



Redevelopment Authority of Lehigh County
July 11, 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); Michael Yeager (MY). Quorum obtained.

Also in attendance representing the Authority, Chris Gulotta (CG)

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

Public Guests: Brian Myszkowski, LehighValleyNews.com

ABSENT

Steve Neratko (SN), David Weinstein (DW)

AGENDA ITEMS

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

PUBLIC COMMENT ON AGENDA ITEMS – None.

Review and Approval of Minutes of June 13, 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

Four bills: The Gulotta Group \$3,046.04, Kings Spry \$2,703.00, Zelenkofske Axelrod \$1600.00, USI Insurance Services \$236.00 totaling \$7,585.04. Catasauqua will be billed for reimbursement of Executive Director's time on Iron Works Project as per RALC MOA with the Borough: \$1875.00; Catasauqua will be billed \$1700.00 for Attorney Herman's time on the Iron Works project as per RALC MOA with the Borough; Zelenkofske Axelrod billed for two-

months, May and June; and USI Insurance Services invoiced for Directors and Officers Insurance premium. CG asked for questions regarding the bills; MY inquired whether the Borough has timely taken care of previous bills and CG said “yes” and deferred to OG who also agreed that the Borough timely paid its bills to the RALC. MY and OG previously reviewed the bills submitted for this month’s payment and gave approval to pay those invoices. MY asked for a motion to approve payment of said bills; OG made the motion which was seconded by RG. No questions, comments, or concerns. Unanimous voice approval to pay four bills. CG referred to Tab B to report total revenue from January 1 through May 31st was \$30,099.22, total expenditures \$18,506.34, net income of \$11,592.88, along with a Fund balance beginning January 1, 2024 of \$112, 187.80 with the current fund balance at \$123,780.68. There were no questions.

OLD BUSINESS – None

STATUS REPORTS - Executive Director’s Report - See Tab C

IRON WORKS PROJECT

The Advisory Committee met and interviewed the two firms that responded to the RFP and the Committee has made a recommendation to the RALC for its consideration. Under New Business, CG will propose a resolution which authorizes the RALC Executive Director authority to negotiate the terms and conditions of an exclusive negotiating agreement with VM Development Group.

MULTI-MUNICIPAL STATE GRANT “Blight-To-Bright”

CG had conversations with Catasauqua and Whitehall which each expressed interest in reapplying for the state funding to rehabilitate or demolish blighted properties. North Whitehall is considering whether it will participate in the grant. The application deadline is the end of August. CG stated that the RALC is not demolishing properties as a redevelopment authority but rather providing funding to municipalities to demolish or to rehabilitate blighted properties.

REDEVELOPMENT OF THE FORMER LEHIGH VALLEY DAIRY PROPERTY

CG will be seeking approval of the agreement to provide funding received by RALC from the Commonwealth to Elias Property Group LLC to complete a Phase II Environmental Study consistent with the terms of the agreement that was shared with the RALC Board.

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

RESOLUTIONS – None

EXECUTIVE SESSION - None

NEW BUSINESS OR OTHER BUSINESS –

APPROVAL OF AGREEMENT WITH THE ELIAS PROPERTY GROUP

Senator Nick Miller was helpful in RALC securing \$120,000.00 from PADCED for predevelopment costs associated with the redevelopment of the former Lehigh Valley Dairy site located on MacArthur Road. CG is seeking approval of the agreement with the Elias Property Group LLC (Elias) for funding of a Phase II of the Environmental Study not to exceed \$67,000.00 which will allow them to retain a firm which would complete that Phase II Environmental Study. CG drafted an RFP that Elias used to solicit proposals. CG and Elias believe the best proposal is from Synergy Environmental Services for \$65,000.00. Synergy's proposal is an estimate based on time and materials so the agreement has been drawn up as "not to exceed" \$67,000.00. In the event costs run higher for time and materials, there is some leeway [to fund slightly over the time and material proposal]. To the extent that Elias would be billed by Synergy for more than \$67,000, Elias would be responsible to pay the difference. This is a reimbursement grant meaning that an invoice with accompanying cancelled check must be submitted to the RALC for a reimbursement check to be issued. Two other proposals were received in addition to Synergy; one was slightly higher than the Synergy proposal and the other proposal was slightly lower at \$63,257.00 but that lower proposal had the well drilling being contracted with a separate company at a cost of \$24,157.00. CG observed that it could be difficult for Elias to coordinate and work with two firms, a well drilling firm and the firm providing environmental engineering services. CG believes it is in the best interest of Elias to go with the Synergy proposal for \$65,000.00. No questions or comments. MY asked for a motion to approve the agreement with Elias Property Group LLC. RG made the motion which was seconded by OG. No questions, comments, or concerns and there was unanimous voice approval of the agreement.

CATASAUQUA IRON WORKS PROJECT

There is a proposed resolution initiating terms of exclusive negotiation agreement on the Iron Works Project. Firms were interviewed by the Advisory Committee comprised of representatives from the Borough of Catasauqua and the RALC and then the Advisory Committee ranked those proposals and it is the unanimous recommendation of the Advisory Committee that the RALC move ahead with VM Development Group (VM) as the preferred developer. KH drafted a resolution for the Board's consideration authorizing negotiations with VM to craft an exclusive negotiations agreement. The scoring of these two proposals was attached to the Board Packet under "Request for Proposal". The Advisory Committee used criteria to score these proposals and VM was clearly superior to Urban CoLab in two important ways, experience and financing/capacity to complete the project. The VM group has

undertaken a number of projects and completed a number of projects with development costs in excess of 10-million dollars in the Easton area including the Simon Silk Milk, the Governor Wolfe Building, and The Alpha Building. VM is currently completing a project known as the “Waterfront Project” in Easton and soon will undertake a project called “Eastern Iron and Metalworks Project.” Urban CoLab has done nice work. They provided a list of five projects; however, four of the five are considerably smaller and substantially under 10-million-dollar threshold sought by the RALC as stated in the RFP. An Urban CoLab project that exceeds 10-million dollars is only in the planning stage. VM proposed developer equity of two-million dollars debt financing of fifty-million dollars that would be through a consortium of banks. The Advisory Committee believed VM has the capacity to complete the project having obtained financing in the past for similar projects. Urban CoLab proposed state bond financing that would be used to construct the apartment buildings and some of the commercial properties. Initially, they also proposed a municipal bond for additional infrastructure work. In a clarifying letter subsequent to the interviews, Urban CoLab indicated they would have the RALC issue bonds to construct the 50 live-work apartment townhouses which are shown on the proposal. These are not “for sale” units which would involve the RALC issuing bonds or seeking private placement for tax-exempt or tax-free financing; the clarifying letter would have the RALC own those units. CG believes Urban CoLab’s proposal would add an unnecessary extra layer of complication for the RALC. VM proposal included 31 townhouses for sale, three four-story apartment buildings consisting of 252 units, commercial and retail space on the first floor of the apartment buildings, and adaptive reuse of two structures on the property. In summation, the two deciding factors to choose VM were the experience of the firm and the project financing plan with the capacity to complete the project.

MY commented that the Advisory Committee looked at both proposals, interviewed both developers and the committee was very impressed by both developers but VM stood out as the developer to be the best choice to complete this project. MY concurred with CG and strongly urged the Board to approve the resolution and to accept the Advisory Committee’s report. RG commented that the well-done, extensive and detailed Advisory Committee report made clear the direction for the Board to take. OG agreed with RG but questioned the RALC’s fee in the report. CG reported that both developers agreed to pay Catasauqua \$320,000.00 for the land. CG will review the MOU with Catasauqua to determine what fee the RALC will receive. MY asked for the motion approving the resolution for CG to get involved with the negotiations with VM. OG made the motion which was seconded by RG. No questions, comments, or concerns. Unanimous voice vote approved the resolution.

RIGHT-TO-KNOW COMPLIANCE

Being a relatively new agency, it is necessary for the RALC to have a policy relating to the Pennsylvania Right-To-Know (RTK) law. KH and CG conferred. CG reviewed documents which the Lehigh Valley Planning Commission (LVPC) uses related to the right-to-know. The first item is for the RALC to appoint CG as the Right-To-Know Officer and KH as the alternate. CG drafted a RTK fee schedule and a RTK request form that was shared with the Board. He used LVPC forms as template for these. MY asked for a motion to appoint CG as the RTK

officer and KH as the alternate RTK officer and to adopt the proposed RTK fee schedule and RTK request form. RG made the motion which was seconded by OG. Unanimous voice vote approved the motion.

COMMONWEALTH FUNDING AGREEMENT

In June, the RALC Board approved the grant agreement with the Commonwealth of Pennsylvania for \$120,000.00 for pre-development funding in conjunction with the redevelopment of the L.V. Dairy site. Two policies are referenced in the grant agreement and are required. One policy is the Grantee Integrity policy and the second is a Non-Discrimination and Sexual Harassment policy. The Grantee Integrity policy provides a standard for a code of conduct under Page 2, Paragraph C “Authority Responsibilities”. CG captured the grant agreement language and formed it into the RALC Grantee Integrity policy and the Non-Discrimination and Sexual Harassment policy. KH reviewed these policies and is satisfied that each policy complies with the state’s requirements. MY asked for a motion to approve the policies to comply with the Commonwealth’s funding agreement. OG made the motion which was seconded by RG. No questions, comments, or concerns. Unanimous voice vote approved the motion.

COMMENTS OR ANNOUNCEMENTS - None

PUBLIC COMMENT ON NON-AGENDA ITEMS – None

MY called for questions or comments from the board and the public; there were none. The next meeting of the RALC is Thursday, August 1, 2024, at 9:00 a.m. via Zoom. MY entertained a motion made by RG and seconded by OG to adjourn the meeting. Unanimous voice approval; meeting adjourned.

Respectfully submitted,
Cynthia L. King