



Redevelopment Authority of Lehigh County
July 6, 2023 Meeting

The meeting of the Lehigh County Redevelopment Authority 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), Steven Neratko (SN), David Weinstein (DW), Michael Yeager (MY).

Representing the Authority: Chris Gulotta (CG) and Kent Herman (KH)

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

Borough of Catasauqua Representatives: Howard Cunningham, V.P. Borough Council & Chair of Ironworks Subcommittee

Jason Addy, LehighValleyNews.com
Steve Althouse, WFMZ

AGENDA ITEMS

CALL TO ORDER at 9:02 a.m. by MY

PUBLIC COMMENT ON AGENDA ITEMS – None

Review and Approval of Minutes of June 1, 2023 Meeting

No questions or concerns; motion for approval made by DW; second by OG.
Minutes approved.

Financial Report and Approval of Bills – occurred after status report on insurance coverages

CG reported waiting for the funding from the County which will be forthcoming once the accounts are opened. He expects to provide a financial report for the next meeting. With regard to three bills, one is for The Gulotta Group services in May & June for \$3,709.77; one is for Kings Spry May billing for Attorney Herman for \$1,249.00; and the Public Officials Management Liability insurance premium \$2,745. CG stated that his suggestion is to add the premium for the crime insurance which is \$685/year. Questions or comments. MY asked for a motion to be made to pay these bills once the checking account is opened and monies are received from the County. OG made motion, seconded by RG. Unanimous approval. CG finished by saying that as a matter of protocol, he is sharing the detailed bills with MY (CHAIR) and OG (TREASURER) so both men saw CG's timesheet which substantiated his invoice to the RDA; they also saw the timesheet that Attorney Kent Herman generated. These items are not being provided to each of the board members; however, the Chairman and Treasurer are seeing those detailed billings along with timesheets. MY added, "To date, I have worked closely with Chris in the initiation of this Authority. I have been overly impressed with the transparency that has gone on between both of us moving forward and I want to assure the Board that hopefully it will continue moving forward."

OLD BUSINESS - None

STATUS REPORTS

IRONWORKS PROJECT

CG understands that the Borough of Catasauqua has awarded a contract for an updated appraisal and that it will be made available possibly by the end of July. This appraisal will provide the fair-market value for the property which will be needed to issue the Requests for Proposals which is a substantial step ahead. Howard Cunningham did not have anything further to add.

PROPOSED MULTI-MUNICIPAL STATE GRANT TO ADDRESS BLIGHTED PROPERTIES

This is a natural outcome of Lehigh County's effort to address blighted properties that began in 2017. CG was hired at that time to prepare a comprehensive blight strategy that looked at the nature and extent of blight in Lehigh County communities but then also looked at strategies for addressing blighted properties and that has since morphed into a technical assistance program that the County has

provided, at no cost, to communities where CG basically looks at their ordinances, looks at the nature and extent of their blighted property problem, and suggests strategies for dealing with those issues. The three communities that have worked closely with him are Whitehall, North Whitehall, and Catasauqua Borough. CG indicated last month that one of the common denominators in his discussions with the three communities is the need for additional financial resources to address blighted properties which could mean additional money to demolish those properties or additional monies to repair those properties; another [topic] discussed was whether money could be accessed as part of a grant to assist people who live in their houses (occupied properties), people on fixed incomes whom we could be assisting with some grant funds to fix-up the property. CG met with those municipalities on June 29 and there was interest in pursuing this. CG sent them a draft commitment letter and asked them to return it to him in the next 3-4 weeks. Basically, the commitment letter states that the municipality is interested in participating in this grant to the extent that they match the funds, either cash or in-kind, that they receive through this grant which could be up to \$500,000 so in effect they could double their money to deal with these blighted properties. The other provisions in the commitment letter concern an acknowledgement that the municipality would have some responsibilities for the expenditure of the funds consistent with state guidelines. His understanding is that there is a lot of interest in this. CG addressed "how does the [RDA] get paid for this?" CG shared a project summary that [the RDA] would receive 10 percent of the grant amount and the only funds that would pay the RDA would be the state grant funds through the Pennsylvania Department of Community and Economic Development (PADCED). The municipalities would not be paying any portion of our administrative costs; the state would pay that to compensate [the RDA] for the administration of the grant and the writing of the grant application. This model that CG put out in Lehigh County is a model that he successfully used in his consulting business in both Schuylkill County and Northumberland County. The state is very interested in a multi-municipal approach on this blight issue. The [grant] application would be due at the end of August; CG is asking for more time on the next RDA meeting to go over a resolution assuming the municipalities respond to CG and indicate that they are, in fact, interested. The resolution would authorize the submission of the PADCED grant application to the state. CG had a discussion with the regional director of PADCED who indicated that she felt it was a strong project, a logical progression, coming on the heels of what was started in 2017. No guarantees about funding just a positive note. VH noted that the County is supportive of the project and the application and is also looking for ways to add funds to the match. CG has ideas on how to accomplish this; he understands it is hard for the County to put up funding because, while it is not necessarily there now, it will be available 6-

12 months from now when the grant application gets approved. The challenge is making sure funds are available to be used for a period of 3-years after the grant application gets approved because it is a 3-year contract with the state.

UPDATE ON INSURANCE COVERAGES

Jim O'Hara, President, Allentown Office, USI Insurance Services, LLC which company did provide two quotations, one for Public Officials Management Liability and Employment Practices Liability insurance through Greenwich Insurance and the other a two-option quote for crime insurance through Travelers Insurance gave an overview of these coverages. Proposed premium for the Greenwich Insurance coverage is \$2745/year. Second insurance premium of \$403/year is for \$100,000 of crime insurance or \$1209 for 3-year term. Another proposal for \$1,000,000 crime insurance policy, also from Travelers, was also obtained for \$685/year and \$2,055 for a three-year term. Binding requirements were pointed out along with coverages for the management liability contract. Questions for Jim O'Hara: DW asked whether retention is deductible and it is. CG asked to what extent is a third-party independent contractor who has been hired by the RDA as the Executive Director covered by the proposed public officials insurance? Coverage is included as a named insurer for the management liability policy by endorsement and it was also negotiated with Travelers to issue an endorsement to include independent contractors on the crime policy so there would be coverage [for that individual] both ways. CG asked, since USI will be submitting a proposal for a fidelity bond which is required for the treasurer in the by-laws, whether there is any overlap between coverage with the crime coverage. There could be an overlap. However, according to the by-laws, the treasurer is required to carry \$100,000 (question as to whether it is statutorily carried in the County or in PA) but if it is a requirement then you have to have that bond. The only overlap would be additional coverage which would be whatever the bond is written at (\$100,000) and then the crime insurance policy would be secondary to that bond. So, unless that particular requirement is removed from the by-laws, the RDA will have to have that bond. Discussion on the suggested coverages ensued. DW offered that the small difference between the lesser and greater premiums for \$1,000,000 coverage makes sense. CG added that a condition for coverage by the underwriter was for a 2024 budget which draft he did forward to them. The 2024 budget is substantially different than the 2023 budget in that the county appropriation is not nearly as much but he is beginning to budget fee income from projects and also reimbursable project expenses. No questions or comments. MY asked for a motion for the policies to be written for both the Public Officials Management Liability and Employment Practices Liability insurance and the crime insurance with a move to the million-dollar coverage limit on the crime insurance. DW made the motion to accept; seconded by RG. Unanimous acceptance. Mr.

O'Hara acknowledged and included that the company did receive a proposal for the \$100,000 treasurer's fidelity bond which premium is \$236/year. CG will sign the Authorization to Bind on behalf of the RDA.

RESOLUTIONS – None

NEW OR OTHER BUSINESS RFP FOR BANKING SERVICES

The proposals submitted from Truist Bank and Embassy Bank have been provided to the Board along with CG's review of the completeness of those proposals and how they measured up in terms of the criterion in the Request for Proposal. A request was sent to a third bank but they were unable to timely respond. Discussion on the completeness review and criterion ensued; MY noted his opinion that both banks adequately answered the questions asked of them and it came down to convenience of CG. MY asked the Board for insight into which bank to be chosen. OG made a motion to make Embassy Bank the banking [establishment used by the RDA]; SN seconded. Unanimously approved. CG will obtain signature cards from Embassy so that the RDA can begin writing checks.

COMMENTS OR ANNOUNCEMENTS

CG suggested for the Board's consideration to meet in-person perhaps 3-times per year further suggesting a September in-person meeting. MY agreed but suggested 2-times rather than 3 per year. RG and OG agreed.

PUBLIC COMMENT ON NON-AGENDA ITEMS – None

EXECUTIVE SESSION ON PURCHASE OF REAL ESTATE – No action taken.

Next regular meeting is August 3, 2023, at 9:00 a.m. via Zoom. MY asked for a motion to adjourn; SN made that motion; seconded by OG. No questions or concerns. Unanimously approved.

Respectfully submitted,
Cynthia L. King