



Redevelopment Authority of Lehigh County
October 5, 2023 Meeting

The 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), David Weinstein (DW), Michael Yeager (MY).

Also attending representing the Authority, Chris Gulotta (CG) and Kent Herman (KH)

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

ABSENT

Steve Neratko (SN)

No one from the public in attendance.

AGENDA ITEMS

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

PUBLIC COMMENT ON AGENDA ITEMS – None

Review and Approval of Minutes of September 7, 2023 Meeting

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

Financial Report and Approval of Bills

CG reported two bills for payment totaling \$2,952.80: King Spry \$561.00 and The Gulotta Group \$2,391.80 for work in September. The details for the bills were provided to MY and OG. DW made a motion to approve both bills as presented for payment; OG seconded.

Unanimous voice vote of approval to pay both bills.

CG reported that he and MY discussed generating RALC financial statements covering the previous month because bank statements are being received at mid-month. CG added that he also receives separate statements for checking and money market accounts. CG proposes to prepare financial statements for the month prior to the previous month; for example: at the November meeting the Board will have a financial report of the entire month of September. It is not possible to provide a report for October since the statements for October don't arrive until mid-November. MY concurred that he would much rather have a 100% on-target financial report rather than the current way. MY continues to be impressed and pleased with the transparency, continuous confirmations, and input of CG. MY asked for any concerns or questions on this matter; there being none it was decided to proceed accordingly. CG added that RALC has received all the allocated funds from the County of Lehigh.

OLD BUSINESS – None

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

IRONWORKS PROJECT

On September 18, 2023, Catasauqua Borough Council approved the Memorandum of Understanding (MOU). The Borough provided CG with draft Request for Proposals (RFPs) which he marked up and returned to them, the County solicitor, and MY. CG, MY, and the solicitor are meeting with Borough representatives by Zoom on Friday, October 6, to finalize the RFPs. Once finalized, CG will distribute to the entire RALC board. This would be placed on the November meeting agenda for approval. Now that there is an agreement on the MOU, things are nicely moving ahead. The Ironworks Project timeframe is aggressive but achievable by issuing the RFP on or around November 1 with the RFP being presented to Board for approval at the November 2 meeting; proposals being received by January 15; convening an advisory committee meeting for review of the RFPs making a recommendation to the full Board by the middle of February. The RALC board will review and approve a "Preferred Developer Agreement" which is an exclusive negotiation agreement on or about March 1. There would be an agreement of sale with the preferred developer early in the second quarter of 2024 with the condition that the developer obtains land development subdivision approval which could take 120-days. September 1, 2024 is around the time that this deal might close; however, CG believes this is a realistic timeframe.

A map showing land banks in Pennsylvania and a Housing Alliance of Pennsylvania top-ten facts about land banks sheet were included in the Board packet. Also included is the amendment to the law which allows a county to designate a redevelopment authority as its land bank agency rather than having a separate land bank board. There is no need for a separate board if the County becomes inclined to appoint the RALC as a land bank agency. FK is reviewing information provided by CG. CG pointed out that while there is no appropriation for

land banks in Pennsylvania, through negotiation and with approval of the taxing authorities, land banks can share up to 50% of the property taxes for 5-years after the conveyance of the land bank owned property with the taxing authorities. So, for example, if a property is being purchased at a judicial sale and has a relatively low value and a developer is identified to develop it, then with the approval of the taxing authority, the land bank would receive 50% of the incremental increase of the real estate tax revenue – the difference between pre-redevelopment tax assessment of what the property was valued at, and what it is assessed at post-redevelopment. This is a way for land banks to generate revenue. In the future, CG will provide further information on how to fund a land bank through state grants and other funding resources because he has been involved in several land banks throughout Pennsylvania.

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

CG received some approval letters from the State’s elected delegation providing legislative support for the PA DCED Keystone Communities Program grant application to fund the Blight-To-Bright program. He expects to receive notice of determination from the State by December 31.

MY asked for comments or concerns on the Executive Director report. There being none the meeting continued.

NEW BUSINESS

DRAFT MISSION STATEMENT

For the Board’s consideration, in the Executive Director’s report, CG provided a draft mission statement based on the Board’s previous meeting input:

The Redevelopment Authority of Lehigh County is focused on the goal of remediating and repurposing blighted properties in Lehigh County's Boroughs and Townships. It accomplishes this work by partnering with elected and appointed officials, as well as the non-profit and private sectors to grow the tax base, provide opportunities for economic development, and increase the supply of housing. In doing so, the Authority will pursue a variety of financing and incentives to spur repurposing properties for productive uses and to sustain the organization going forward.

MY asked for comments or concerns. DW offered that [the mission statement] covers a lot [of purpose]. RG agreed and added that it was “great.” VH offered that the County thought it was “great” too. FK agreed and said that CG [wrote a great mission statement] on the first draft.

MY asked for a motion to approve the mission statement for the RALC; DW made the motion; motion seconded by RG. The mission statement was approved by unanimous voice vote. MY commented to CG “nicely done.”

AFFIRMATION OF COMPLIANCE – TAB D - Conflict of Interest and Financial Disclosure

CG reported there is a conflict-of-interest provision in the by-laws. As the RALC moves ahead with projects involving private developers, the potential for a conflict of interest arises. CG directed the Board’s attention to read what is in the by-laws and has requested that each member sign this disclosure as an acknowledgement that the provision has been read and it is understood and that the member agrees to comply. MY asked for questions or concerns relative to an affirmation of a compliance with the conflict of interest. DW reviewed what a member would be expected to do if there were a conflict of interest. CG offered that the by-laws state a member with a conflict of interest must be recused from voting. The RALC’s by-laws do not say that a member with a conflict cannot participate in discussion. DW said that at some point in time when the RALC is accepting bids, he may know some developers and wants to make that point known. CG directed DW to the by-laws wherein it states that the conflict of interest must be disclosed, in writing, to the Chair. If the conflict involves the Chair, Chair must disclose same to the Vice-Chair. KH interjected that he, too, encounters [people with whom he has had] business relationships but unless there is a financial interest, the simple fact that one may have either a social relationship or maybe, in the past, had some business relationship which isn’t continuing, is helpful to disclose that but in his estimation, is not disqualifying. DW appreciated counsel’s clarification on the difference between there being a financial interest versus knowledge of [or familiarity] with a person. MY offered it is still a small [geographic area] and everyone knows a little bit about everybody and transparency is still the “best antiseptic.” MY asked CG to send each board member the conflict disclosure; everyone will sign same and return to CG.

RESOLUTIONS – None

COMMENTS OR ANNOUNCEMENTS

DW may not be available for the November meeting. Contact DW in advance if quorum is not expected to be achieved; DW will do his best to attend.

FK asked whether Ron Beitler, the Development Planning Committee Commissioner, was invited to the October RALC meeting. VH advised that she invited the commissioner by email.

MY suggested that a personal invitation is warranted; FK will personally invite the commissioner to the November or December meeting.

Next regular meeting is November 2, 2023, at 9:00 a.m. via Zoom. MY asked for further questions or comments. There being none, the Board went into Executive Session.

PUBLIC COMMENT ON NON-AGENDA ITEMS – None

EXECUTIVE SESSION – On Potential Purchase of Real Estate

Respectfully submitted,
Cynthia L. King