



Redevelopment Authority of Lehigh County
June 1, 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

Oscar Ghasab (OG), Chris Gulotta (CG), Ricky Gower (RG), Kent Herman (KH)
Steven Neratko (SN), David Weinstein (DW), Michael Yeager (MY).

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

Borough of Catasauqua Representatives: Glenn Eckhart, Borough Manager; Chad Helmer, Project Consultant, Taggart Associates; Howard Cunningham, V.P. Borough Council & Chair of Ironworks Subcommittee; Rocco Beltrami, Esquire.

Jason Addy, LehighValleyNews.com

AGENDA ITEMS

Call to order at 9:00 a.m. by MY

Review and Approval of Minutes of May 4, 2023 Meeting

Motion for approval made by DW; second by RG. Minutes are approved.

Review and Approval of Bylaws

KH made some adjustments to the by-laws which were provided for his review by CG. Left blank in the draft was Article IV, Section 401: Annual Meeting. KH suggested considering December 2023 or January 2024 for that meeting. There being no comments from the board on which date to select; MY took the executive privilege to set the first Thursday in January for the annual meeting. MY asked for motion to accept the by-laws as submitted by KH with the understanding that the annual meeting has been set. DW

made a motion to approve the by-laws; seconded by OG. The by-laws are approved. KH will finalize that paperwork to include the date of January 4, 2024, and submit to the Board.

Update on Ironworks Project

Members of the Catasauqua Ironworks team were introduced by Chris Gulotta.

Chad Helmer, Taggart Associates, project consultant, gave a presentation on the project (see attached). Chad asked the other attendees from the Borough whether they had any comments or questions. Attorney Beltrami included comment on the MOU. CG commented that the draft MOU was included with the Board Packet and that this is a “quintessential public-private partnership opportunity” and is “exactly the way that redevelopment authorities can work with communities to see properties repurposed for uses consistent with community needs”.

KH asked for a contact list [of Borough of Catasauqua and Ironworks Subcommittee members] to be created and distributed. KH also pointed out that Lehigh Valley Planning Commission (LVPC) has looked at the parcel over the years and the Ironworks Project is largely consistent with LVPC’s perception as to what should be done with that parcel. CG will create and distribute the contact list and pointed out that the executive session was included in the day’s agenda wherein the board would discuss the proposed MOU in conjunction with the possible purchase of real estate.

MY thanked the Catasauqua group.

Executive Director’s Report

Next Steps-Ironworks Project

CG reported a meeting with an appraiser is scheduled for next week which is important because there needs to be a dollar amount inserted into the MOU which reflects the value the Borough seeks for this particular parcel which is based, in part, on an appraisal. After this step, there will be execution of the MOU. Then, execution of an agreement of sale consistent with the MOU will be drawn up. Then, a meeting with the appointed Advisory Committee (2 representatives from the Borough – manager and one rep from council), CG, and one rep from the RDA. The Advisory Committee will review and comment on the Requests for Proposal (RFP) and issue the RFP.. (CG will have primary responsibility for drafting the RFP.) The Advisory Committee will review the proposals received, make a recommendation to the RDA, and the RDA will enter into a Disposition and Development Agreement (Agreement of Sale) with the preferred developer.

MY asked CG whether he was comfortable with the proposed schedule presented in the presentation's timeline. CG replied that he is comfortable with the schedule overall but the schedule might lag a month or two.

Update on D&O Insurance

CG completed an application for Directors and Officers (D&O) Insurance from USI; \$8,000 was budgeted. CG is suggesting that if a quote is received within the budgeted amount, between now and the July meeting, he would confer with the Chairman (MY) and Vice-Chairman (SN) and if there is agreement, to proceed with procuring that insurance so it is in effect as soon as possible. MY asked for comments; MY is in complete agreement with CG's suggestion. MY called for a vote by board members of who is in agreement relative to CG's proposal to procure D&O insurance if it is within the budget of \$8,000. DW made a motion; seconded by OG. Motion approved.

Update on Financial Management

RDA will need to keep the books and to generate monthly financial statements which include a balance sheet and statement of income & expenses. CG explored County of Lehigh as an option and that was turned down and the County suggested contact with Zelenkofske Axelrod, LLC (Z&A) (Jeff Weiss). A proposal to prepare the RDA's financial statements, not to include the processing of any payroll or handling of any assets, for \$800/month was submitted to CG. This is within the draft budget amount of \$1500/month. CG explained why it is important to have this in place for July to be able to provide the RDA with a monthly financial statement. KH suggested including a 60-day notice of termination clause. MY asked KH whether the RDA had any legal obligation to secure multiple proposals for professional services such as accounting services. KH stated that under state law, these types of professional services do not require a formal procurement. However, as the RDA moves forward it may want to seek competitive proposal every few years for these types of services. State law limits bidding to construction and buying "things" so there is no problem with the RDA selecting a CPA firm to keep the RDA's books at this point. MY entertained the motion that Z&A handle the RDA accounting, with a 60-day termination notice provision included, for \$800/month. DW asked whether Z&A will write checks; CG replied that is specifically excluded from the proposal. The Executive Director and Treasurer will issue checks which will be counter-signed so, in addition to the need for an accounting firm, there is need for the RDA to open a bank account and obtain checks. DW stated that the firm will reconcile the books and provide a monthly financial statement. DW made a motion; seconded by SN. Unanimously approved.

Possible Emerging Project

CG began a conversation with the Board involving a possible emerging project involving a number of municipalities which might have an interest in having the RDA apply for funding which would be then be provided to the municipality to demolish & perhaps repair blighted properties. CG gave a summary of the County's blighted property effort since 2017 which included his hiring by the County to prepare a plan that assessed the nature and extent of blighted properties but also recommended strategies for municipalities to address those blighted properties. This has morphed into a 1-on-1 technical assistance program wherein the County provides CG's services at no charge to the municipalities so CG can review their ordinances and gather more information on their blighted properties. In the course of his discussions with municipalities, CG has identified a lack of financial resources on the part of those municipalities; and, it would be a big help if they had access to funding for demolition and/or repair. CG asked for authority from the Board to start some conversations with those municipalities that have had the 1-on-1 technical assistance to see if there is still interest. MY offered his view that it is under the purview of his current management agreement. KH did not feel a motion was necessary as it is informational at this point and within the bailiwick of what CG has been retained to do and within the scope of what should be done by a redevelopment authority. MY agreed. CG further clarified that if there were interest by the municipalities, he would report back to the RDA about being the applicant for state funding. No further discussion.

Approval of 2023 Budget

MY called for the approval of the 2023 budget. Revenue of \$134,000 being County appropriation, contracted costs of \$43,750 for the Executive Director assuming \$50/month multiplied by \$125/hour for 7 months which is the remainder of 2023. CG states this estimated cost is high; he does not think it will average 50 hours/month – probably more like 30-35 hours/month. Legal costs are \$5,000; accounting costs \$1500/month multiplied by 7 months; the cost of the annual audit is estimated to be \$6,000; travel is \$1,310 assuming CG traveling 2,000 miles at \$.655/mile (IRS allowance for 2023); memberships & conferences: there is a state association, Pennsylvania Association of Housing and Redevelopment Agencies which CG suggests the RDA join. Also included in the budget is attendance at one conference which is available to one of the board members if they choose. D&O insurance was discussed with a best estimate of \$8,000. The by-laws mention a fidelity bond; CG & OG will work on getting a quote for that with his best estimate of cost being \$4,000 – probably a bit high given the total dollar

amount of the operations; legal advertising runs about \$250/month multiplied by seven months. CG included money in the budget for website development and maintenance. The County's website does provide a separate link for the RDA where the agendas etc. are uploaded. CG thinks that the RDA eventually should have its own website but it is presently covered by the County providing a link. Miscellaneous postage and copying supplies... total expenses are \$89,750 with a surplus of \$44,250. This is the 2023 proposed budget to get the RDA rolling and also provide funding going into 2024. From a preliminary standpoint, MY is in complete agreement with the proposed budget. MY willing to entertain a motion for the approval of the 2023 budget. DW made the motion; seconded by RG. Unanimously approved by voice vote.

Approval for Establishment of Bank Accounts

CG talked about the need to establish a bank account. New Tripoli Bank and Truist Bank were brought up for checking and saving accounts. FK opened the discussion by suggesting the RDA choose three banks and vet them and choose. New Tripoli has a good government relations department so that is why that bank was suggested. RG is with Truist. FK suggested the group choose a third bank. DW suggested Embassy Bank or another local bank based in this area. OG asked whether there were any limitations on which bank the RDA could use. KH does not believe there are any statutory requirements and DW's point is well-taken that many authorities like to support the local institutions. MY raised his concern about going into a bank and making signatures etc. and asked to choose a bank that makes it as easy as possible to transact business in a more comfortable arena. CG will contact the suggested three banks and ask them for proposals on banking services to present to the Board at the July meeting.

Executive Session: Purchase of Real Estate

Executive Session – only members of the RDA, Solicitor, and Executive Director participated.

Discussions regarding possible purchase of real estate negotiations ensuing but no official action was taken..

COMMENTS OR DISCUSSIONS

Hearing nothing further, MY asked for a motion for adjournment. DW made a motion to adjourn; seconded by RG. Unanimous voice vote. MY thanked everyone for their time and adjourned until the July meeting.

Respectfully submitted, Cynthia L. King

The background image is a photograph of a steel mill. In the center, a large, glowing orange-red molten metal stream flows from a vertical pipe into a large, dark, textured pool of molten metal. To the right, three workers in protective gear stand near a bright light source, possibly a furnace. The overall scene is industrial and high-contrast, with the bright orange of the molten metal contrasting with the dark, shadowed interior of the mill.

IRON WORKS

CATASAUQUA, PA



TM

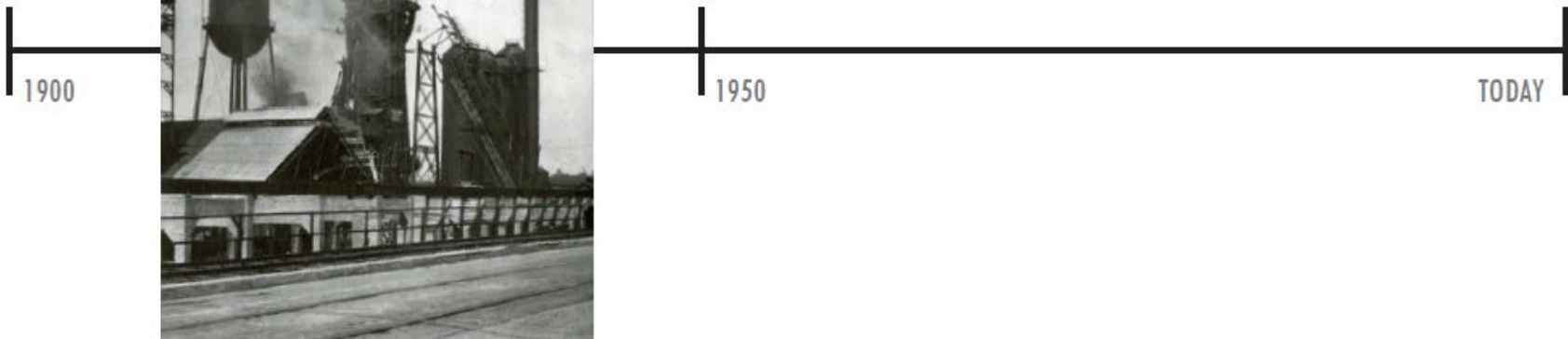
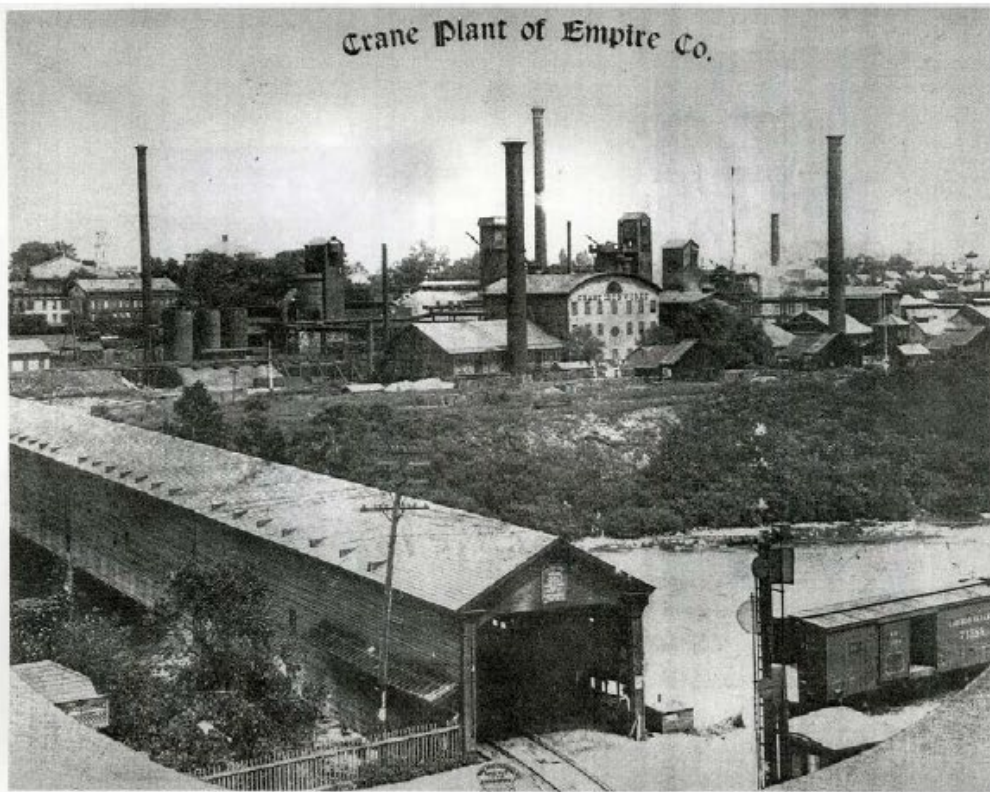


Presentation Overview

- 1. Brief review of the Iron Works site and history**
- 2. Improvements by the Borough**
 - a) New Borough municipal building**
 - b) Abatement, demolition and other site improvements**
 - c) Environmental cleanup planning & liability management**
 - d) Grant funding**
- 3. Marketing of the site**
- 4. Proposed partnership between the Borough & LCRDA**

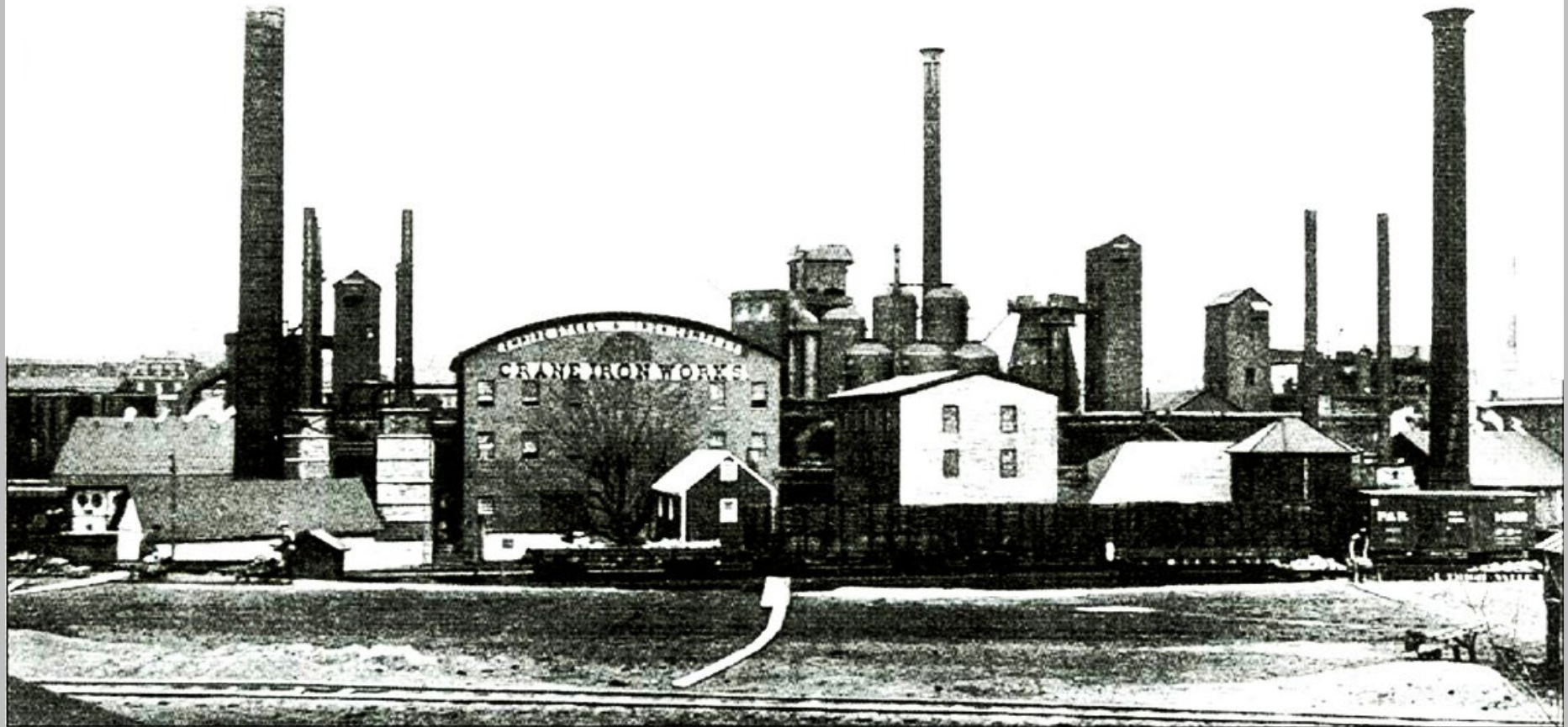
SITE HISTORY

CRANE IRON WORKS	1839-1921
LAST IRON MADE	1930
TORN DOWN	1932
FULLER CO. LEFT SITE	1993
VACANT SINCE EARLY	2000s



THE IRON WORKS

CATASAUQUA, PENNSYLVANIA 2014



SPILLMAN FARMER ARCHITECTS

T & M ASSOCIATES

TAGGART ASSOCIATES

VERAXIA

CONCEPTUAL SITE PLAN

THE IRON WORKS
CATASAUQUA, PENNSYLVANIA



The resulting plan incorporates the strengths from both previous schemes into a walkable extension of Catasauqua's downtown. The loop road connecting Bridge Street to Willow Street serves as the main thoroughfare for vehicular traffic, although a smaller road still provides street frontage for inward facing townhouses. This secondary road could be closed to through traffic for special events without impeding traffic flow, ultimately extending the pedestrian piazza into the street. The fire station is prominently located at the West edge of the piazza along Bridge Street. This highly visible location suits the needs of the fire department, but also showcases the department as an important part of the community. Pedestrian access to the piazza is provided from both Front Street and the new housing and canal tow path to the South. Parking is used along the Pine Street Bridge to buffer sound, and subsequently is out of sight from the main pedestrian areas.



Projected Benefits

The mixed-use development concept is projected to result in \$50 million to \$100 million in new development, with benefits including:

80+ jobs at the site

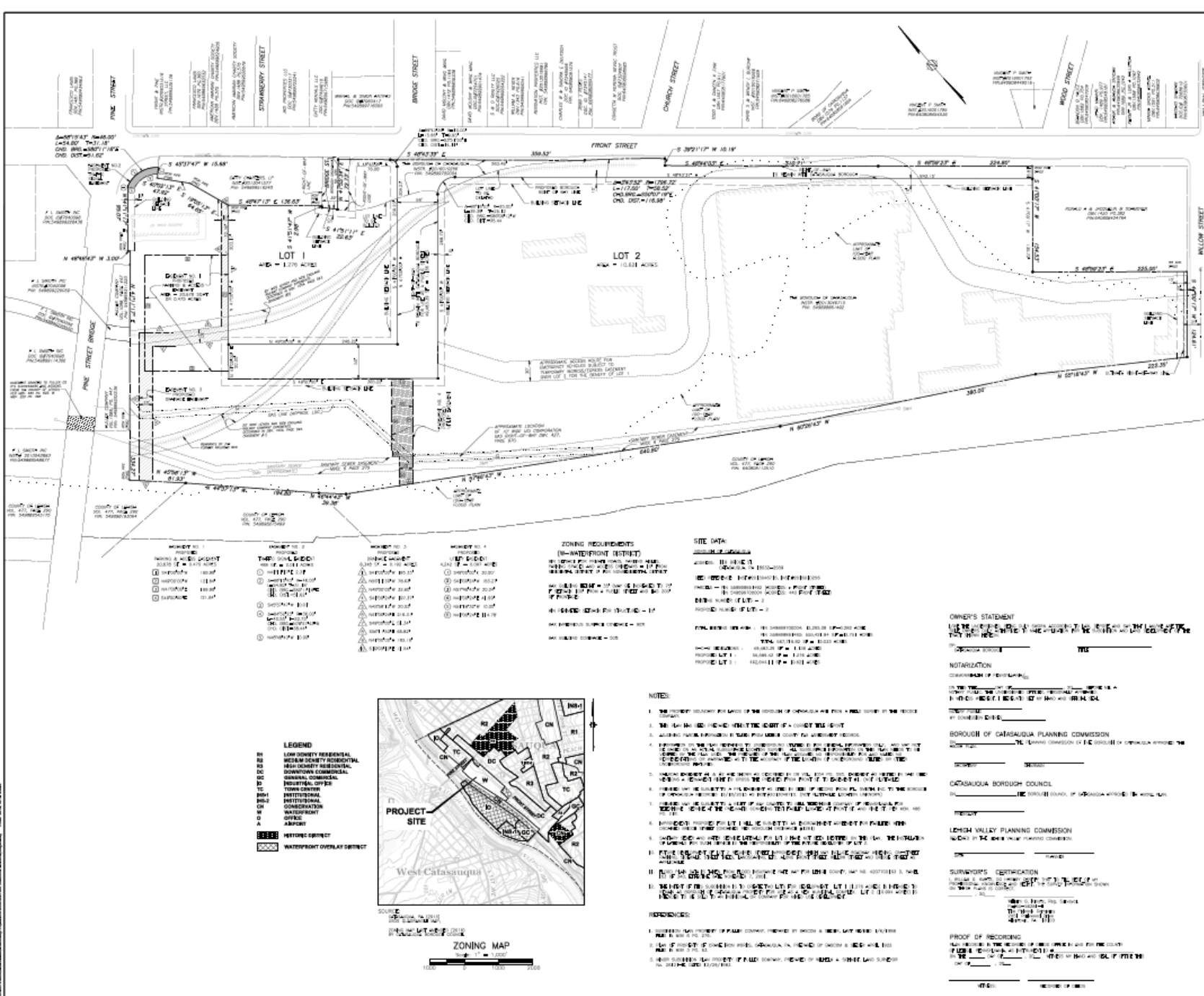
Approximately \$1.2M/year in additional RE tax revenues:

- \$150K/year to the County**
- \$300K/year to the Borough**
- \$800K/year to the CASD**

Approximately \$130K/year in additional EIT

\$1.3M in development fees to the Borough

03 OF 0





Improvements by the Borough: New Municipal Building

**New Municipal Building, including fire and police station ,
constructed on Lot 1**

Bridge Street, public water and sanitary sewer extended into site





Improvements by the Borough: Abatement, demolition & other site improvements

Plate Shop asbestos abated and building demolished

Depot Building and R&D Complex asbestos abated

Sanitary sewer main along canal relined

**Conversion of Front Street to 2-way traffic and roadway
improvements**



Improvements by the Borough:

Environmental cleanup planning & liability mgmt.

Borough and PA DEP have agreed in concept to implement Act 2 cleanup and liability relief via Buyer/Seller Agreement

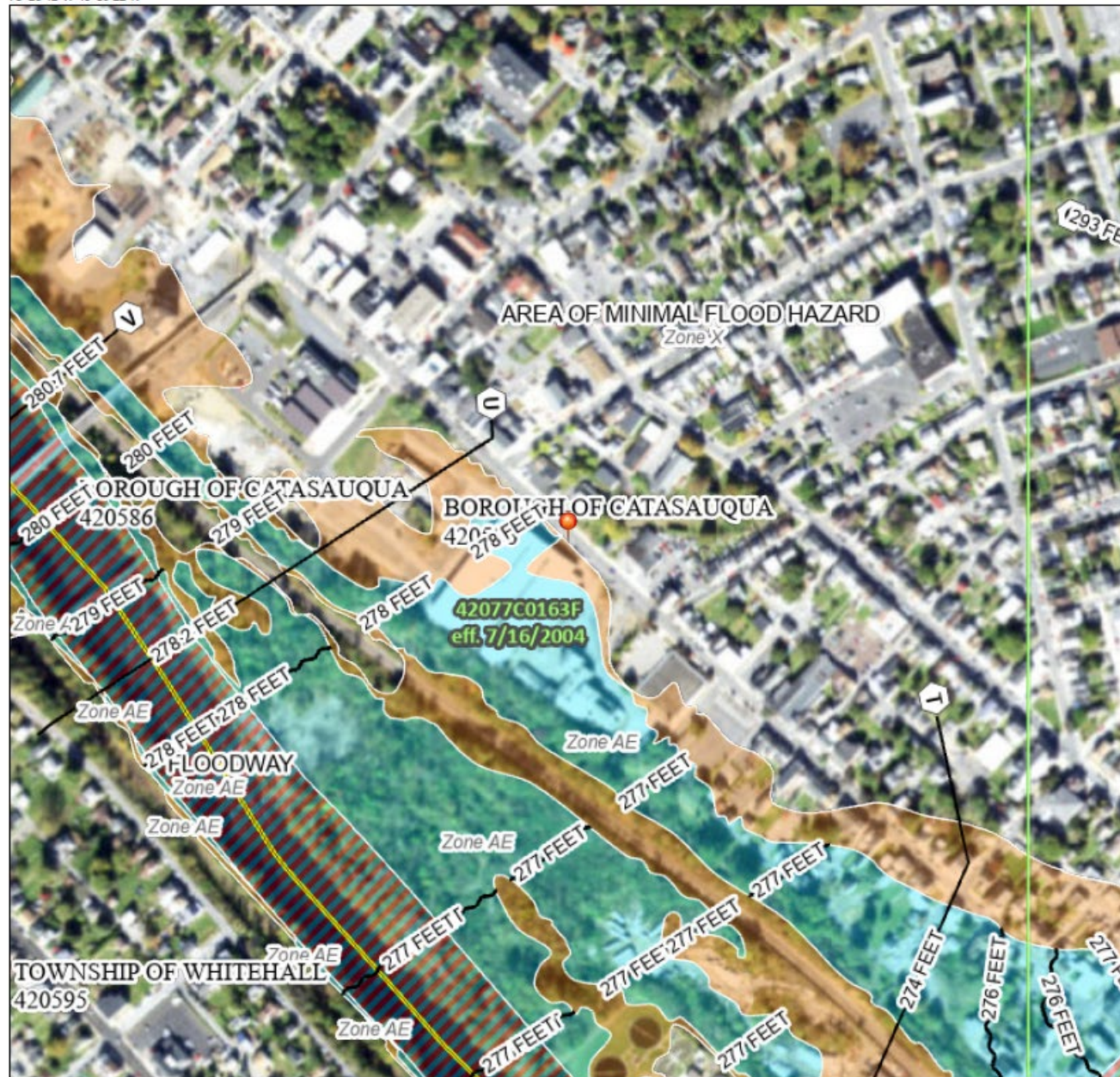
Railroad easements and associated title questions thoroughly researched and documented

Floodplain impacts and LOMR/CLOMR being researched by Borough engineer

National Flood Hazard Layer FIRMette



75°28'42"W 40°39'22"N



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS		Without Base Flood Elevation (BFE) Zone A, V, A99
		With BFE or Depth Zone AE, AO, AH, VE, AR
		Regulatory Floodway
OTHER AREAS OF FLOOD HAZARD		0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
		Future Conditions 1% Annual Chance Flood Hazard Zone X
		Area with Reduced Flood Risk due to Levee. See Notes. Zone X
		Area with Flood Risk due to Levee Zone D
OTHER AREAS		NO SCREEN Area of Minimal Flood Hazard Zone X
		Effective LOMRs
		Area of Undetermined Flood Hazard Zone D
GENERAL STRUCTURES		Channel, Culvert, or Storm Sewer
		Levee, Dike, or Floodwall
OTHER FEATURES		20.2 Cross Sections with 1% Annual Chance Water Surface Elevation
		Coastal Transect
		Base Flood Elevation Line (BFE)
		Limit of Study
		Jurisdiction Boundary
		Coastal Transect Baseline
MAP PANELS		Digital Data Available
		No Digital Data Available
		Unmapped

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 11/9/2022 at 2:42 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

0 250 500 1,000 1,500 2,000 Feet 1:6,000

Basemap: USGS National Map: Orthoimagery: Data refreshed October, 2020

75°28'4"W 40°38'54"N



Improvements by the Borough: Grant Funding

Grant	Total Grant	Total Match	Grant Funds Spent to Date	Match Spent to Date	Grant Funds Remaining	Match Left to be Spent
ISRP	\$1,000,000	\$333,333	\$868,278	\$289,426	\$131,722	\$43,907
MTF	\$563,933	\$187,977	\$0	\$0	\$563,933	\$187,977
RACP (2 grants)	\$1,750,000	\$1,750,000	\$279,800	TBD	\$1,470,200	TBD
Totals to Date	\$3,313,933	\$2,271,310	\$1,148,078	\$289,426	\$2,165,855	\$231,884+TBD



Marketing of the Site: Previous Request for Bids and Proposals

March 2017 – Borough Council passed resolution authorizing the sale of Lot 2

June 2017 - Bids requested on Lot 2, no bids received

August 2017 - Bids requested again on Lot 2, no bids received

November 2017 – Borough requested proposals pursuant to the “No-Bid Law” and elected to proceed with negotiating an Agreement of Sale (AOS) with Dunn Twigg Company (DTC)

2018-2020 – Borough and DTC negotiated terms of AOS, which was executed in November 2020

June 2022 – AOS between Borough and DTC was terminated



Marketing of the Site: Borough's Current Project Team

Borough Council's Iron Works Subcommittee

- **Council VP Howard Cunningham (Committee Chair)**
- **Council President Brian Bartholomew**
- **Councilman Cameron Smith**

Borough Staff – Glenn Eckhart, Manager

**Legal – Christy Schlottman, Borough solicitor
Tom Dinkelacker, Norris McLaughlin**

Engineer – Vanessa Nedrick, Remington & Vernick Engineers

Project Consultant – Chad Helmer, Taggart Associates



Marketing of the Site: Private Sector Interest

Since the termination of the previous Agreement of Sale, the Borough has received expressions of interest from at least 8 credible parties, two of whom (Smart Living Development Strategies and WB Homes) have made public presentations at meetings of Borough Council's Iron Works Subcommittee.

We believe private-sector interest in a renewed opportunity to redevelop the site will be high and that an RFP process will likely be very competitive.



Proposed Partnership between the Borough & LCRDA

- 1) Create an MOU establishing rights and obligations of the Borough and RDA in the sale and redevelopment of the site (draft provided).**
- 2) Create an Advisory Committee (AC) to draft an RFP to be released by the RDA. The AC would also review proposals and make recommendations on the identification of a “preferred developer”.**
- 3) RDA and Borough negotiate an AOS to transfer title from the Borough to the RDA.**
- 4) RDA and the preferred developer enter into a Disposition & Development Agreement (DDA), which acts as an AOS.**



Proposed Partnership between the Borough & LCRDA

Key elements of the draft MOU include:

- **LCRDA to acquire the property from the Borough for \$1.00 at closing, with a promissory note (backed by a 0% interest mortgage) to pay the Borough a to-be-agreed-upon amount upon LCRDA's sale of the property to the Developer.**
- **To the extent allowable by law, the Borough will indemnify LCRDA against any and all claims related to environmental conditions at the property.**



Proposed Partnership between the Borough & LCRDA

Key elements of the draft MOU include (continued):

- Borough to reimburse LCRDA for out-of-pocket professional services costs (i.e., non-staff costs) for legal, engineering, environmental, etc.**
- Any proceeds of the sale from LCRDA to the Developer beyond the amount of the promissory note will be used to complete site improvements like roadways, water, sewer, etc.**
- The MOU is non-binding, with both parties able to terminate the MOU up until a legally-binding agreement of sale is executed.**



Proposed Partnership between the Borough & LCRDA

Borough's desired approximate timeline:

June 2023 - Borough and RDA execute MOU and form Advisory Committee (AC)


July/Aug 2023 – RDA releases RFP drafted by the AC seeking a preferred developer

Fall 2023 – AC recommends preferred developer and RDA begins negotiations of the DDA with the preferred developer

Winter 2023/24 – Authority executes DDA with preferred developer and AOS with the Borough

2024 – Design and permitting of public improvements

2025 – Construction of public improvements

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