

MINUTES FROM THE BETHLEHEM REVITALIZATION AND IMPROVEMENT AUTHORITY (BRIA)

October 19, 2023
3:30 p.m.

1.0 Call to Order

A meeting of the **Bethlehem Revitalization and Improvement Authority (BRIA)** was held at 3:30 p.m. on Thursday, October 19, 2023 at Town Hall located at 10 East Church Street, Bethlehem, Pennsylvania.

Ms. Collins called the meeting to order.

2.0 Roll was taken as follows:

Authority: Laura Collins
Ann McHale - Absent
Donna Taggart
John Filipos
Mark Jobes

Solicitor: Edward Andres

Staff in attendance: Alicia Miller Karner
Christopher Jones
Denise Rider

3.0 Public Comment

None

4.0 Approval of Minutes dated August 22, 2023

There are no additions or corrections. A motion to approve the minutes was made by Mr. Filipos and seconded by Ms. Taggart. Being no further discussion, the motion was approved 3-0.

5.0 Treasurer's Report

Mr. Filipos reported that the BRIA has a revenue of \$9,253.00, expenses are \$5,375.00, net income is \$8,055.00, and cash balance is \$195,500. BRIA has no liabilities. A motion to approve the Treasurer's Report was made by Mr. Filipos and seconded by Ms. Taggart. The Treasurer's Report was then approved 3-0.

6.0 Old Business

None

7.0 New Business

Ms. Collins noted that we will be discussing items 7.1 and 7.2 together. Ms. Karner stated that BRIA received 2 applications for medical offices located at 1480 and 1490 8th Avenue. Each of these locations have their own resolutions that will be voted on. Lehigh Valley Health Network plans to fill these buildings. One building is 40,000 square feet and the other is 60,000 square feet. The reason this request is before BRIA is because it was not included in the 2023 application. Ms. Karner noted that the parcels have been in the CRIZ since the application was initially filed, however the project has changed. She noted that BRIA's role is to consider these projects separately and pass 2 separate resolutions to forward the application to the Commonwealth for consideration. Ms. Karner then described the projects as 3 story medical office buildings with expected total investment of \$19 million and \$25 million, respectively. There will also be different CRIZ tax revenue generations based on size and construction CRIZ revenue per parcel. The Commonwealth usually comes back with questions. After their questions are answered, the next step will be financing the project. Ms. Karner noted that Mr. Ronca, the developer of the property is in attendance to answer any questions. Ms. Taggart asked Ms. Karner what else might the Commonwealth be looking for. Ms. Karner stated that some of the items they may ask are; how do they track, will they be creating new entities, will they separate out the way they manage the facility from other buildings. Mr. Filipos asked Ms. Karner if there is a height restriction. She stated that 3 stories is not a City restriction but deferred to Mr. Ronca for detail. There were no further comments from Mr. Ronca or questions from the board.

Ms. Collins requested a motion to approve resolutions 2023-01 and 2023-02.

7.1 MT-LVHN40, LLC

A motion was made by Ms. Taggart and seconded by Mr. Filipos to approve resolution 2023-01. The vote passed 3-0.

7.2 MT-LVHN60, LLC

A motion was made by Mr. Filipos and seconded by Ms. Taggart to approve resolution 2023-02. The vote passed 3-0. After the vote passed Ms. Taggart asked Mr. Ronca for the status of the rest of the site. Mr. Ronca stated that they are working on the project consistently and it is in motion. He noted that they will have substantial housing and probably build more commercial uses.

7.3 Creation of a Revolving Line of Credit

Ms. Collins deferred to Ms. Karner for explanation on this agenda item. Ms. Karner discussed some of the information mentioned in a memo dated October 12, 2023 that was provided to the Authority in the packet for this meeting. She noted that the legislation allowed the CRIZ Authority to

create a revolving loan fund. This will allow BRIA to set up a fund to assist tenants and small business owners with CRIZ eligible investments.

Mr. Jobes arrived at this point of the meeting.

Ms. Karner stated the City of Bethlehem has been working on this for several months. The commitment letter from Fidelity Bank allows the Authority to establish a revolving line of credit which will at any time give us up to \$250,000 to use to incentive business development with the CRIZ. Ms. Karner stated that at the end of each year there is excess increment to invest in CRIZ eligible projects or return to the Commonwealth. Previously, the money was used to benefit individual CRIZ projects, the Polk Street garage and the improvements to South New Street. Since the increment is not known until later in the year, there is a challenge to identify what to present to the BRIA for allocation. The revolving line of credit will draw on these funds, put them in the bank account and repay the bank within days. This relieves pressure to get money out the door as quickly as done with traditional increment. We are able to wait for a good project to come along and work with the tenant.

Several banks were contemplated and the Ms. Karner is presenting the commitment letter from Fidelity Bank. The bank is asking for security for the account that houses our fee revenue. This is the revenue that Mr. Filipos mentioned in the Treasurers report in the amount of \$195,500. Ms. Karner stressed the need to establish this line of credit and allow the Solicitor and the Chair to approve the paperwork and sign the documentation to get this in place. Ms. Karner expects the next step in the process is to return to the BRIA with the program, guidelines, and what will be published to potential tenants so they are aware that this exists. Each individual project will have to then come before the BRIA. Ms. Karner asked if there are any questions with the exception of Mr. Jobes as he notified the Authority that he has a conflict with this agenda item and will abstain from voting. A copy of his notification is attached to these minutes.

Ms. Taggart asked if other zones that do this. Ms. Karner noted that Lancaster is one of the zones that has a small business revolving loan fund. Mr. Filipos asked if the funds are only used for business withing the CRIZ. Ms. Karner indicated that he is correct. Being no further questions from the board, a motion was made by Ms. Taggart to authorize the Cash Secured Revolving Line of Credit from Fidelity Bank so that BRIA may draw the funds and use the excess increment to repay the Note and for the Chairperson to execute such documents as necessary as may be approved by the Solicitor. The motion was seconded by Mr. Filipos. The motion was approved 3-1 with 1 abstention. A copy of Mr. Jobes' notification of abstention is attached to these minutes.

8.0 Solicitor's Report

None.

9.0 Executive Director's Report

Ms. Karner referred to a letter dated October, 15, 2023 from the Secretary of Revenue, Patrick M. Browne. This is the annual certification from the State regarding the increment. BRIA will receive \$2,721, 809.71 in increment. Mr. Jobs asked some questions regarding the numbers on the letter of which Ms. Karner answered.

10.0 Next Meeting Date

The next meeting is scheduled for Thursday, November 7, 2023.

11.0 Adjournment

There being no further business to come before the BRIA, a motion was made by Mr. Filipos and seconded by Mr. Jobs to adjourn the meeting. The meeting was adjourned at 3:56 p.m.

Signed by: Donna G. Taggart

Print name: Donna G. Taggart

Print title: Secretary