



Redevelopment Authority of Lehigh County
April 23, 2025 Special Meeting

A special 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), Michael Yeager (MY). Quorum obtained.

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

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

ABSENT

David Weinstein (DW), Frank Kane (FK)

Public Guests: Nihad Basirat (local businessman), Steve Althouse (WFMZ), Cierra Genelle (Channel 69), Jon Block, Evan Jones, and Senator Nick Miller.

AGENDA ITEMS

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

Review and Approval of the April 3, 2025 meeting is tabled until the next regular meeting, May 15, 2025.

Financial Report and Approval of Bills – See Tab A

Five invoices totaling \$4,284.96 to be paid: The Gulotta Group \$2,645.35 with the Borough of Catasauqua billed, as per the RALC MOA, for \$468.75 for the Executive Director's time on the Iron Works project; King Spry \$374.00;

Zelenkofske Axelrod \$800.00 for accounting services; T-Mobile \$65.61 phone bill for the Executive Director's use specifically for RALC business, and M&L Associates \$400.00. No questions or comments.

Financial statement of March 1 to March 31, 2025 reviewed. Total fund balance of \$213,619.90 including the fund balance entering the year of \$150,298.96 plus net income for the year, including grants received, of \$63,320.94. CG drew attention to the Money Market Account, \$130,353.80, noting that \$50,000.00 received from the State grant will be subtracted from there so the net available for operating expenses is \$80,353.80. To that, add the Cash-Checking amount of \$28,530.35 so the operating fund balance to pay bills, outside of grant expenditures is \$108,884.15.

MY asked for comments, questions, or concerns on approval of the bills. RG made the motion to approve payment of the invoices which was seconded by JS. Unanimous approval; motion carried.

OLD BUSINESS - None

NEW OR OTHER BUSINESS

IRON WORKS PROJECT

There are a number of documents requiring Board attention today:

Agreement of Sale between Borough of Catasauqua and RALC

Agreement of Sale between RALC and Iron Works Development Group,
LLC

Funding agreement between RALC and Iron Works Development Group,
LLC

This process began for the RALC with the issuance of a Request for Proposal (RFP) in March 2024. Two RFPs were received June 10, 2024. The RALC and Catasauqua designated a preferred developer which was one of the two responding RFPs: VM Development Group (VM). VM has formed a single purpose LLC, Ironworks Development Group, to undertake this project.

CG provided the Board with the Agreement of Sale between Borough of Catasauqua and RALC. CG restated that, as a general rule, municipal governments have to sell properties that they own and the Borough of Catasauqua owns this 10-acre property at 326 Front Street. Under a PA law called the Borough Code, the property must be sold to the highest bidder with the exception being a sale to a

redevelopment authority (RA) under the Redevelopment Cooperation law. This allows the municipality to sell to an RA and then for the RA to sell to another entity that presumably was vetted by the RA. The RALC is taking a number of factors into consideration rather than simply price to be paid for the site.

Today's first transaction is action on the Agreement of Sale between Borough of Catasauqua and RALC. This is essentially a closing that would be held when VM and the Ironworks Development Group, LLC have met all the conditions in their agreement of sale. The consideration is \$320,000.00 coming from Iron Works Development Group. This closing will be held to consummate this purchase. The closing between RALC and the Borough of Catasauqua and then RALC and the Ironworks Development Group would happen on the same day. It is a two-step process for this first agreement of sale.

CG added that he learned from Catasauqua Borough Manager that Borough Council unanimously approved this agreement of sale to enter into the RALC so it would be appropriate for the RALC to consider entering into this agreement of sale.

MY asked for questions or comments. MY asked CG whether there is any remuneration RALC would owe Catasauqua Borough for this transfer? The appraised value of the property and the purchase price are \$320,000.00. When a closing occurs, that money would be coming from Ironworks Development Group, LLC. There are no out-of-pocket expenses for the RALC including closing costs. KH stated that he, the borough solicitor and the attorney for Ironworks Development Group have been involved in drawing up this agreement and that the process will be relatively simultaneous. MY appreciated that and asked for a motion to confirm this action on the agreement of sale between the RALC and the Borough of Catasauqua. JS made that motion seconded by RG. Unanimous voice vote; motion carried.

Second transaction is action on the Agreement of Sale between RALC and Iron Works Development Group, LLC. CG stated that the Borough of Catasauqua is signing this agreement and memorializing their commitment to the RALC. Whatever commitments are being made to the RALC are also being made to Ironworks Development Group in terms of funding that would be available through the Borough. The highlights of this are the \$320,000.00 price that Ironworks Development Group would pay the RALC. A \$32,000.00 deposit would be escrowed with their attorney at the signing of the agreement. The closing will occur after Ironworks Development Group has a typical due diligence period to

assess any title and environmental issues. There are some additional periods of time before closing occurs which would allow Ironworks Development Group to obtain all approvals, including land development plan approval and project financing.

CG reviewed VM Development Group's significant experience as a Lehigh Valley developer.

MY asked for questions, comments, or concerns. KH asked whether MY would be the signatory; CG replied "yes." MY asked KH if, in his professional legal opinion, the RALC should move forward on this agreement. KH noted that the agreement has been polished and that CG provided tremendous input. Catasauqua Borough solicitor along with VM's attorney, who is an experienced transaction lawyer from Easton, and he (KH) made certain that everything was appropriate and in place to protect the interests of the RALC and to accomplish what is meant to be accomplished. MY appreciated that reply and asked for a motion to complete the agreement of sale between the RALC and the Ironworks Development Group. OG made the motion seconded by JS. Unanimous voice approval; motion carried.

The third transaction is action on the RALC grant agreement with the Ironworks Redevelopment Group to provide them with \$50,000.00 in state funds already secured by the RALC for professional services, professional engineering services, and other professional services. This grant agreement indicates that the proceeds of the grant must be fully expended by December 31, 2025. CG noted that the RALC was fortunate to get these funds through the PA DCED with the assistance of Senator Nick Miller.

MY asked whether CG anticipated any issues with the deadline and whether the transfer of these funds is on a paid basis or if the grant goes directly to Ironworks Development Group. CG replied it is a reimbursement-based grant and Ironworks Development Group must invoice RALC with paid receipts. CG acknowledged that the timeframe is tight. CG has had discussions with VM on what to do if they recognize that they can't spend all the funds by July or August. CG may approach the Commonwealth about an extension.

MY asked for questions, comments, or concerns on the funding agreement Between the RALC and the Ironworks Development Group. Hearing none, MY asked for a motion to approve same. RG made the motion which was seconded by JS. Unanimous voice approval; motion carried.

MACARTHUR ROAD (FORMER LEHIGH DAIRY CO-OP) REDEVELOPMENT

Elias Property Group (EPG) acquired this property before 2020 and they have demolished the former Lehigh Valley Dairy site in the last 12-to-15 months, completed a Phase II Environmental Review Report of the property, and Gus Elias reached out to the RALC looking for technical assistance in putting together a Request for Proposal to developers to redevelop the site. CG provided the Board with the Funding Agreement between RALC and EPG for professional development technical assistance services. RALC would be paid up to \$50,000.00 for those services which would be billed on an hourly rate. Up to \$26,000.00 of that amount would be paid for by EPG. RALC received approval from the Commonwealth to use \$24,000.00 from a state grant which funded Phase II environmental work and technical service of the RALC. CG acknowledged Senator Nick Miller's work at the state to get funding approved for the RALC.

Part of the technical services which EPG would receive from RALC would include the preparation of a draft Request for Proposal and a list of suggested firms from which EPG might obtain proposals. EPG will send out the RFPs and receive the proposals. EPG will make the final decision as to the preferred developer. However, there is language in the agreement that Mr. Elias will consider a recommendation from the RALC and that recommendation would reflect criteria to include the experience of the responding firms, the quality of the development plan including proposed uses and a timeframe for undertaking the project along with expected public benefits and other criteria such as job creation, real estate, and tax revenues that would accrue to Whitehall Township and the community from the project. CG went on to list more criteria included with the RALC's recommendations that will be provided to EPG with the agreement.

MY asked for questions, comments, or concerns. MY asked KH for his legal insight on the proposed agreement. KH worked with CG and finalized the agreements. MY asked whether any sort of liability might be imposed on the RALC. KH said that refinements to the agreement were made making it clear that the RALC responsibilities were as a consultant and not a real estate salesperson to avoid any concerns that the scope of tasks is beyond what a redevelopment authority should be performing. KH made more comments on the agreement. CG pointed out limitation of liability language within the agreement and read verbatim "EPG acknowledges and agrees that the RALC shall not be liable to it or to any other party, for completion or failure to complete any activities that are part of the Project."

MY asked for comments, questions, or concerns. There being none, MY asked for a motion on action for the funding agreement between RALC and ELG for professional development technical assistance services. OG made the motion seconded by RG. Unanimous voice approval; motion carried.

CG made the Board aware that EPG has signed these agreements.

COMMENTS OR ANNOUNCEMENTS

CG received the letter of engagement from Campbell, Rappold & Yurasitz (CR&Y) for the accounting services. The Board approved CR&Y's selection last month; MY will be asked to execute the engagement letter which contains a 60-day termination clause which the RALC requested and which does accurately describe the scope of services.

PUBLIC COMMENT ON NON-AGENDA ITEMS

MY welcomed the public and asked for questions, comments, or concerns. Hearing none, MY recognized Senator Nick Miller and the close relationship the RALC has garnered with him through CG. RALC appreciates all of the Senator's assistance and insight into the things which the RALC has been able to accomplish to date and the RALC looks forward to continuing the close relationship with the Senator. Senator Miller thanked the Board and said he enjoyed working with CG. Signing the agreements today was a great step for both projects which were two high-profile properties not just in Lehigh County but in the Lehigh Valley and thanked everyone involved. CG let the media representatives know that he would be sending out media alerts for both the Iron Works Project and the Elias Property Group Project.

The next regularly scheduled meeting of the RALC is A ZOOM meeting, May 15, 2025, at 9:00 a.m.. MY entertained a motion to adjourn the meeting made by JS and seconded by RG. No opposition. Meeting is adjourned.

Respectfully submitted,
Cynthia L. King