

**REDEVELOPMENT AUTHORITY OF THE CITY OF BETHLEHEM
JANUARY 19, 2017**

A-205 – Public Safety Building
Bethlehem City Hall
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, January 19, 2017 at 4:00 P.M. in Room A-205 of the Public Safety Building at 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.

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

Earl Bethel
Ronald Heckman
Christopher Spadoni

The Chairman called a quorum present.

Also present were: Tony Hanna, Executive Director
 Heather M. Bambu, Board Secretary

RDA Board Member Dennis Cunerd contacted the RDA office prior to the meeting and indicated that he was unable to attend due to a work conflict. RDA Solicitor Michael Riskin contacted the RDA office prior to meeting and indicated he was unable to attend due to being out-of-town.

APPROVAL OF MINUTES

Mr. Bethel made a motion to approve the minutes of the December 15, 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 December 15, 2016 regular meeting of the Redevelopment Authority were approved.

FINANCIAL REPORTS

The Financial Reports for the month ended November 30, 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 November 30, 2016 be accepted as presented. Mr. Bethel seconded the motion. Motion unanimously carried and the cash reports for the month ended November 30, 2016 were accepted as presented.

COURTESY OF THE FLOOR

Since no guests were present at this meeting, Mr. Henninger asked if any of the guests wanted to address the RDA at this time. No one in attendance addressed the RDA during this courtesy of the floor portion of the meeting.

EXECUTIVE DIRECTOR REPORT

Mr. Henninger turned the meeting over to Mr. Hanna for his Executive Director Report. Mr. Hanna did not have a written report for the RDA Board but updated the Board as follows:

1. **Sands Project Sites** - Mr. Hanna stated through meetings with the Sands he has learned that the Sands Casino expansion is continuing to develop and noted that a new hotel is in the plans as well. He also noted that he has been working with a prospective developer for the Number 2 Machine Shop at the project site. Mr. Hanna explained that after meeting with this prospective developer and his touring the project site location, a presentation has been made to the Sands regarding this project concept by the prospective developer.

RESOLUTION NUMBER 1440

Mr. Henninger stated that the RDA Board has been asked to review and consider for approval Resolution Number 1440, which amends the previously approved resolution number 1438 involving the ArtsQuest conduit financing. Mr. Hanna reminded the Board that ArtsQuest has taxable debt and noted that this transaction would allow this debt to become tax exempt with the use of the RDA as a conduit agency. Mr. Hanna explained that while ArtsQuest wanted to close by the end of 2016, it was not able to occur due to various processing matters. Therefore, Mr. Hanna stated, ArtsQuest is hoping to close by January 31, 2017. He noted that the resolution being considered reflects this change in closing year to 2017.

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

REDEVELOPMENT AUTHORITY OF THE CITY OF BETHLEHM
BOND RESOLUTION NUMBER 1440

AUTHORIZING THE FINANCING OF A PROJECT FOR ARTSQUEST THROUGH THE ISSUANCE OF A DEBENTURE BY THE AUTHORITY; AUTHORIZING THE EXECUTION AND DELIVERY OF THE DEBENTURE AND A DEBENTURE PURCHASE AND LOAN AGREEMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF OTHER NECESSARY DOCUMENTS; AND AUTHORIZING OTHER NECESSARY ACTION.

WHEREAS, the Redevelopment Authority of the City of Bethlehem (the "Authority") is organized and existing under the laws of the Commonwealth of Pennsylvania (the "Commonwealth") pursuant to the Pennsylvania Urban Redevelopment Law (P.L. 991, approved May 24, 1945, 35 P.S. § 1701 *et seq.*), as amended (the "Act"), established by the City of Bethlehem (the "City") for the public purpose of alleviating unemployment, maintaining employment at a high level, eliminating and preventing blight, and creating and developing business opportunities by the construction improvement, rehabilitation, revitalization and financing of industrial, commercial and other economic activities; and

WHEREAS, ArtsQuest (the "Borrower") is a non-profit corporation duly created and validly existing under laws of the Commonwealth of Pennsylvania; and

WHEREAS, the Borrower has applied to the Authority for financial assistance in an aggregate principal amount not to exceed \$7,500,000 which will be used by the Borrower to (1) refinance certain taxable debt obligations of the Borrower (the "Refunding"), the proceeds of which were used to fund certain capital expenditures of the Borrower; and (2) fund the costs of issuance of the financing (the "Costs of Issuance" and, together with the Refunding, the "Project");

WHEREAS, pursuant to a Debenture Purchase and Loan Agreement or other loan or financing agreement (collectively, the "Agreement") by and among the Authority, the Borrower and PNC Community Development Company, LLC, as lender ("PNC"), the Authority intends to issue its Revenue Debenture (ArtsQuest Project) Series 2016 (the "Debenture"), the proceeds of which will be loaned by the Authority to the Borrower to finance the Project; and

WHEREAS, the Debenture will be secured by a pledge by the Borrower of its Gross Revenues, which pledge shall be secured by a first mortgage lien on the ArtsQuest Center, as defined and further described in the Agreement and in a Mortgage and Security Agreement to be entered into by the Borrower and PNC; and

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WHEREAS, the Authority adopted a resolution on December 15, 2016 approving the financing (the “2016 Resolution”) with an expectation at that time that the transaction would close prior to January 1, 2017; and

WHEREAS, the transaction authorized under the 2016 Resolution has been delayed and could not close prior to January 1, 2017; and

WHEREAS, notice of a TEFRA hearing has been timely published in the *Express Times* and the issuance of the Debenture has been approved by the Mayor of the City; and

WHEREAS, the Authority desires to authorize the issuance, execution and delivery of the Debenture and the undertaking of the Project, and desires to authorize its Chairperson, Vice-Chairperson, Secretary and Assistant Secretary to execute, on behalf of the Authority, the Debenture, the Agreement and such other instruments and documents as shall be necessary or appropriate.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE REDEVELOPMENT AUTHORITY OF THE CITY OF BEHLEHEM AS FOLLOWS:

1. Approval of the Project and the Agreement. In accordance with the purposes and objectives of the Act, the Authority hereby authorizes, approves and undertakes the Project as described in the recitals of this Resolution, and the plan of finance for the Project as described in the recitals of this Resolution and in the Agreement, subject to such modifications as the Chairperson, Vice-Chairperson, Secretary or Assistant Secretary of the Authority and counsel to the Authority and bond counsel, shall approval of such modifications to be evidenced by the execution of the Agreement by the Chairperson, Vice-Chairperson, Secretary or Assistant Secretary of the Authority.
2. Authorization of the Agreement and the Assignment of Rights under the Agreement. The Authority is hereby authorized to enter into the Agreement, and to loan the net proceeds of the Debenture to the Borrower to finance the Project. The Authority is hereby authorized to assign, transfer and pledge all of its rights under the Agreement (other than certain reserved rights), and all of its rights under any instrument executed by the Borrower evidencing the Borrower’s repayment obligation resulting from the loan of the proceeds of the Debenture, to PNC pursuant to the Agreement. The Agreement shall be in such form as shall be approved by the Chairperson, Vice-Chairperson, Secretary or Assistant Secretary of the Authority, with such approval to be conclusively evidenced by the execution thereof by such officer.
3. Authorization of the Debenture. In order to provide funds to pay the costs of the Project, the Authority hereby authorizes the issuance of up to \$7,500,000 aggregate principal amount of Debenture. The Debenture shall mature, bear interest and be subject to the other terms and provisions as set forth in the Agreement. The Debenture shall be in such form as shall be approved by the Chairperson or Vice-Chairperson of the Authority, with the advice and assistance of counsel to the Authority and bond counsel, such approval to be conclusively evidenced by the execution thereof as provided in Section 4 hereof.

The Debenture shall be a limited obligation of the Authority payable only out of the payments made by the Borrower under the Agreement. The Bond shall not be in any way a debt or liability of the Commonwealth, the City or of any other political subdivision and shall not create or constitute any indebtedness, liability or obligation of the Commonwealth, the City or any other political subdivision, legal, moral or otherwise, nor shall the Debenture be payable out of any funds, revenues or properties of the Authority other than those pledged therefor. Neither the general credit of the Authority nor the credit or taxing power of the City, the Commonwealth or any other political subdivision thereof is pledged to the payment of the principal or purchase price of the Debenture or interest thereon or any premium or other cost incident thereto. The Authority has no taxing power.

4. Execution and Issuance of Debenture. The Chairperson or Vice-Chairperson of the Authority is hereby authorized to execute the Debenture by manual or facsimile signature; the Secretary or any Assistant Secretary of the Authority is hereby authorized to attest by manual or facsimile signature and impress or cause to be imprinted the seal of the Authority on the Debenture, and following such execution, such officers of the Authority are hereby authorized to deliver or to cause to be delivered the Debenture to the registered owner thereof, against receipt of the purchase price of the Debenture, and to loan the proceeds of the Debenture to the Borrower, as provided in the Agreement.

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5. Authorization of Tax Certificate. The Authority hereby authorizes and directs the preparation and execution by the Chairperson, Vice-Chairperson, Secretary or Assistant Secretary to the Authority of a Federal Tax Certificate pursuant to the Internal Revenue Code of 1986, as amended, in connection with the issuance of the Debenture.

The Authority hereby represents and warrants, after due investigation and to the best of its knowledge, that (i) the Debenture is not a “private activity bond” within the meaning of Section 141 of the Code, and (ii) the aggregate face amount of “qualified tax-exempt obligations” within the meaning of Section 265(b)(3)(B) of the Code deemed issued by the Borrower (and all entities which need to be aggregated with the Borrower under the Code) during the 2017 calendar year, including the Debenture, is not reasonably expected to exceed \$10,000,000. The Authority hereby designates the Debenture as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3)(B) of the Code.

6. Execution and Delivery of Financing Documents. The Chairperson, Vice-Chairperson, Secretary or Assistant Secretary of the Authority are hereby authorized to execute and deliver, in the name of the Authority and on its behalf, such other documents, agreements, security agreements, assignments, financing statements, instruments and certifications as counsel to the Authority, bond counsel and such executing officer shall determine to be reasonable and appropriate to provide for the issuance of the Debenture and to complete the Project.

Copies of the foregoing documents, together with the other documents relating to the transaction authorized hereby, in hard copy or electronic form, as executed and delivered by the parties thereto, shall be filed in the official records of the Authority.

7. Binding Effect of Covenants and Agreements. All covenants, obligations and agreements of the Authority set forth in this Resolution and in the documents authorized hereby shall be deemed to be the covenants, obligations and agreements of the Authority to the full extent authorized and permitted by law, and all such covenants, obligations and agreements shall be binding upon the Authority and its successors from time to time and upon any board or body to which any powers or duties affecting the same shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Authority or the members thereof by the provisions of this Resolution of the documents authorized hereby shall be exercised or performed by such members, officers or other representatives of the Authority as may be required or permitted by law to exercise or perform the same. No covenant, obligation or agreement herein contained in any documents authorized hereby shall be deemed to be a covenant, obligation or agreement of any member, officer, agent or employee of the Authority in his or her individual capacity and neither the members of the Authority nor any officer executing the Agreement, the Debenture or any other documents authorized by this Resolution shall be liable personally thereunder or be subject to any personal liability or accountability by reason of the execution and delivery thereof.
8. Origination Fee. The Authority may charge the Borrower an origination fee in connection with the Debenture to defray the expenses incurred in connection with the authorization and approval of the Debenture and the Project. Any fee shall be in an amount mutually agreed upon by the Authority and the Borrower.
9. Further Action. Any officer or member of the Authority is hereby authorized and directed to execute such further documents, instruments and certificates and do such further things as may be necessary or proper to carry out the intent and purpose of this Resolution and any document herein authorized.
10. Appointment of Bond Counsel. The Authority hereby appoints Ballard Spahr, LLP as Bond Counsel and authorizes them to proceed with the issuance of the Debenture.
11. Repeal of Inconsistent Resolution. The 2016 Resolution and all other prior resolutions or parts thereof inconsistent herewith are hereby repealed to the extent of such inconsistency.
12. Effective Date. This Resolution shall take effect immediately.

(Resolution Number 1440)

Mr. Bethel seconded the motion. The motion was unanimously passed. As a result, Resolution Number 1440 was unanimously approved and adopted by the RDA.

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RESOLUTION NUMBER 1441

Mr. Henninger stated that the RDA Board has been asked to review and consider for approval Resolution Number 1441, which approves the RDA submission for the Rudy Bruner Award for Urban Excellence as well as approves payment to Darl Rastorfer for preparing this submission for the RDA.

Mr. Hanna explained that the Rudy Bruner Award is an award for projects that make an impact in an urban area. Mr. Hanna added that two (2) years ago the RDA applied for this award but did not receive it because the committee considered the project a bit ‘young’ at that point in time. He indicated that comments received at that time encouraged the RDA to reapply for the award in the future, which is what was occurring with this most recent submission. Mr. Hanna noted that a cash prize is associated with this award.

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

WHEREAS, the Rudy Bruner Award for Urban Excellence (RBA) is a national design award that recognizes transformative urban places distinguished by their economic and social contributions to America’s cities. Founded in 1986 by architect Simeon Bruner, the award promotes innovative thinking about the built environment by celebrating and sharing the stories of creative and inspiring urban development; and

WHEREAS, one gold medal and four silver medals are awarded each biennial, with the gold medalist receiving a \$50,000 cash prize and each silver medalist receiving \$10,000. To be eligible, projects must be urban, built (not just a plan or a program) and in operation for long enough to demonstrate impact, and located within the continental United States; and

WHEREAS, the Redevelopment Authority of the City of Bethlehem applied for an RBA in 2015 and was unsuccessful in our application but we received favorable feedback from the Bruner Foundation on our submission; and

WHEREAS, the Redevelopment Authority has applied again for 2017 for an RBA utilizing the services of Darl Rastorfer Communications to assist in the preparation of the application and compilation of all related materials, photos and plans for submission.

NOW, THEREFORE BE IT RESOLVED THAT, the Redevelopment Authority endorses the new submission for the RBA and that Darl Rastorfer Communications be paid \$8,400 for their work on the submission and other collateral materials.

(Resolution Number 1441)

Mr. Heckman seconded the motion. The motion was unanimously passed. As a result, Resolution Number 1441 was unanimously approved and adopted by the RDA.

APPROVAL OF INVOICES – JANUARY 2017

Mr. Henninger stated that the RDA has been asked to review and consider for approval the invoices / reimbursement as outlined on the January 2017 invoice summary.

Mr. Heckman made a motion to reaffirm the approval of the invoices as outlined on the January 2017 invoice summary. Mr. Bethel seconded the motion. The motion was unanimously approved and the following payments were authorized to occur:

- 1) \$68,400 represents costs associated with Misc. TIF project costs and payment of such costs to be made from the 2016 financing funds.
- 2) \$15,416.25 represents reimbursement to the RDA from the TIF Administrative Expense Fund account for administrative costs associated with the overall Bethlehem Works / TIF District project.

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ANNUAL MEETING

Chairman Henninger turned the meeting over to Mr. Hanna, who temporarily assumed the office of Chairman for the 2017 Annual Meeting and the election of officers. Mr. Hanna began by reviewing the 2016 slate of officers.

Mr. Spadoni made a motion that the 2016 slate of officers be kept the same for 2017 and that this slate be adopted for 2017. Mr. Heckman seconded the motion. The motion was unanimously approved.

As a result of this motion and the unanimous vote, the following slate of officers was created for the Redevelopment Authority for 2017.

Redevelopment Authority of City of Bethlehem	
Slate of Officers – 2017	
Chairman	Jason Henninger
Vice-Chairman	Ronald Heckman
Treasurer	Earl Bethel
Secretary	Heather M. Bambu
Assistant Secretary	Christopher T. Spadoni, Esq.
Assistant Treasurer	Dennis Cunerd

Mr. Hanna asked that the next item of business be the re-appointment of Michael E. Riskin, Esq. as Solicitor for the Redevelopment Authority. Mr. Henninger made a motion to re-appoint Michael E. Riskin, Esq. as Solicitor for the Redevelopment Authority. Mr. Bethel seconded the motion. The motion was unanimously approved and Michael E. Riskin, Esq. was re-appointed Solicitor for the Redevelopment Authority.

The RDA Board unanimously voted to re-appoint Michael E. Riskin, Esq. as Solicitor for the Redevelopment Authority.

Mr. Hanna asked that the final item of business for the RDA Annual meeting be the setting of the meeting time and date for the 2017 RDA monthly Board meetings. The RDA Board unanimously voted to set the 2017 meetings for the third (3rd) Thursday of each month at 4:00 P.M. in room A-2015 of the Public Safety Building a Bethlehem City Hall.

Mr. Hanna turned the meeting to Mr. Henninger who resumed the position of Chairman.

GENERAL DISCUSSION

H. Frances Doyle – Mr. Hanna noted the passing of long-time RDA Board member, H. Frances Doyle, on January 13, 2017. It was noted that although her service to the RDA ended a few years ago she had served on the RDA Board for approximately 20-years.

The RDA Board expressed great gratitude for her years of service to the RDA, as well as to the entire Bethlehem community and beyond. The RDA Board unanimously approved a donation, in the amount of \$250.00, be made to Stephen's Place, a charity of choice for Ms. Doyle, to serve as a memorial of her passing.

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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 4:20 P.M.

Submitted by,

Heather M. Bambu
Board Secretary