoni made a motion to approve of the payments / invoices as outlined on the May 2019 invoice summary. Mr. Bethel seconded the motion. The motion was unanimously approved and the following payments were approved:

- 1) \$5,747.70 represents costs associated with On-Going and Maintenance Costs and payment of such costs to be made from the Authority Fund account.

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- 2) \$11,399.77 represents reimbursement to the RDA from the Administrative Expense Fund account for administrative costs related to the overall Bethlehem Works / TIF District.
- 3) \$395.21 represents reimbursement to the RDA from the Authority Fund account for various costs related to the Bethlehem Works / TIF District.

2019-2020 ANNUAL ADMINISTRATIVE BUDGET

Mr. Heckman stated that the RDA Board has been asked to review and consider for approval the proposed 2019-2020 Annual Administrative Budget for the period of July 1, 2019 through June 30, 2020. He added that approval of this budget can be done via motion as has been done in the past.

Following a review of the proposed budget, Mr. Spadoni made a motion to approve the 2019-2020 Annual Administrative Budget, as presented, for the RDA period of July 1, 2019 through June 30, 2020. Mr. Bethel seconded the motion. The motion was unanimously approved. The 2019-2020 Annual Administrative Budget for the period of July 1, 2019 through June 30, 2020 was unanimously adopted by the RDA.

OTHER BUSINESS

Mr. Hanna explained that the Mayor has requested the RDA, as well as other Authorities and Commissions, conduct their meetings at a later time in the day when more members of the community can attend. He further explained that a request has been made that meetings begin at 6:00 PM or 7:00PM and that such a change would occur for the 2020 meeting schedules. He also noted that the meetings are being asked to occur in Town Hall so that public streaming and video recording of all meetings can occur. He further noted that this change will allow more of the public to attend as well as view the meetings online.

Following Board discussion on this matter, the RDA Board requested Mr. Hanna discuss with the Mayor about the RDA having its meetings at 5:00 PM on the 4th Thursday of each month. The Board noted that by having the RDA meetings at 5:00 PM it will allow Town Hall to be available for an additional meeting to be held there later in the same evening as well. Mr. Hanna stated that he would discuss this with the Mayor and report back to the Board following their discussion.

ADJOURNMENT

As there was no further business, Mr. Spadoni 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-Weiss
Board Secretary