

**BETHLEHEM REVITALIZATION AND IMPROVEMENT
AUTHORITY**

Thursday, October 19, 2023

3:30 p.m.

Bethlehem City Hall

MEETING AGENDA

- 1.0 Call to Order
- 2.0 Roll Call:
 - Members
Ann McHale
Donna Taggart
John Filipos
Mark Jobes
Laura Collins
 - Solicitor
Ed Andres
 - Staff
Alicia Karner
Denise Rider
Chris Jones
- 3.0 Public Comment
- 4.0 Approval of Minutes
 - 4.1 August 22, 2023 (A)
- 5.0 Treasurer's Report
 - 5.1 September 2023 Report (A)
- 6.0 Old Business
- 7.0 New Business
 - 7.1 MT-LVHN40, LLC (A)
 - o Resolution and Application
 - 7.2 MT-LVHN60, LLC (A)
 - o Resolution and Application
 - 7.3 Creation of a Revolving Line of Credit (A)
 - o Memo and Commitment Letter
- 8.0 Solicitor's Report
- 9.0 Executive Director's Report
- 10.0 Next Meeting Date – November 2, 2023
- 11.0 Adjournment

MINUTES FROM THE BETHLEHEM REVITALIZATION AND IMPROVEMENT AUTHORITY (BRIA)

August 22, 2023
4:00 p.m.

1.0 Call to Order

A meeting of the **Bethlehem Revitalization and Improvement Authority (BRIA)** was held at 4:00 p.m. on Tuesday, August 22, 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
Heather Bambu

3.0 Public Comment

None

4.0 Approval of Minutes dated July 20, 2023

There are no additions or corrections. A motion to approve the minutes was made by Mr. Filipos and seconded by Mr. Jobes. Being no further discussion, the motion was approved 4-0.

5.0 Treasurer's Report

None

6.0 Old Business

6.1 Refinancing of the Bethworks Loan

Ms. Karner noted that this is a continuation from the meeting on July 10, 2023 when action was taken to extend the loan for 60 days. This gave flexibility to move toward refinancing of the Five 10 Flats and Social Still projects. It was noted that Mr. Jobes 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. Karner provided a term sheet regarding the new debt instrument that would be put into place if approved by the BRIA. Mr. Andres noted that a proper motion is to approve subject to the documents in final form as may be acceptable to the Chairperson and Solicitor. A motion was made by Mr. Filipos to approve subject to the documents in final form as may be acceptable to the Chairperson and Solicitor. The motion was seconded by Ms. Taggart. Being no further discussion, the motion was approved 3-0 with 1 abstention.

7.0 New Business

None

8.0 Solicitor's Report

None.

9.0 Executive Director's Report

None

10.0 Next Meeting Date

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

11.0 Adjournment

There being no further business to come before the BRIA, a motion was made by Ms. Taggart and seconded by Mr. Filipos to adjourn the meeting. The meeting was adjourned at 4:05 p.m.

Bethlehem CRIZ Authority
Profit & Loss
January through September 2023

	<u>Jan - Sep 23</u>
Ordinary Income/Expense	
Income	
601 - Fee Income	
601.3 - Service/Maint fees	9,253.00
Total 601 - Fee Income	9,253.00
602-Interest income	4,176.34
Total Income	13,429.34
Expense	
900 - Professional Svcs	
900.2 - Legal expenses	208.94
900.3 - Audit/Acctg services	4,935.00
900.9 - Other prof svcs	230.85
Total 900 - Professional Svcs	5,374.79
Total Expense	5,374.79
Net Ordinary Income	8,054.55
Net Income	<u>8,054.55</u>

Bethlehem CRIZ Authority
Balance Sheet
As of September 30, 2023

	<u>Sep 30, 23</u>
ASSETS	
Current Assets	
Checking/Savings	
101 - Fidelity Primary Chkg	195,542.72
Total Checking/Savings	<u>195,542.72</u>
Total Current Assets	<u>195,542.72</u>
TOTAL ASSETS	<u>195,542.72</u>
LIABILITIES & EQUITY	
Equity	
Opening Balance Equity	187,488.17
Net Income	8,054.55
Total Equity	<u>195,542.72</u>
TOTAL LIABILITIES & EQUITY	<u>195,542.72</u>

**Bethlehem Revitalization and
Improvement Authority (BRIA)**
MT-LVHN40, LLC

1480 8TH Avenue, Bethlehem, PA

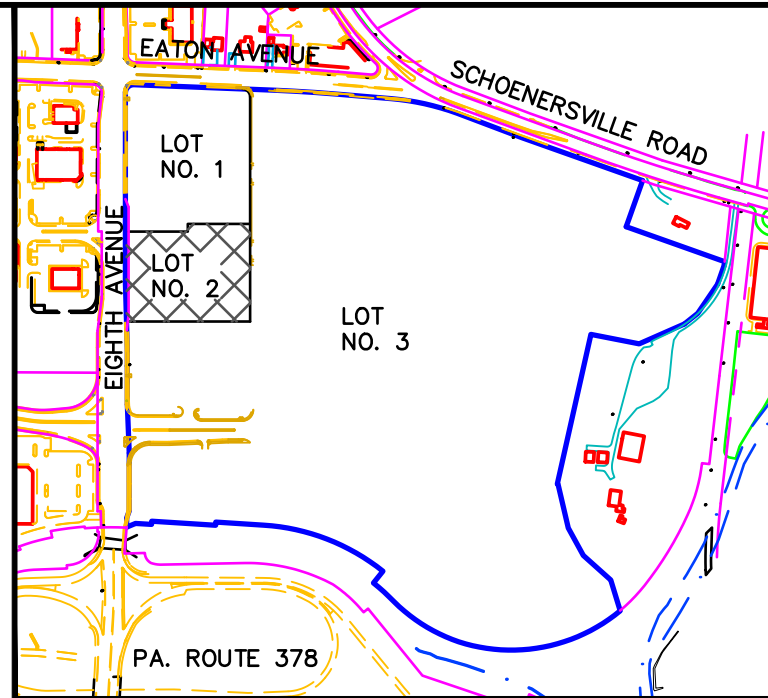
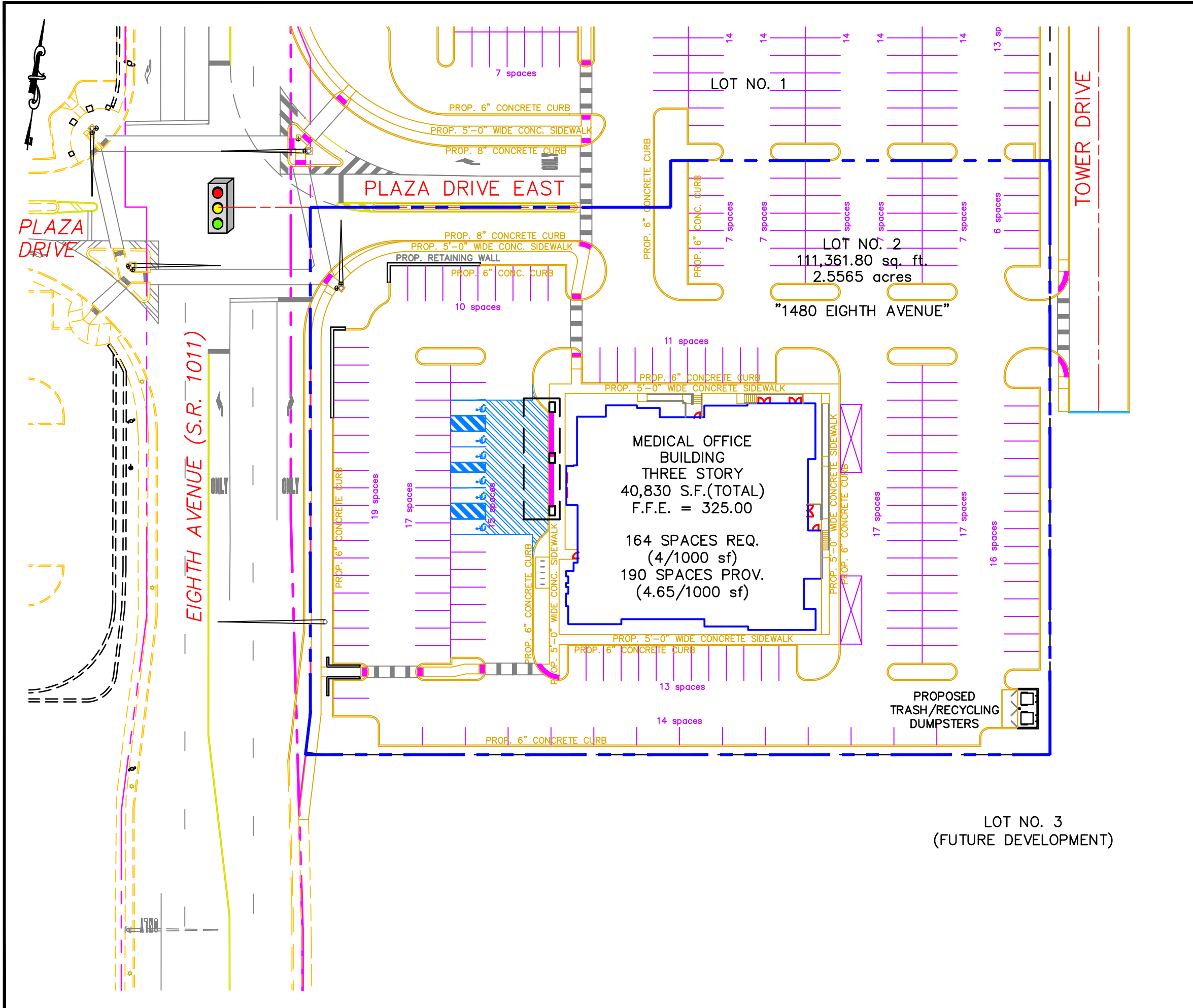
In 1995, Bethlehem Steel stopped manufacturing steel in the City of Bethlehem and ultimately filed for bankruptcy in 2001, leaving a 53-acre office complex on the City's Northside. The 53-acre office complex, comprised of over one million square feet, served as Bethlehem Steel's world headquarters, and included a 21-story office tower, a 3-story Annex building, and a single-story Printery. In its heyday the property generated approximately \$2,700,000 per year in real estate taxes.

By 2003, Bethlehem Steel's assets were split up and sold. In 2021 the current owners completed asbestos remediation and demolition of all of the structures to prepare the site for subdivision and redevelopment. As a result, the property currently generates approximately \$50,000 per year in real estate taxes.

MT-LVHN40, LLC will construct a new 40,000 square foot 3-story Medical Office Building on Lot 2, located at 1480 8TH Avenue and comprised of 2.6 acres, for lease to one of the Lehigh Valley's premier healthcare networks. Lot 2 is also identified as Lehigh County Parcel No. 6428 2128 0375-1 and is a CRIZ parcel.

Upon completion, the project is projected to employ 145 healthcare associates and is projected to generate \$213,000 per year in real estate taxes.

Owner/Developer:	MT-LVHN40, LLC
Total Investment:	\$19 million
CRIZ Tax Revenue Generation:	\$250,000 (2026 projection)
Property Status:	Owned by MT-LVHN60, LLC
Planning and Zoning Status:	Approved land dev plan & permitted
Construction CRIZ Revenue:	\$685,000 (projected)



LEGEND

--- LOT NO. 2 PROPERTY LINE

LOT NO. 3
(FUTURE DEVELOPMENT)

REVISIONS			
NO.	DATE	DESCRIPTION	BY

TOWER PLACE
MT-LVHN, LLC
LOT NO. 2

1170 EIGHTH AVENUE
13th WARD, CITY OF BETHLEHEM
LEHIGH COUNTY
PENNSYLVANIA

DATE: 9/15/23	 REAL ESTATE DESIGNS and PLANS 190BRODHEAD ROAD, SUITE 110 BETHLEHEM, PA 18017 PHONE: (610) 997-8200 FAX: (484) 821-3495	DRAWING NUMBER: C-1
DRAWN BY: S.J.K.		SHEET: 1 OF 1
CHECKED BY: S.J.K.		
SCALE: 1" = 50'		
ADAD ID: 2023-09-15 Martin Tower LVHN Exhibit Plans		

MT-LVHN40, LLC 60,000 SF MEDICAL OFFICE BUILDING



MT-LVHN40, LLC
60,000 SF MEDICAL OFFICE BUILDING



RESOLUTION 2023-01

**RESOLUTION OF THE
BETHLEHEM REVITALIZATION AND IMPROVEMENT AUTHORITY**

WHEREAS, MT-LVHN40, LLC (“MT-LVHN40”) is proposing the construction of a medical office building, located at 1480 8th Ave., on a 2.56 acre parcel of vacant land, identified by Lehigh County parcel identification number 6428 2128 0375-1; and,

WHEREAS, BRIA and MT-LVHN40 agree that the project approval will benefit the City of Bethlehem (the “City”) and MT-LVHN40 by providing increment for BRIA to invest in priority projects within the City; and,

WHEREAS, the project will add approximately 40,000 square feet of medical office space to the property and city; and,

WHEREAS, the construction of the medical office building will further the purposes of the CRIZ Act, as it will be a structure within the CRIZ to be used for medical purposes; and,

WHEREAS, the medical office building will create numerous temporary construction jobs and over 145 healthcare jobs, creating significant economic development and job creation within the City.

NOW, THEREFORE, BE IT RESOLVED, that the Bethlehem Revitalization and Improvement Authority hereby approves the project and shall submit a project application requesting the Commonwealth of Pennsylvania through the Department of Revenue, Department of Community and Economic Development and the Governor’s Office of the Budget approve the medical office building project.

RESOLVED AND ENACTED this 19th day of October, 2023.

ATTEST:

BETHLEHEM REVITALIZATION AND
IMPROVEMENT AUTHORITY

By: _____
Donna Taggart, Secretary

By: _____
Laura Collins, Esq, Chairperson

**Bethlehem Revitalization and
Improvement Authority (BRIA)**
MT-LVHN60, LLC

1490 8TH Avenue, Bethlehem, PA

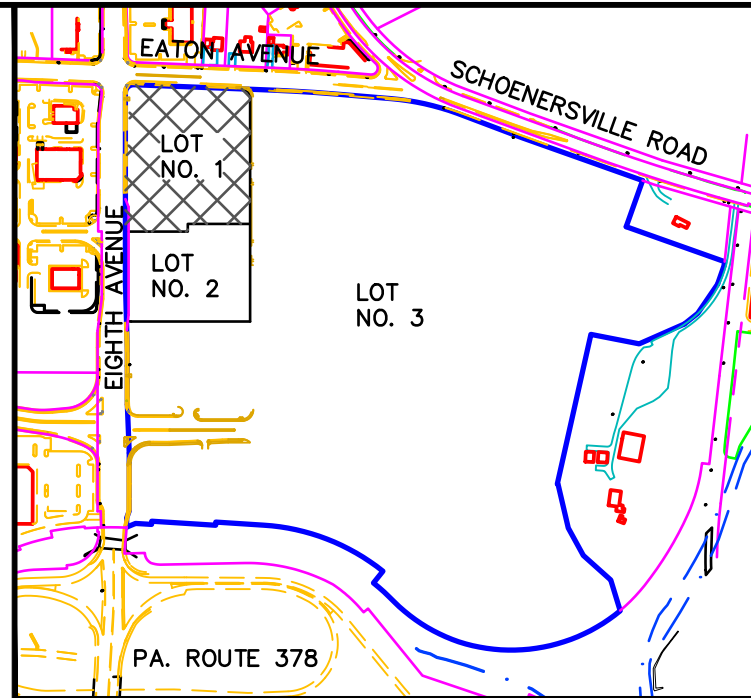
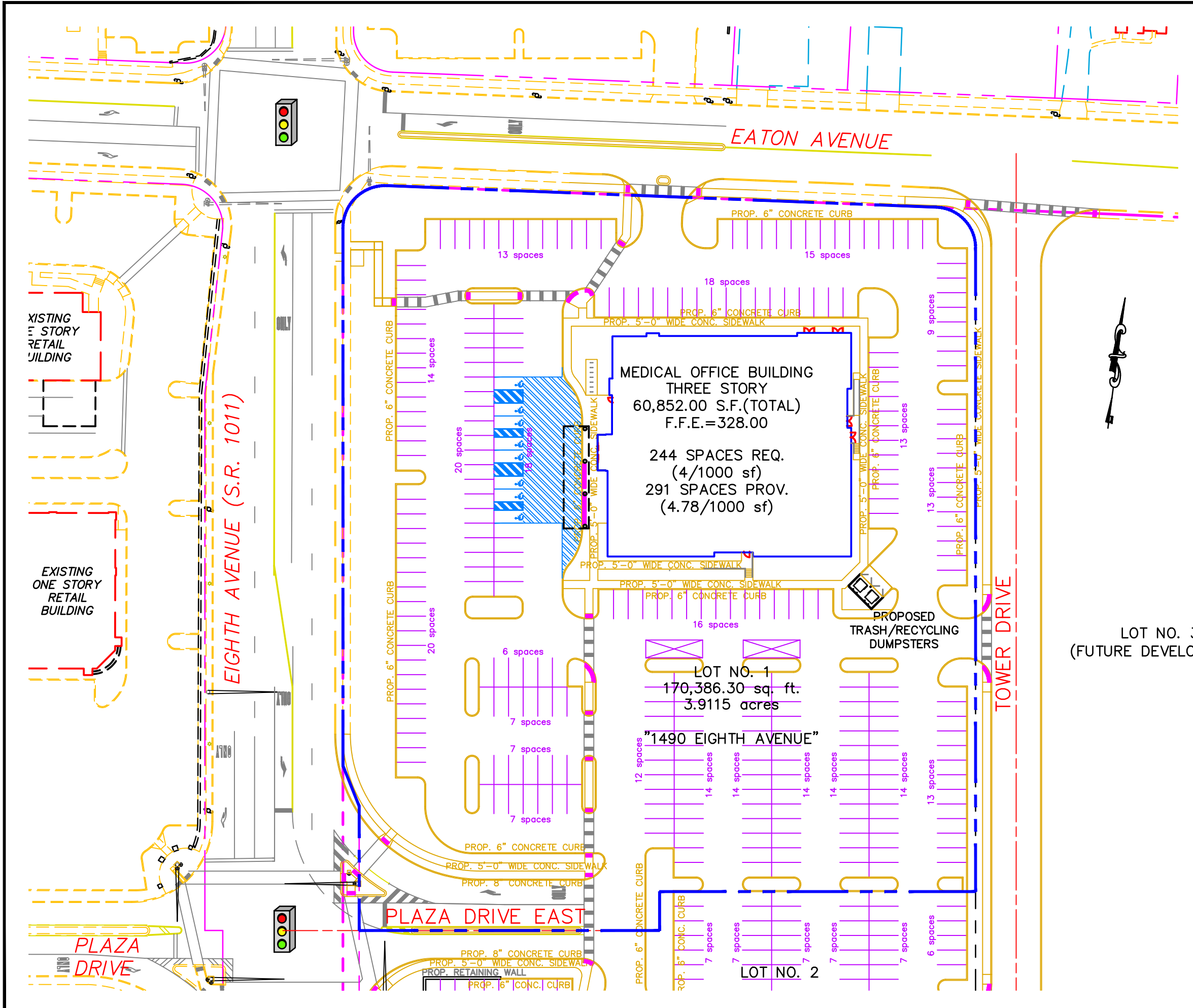
In 1995, Bethlehem Steel stopped manufacturing steel in the City of Bethlehem and ultimately filed for bankruptcy in 2001, leaving a 53-acre office complex on the City's Northside. The 53-acre office complex, comprised of over one million square feet, served as Bethlehem Steel's world headquarters, and included a 21-story office tower, a 3-story Annex building, and a single-story Printery. In its heyday the property generated approximately \$2,700,000 per year in real estate taxes.

By 2003, Bethlehem Steel's assets were split up and sold. In 2021 the current owners completed asbestos remediation and demolition of all of the structures to prepare the site for subdivision and redevelopment. As a result, the property currently generates approximately \$50,000 per year in real estate taxes.

MT-LVHN60, LLC will construct a new 60,000 square foot 3-story Medical Office Building on Lot 1, located at 1490 8TH Avenue and comprised of 3.9 acres, for lease to one of the Lehigh Valley's premier healthcare networks. Lot 1 is also identified as Lehigh County Parcel No. 6428 2211 4947-1 and is a CRIZ parcel.

Upon completion, the project is projected to employ 145 healthcare associates and is projected to generate \$320,000 per year in real estate taxes.

Owner/Developer:	MT-LVHN60, LLC
Total Investment:	\$25 million
CRIZ Tax Revenue Generation:	\$436,000 (2026 projection)
Property Status:	Owned by MT-LVHN60, LLC
Planning and Zoning Status:	Approved land dev plan & permitted
Construction CRIZ Revenue:	\$900,000 (projected)



KEY MAP
SCALE : 1" = 600'

LEGEND
--- LOT NO. 1 PROPERTY LINE

LOT NO. 3
(FUTURE DEVELOPMENT)

REVISIONS			
NO.	DATE	DESCRIPTION	BY

TOWER PLACE
MT-LVHN60, LLC
LOT NO. 1
 1170 EIGHTH AVENUE
 13th WARD, CITY OF BETHLEHEM
 LEHIGH COUNTY
 PENNSYLVANIA

DATE: 9/15/23	 REAL ESTATE DESIGNS and PLANS 190BROADHEAD ROAD, SUITE 110 BETHLEHEM, PA 18017 PHONE: (610) 997-8200 FAX: (484) 821-3495	DRAWING NUMBER: C-1
DRAWN BY: S.J.K.		SHEET: 1 OF 1
CHECKED BY: S.J.K.		
SCALE: 1" = 60'		
ACAD ID: 2023-09-15 Martin		

MT-LVHN60, LLC 60,000 SF MEDICAL OFFICE BUILDING



MT-LVHN60, LLC 60,000 SF MEDICAL OFFICE BUILDING



RESOLUTION 2023-02

**RESOLUTION OF THE
BETHLEHEM REVITALIZATION AND IMPROVEMENT AUTHORITY**

WHEREAS, MT-LVHN40, LLC (“MT-LVHN60”) is proposing the construction of a medical office building, located at 1490 8th Ave., on a 3.91 acre parcel of vacant land, identified by Lehigh County parcel identification number 6428 221 4347-1; and,

WHEREAS, BRIA and MT-LVHN60 agree that the project approval will benefit the City of Bethlehem (the “City”) and MT-LVHN60 by providing increment for BRIA to invest in priority projects within the City; and,

WHEREAS, the project will add approximately 60,000 square feet of medical office space to the property and city; and,

WHEREAS, the construction of the medical office building will further the purposes of the CRIZ Act, as it will be a structure within the CRIZ to be used for medical purposes; and,

WHEREAS, the medical office building will create numerous temporary construction jobs and over 145 healthcare jobs, creating significant economic development and job creation within the City.

NOW, THEREFORE, BE IT RESOLVED, that the Bethlehem Revitalization and Improvement Authority hereby approves the project and shall submit a project application requesting the Commonwealth of Pennsylvania through the Department of Revenue, Department of Community and Economic Development and the Governor’s Office of the Budget approve the medical office building project.

RESOLVED AND ENACTED this 19th day of October, 2023.

ATTEST:

BETHLEHEM REVITALIZATION AND
IMPROVEMENT AUTHORITY

By: _____
Donna Taggart, Secretary

By: _____
Laura Collins, Esq, Chairperson



Bethlehem Revitalization and Improvement Authority

10 East Church Street, Bethlehem, Pennsylvania 18018-6025

Phone: 610-865-7085

Fax: 610-865-7330

TDD: 610-865-7086

www.bethlehem-pa.gov

Memo

To: Bethlehem Revitalization and Improvement Authority
From: Alicia Miller Karner
CC: Mayor J. William Reynolds
Date: October 12, 2023
Re: Revolving Loan Fund

In July 2022, the State Legislature amended the City Revitalization and Improvement Zone (CRIZ) program to allow Authorities to create a Revolving Loan Fund to assisted businesses in the CRIZ. Specifically, the legislative changes included the payment of debt service “to establish a revolving fund that will provide financial assistance in the form of a grant or a loan to qualified business acquiring property for the business, construction a new facility, reconstruction or renovating an existing facility or acquiring new equipment to be used by the qualifying business in the zone.”

As a result, we approached several banks about extending a revolving line of credit to BRIA. Included in this memo you will find the concept paper provided to the banks.

Typically, BRIA is notified by the Department of Revenue of the increment generated in the zone in November of each year. Any unspent increment must be returned to the Commonwealth by the end of the calendar year. In prior years, BRIA has used these funds to support public infrastructure projects, such as the improvements to New Street and the Polk Street Parking Garage. However, there is need for small business assistance within the zone for activities such as tenant fit-out and equipment purchases. Our goal is to grant funds to eligible tenants and use excess project increment from all the CRIZ projects to repay the debt.

At this time, I am asking the Authority 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.

At an upcoming meeting, I will present guidelines for the BRIA Revolving Loan Fund that details the proposed grant structure and efforts to target projects with the most need. Once those guidelines are approved, all individual projects will come before BRIA for approval.

BETHLEHEM REVITALIZATION & IMPROVEMENT AUTHORITY

2023 Loan Program Concept Paper – July 2023

This concept paper provides information for lending institutions seeking to provide a financing proposal to the Bethlehem Revitalization and Improvement Authority (“BRIA”) for qualified projects within the Community Revitalization and Improvement Zone (“CRIZ”) located within the City of Bethlehem (please refer to www.bethlehemcriz.com for more information on CRIZ). Developers of qualified projects within the CRIZ are encouraged to construct or improve properties by utilizing financing available pursuant to Pennsylvania’s CRIZ program. Additionally, BRIA may, in accordance with Commonwealth law, facilitate other grant and loan opportunities to further projects in the City of Bethlehem that may be related to the CRIZ designated parcels. It is for the implementation of an initial loan program that BRIA now seeks proposals from local lending institutions.

Annually, since 2014, BRIA has received an allocation of funding from the PA Department of Revenue that represents a return of certain state and local taxes collected by the Commonwealth from participating CRIZ developers from construction and on-going business operations during the previous fiscal year. These funds, typically received by BRIA on November 1, must be distributed within 60 days of their receipt or by year end of the year in which received. These funds must be used for one of three different purposes: #1) an amount for administrative expenses of BRIA is taken off the gross allocation in the amount of 5% plus an additional and minimal amount for specific consultants #2) specific amounts generated by each developer and project are transferred directly to them for use toward debt service and, #3) supplemental allocations earned in varying amounts and negotiated independently with each developer that BRIA is required to apply to other projects that have direct benefit to a qualified CRIZ project. It is from this third category of funds that BRIA may incur expenses related to the proposed loan fund.

Regarding BRIA’s most recently completed fiscal year (2022), the Authority received its annual allocation from the State of \$1,354,638 on October 31, 2022. Of this amount, \$81,069 was retained by BRIA for administrative and consultants’ costs (per purpose #1 above). An additional \$957,087 was wired directly to developers (purpose #2 above) with the remaining \$316,481 available to the Authority for application to another project supportive of other qualified projects (purpose #3 above). In this case, a new parking deck on Bethlehem’s Southside. Looking back an additional four years, BRIA has had available the following amounts for purpose #3: \$15,286 (2021), \$21,295 (2020), \$43,414 (2019) and \$106,667 (2018). Although the 2022 amount of \$316,481 was extraordinarily high for any one year, the Authority anticipates that funds which will become available in 2023 to service debt on a new loan program will be several hundred thousand dollars.

Initially, the Authority wishes to borrow a minimum of \$500,000. Funds would be drawn as improvement projects are approved by the Authority. Such individual project awards may be the full amount of the loaned funds or several projects could be selected. BRIA would fund expenses, such as tenant improvements with these funds. Debt service expenses incurred in the current fiscal year and payable to the partnering lending institution would need to be paid in the November 1 to December 31 time frame as explained above. As an example, should the Authority borrow \$500,000 from the partnering institution at 8% for seven (7) years, the annual debt service would be approximately \$97,000 (based on one annual payment) which the Authority would then disburse between November 1 and December 31. The amount of increment available may exceed the annual debt service and would be deposited with the lending institution and reserved for debt service in a following year.