Bethlehem CRIZ Authority Balance Sheet

As of February 28, 2025

	Feb 28, 25
ASSETS Current Assets	
Checking/Savings	
101 - Fidelity Primary Chkg	806,425.96
102 - Fidelity Clearing	100,557.90
Total Checking/Savings	906,983.86
Total Current Assets	906,983.86
TOTAL ASSETS	906,983.86
LIABILITIES & EQUITY Equity	
Opening Balance Equity	187,488.17
Unrestricted Net Assets	715,036.63
Net Income	4,459.06
Total Equity	906,983.86
TOTAL LIABILITIES & EQUITY	906,983.86

Bethlehem CRIZ Authority Profit & Loss

January through February 2025

	Jan - Feb 25
Ordinary Income/Expense	
Income	
602-Interest income	4,575.43
Total Income	4,575.43
Expense	
900 - Professional Svcs	
900.2 - Legal expenses	116.37
Total 900 - Professional Svcs	116.37
Total Expense	116.37
Net Ordinary Income	4,459.06
Net Income	4,459.06



March 4, 2025

Laura Collins
Director of Community & Economic Development
City of Bethlehem
10 East Church Street
Bethlehem, PA 18018

Re: Letter to initiate the review of qualification for obtaining authority financing of a project in the Community Revitalization & Improvement Zone ("CRIZ"), located at 14-36 W 3rd St. Bethlehem, PA 18015.

Dear Ms. Collins:

The purpose of this letter is to request expansion of Bethlehem's CRIZ zone to accommodate High Hotels Ltd's. ("Grantee('s)") intent to pursue CRIZ funding through the Bethlehem Revitalization & Improvement Authority ("Grantor") in order to finance certain elements relative to its 140-room Tempo by Hilton hotel located within the South Bethlehem Historic District. The Grantee is the equitable owner of a ±0.33-acre tract consisting of 5 parcels (to be consolidated) with a current address of 14-36 West 3rd Street, Bethlehem, PA 18015 through a purchase and sale agreement between Grantee and Patriot Ventures, LLC, dated April 4, 2024.

Project Summary

The hotel, once completed, will be operated under the Tempo by Hilton flag, which is a higherend focused-service brand, further detailed herein. The 7-story hotel will feature 140 guestrooms, including 6 suites, a lobby restaurant/bar serving breakfast and dinner under the prototype Tempo food & beverage program, a separately branded rooftop bar, and other amenities including an elevated fitness center, lobby suite shop, and a large meeting room. Both food and beverage outlets will be open to the general public. The site sits adjacent to the planned extension of the South Bethlehem Greenway ("Greenway"); High Hotels management is currently working in conjunction with the city to design a plan for the Greenway that serves as a great amenity for both the public and hotel guests alike. High Hotels management is currently in discussions with the city of Bethlehem Planning & Zoning as well as BEDCO regarding design, timing, and execution of the improvements. Grantee will utilize the New Street garage for guest parking, which is directly behind the site on the opposite side of the Greenway. Closing on the land is scheduled for September 30, 2025, with demolition and early foundation site work scheduled shortly thereafter in Q4 2025. Grantee is currently assuming an 18-month construction schedule with the goal of opening the hotel in April 2027. The all-in project budget is approximately \$44 million.

Project History / Timeline

High Hotels management identified the subject development site in Q1 of 2024 as it continued to look for opportunities to expand its operational presence within the greater Lehigh Valley. The Grantee currently owns and operates 2 hotels in the region; the SpringHill Suites Bethlehem/Center valley, which High Hotels developed in 2017, and the dual-branded Home2/Tru by Hilton Easton, which was acquired in December of 2023. High Hotels maintains



a deep operational understanding of the immediate lodging market and currently employs approximately 60 co-workers in the region.

The main site parcel, owned by Patriot Ventures, LLC, currently houses a vacant apartment building, with the remaining 4 parcels, owned by Bethlehem Economic Development Corporation ("BEDCO"), containing a surface-level parking lot. A seller-related entity is currently the equitable owner of BEDCO's parcels through a purchase agreement. The subject site is zoned Central Business District, which allows for by-right hotel construction.

Shortly following execution of its purchase agreement with Patriot Ventures, High Hotels received approval of its franchise application from Hilton for the Tempo flag. The full project team consists of the following organizations:

- 1. High Hotels (Lancaster, PA; Grantee/applicant, owner, operator)
- 2. High Associates (Lancaster, PA; development support)
- 3. Greenfield Architects (Lancaster, PA; project architect)
- 4. High Construction (Lancaster, PA; general contractor)
- 5. Langan (Bethlehem, PA; civil/site engineer)
- 6. The Johnson Studio at Cooper Carry (Atlanta, GA; interior designer)
- 7. Ellis Adams Group (Las Vegas, NV; F&B consultant / bar & kitchen designer)
- 8. Fitzpatrick, Lenz, & Bubba, P.C. (Bethlehem, PA; land use counsel)

Following 2 formal meetings with the South Bethlehem Historic Conservation Commission ("HCC"), Grantee received its certificate of appropriateness for the project from Bethlehem City Council in October 2024. Members of the project team will reengage the HCC on March 17th, 2025, to address comments on the previous submission and present sample materials. Grantee expects to achieve full HCC approval by end of Q2 2025, at which point it expects to have clearer indication on land development approval as it relates to Greenway improvements. The project is currently at the final stage of schematic design with first round pricing received from High Construction.

Tempo Brand Overview

Hilton introduced the Tempo brand in early 2020 in an effort to compete with AC by Marriott, which has become the preeminent brand in the "upscale" focused-service segment. With respect to market positioning, Tempo is a new approachable lifestyle brand that combines thoughtful design and brand partnerships with an efficient service model. Active lifestyle is at the core of the Tempo brand and part of the mandated design narrative includes Peloton bikes in a specific percentage of guestrooms as well as a > 1,000 square foot fitness center with modern equipment. Tempo's prototype food & beverage program is "Moonsong," a lobby bar and restaurant open to the public and hotel guests in the mornings and evenings for breakfast and dinner.

"Focused-service" hotels differ from full-service hotels because, by definition, they do not contain a true three-meal restaurant or material banquet & catering capability. Popular brands in the focused-service space within Marriott and Hiton include Residence Inn, Courtyard, SpringHill Suites, Hampton Inn, Hilton Garden Inn, Home2 Suites, and more. Tempo differs from these brands as it typically maintains a higher price point given its higher-end finishes in



guestrooms and public spaces, elevated paid breakfast offerings, and usually, one or multiple bars/restaurants.

Conclusion

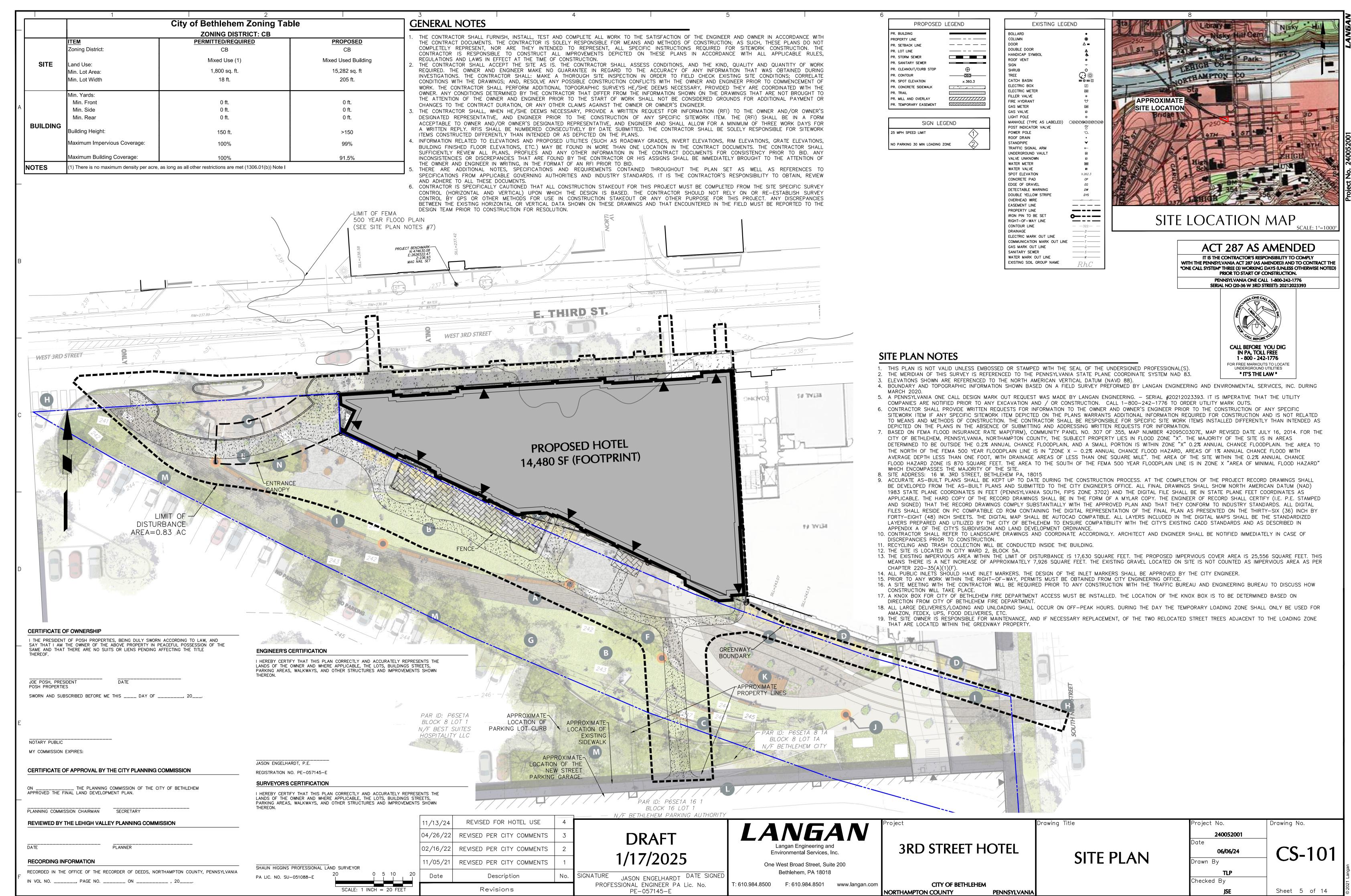
High Hotels and the entire project team appreciate the consideration of the Bethlehem Revitalization & Improvement Authority in its review of the hotel project. The CRIZ proceeds generated through the construction and operation of the hotel are a critical component of the capital stack used to finance the project. Attached with this letter are (1) the most recent site plan, (2) a pro forma showing projected taxes generated, and (3) the completed worksheet required of the authority. We look forward to completing this project with you. If you have any questions or wish to discuss this further, please contact David Aungst at 717-293-4558 or JJ Fives at 570-862-7842.

Sincerely

David Aungst

President

High Hotels, LTD.





SOUTH BETHLEHEM HOTEL - TEMPO BY HILTON HIGH HOTELS, LTD.



1853 William Penn Way = P.O. Box 10008 = Lancaster, PA 17605-0008 (717) 293-4446 = FAX (717) 293-4470 = www.highhotels.com Hotel locations: Lancaster (2), York, Wilkes-Barre, Harrisburg (3), Reading, PA; Annapolis, Lexington Park, MD; Middletown, NY (2); Ewing, NJ



1853 William Penn Way P.O. Box 10008 Lancaster, PA 17605-0008 (717) 291-2276 FAX (717) 293-4451 www.highconstruction.com

WEST 3RD STREET CITY OF BETHLEHEM NORTHAMPTON COUNTY, PENNSYLVANIA

ARCHITECT'S PROJECT NO.: 24014

ISSUE DATE:

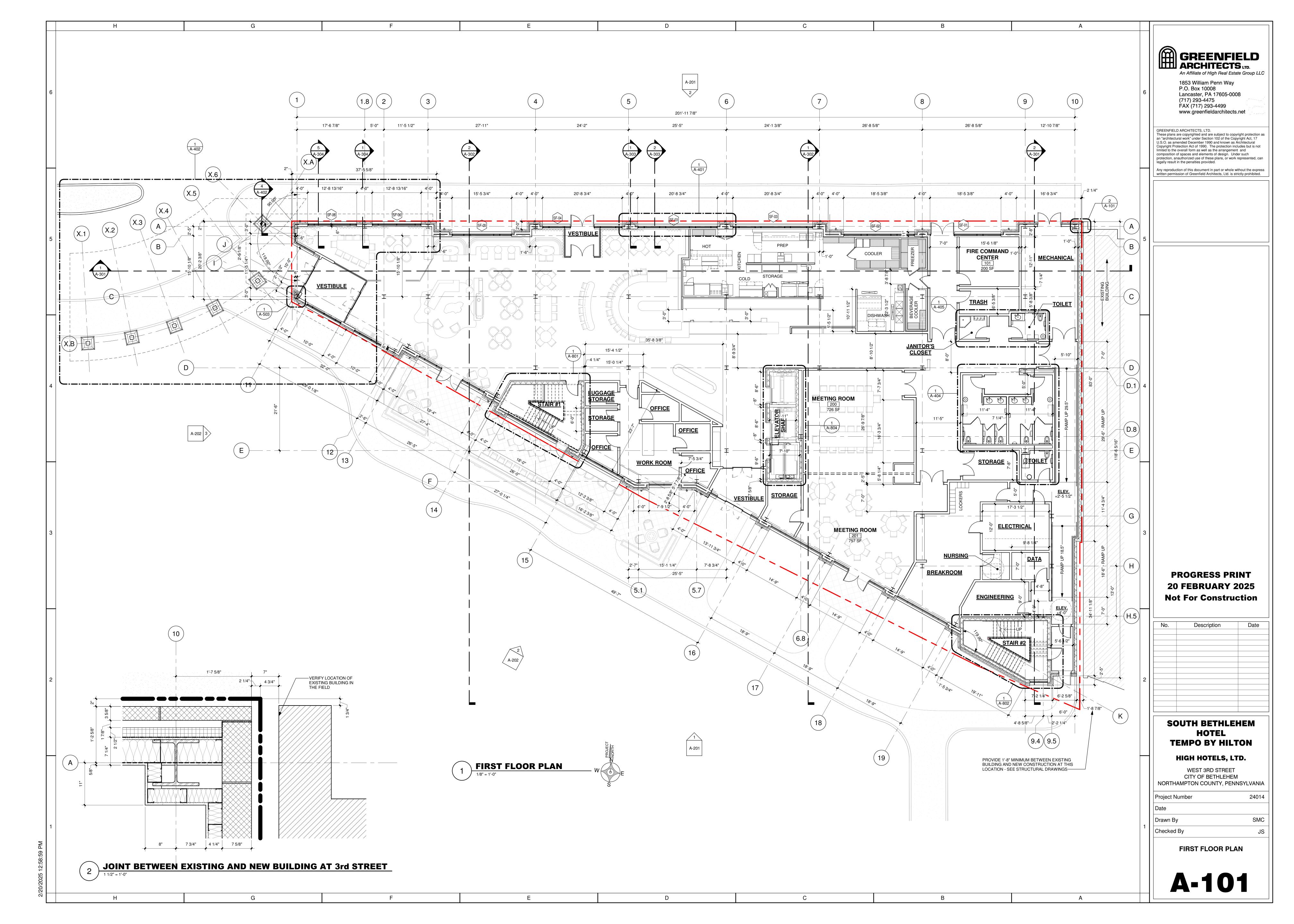


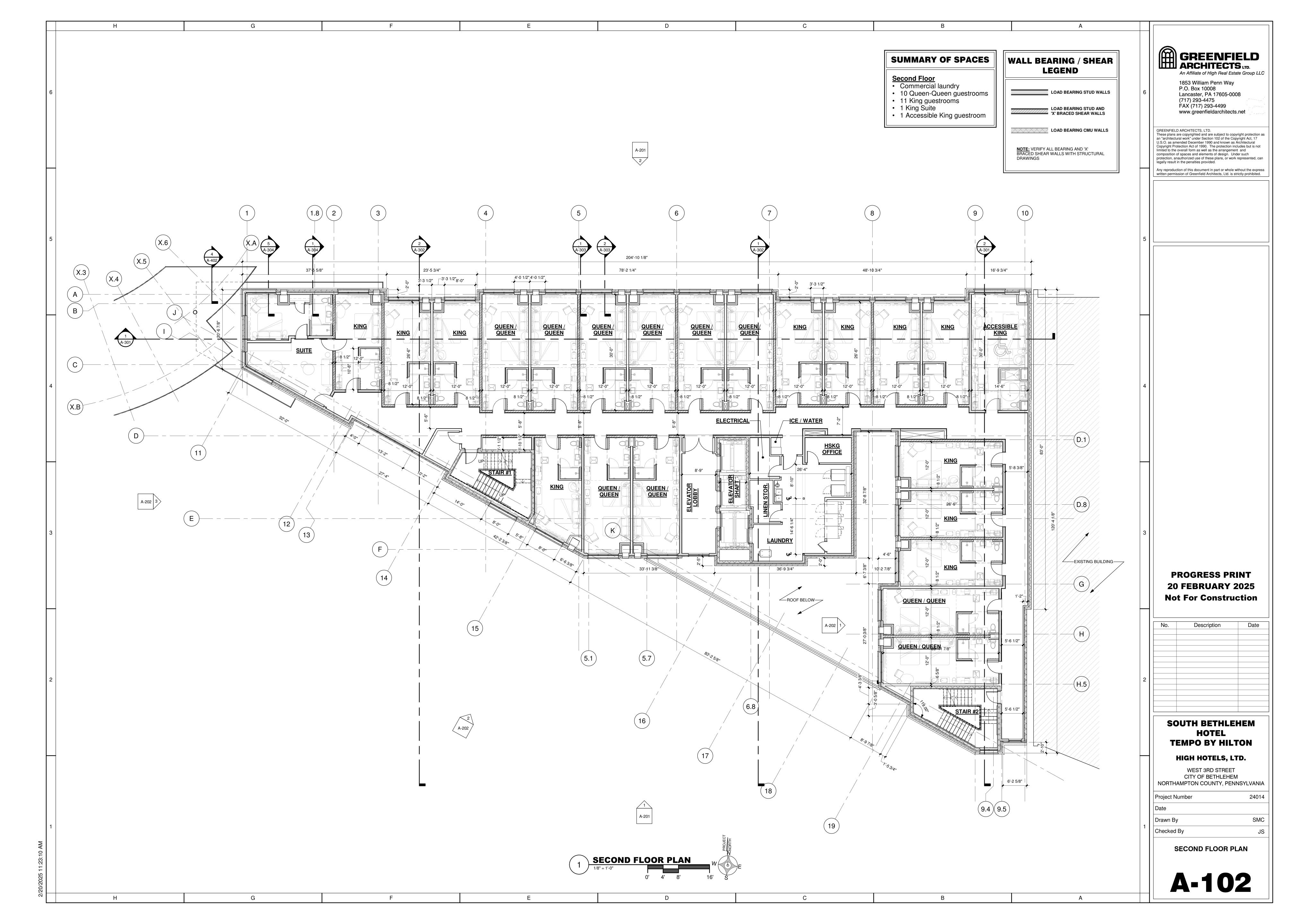
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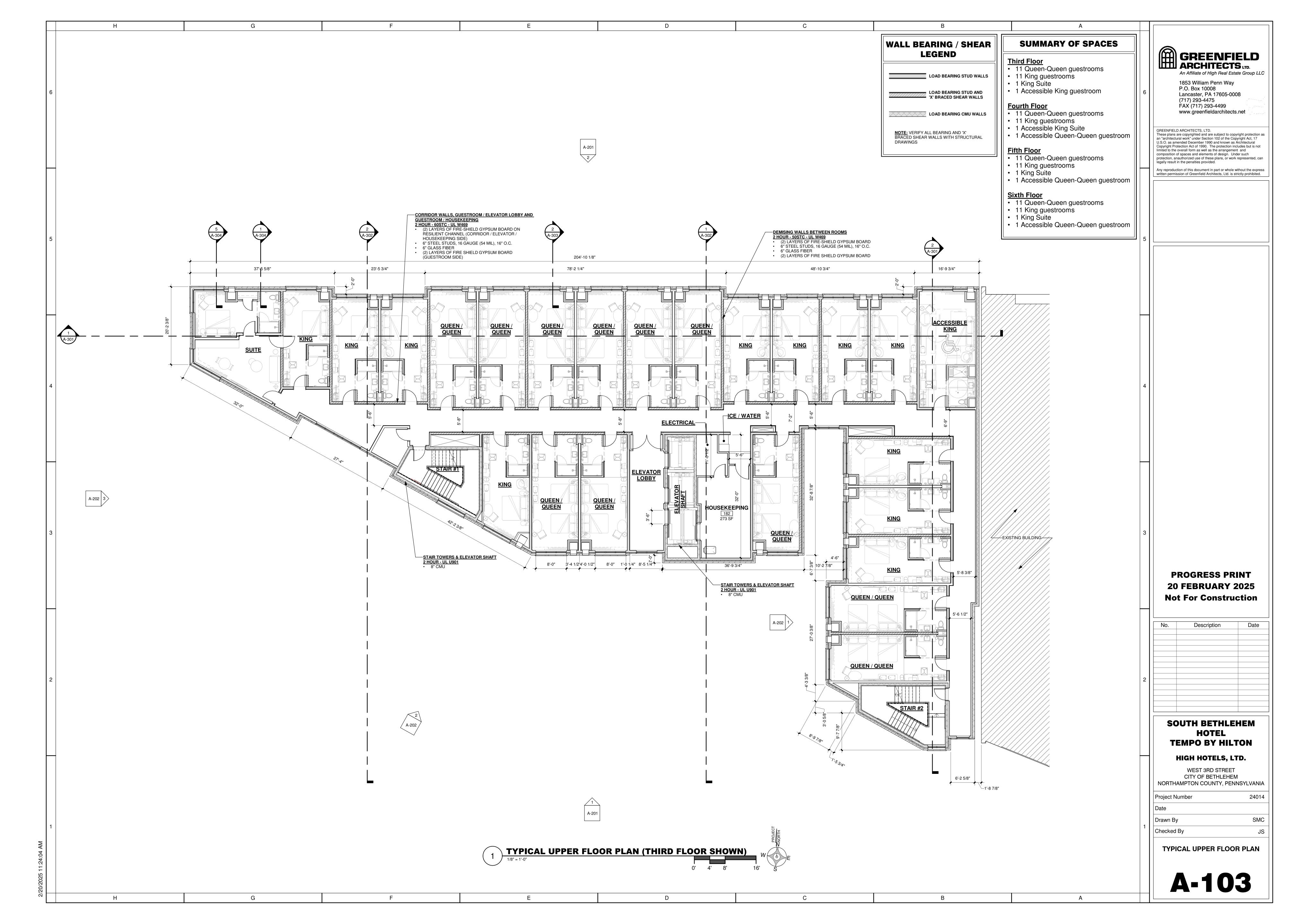
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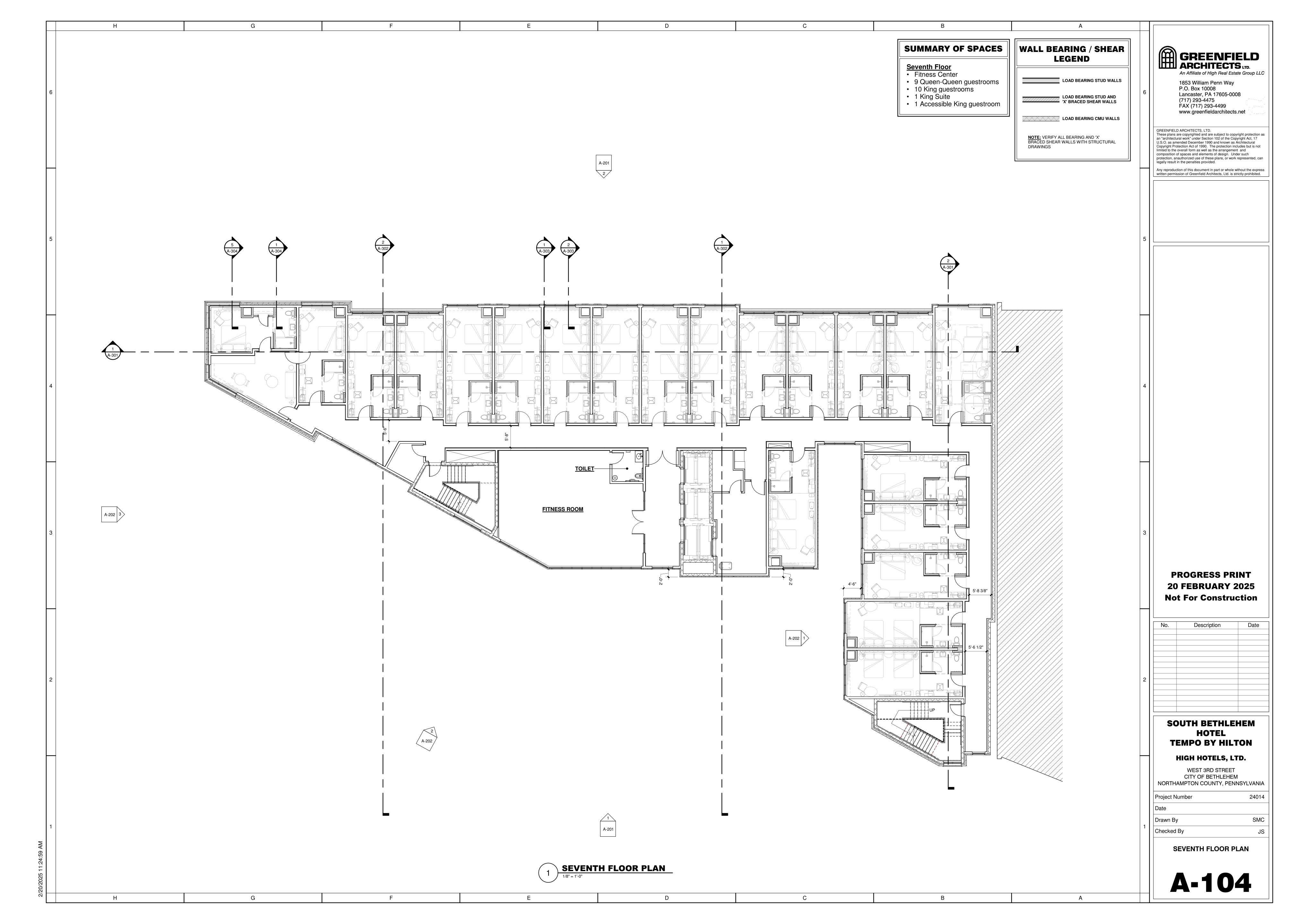
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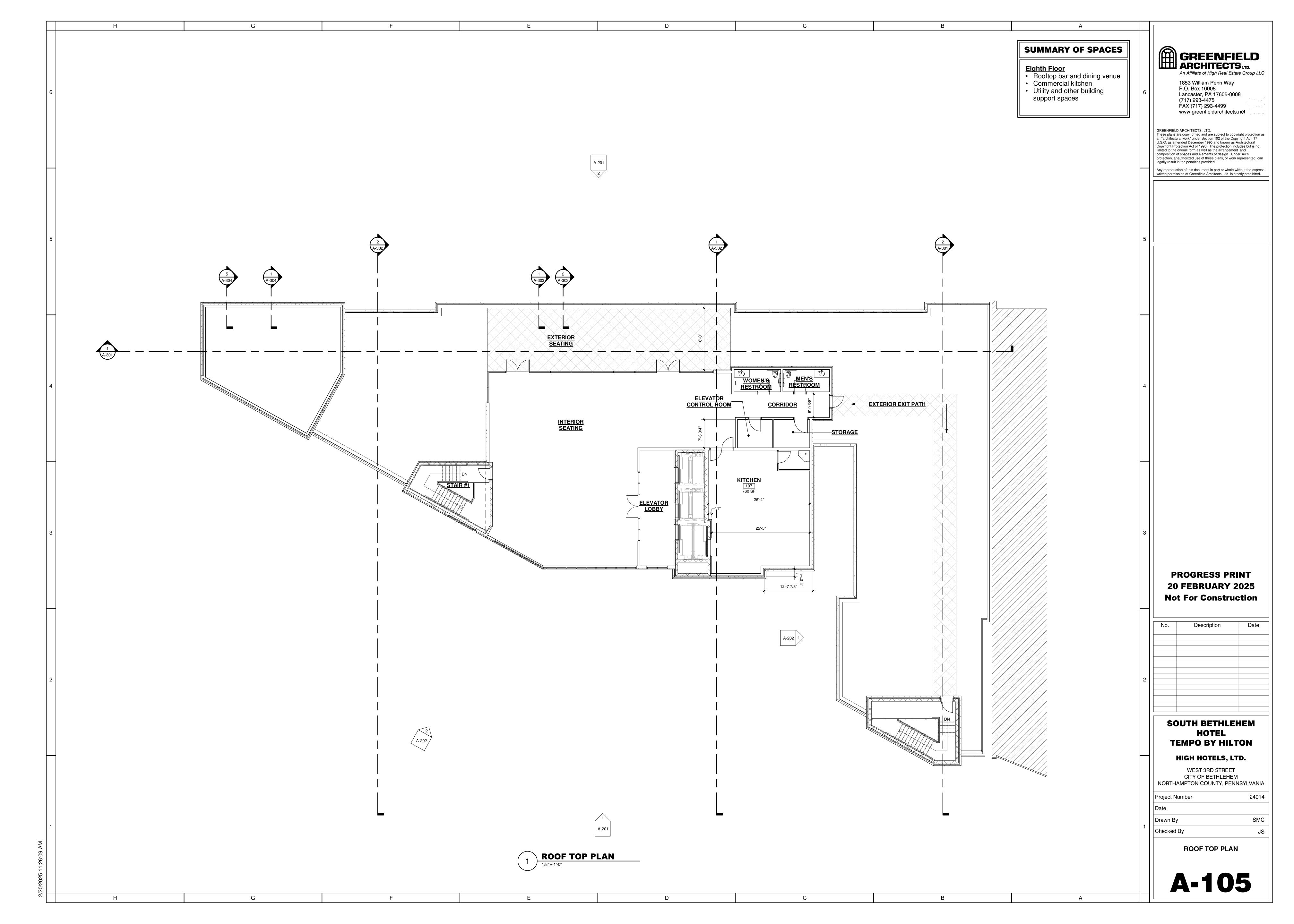
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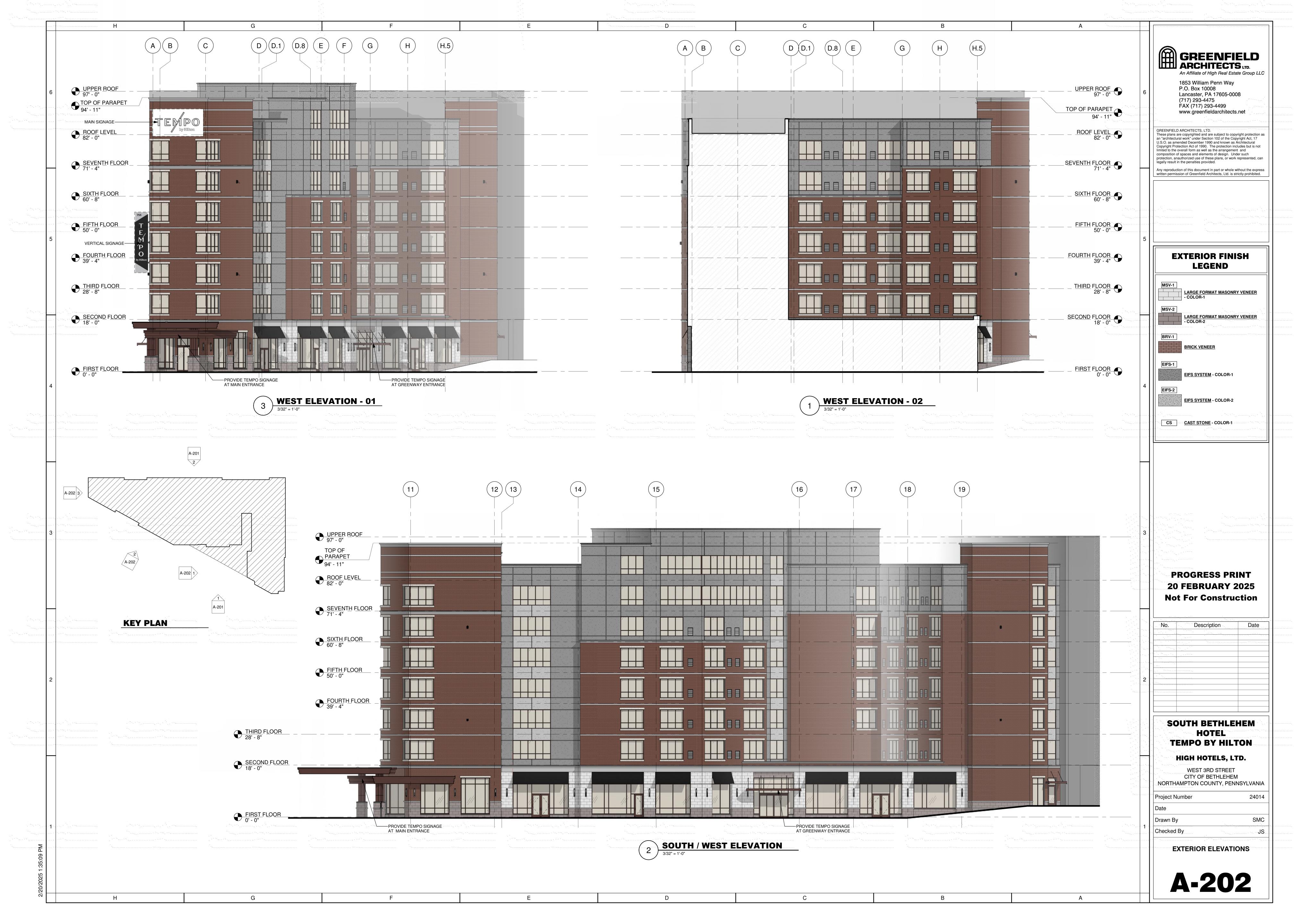


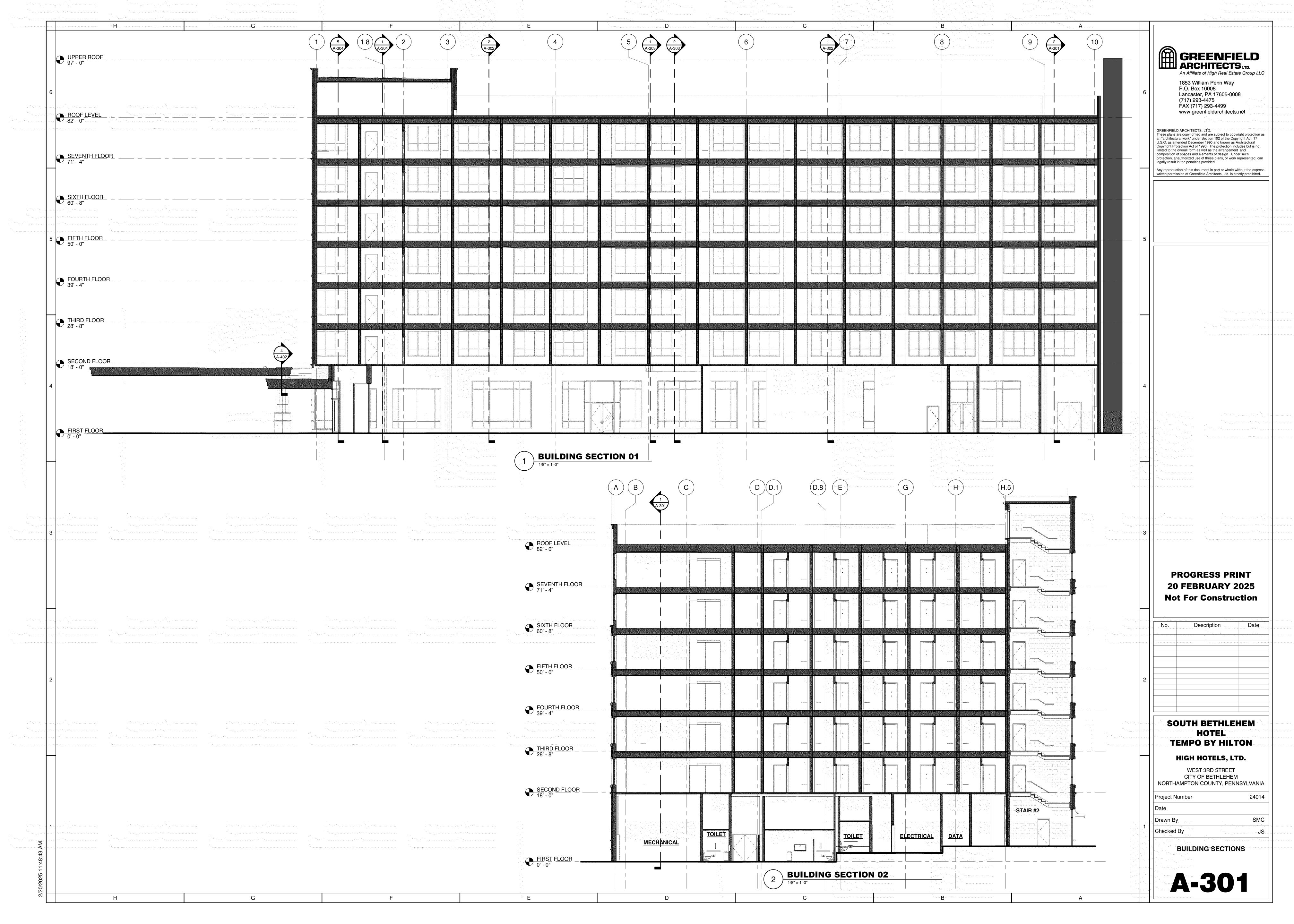


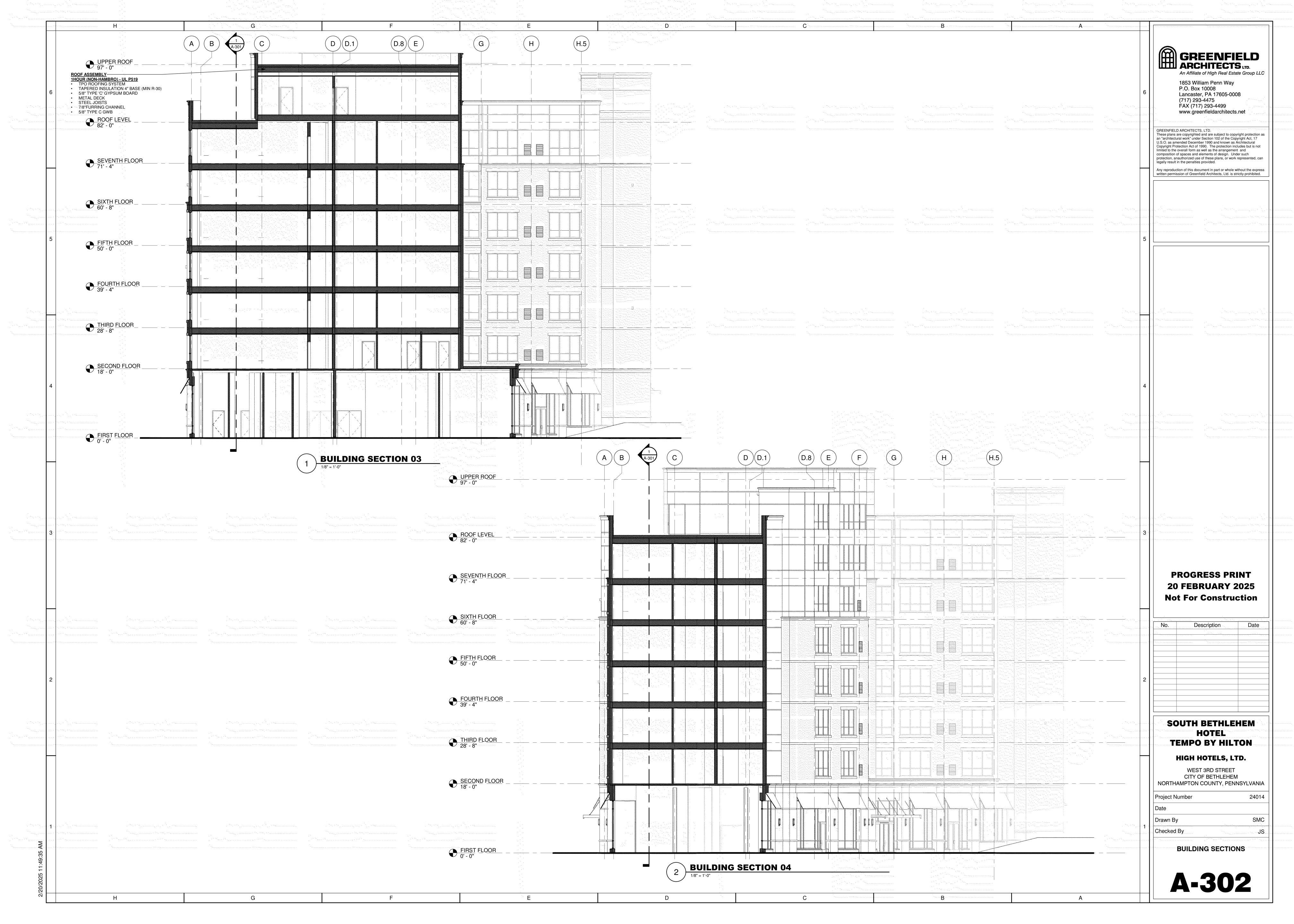


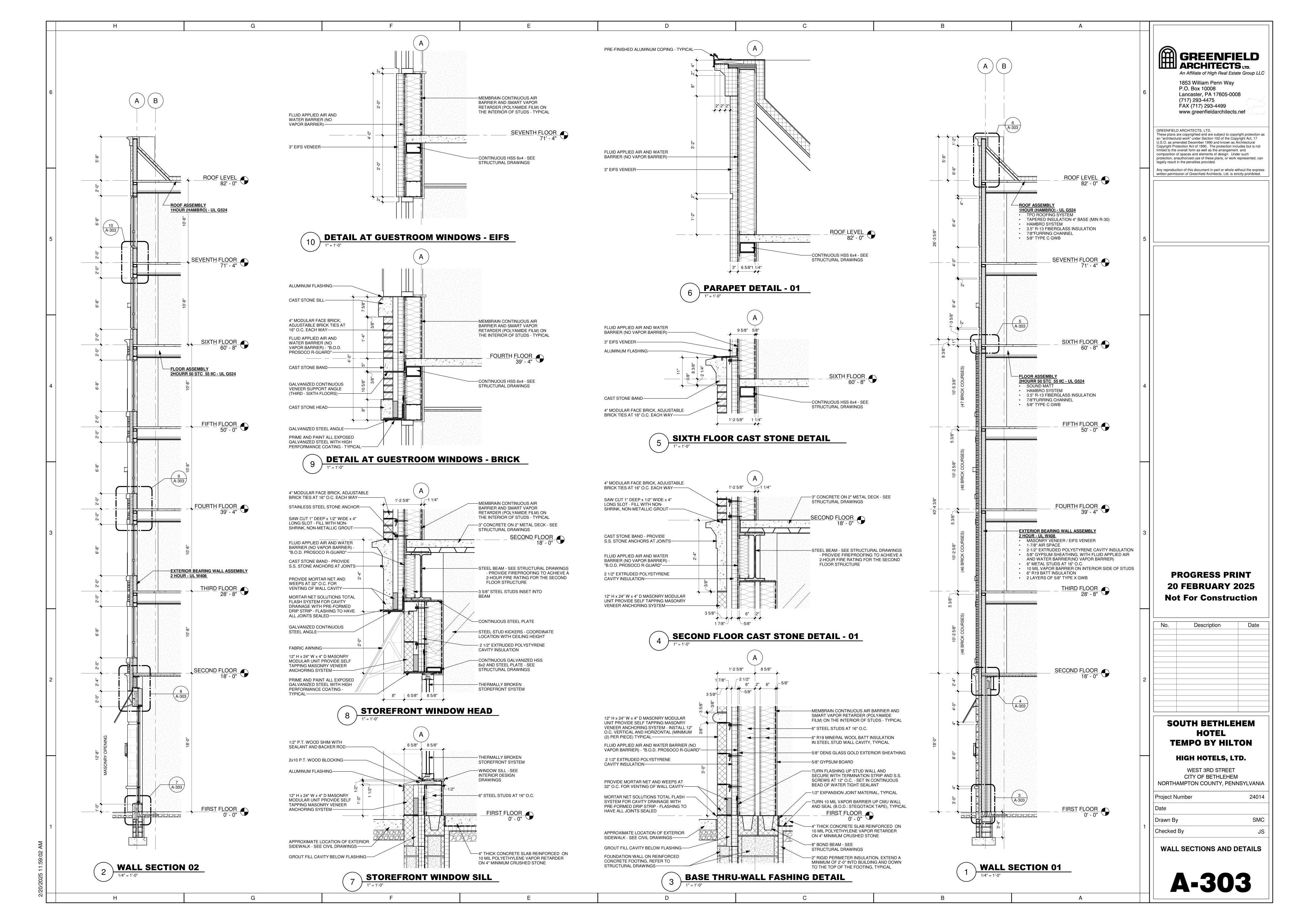


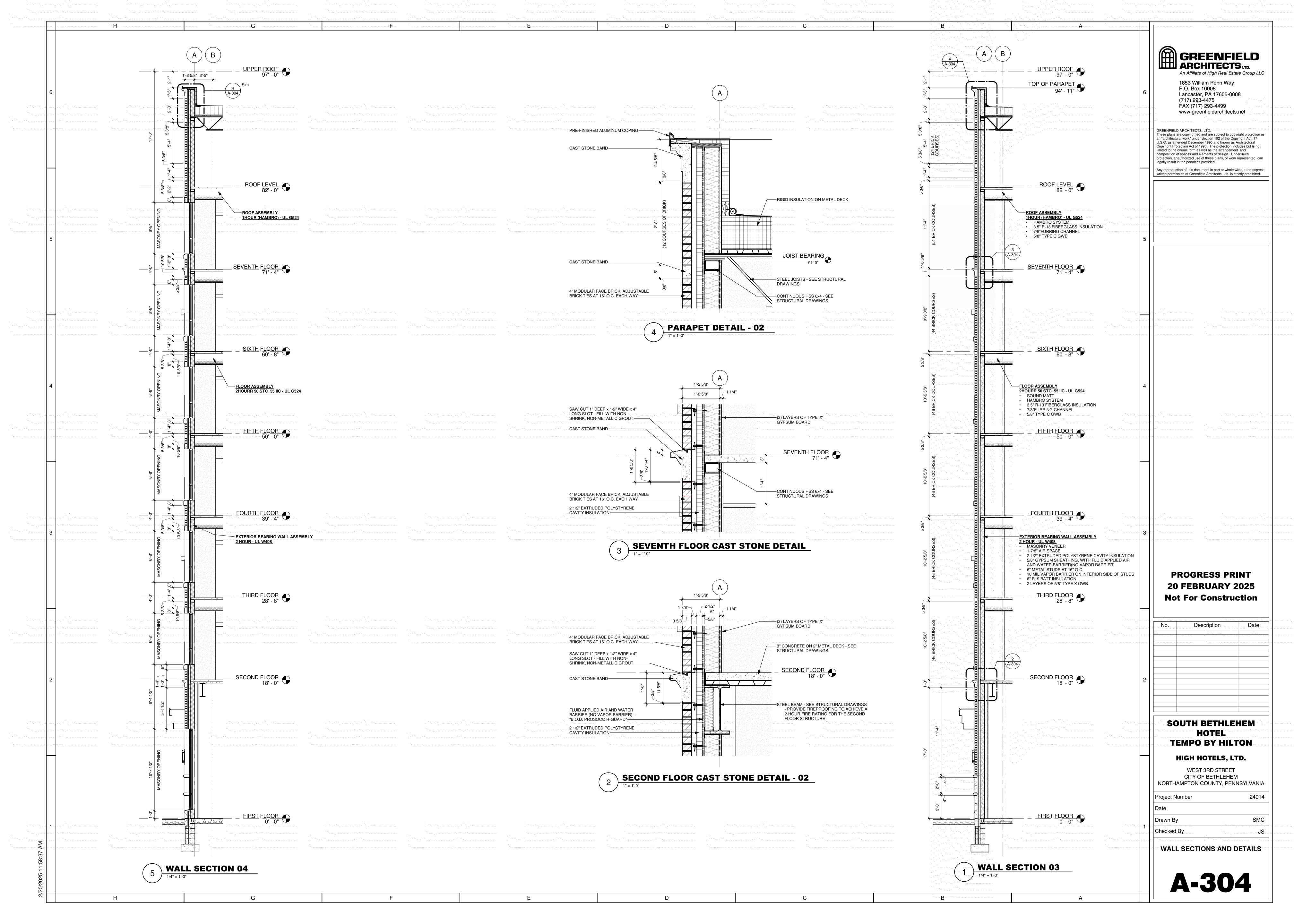


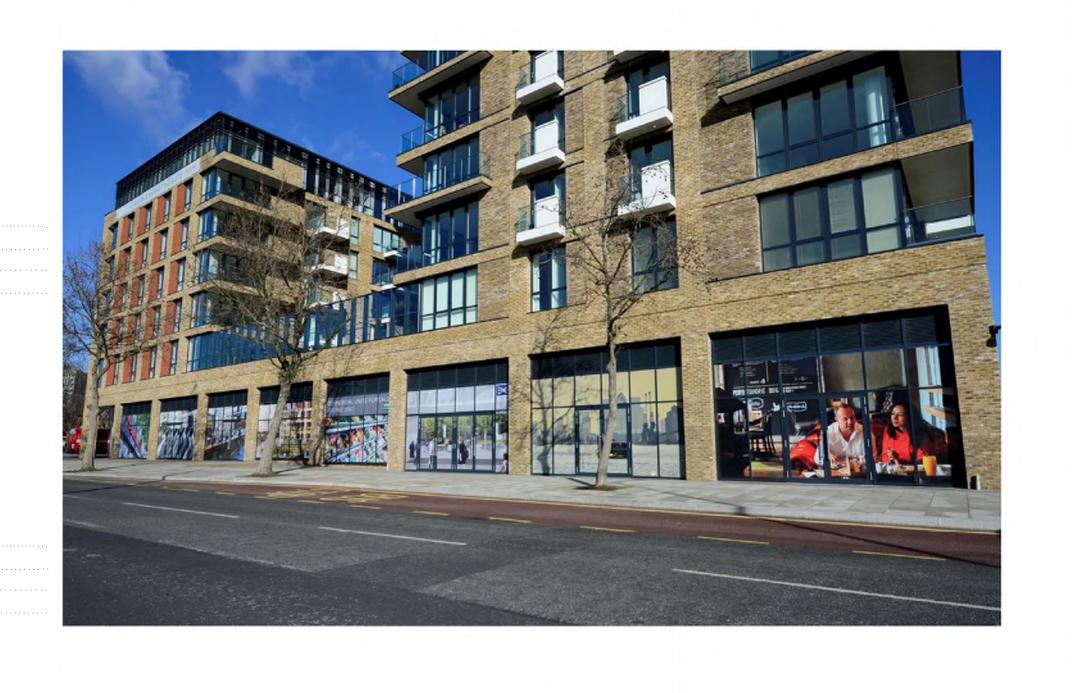




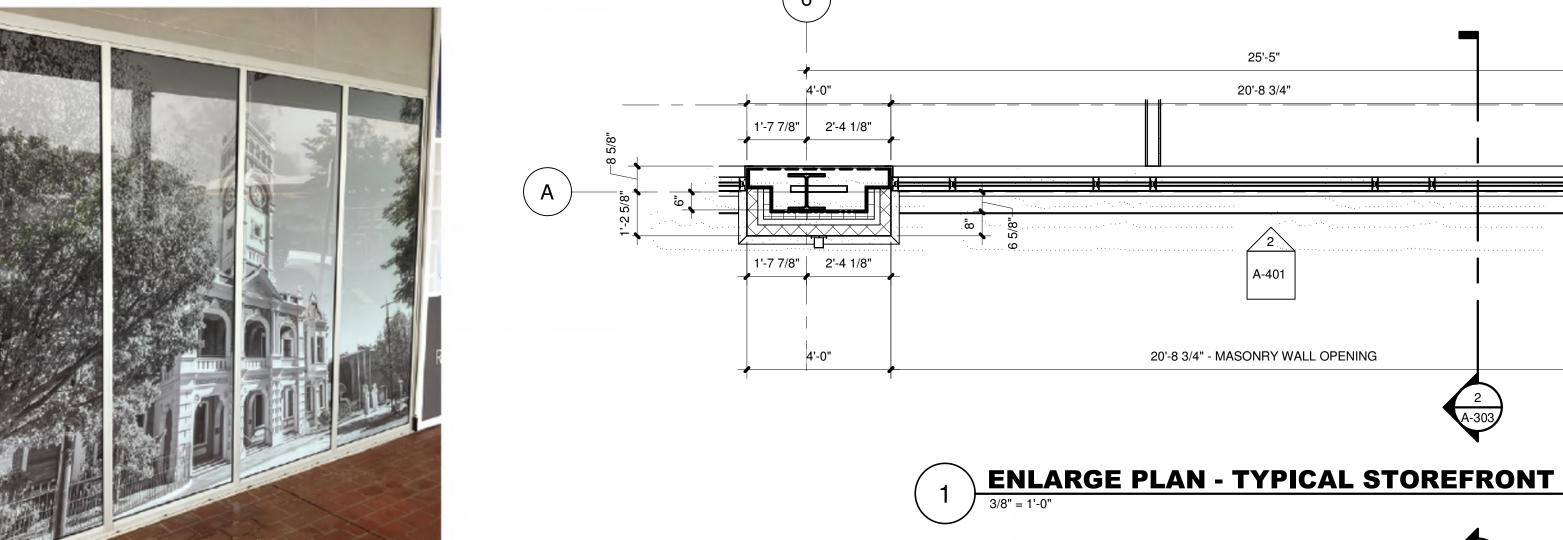














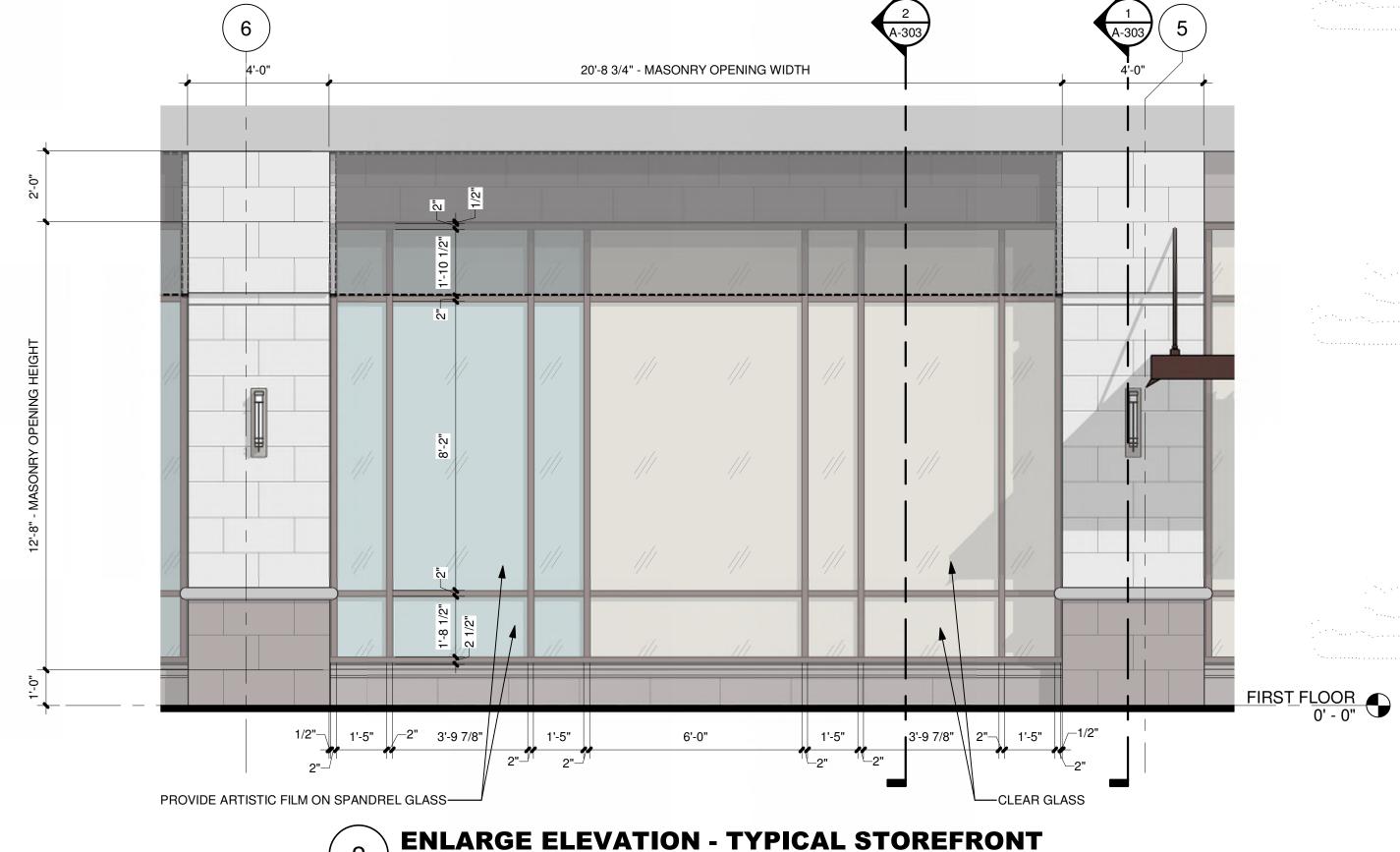
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EXAMPLES OF STOREFRONT ARTWORK

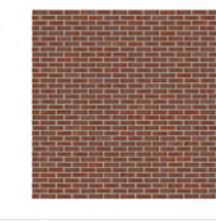


Basis-of-Design: YKK YES 45 FT storefront system with Guardian SunGuard SNX 62/57 Low-E crystal gray glazing, dark bronze finish.

Basis-of-Design: Intus Supera 74, CW polymer window with Guardian SunGuard

SNX 62/57 Low-E ultra clear center set

glazing, Dark bronze finish.

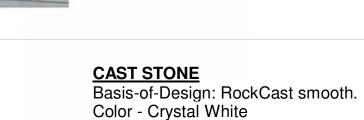


Brick
Basis-of-Design: Glen-Gery modular Rockbridge brick.



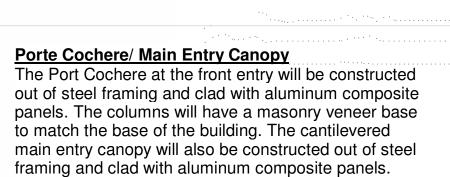
Large format Masonry Veneer

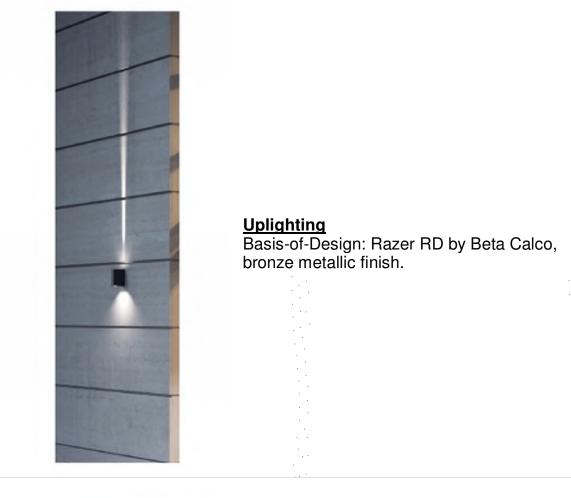
Basis-of-Design: 12'x 24"x4" RockCast smooth face masonry veneer. Dark color- Smokehouse. Light color- Crystal White.



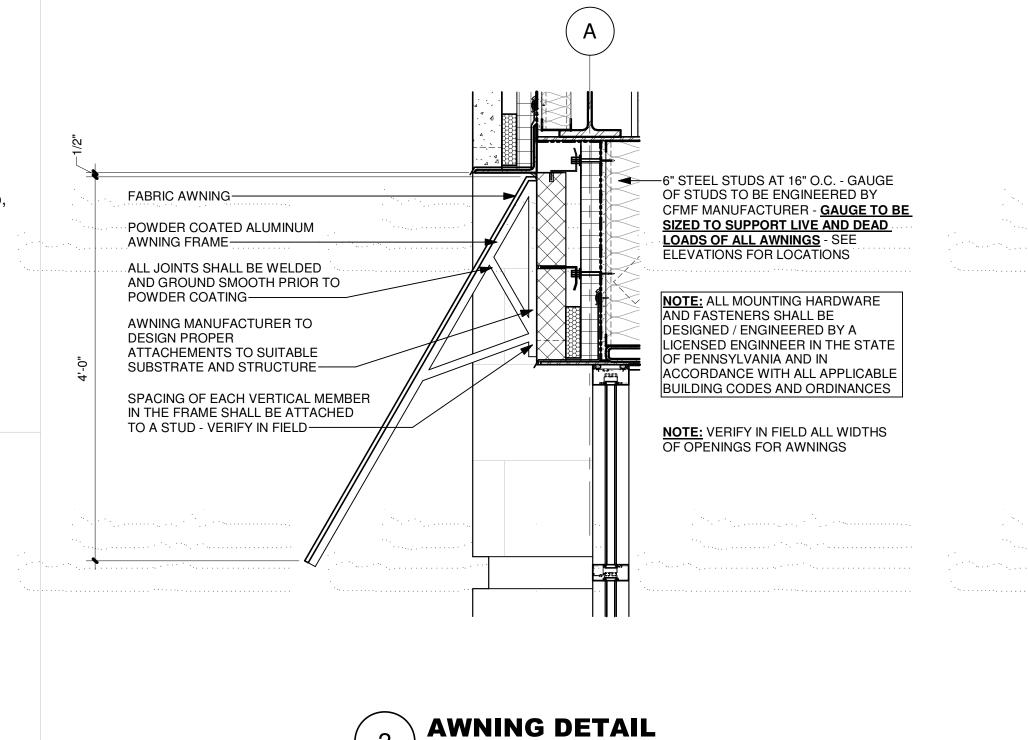


Entry Canopies Basis-of-Design: For the canopies at the side entry off of Third Street, the Entry off of the Greenway and at the southeast stair tower is Super Lumideck canopy by Mapes.





Wall mounted light fixtures
Basis-of-Design: 22499 Synergy wall mounted light by Ultralights, cast bronze finish

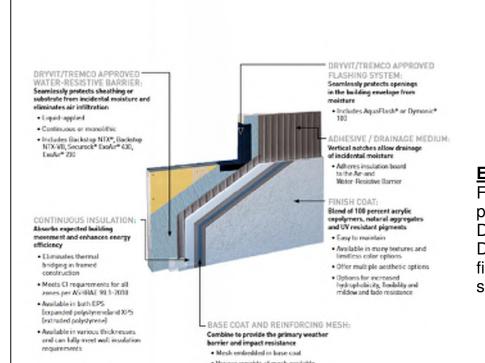


HIGH HOTELS, LTD.

WEST 3RD STREET CITY OF BETHLEHEM NORTHAMPTON COUNTY, PENNSYLVANIA

24014 Project Number SMC Drawn By Checked By

ELEVATION, AWNING DETAIL,



Fully drainable EIFS on 2-1/2" extruded polystyrene cavity insulation. Basis-of-Design: Outsulation Plus MD by Dryvit. Dark grey- 616 King's Gray, sandblast finish. Light grey- 614 Smoke Signal, sandblast finish.



Porte Cochere/ Main Entry Canopy The Port Cochere at the front entry will be constructed out of steel framing and clad with aluminum composite panels. The columns will have a masonry veneer base to match the base of the building. The cantilevered

G

STOREFRONT PLAN AND

SOUTH BETHLEHEM HOTEL TEMPO BY HILTON

PROGRESS PRINT

20 FEBRUARY 2025

Not For Construction

Description

Date

AND ARTWORK EXAMPLES