



Redevelopment Authority of Lehigh County  
September 5, 2024 Meeting

The regular meeting of the Redevelopment Authority of Lehigh County was held at 9:00 a.m. by Zoom video conference. A recording of this meeting is available at: <https://www.lehighcounty.org/Departments/Community-Economic-Development/Lehigh-County-Redevelopment-Authority>.

**ATTENDING**

**Board Members:** Oscar Ghasab (OG), Ricky Gower (RG), Kent Herman (KH); Jill Seitz (JS), David Weinstein (DW), and Michael Yeager (MY). Quorum obtained. Also in attendance representing the Authority, Chris Gulotta (CG)

County Staff: Virginia Haas (VH), Cyndi King (CK)

Public Guests: None

**ABSENT**

Frank Kane (FK)

**AGENDA ITEMS**

**CALL TO ORDER at 9:00 a.m. by MY**

**PUBLIC COMMENT ON AGENDA ITEMS – None.**

**Review and Approval of Minutes of August 1, 2024 Meeting**

No questions or concerns; motion for approval made by RG; seconded by OG. No opposition; all in favor. Minutes approved.

**Financial Report and Approval of Bills – See Tab B**

Three invoices: The Gulotta Group \$2,052.25 with the Borough of Catasauqua billed, as per the RALC MOA, for \$562.50 for the Executive Director’s time on the Iron Works project; King Spry \$1,751.00 with \$1,139.00 billed to the Borough of Catasauqua for the Solicitor’s time on the Iron Works project as per the RALC MOA; and Zelenkofske Axelrod \$800.00 for quarterly accounting services.

CG reviewed the financial statement for the month ending July 31: Total Assets \$229,962.04; No Liabilities; Revenues Year-to-Date \$150,575.92. Expenditures: Year-to-Date \$32,801.68 bringing Net Income for the year to \$117,774.24. There was a fund balance beginning 2024 of \$112,187.80; the fund balance is currently \$229,962.04.

MY asked if there were any questions; there were no questions, comments, or concerns.

## **OLD BUSINESS**

MY noted that Lehigh County Board of Commissioners recently appointed Jill Seitz (JS) to fill the vacancy created by Steven Neratko's resignation from Board. MY welcomed JS to the RALC. JS has worked at the Lehigh Valley Planning Commission for 7 years specializing in community development, housing, equity, and she was recently promoted. JS is excited to participate and contribute from the regional planning perspective.

## **STATUS REPORTS - Executive Director's Report - See Tab C**

### **IRON WORKS PROJECT**

MY and CG met with representatives of the VM Development Group (VM) on August 2, 2024 to discuss the terms of the Exclusive Negotiating Agreement. The Board received a copy of that agreement. CG conferred with members of the advisory committee who gave their consent to move ahead with that agreement provided by VM. MY and CG met with the principles of VM on August 19, 2024 to get a detailed briefing on the firm's financial position. CG reported that the meeting went well. Gretchen Rice, principle, will provide the draft term sheet in "a couple weeks" which CG estimates will arrive [during] the week of September 8 at which time he will share same with the Board and the Advisory Committee which includes representatives of the Borough. At that time, it will be decided whether the terms are acceptable or whether changes will be suggested. The term sheet will be the basis for the substantive provisions in the agreement of sale. CG requests the Board to amend the MOU with the Borough of Catasauqua to extend the time frame for entering into the agreement of sale with the RALC from March 31, 2024 to March 31, 2025 of which the Borough agrees to bring the matter up at the September 19 Borough Council meeting.

### **MULTI-MUNICIPAL STATE GRANT "Blight-To-Bright"**

CG reported that all three municipalities expressed interest in reapply for state funding to rehabilitate or demolish blighted properties. Last month, CG notified the Board that the Keystone Communities program which provided the funding RALC pursued last year had been changed and is being redesignated Main Street Matters with those guidelines being issued on September 3, 2024. Deadline for applications is mid-November. CG will review the guidelines to make certain that the project submitted last year is still a good fit for that funding source.

On 9/4/24, CG sent materials to all eligible Lehigh County municipalities making them aware that RALC has first-come/first-served Community Development Block Grant (CDBG) funding for demolition of blighted properties. Currently, there is \$150,000.00 available through Lehigh County CDBG with \$75,000.00 additional funds tentatively approved. City of Allentown and City of Bethlehem have their own CDBG funds and therefore are ineligible to receive County CDBG funding along with Lower Milford Township, which has opted out of Lehigh County's Urban County designation and has elected to receive CDBG funds directly from Housing and Urban Development (HUD.)

## **REDEVELOPMENT OF THE FORMER LEHIGH VALLEY DAIRY PROPERTY**

Phase II Environmental Study work began in August and is expected to be complete in October. This report will indicate whether any recognized environmental conditions exist. CG will set up a meeting with Elias Property Group to discuss next steps. CG would like to see site plans prepared showing infrastructure and intended uses. CG is meeting with Mr. Elias and the engineers on 9/9 to discuss creating those plans. It is possible that remaining funds from the grant received from PA DCED with Senator Nick Miller's assistance could be used for preparing those plans. CG will meet with the Senator to discuss this possibility and if using the remaining funds in that manner is appropriate. This will remain unknown until the report from the Phase II study is completed.

Mr. Gus Elias indicated to CG that many of the mosaic tiles originally adorning the façade of the former Lehigh Valley Dairy building were preserved and he is pleased with the progress of the demolition work.

No questions or comments on the Executive Director's Report.

### **RESOLUTIONS – None**

### **EXECUTIVE SESSION – Approval of the Exclusive Negotiating Agreement**

Executive Session – MY asked for a motion to go into Executive Session. After the Executive Session was concluded, DW made the motion which was seconded by RG. With unanimous voice approval only members of the RALC, Solicitor, and Executive Director went into Executive Session.

MY asked for a motion to enter into an exclusive negotiating agreement with the VM Development Group for the Iron Works Project in Catasauqua. DW made the motion to accept that agreement; seconded by RG and which passed with unanimous voice approval.

## NEW BUSINESS OR OTHER BUSINESS

CG requests the Board to amend the MOU between the Borough of Catasauqua and the RALC to extend the time frame for entering into the agreement of sale from March 31, 2024 to March 31, 2025. Other than that change, the agreement remains as it is. MY asked for a motion; DW made the motion which was seconded by JS and which passed with unanimous voice approval.

Legislative Update: There is a provision in the State budget to increase Pennsylvania Housing and Rehabilitation Enhancement (PHARE) funding by \$10,000,000.00 each year to reach \$100,000,000.00; the cap is currently \$60,000,000.00. This funding is for affordable housing but it can be used in conjunction with demolition. For example, if there were a developer or municipality that wanted to acquire a site and demolish a structure and build affordable housing on that site, PHARE funds could be used for the demolition activity along with the construction of the affordable housing.

Whole Home Repair (WHR) program, previously funded in 2022, did not receive additional funding in 2024-2025.

Senate Bill (SB) 149, passed in early July and now known as Act 48 of 2024, allows counties to “impose a fee of no more than \$250 for the sale of any property or an action for mortgage foreclosure.” In addition, it allows that same fee to be imposed for the buyers at any delinquent tax sales. This is a potential source of funds for the demolition of properties or the rehabilitation of blighted properties located within Lehigh County. CG did some preliminary number crunching to determine what monies might be raised if the County did impose this fee on buyers at mortgage foreclosure sales and tax delinquency sales. There are two tax sales; one is an upset sale and the other is a judicial sale that takes place if the property doesn’t sell at the upset sale. As per CG’s first glance, there are about 60 properties that are annually sold in Lehigh County sheriff sales which would raise about \$15,000.00 for the demolition or rehabilitation of blighted properties. Average yearly upset and judicial sales in Lehigh County are about 45 properties which would raise about \$11,250.00 for the demolition or rehabilitation of blighted properties. Although these two combined amounts are helpful, they do not raise a huge amount of money, probably no more than \$30,000.00 per year. However, to the extent that the RALC can acquire local match, this would be helpful in leveraging state funds. CG believes this is worth entering into discussion with the County to determine the County’s interest. CG asked for questions; there were none. CG and VH will continue to discuss this matter and decide whether it might be advantageous to continue to bring it forward. VH agrees it is a great plan to acquire extra funds for the demolition and rehabilitation of blighted properties. VH suggested setting up a meeting with FK and then with the County Executive to discuss feasibility and to develop a plan to present to the Lehigh County Board of Commissioners. No action required by the RALC today. MY asked the Board for questions or comments on this proposal and there were none.

Steve Neratko had been vice-chairman of the RALC Board; his resignation was received in July accepted in August creating a vacancy on the Board. MY asked for a nomination of vice-chairman of the RALC. MY nominated DW as vice-chairman to which DW accepted that nomination. Unanimous voice approval of DW to the role of vice-chairman.

### **COMMENTS OR ANNOUNCEMENTS**

MY called for questions or comments from the board; there were none.

### **PUBLIC COMMENT ON NON-AGENDA ITEMS – None**

The next meeting of the RALC is Thursday, October 3, 2024, at 9:00 a.m. via Zoom. MY entertained a motion made by DW and seconded by RG to adjourn the meeting. Unanimous voice approval; meeting adjourned.

Respectfully submitted,  
Cynthia L. King