

BETHLEHEM CITY COUNCIL MEETING
10 East Church Street – Town Hall
Bethlehem, Pennsylvania
Tuesday, May 3, 2016 – 7:00 PM

INVOCATION

Reverend Clifton E. Bishop, Jr., Pastor of Holy Ghost Church and of Incarnation of Our Lord Parish, both in South Bethlehem, offered the invocation which was followed by the pledge to the flag.

PLEDGE TO THE FLAG

1. ROLL CALL

President Reynolds called the meeting to order. Present were Bryan G. Callahan, Michael G. Colón, Eric R. Evans, Shawn M. Martell, Olga Negrón-Dipini, Adam R. Waldron and J. William Reynolds, 7.

Economic Development Update - Bethlehem Video-Don Cunningham, President and CEO of Lehigh Valley Economic Development Corporation

President Reynolds informed that we were contacted by the President and CEO of the Lehigh Valley Economic Development Corporation, Mr. Don Cunningham who is with us this evening. He and his organization wish to provide an economic development update and debut a Bethlehem video recently produced by LVEDC, and review recent Bethlehem success stories.

Mr. Cunningham informed that Lehigh Valley Economic Development Corporation (LVEDC) is the regional economic development organization that partners very closely with the cities across the Lehigh Valley, particularly the City of Bethlehem. He continued as we have been putting forward much of our marketing product, we wanted give a brief presentation on what we have been up to and what is going on in Bethlehem. Mr. Cunningham stated the mission of LVEDC, which was created 20 years ago, is that collectively as a region, we can combine private and public sector funding and the assets of the Lehigh Valley, to market our economic assets and to serve as a shared regional services center to serve our cities and our communities at a more effective cost. Mr. Cunningham added that their mission is to do a lot of the marketing that the cities and counties cannot do for themselves. We normally do briefings to the County but we thought it was appropriate also to do briefings to the City. Mr. Cunningham then started with a two minute Bethlehem video.

Mr. Cunningham mentioned the video is a regional approach and is produced locally in association with FireRock Productions, located in the Lehigh Valley. There are a few milestones to mention. Last year, for the first time in the Lehigh Valley's history, we passed \$35 billion in total gross domestic product coming out of Lehigh and Northampton County. That is more GDP than the entire State of Vermont produced in the past few years, and it is more economic output than 94 other countries in the world. Mr. Cunningham added that last year Site Selection Magazine ranked the Lehigh Valley as the top performing region for economic development in the Northeast for communities of our size. We are in the category of communities of 200,000 to a million people. Mr. Cunningham added that another significant thing that has been happening across the region, and here in Bethlehem, is that much of our growth has been coming from international companies that benefit greatly from our location on the east coast and our access to the market. Last year of about 20 major projects, nine of those were international based companies that have come into the Lehigh Valley. The most recent one that you read about has been the French bakery that has entered the United States market here in Northampton County. Mr. Cunningham mentioned that significant for Bethlehem is Primark Stores based out of Ireland, which has chosen to setup their United States distribution shop on the old Bethlehem Steel land in South Bethlehem. We had tremendous interest from Europe, and we are starting to see some growth of Canadian companies and some out of South America. Interesting for all of us to realize, much different than 20 to 25 years ago, no longer do we have a lot of our economy and all of our eggs in one or two baskets; we have a very diversified economic base across the Lehigh Valley. The interesting category in our GDP is the third one which is manufacturing. We have 677 manufacturers functioning across the two Counties, and about \$5 billion in GDP, which actually puts us in about the 60th MSA in the United States for manufacturing, which is significant. Mr. Cunningham stated we are really

swinging above our weight class because we are not the 60th MSA population, so the economic base has become very diversified and is spread out. He added that while no area is recession proof we are a lot better off having a nice blend of economic base across the region. Mr. Cunningham advised much of the recent success has been here in Bethlehem, and most of it has been centered on the Bethlehem Steel redevelopment lands. If you would have told him twenty years ago when he was Mayor of Bethlehem that we would be this far along in reusing those 1,800 acres, he never would have dreamed that in a million years, but that area has become a center point of industrial and commercial growth. Mr. Cunningham stated what we are focused on is a lot of larger scale improvement, a lot of investment in commercial. The City does a great job in the streetscape and community development and the store front type development, which is not really what LVEDC was built for. He pointed out that Zulilly being part of what is the ecommerce explosion, which has taken place in the Lehigh Valley, and have located its east coast operation here in Bethlehem and is in the process of hiring 1,200 new employees. To put that in context, there are only 1,500 companies operating today in the Lehigh Valley that have 1,000 employees or more. Mr. Cunningham noted that he mentioned Primark earlier, and this was a major recruitment of an Irish company, a clothing fashion retailer also operating on the Bethlehem Steel site creating about another 100 jobs with potential for growth. Reeb Millwork was a major retention and expansion project; they have been operating for many years at the base of Fountain Hill, below St. Luke's Hospital, but was in very much need of expansion. Fortunately, for us, we have had a great brownfield capacity here in Bethlehem where we could retain and grow an existing manufacturing company creating new jobs right here in Bethlehem. All of this has happened just in the last 12 - 18 months, so this is not a decade's review of economic development and job creation across the region. Mr. Cunningham added that Curtiss-Wright is an amazing story that goes back to Wilbur and Orville Wright of airplane development fame. This is a descendant company of the Wright Brothers; they are a defense contractor, an aeronautics company that has moved their operations from New Jersey over into Bethlehem with about 100 employees. Mr. Cunningham added that one of the things that we regularly heard from different areas across the Lehigh Valley, Bethlehem included, is that over the years each of our cities and counties have developed unique assets. In Bethlehem we have a very unique asset in the CRIZ legislation and we also have a unique asset in the KIZ legislation, the existence of Lehigh University. What we have moved to do while being a regional economic development engine is create some city specific marketing. He believes that Andrew Kleiner, who is their redevelopment specialist and liaison to the cities, has given Council Members a packet of material that is new. There is a new Bethlehem economic asset marketing campaign, which includes a website, a brochure and we have done videos. We have worked that in conjunction with BEDCO and the City's Community and Economic Development Department to identify what the core economic assets are for the City of Bethlehem. As we are recruiting companies and talking to companies, we are aware and are telling the Bethlehem story. Mr. Cunningham added a big part of that is the video and the website, selectbethlehem.com, which is linked to LVEDC so we can link those videos to the City of Bethlehem website and it all comes back in together. Mr. Cunningham then showed the video that is out now on the economic assets of Bethlehem.

Mr. Cunningham advised he wanted to give Council a sense of what they are producing marketing wise, and a little past history and let you know where we take these materials. He and the LVEDC staff spend a lot of time on the road, and we spend a lot of time at national conferences with site selectors with national industrial commercial brokers, anyone who is helping to shape and make decisions around economic relocations. Mr. Cunningham added that equally importantly we do a lot of work in the region with strategies around economic growth. We have done a lot of work right now in the area of workforce development, which is a huge issue for us, and always infrastructure and asset development to continue to allow for downtown growth and growth in the industrial sector, which you need to get to tonight. He pointed out that you cannot get downtown professional office growth without parking so he will allow Bethlehem to figure out the details, but parking is central for us to continue to grow professional office development and commercial development in our downtowns. Mr. Cunningham thanked Council and the Administration for the time to give an update and he offered to answer any questions.

President Reynolds thanked Mr. Cunningham for the presentation.

2. APPROVAL OF MINUTES

The Minutes of April 5, 2016 were approved.

3. PUBLIC COMMENT

South Side Garage

Greg Zebrowski, 23 Dewberry Avenue, pointed out what he did see on the slide show from Mr. Cunningham was a Commerce Center, which is driving economic development in the City of Bethlehem. That was an \$11 million investment made by Northampton County in partnership with this City and private developers. He informed that he agrees with former Mayor Don Cunningham in that we do need parking in Bethlehem, and no one is disputing that, but it is the scale and size of the project. The garage on the south side of Bethlehem symbolizes the contestation of use on how the future of the south side should look, that is what is at issue here. We have a Mayor and Members of City Council and a developer who believe that the south side of Bethlehem should look like Midtown Manhattan with large garages and thirteen story buildings. Mr. Zebrowski noted that is part of the rationale of why this garage should be built. He added that we could have a development on the south side that is smaller in scale, lower in cost that respects the integrity of historic designations and interacts well with the community. Hopefully the representatives of the City of Bethlehem will take into account more than one vision for the south side of Bethlehem. There are a multitude of people here who have a variety of visions which incorporate some of the principles that he suggested you at least give some time and thought to. He remarked no one is questioning development. The difficulty he has here is that this is not a partnership, this is a public fleecing. He added that \$20 million from a private developer, \$17.4 million dollars from the public contributions; that is a 50/50 match and he has never heard of anything like that. If the developer felt parking was so needed he should just put more of his own money into parking. Mr. Zebrowski mentioned the players in this partnership should put more skin in the game, meaning St. Luke's and Lehigh University. We can dance around that, it will increase parking fees for generations for 10, 20, 30 years, it will make parking in the City of Bethlehem more onerous and it will fly against what most cities are doing and that is trying to reduce the cost of parking so urban centers and cities become more attractive. He expressed people will go to the malls when parking gets so onerous and so expensive in the City of Bethlehem. Mr. Zebrowski suggested that the votes are probably not here for a compromise position, much to his dismay. He knows that further development is coming and a 13 story building is coming which is probably why you need a garage of this magnitude. Logically that would probably be a good investment for the developer because it will take care of his parking needs, but gain it will be done on the public dole, not on the private investment by the developer. As we move forward with these other projects and other plans, he thinks it would be wise for Council to consider the public's interests and not the narrow interests of the Mayor, of the developer and of a few Members of Council. Mr. Zebrowski added there are other interests that need to be heard and respected. He pointed out that he was born and raised on the south side and he still has family members there; we do not want Midtown Manhattan on the south side.

Stephen Thode, 730 Barclay Drive, reported that he has lived at this address with his family for the past 32 years. He added that for the past 34 years he has worked on the south side. His purpose for being here is not to discuss the virtues of the parking garage, whether it should be built or it should not be built, but rather to comment on the financials associated with the whole deal. Mr. Thode remarked that the first report came in from Desman a few months ago and that showed that the Parking Authority would be on the ropes starting in 2020 and effectively bankrupt by 2029. Then two weeks ago another report was produced by PFM, which not only shows the Parking Authority will not be on the ropes, but it will be flush with cash throughout the next 30 years. Mr. Thode pointed out this reminds him of when his older daughter was being tested for entry into kindergarten in the Bethlehem public schools. She missed the cut off date and therefore needed to be tested. The first test came back negative, she was told by an expert that she would be a tail-ender and would never catch up. We asked that someone else test her that report came back that she was gifted. Their daughter went on to graduate as valedictorian of her class at Bethlehem Catholic High School, graduated from Penn State with honors distinction, graduated from Dartmouth Medical School, was an honorably serving Psychiatrist in the United States Air Force for four years and is now a Psychiatrist whose practice is primarily veterans suffering from PTSD. Mr. Thode pointed out that reports can be wrong and he is sure that many people here have an emotional investment in the second report. What is missing from both reports and what he wants to address specifically is that the true cost of this garage is buried inside all of the other financials of the Parking Authority. You have to really drill down very deeply; it took him about 5 hours over the weekend to do this, to find out exactly what it was that this garage was adding and what this garage was costing. Mr. Thode mentioned at the end of the day whichever report you chose to believe, this particular garage is going to operate at a deficit of about \$1.1 million a year for 30

years. So that \$1.1 million will have to be made up some other way, whether it is by increasing garage fees, parking fees, doubling the fine from \$30 dollars to \$60 dollars for being two minutes late on your meter. This community is made up of small businesses struggling mightily both in the downtown on the north side and on the south side to compete against malls and shopping centers where parking is free. You have senior citizens on fixed incomes who would like to patronize businesses in this community and they are facing the possibility not only of increased parking revenues but with the bond guarantee from the City the likelihood that their property taxes could go up. Mr. Thode stated that you have young families struggling from paycheck to paycheck and if this garage becomes a liability of the City whether they are renting or owning, they will pay. His message to Council is as you consider placing this guarantee on this bond are you willing to pledge your pensions as collateral against these bonds?

President Reynolds noted that City Council Members do not have pensions.

Adrienne Washington, 125 Goodman Drive, stated she is the Assistant Vice President for Community and Regional Affairs at Lehigh University. She is at this meeting on behalf of the University to show support for this project. Lehigh is committed to the development of South Bethlehem and the corner of Third and New Streets is very important to us at Lehigh University. As you already heard we are moving 120 employees from our Advancement Office to the new space and the parking garage supports the needs of those employees. Ms. Washington pointed out that two weeks ago her colleague, John Welty, stated that his team receives approximately 40 visitors per day to meet with the members of the Advancement team and parking is needed to support that team. This project, including the relocation of Lehigh and St. Luke's employees, will bring more people into South Bethlehem to support the merchants, the restaurants and other economic development efforts that are taking place. Ms. Washington remarked that in addition to the project on Third and New Streets, we will be moving to the flatiron building with about 30 employees during the first week of June. Keep in mind that Lehigh has many acres of its own that it could actually develop, but instead we are committed to the revitalization of South Bethlehem. Because of the development of this project, other development projects are taking place including the project at the Lehigh University service building on New and Adams Streets. In closing it is our goal to support the revitalization of South Bethlehem and developing the site at Third and New Streets is important to the University.

Jane George, stated she is the Assistant Vice President of Government Relations at St. Luke's University Health Network. She is thankful for the opportunity to come and address this very important project that many of us support. As we have said before, and as our good friends in the media have reported, St. Luke's University Health Network, of course is very committed to South Bethlehem and to the revitalization of that area of our City. We plan to occupy about 21,000 square feet of space in the new building that is proposed. We will be using that space for outpatient rehabilitation services. Ms. George pointed out that those patients will have limited mobility and parking is absolutely necessary for these patients. It is highly unlikely that we would have ever agreed to engage into this project without parking being a part of it because of the mobility issues of these patients. We made that very clear to the developer and we made that clear to the City. Ms. George added that they are absolutely committed to the revitalization of South Bethlehem and are committed to being a part of this project. We support parking as a part of it. Ms. George thanked Council for the time and for their consideration and they look forward to continued partnerships with the City.

Chester Toye, 4 Campus Square, mentioned he is a Lehigh University student studying Political Science and Architecture. He pointed out it seems like a big part of this garage has to do with Lehigh students and people who work for Lehigh. He would like to say that he is very happy to see the University is investing in the south side, wishes it was being done in more of a conscious manner. It seems silly to him that so much is going into that area for students who are going to be here for three or four years. As a student he wants to see where he would like to be in the future and a city that is investing so much in a dying practice like driving is a bit unsettling because he would want to go to a city where he would not have to drive that much. Mr. Toye stated he would like to see a longer process to investigate other alternatives. He does understand that parking is a requirement of new development. The cars have to go somewhere and it seems like a garage is going into that site. Mr. Toye stated he thinks a reduced size would be better, it would not be great, but it would be better and more comfortable with a smaller garage. Mr. Toye does not think a six-story garage fits into that area of the south side. He remarked he does not think that all of the traffic created on New Street will be welcoming to walkers. He would like to see some different

exits. Keeping New Street less congested would be beneficial to the business owners on Fourth and Third Streets so people can walk. Mr. Toye also does understand that parking is required, but not having a walkway between the building and the garage. Mr. Toye knows that the Parking Authority has \$9 million in repairs between the North Street garage and the Walnut Street garage that they will have to fund soon. So going into \$1 million of debt every year will not be a good idea and not helpful. This garage is permanent and he would like to see more thought going into this project. He hopes that the right decision is made for the best of the south side.

Peter Crownfield, 407 Delaware Avenue, stated before he makes his remarks he wanted to remind Council of one thing. Since it is quite clear even from the Parking Authority's own studies that this structure is primarily in conjunction with the planned building at Third and New and the proposed monstrosity up at Fourth that would be thirteen stories high, both violate the historic guidelines that are part of your own Ordinances. He wanted to call attention to a Resolution asked by the Bethlehem City Council under ethics and good conduct and one of its statements is that Council Members shall avoid any appearance of inappropriate action. He thinks that for any Council Member who received a contribution from the Benner's or their associates in this project violates that provision, so you are violating your own Resolution, not this specific Council but the City Council. This project ignores basically the Lehigh Valley Planning Commission's recommendations and concerns which were that there is no ground floor retail and that a pedestrian bridge connecting the buildings would keep people off the street. Mr. Crownfield informed that some Council Members no doubt believe this project is good for the existing businesses of the south side but that is not true, it does not make sense. Distributed parking is much more beneficial to the small businesses. If the Parking Authority cared about local businesses at all they would have opened up their existing lots and put out directional signs years ago. It is interesting that a Council is so interested in data about the time of trash collection, but does not seem to be very interested in data about traffic in south side Bethlehem or about air pollution in south side Bethlehem. Mr. Crownfield finds this irresponsible and will harm people's health, especially children. Vehicle pollution is already a serious problem in Bethlehem especially in that area and on the south side. Why is asthma in Bethlehem Area School District over double, almost triple the national average? Mr. Crownfield pointed out that at Donegan Elementary School it is four times the national average. There is a reason for this and one of the biggest ones is vehicle air pollution. This concentrating traffic also makes the City in that area in particular less bicycle friendly, less pedestrian friendly, both of which are supposed to be goals of the City according to your Ordinances and your Comprehensive Plan. Mr. Crownfield stated all he can say is that you have a chance to require this to be smaller, to limit it to three levels at the most. It would still meet St. Luke's and Lehigh's needs and you could put the extra money into distributed parking which would actually help the businesses that already exist in the City and who are already struggling and have been struggling for years. No one has bothered to help them at all until Mr. Benner and his associates wanted to build a big building and they want the public to pick up a good part of the tab.

Dana Grubb, 2420 Henderson Place, stated you may not get a Councilmanic pension but he sees four educators on Council who are probably going to rely on a pension, and he guarantees that between tax increases, fee increases, parking increases, parking fee increases that you will watch it erode like many residents in this City already do. Mr. Grubb noted he is for this project and he understands that extra parking is needed, but as you decide the guaranteeing the \$17 million plus bond so the proposed garage can be built, there is a direct correlation between the bond guarantee and the scale of the garage. He would like to address a few of the issues surrounding this. First, you have a Preservation Plan in Bethlehem and that was prepared through community participation and therefore represents the community's vision for Bethlehem and those historic districts that have been placed under local Ordinance protection. Secondly, the City created design guidelines so that anyone coming in who wants to do anything over there can pick up a copy and understand better what is permitted and what is not permitted. When it comes to the scale of a structure, which is also addressed, you look the other way. Mr. Grubb added that City Council passed a Historic Conservation District South Bethlehem Ordinance in 1999, and he helped some of those Council Members on that Ordinance. It protects this area and specifically addresses scale in Section 1714.10, Design Guidelines subsection (a) (1) Size, Scale, Proportion, New Construction should be related to the dominant proportion size and scale of period buildings, 1895-1950, in that district. We have a plan, we have guidelines, and we have an Ordinance, which a number of officials are ignoring. Where the Ordinances are involved it appears some elected and appointed officials are actually advocating breaking the law. Along with some of the earlier stated self-perceived legacies regarding your support of economic development in Bethlehem, and this project specifically, there will also be the irrefutable factual legacy that some of you freely

advocated violating the law, giving away free parking to a developer at the cost of well over \$1 million just for the construction of those spaces. Also you cost residents more to park in Bethlehem with your actions. Mr. Grubb pointed out it seems to him that some level of compromise would be in order to mitigate these facts; an advanced development that is actually compatible in a Historic District.

Joe Hilliard, 2819 Rhonda Lane, Allentown, mentioned as he said at the last meeting he works with citizen watchdog organizations and hopefully here, if it goes through he thinks definitely we will have the genesis of a pretty active citizen watchdog group. The legacy was brought up, it seems unrelated but it is not. The front page of The Morning Call announced how the Lehigh County Authority (LCA) water rates are going to increase drastically for decades. This was predicted by us when we were fighting the water deal because it is funded by debt. The problem is debt, and how is it wise to add yet another millstone around the necks of taxpayers. That is what you are doing; the figure of \$1.1 million was thrown out. Mr. Hilliard stated at the last meeting even if the debt went to full capacity overnight, he thinks it loses \$800,000 a year. He is not arguing whether we need more development on south side Bethlehem or not. As he has said, he went to Lehigh so he is very familiar with the south side especially in the early days when it was not as nearly nice as it is now. The problem is the public backing of these projects. Let's be really clear about what is going on here. You are advocating using public money to benefit a private developer; that is indisputable. Tied in with campaign contributions, that is called pay to play and that is what got Allentown into trouble. Mr. Hilliard is not saying that is going on here, but it is also called corporate welfare; that is not the function of a government entity. In the best case scenario it will lose \$800,000 a year, and you are adding another millstone around the necks of Bethlehem businesses and residents and even people who come over to visit. Mr. Hilliard mentioned that he does not even go to downtown Allentown anymore. The parking fees are ridiculous and more people will not come to the downtowns in Bethlehem because you are admittedly saying you are going to pay for this by forcing parkers to pay more. What kind of a future is that? You should be trying to reduce the burdens for people to come visit and shop in Bethlehem, but you are automatically increasing them. Mr. Hilliard often says the last place to find wisdom is with government entities. This is not a personal insult directed at this entity; it is directed at all of them, because he does deal in a lot of jurisdictions. You constantly make dumb decisions which burdens the taxpayers, and is it any wonder that our Country is \$20 trillion in debt with \$180 trillion of unfunded liabilities. Mr. Hilliard stated please stop borrowing the money. Tell the developer if he needs a parking garage to build a building do it the old fashioned American way, and pay for it yourself. Lehigh University wants to help redevelop. Their endowment fund is billions, yet they have to be subsidized by hard working blue collar residents of the City. That is embarrassing. But, vote this through, and as he said at the last meeting, just watch the LCA, we are going to hang a millstone around the politician's neck in future elections. We predicted, we fought, and we lost, but we are not going anywhere. Next year you will learn a lot more about the NIZ and the true cost of that. Mr. Hilliard stated they will be back at particular strategic moments to educate the citizens of Bethlehem of yet another dumb decision that burdens them unnecessarily fiscally to benefit a private developer.

Mary Foltz, 2216 Montgomery Street, stated she is thankful for the creation of this platform where citizens of Bethlehem are invited to share our thoughts about backing the bond to fund this parking garage and vacating Graham Place. She has attended three of the City Council Meetings in the past week in which her fellow citizens expressed deep concern about the structure. In these meetings she has heard from multiple residents of the south side who vigorously have decried the deficits of the Parking Authority's study of available parking as these same citizens call for a more comprehensive account of less congested sites where the City might invest in providing needed parking. Ms. Foltz continued to say she has heard from residents and those who work on the south side about the congestion already in this area of our community. Many here tonight previously have raised concerns about how a garage at this site will negatively impact traffic, thereby increasing the congestion on already jammed streets during rush hour periods. She has heard from Lehigh students about their studies of the poor air quality in this portion of our community, which impacts raising childhood asthma, and suggests as a community, we should be thinking about how we might lessen traffic in this area. Ms. Foltz mentioned that she has heard from businesses like Taylor's Family Fuel and Mini Mart and local eateries about the possible impact of such a structure to their properties. Further, she has heard great concern from many, many citizens at prior meetings and tonight about the amount of money that the City is being asked to pay which will benefit primarily one developer and Lehigh University. It is clear to her that there is wide range and diverse public

opposition to the proposed parking structure and the closing of Graham Place. She also would tonight like to contribute her voice to this opposition as she resents being asked as a taxpayer to foot the bill for a structure that will benefit a private developer and an institution of higher education that has a sizeable endowment as well as significant property in which to build parking structures for students. Ms. Foltz stated while she is in favor of responsible development on the south side, with an eye towards the historic character of our community, she opposes placing the City into a significant amount of debt for the benefit of one developer and his tenants. As Breena Holland wrote in *The Morning Call* newspaper, Bethlehem citizens should not be subsidizing parking for commercial and residential tenants, and she fully agrees with that. As other small cities have done across the northeast, she would prefer to see greater investment in public transportation, in walkable areas of the City, and bike paths, and greater discussion of how Lehigh University might lessen student's impact on the south side community by putting into place extended bus routes for students into the south and north side of our community. Ms. Foltz remarked that her college had busses that would take them all over the City; we relied on the transportation provided by the University. She is convinced by her fellow citizen's research and passionate declamations of this particular structure, but she fears that Council has already come to a decision. If not, she urges Council, as others have done, and in prior meetings, not to place our community in debt in order to support a single developer. If you already have made up your minds she will add her voice to the many here tonight that ask you to downsize the proposal, to keep Graham Place open to relieve some of the congestion that will arise with the addition of this structure and your insistence support of one developer's vision of the south side.

Marylou Seixas, 116 Graham Place, stated she wanted to comment on the presentation about the LVEDC. Mr. Cunningham specified that jobs are going to come in, a thousand jobs with Zulilly, 100 jobs at Primark, 100 jobs with Reeb Millwork, 96 jobs with Curtiss-Wright. She is pretty sure that all of these companies have their own parking lots and put up the money to pay for their employees to come and park. Ms. Seixas noted to her knowledge if any business wanted to go up, she believes that they are also supposed to provide parking for their employees or customers. She thinks that the City paying for the parking garage is still a little bit farfetched. She can hear that your choices have been made, but her words may or may not serve to change your mind. She continued she cannot call herself a fellow citizen without again stating that there are right and wrong ways to go about things. This is not a minor choice such as choosing a blue or green tie, or shoes or a bag, because those changes are quick, easy and accessible. We cannot just change the size of the garage or appearance once the foundation goes up and her street, Graham Place is closed or has been blocked off forever from emergency street access, firetruck access or whatever emergency might come up. Ms. Seixas informed that she heard that a firetruck can get onto Graham Place on a regular day but what will happen in rush hour when there is bumper to bumper traffic, or if there is a five alarm fire and the truck is going down the street and has to make that right turn onto Vine Street. She expressed to think that Vine Street is a main access for emergency vehicles is a fantasy to her. She is pleading to Council that this is not a realistic point of view. There are children that play on that street and a lot of life happening on that street that many people do not know about. Ms. Seixas hopes that Council takes into consideration this chance to hear the voices, and to understand that change is great because growth is important, but the way we grow is also important. The Country is already split; we cannot make our community split as well.

Stephen Antalics, 737 Ridge Street, wondered why we private citizens make contributions to people seeking public office. It is the wish of these people that they are going to pick the best person who will fulfill that role and be the guardian of their welfare. With School Board Members it is to support good education. Mr. Antalics noted there is another group of people who are interested in public officials, people running for office and we can call them developers. He polled the School Board Members and note a single member of the School Board received a dollar from a developer. Are developers against education? No, that is not a fair statement to make, but with a School Director there is no payback. Mr. Antalics informed that a School Board Member cannot do anything for a developer because developers are not interested in education; they are interested in making money for their projects. The average donation of a private citizen is \$50 to \$100, and if you look at the records, the developer's donations are almost 10 times that. He believes that creates a liability to the person who accepts that money because a sense of responsibility says they are obligated at some level, maybe unconsciously. Mr. Antalics added that there is one developer who has donated 200 times more than the average citizen; that person must have great interest in the City of Bethlehem. He is not a citizen of Bethlehem, he does not live in Bethlehem, and he lives in Florida. Mr. Antalics

noted if you look into the records you find out that this person who is so generous with his money in the City of Bethlehem and living in Florida and never has been here is Mr. Norton Herrick. Mr. Antalics pointed out this man is the 65% owner of Martin Tower. He asked if the pieces fit here and if you get the message.

William Seixas, 116 Graham Place, stated that he thanks Council and the Mayor for being here and for the other City officials that are at this meeting to listen to him, a resident in the City of South Bethlehem. His wife mentioned before that all of these big developing companies are coming in and they are providing their own parking for their businesses, and he thinks that is important to think about because it is true. We are going to lose money in Bethlehem because of this garage. He and his wife are not against any development in Bethlehem. The only thing that bothers him is that he lives in that neighborhood, exactly where this garage is going to be built. Mr. Seixas stated he is not against this, but he heard that there are family members in the Benner family that do not have anywhere to go in South Bethlehem and he does not think a parking facility will justify that and have them hang out on the third or fourth floor of the building. He thinks that building could be a lot shorter and a lot smaller and they can still get the amount of space that Lehigh and St. Luke's need. Mr. Seixas unfortunately does not have the income that some developers have to actually do this, he wishes he did because then he would have an important say in this. He remarked he is only a resident, and just like in New York, he lived in Williamsburg and in Green Point in big buildings and there is now a 90-story building and a 70-story building where he used to live. Unfortunately all of his friends that lived in that same area are no longer there because they cannot afford it. The reason is that we all have kids and if you build something this big, it will not allow us to continue and what will happen is that he will have to look for another place to live. Mr. Seixas hopes that he does not have to do that. He is not against any development in South Bethlehem, he just thinks it should be a lot smaller, and he is not comfortable with the fact that we have to pay for this building through meters. If he is not mistaken one of the seniors at a meeting a few weeks ago asked why the meters are going up in price, and it was justified that the building has to be paid somehow. Unfortunately that citizen does not know that in about 8 to 10 years the meters might go up even higher and the fact that she cannot pay for it will be scary because she will not be able to drive and park in this facility. He expressed maybe we can allocate some of the money and make this building smaller and give some transportation to some of these seniors. The senior citizen home on the south side is great, but he knows that there is a specific crossing guard who is about 85 years old who never spoke to Mr. Seixas when he first moved here but now he speaks to him and that is something that he knows seniors might have a small problem with when they cannot move from one place to another. Mr. Seixas hopes that Council's decision tonight helps South Bethlehem. He does not want it to look like Manhattan, but he does see that happening. He hopes that his voice is heard and maybe we can make this building smaller, as well as give his family member somewhere to go and hang out, and make the area better for people to walk and enjoy themselves. We need to have more restaurants on Graham and Fourth that people can support. Revenue then will go up and everyone will be happy, and he will not lose his street.

Sam, 200 block of Ettwein Street, stated he spent his whole life on the south side and still goes there every weekend for food or just to visit his friends. He remarked if you just close Graham Place, the traffic patterns on the south side would change significantly. He was driving through the south side when they did the snow cleanup and they closed down one street and the south side became paralyzed. He mentioned today he read in the news that Walmart is planning to build a supercenter off of Route 412 with a 150,000 square foot building. So talk about not having a plan or vision for your small businesses what could be worse than having a Walmart right next to the south side. You will have the traffic for that as well. He stated for him, he feels like there is cohesive plan to help small businesses in Bethlehem. We are just trying to inject as much revenue as possible within the City limits to collect it, whether it is through projects on the south side or whether it is through warehouses. He queried why should someone as himself have to help pay or help back with our tax dollars to park and pay more. We have to make up for someone who not only has the money and income to go anywhere they want to go, but to also help out St. Luke's and Lehigh University, who have more than enough income. He thinks what the gentleman said about this genesis, he would not be here had it not been for the first time that the parking fees were brought up. The first time this was brought up is what got him more aware of urban development in Bethlehem. There are many more people who want to come to these meetings but cannot because of work, but will become more aware and he thinks this is going to become the catalyst for more activism in the future within our City. He noted that people do not want Bethlehem to change into

something that it is not, and have Bethlehem become Midtown Manhattan. It is not what we fell in love with, and not what a lot of people want who visit Bethlehem. He hopes that Council keeps that in mind when they make this decision.

Kim Carrell-Smith, 833 Carlton Avenue, pointed out that she is pro-development and thinks that development on the south side is a great idea. We do need a little energy infusion here and there, and she is aware that parking is needed when we do development. What she would like to see is responsible development that involves the citizenry of the south side that takes into account the needs for our community and other needs as well, but has a wider vision. She reiterated we have no comprehensive plan for what the south side should look like in the future, but we do have piecemeal developments that are destined to forever change the south side. Ms. Carrell-Smith does not believe that just having a building will equal people and feet on the street, and she thinks that urban planners have said that to you before. That is not going to solve our problems on the south side. Ms. Carrell-Smith fears that this parking garage, as it is proposed, is going to keep our dominos falling on the south side. The domino line is the Third and New Street building. We do need a building at that location. It is out of scale. She expressed too bad we busted those Historic Conservation District guidelines. Then we hear the developer and his tenants say that without a big garage we cannot have that Third and New Street building, so we have this big huge garage. Then we have a parking study that the City's charge is to focus that study on a 300 foot radius from two buildings, one the Third and New Street building, and the other one a proposed high rise building both being developed by the same developer. The parking study shows the garage is necessary and it shows the second time around that it is very affordable. Domino three, the same developer recently released the renderings of his plan and talked with the Lehigh University newspaper The Brown and White with the announcement of a thirteen-story apartment building with luxury apartments aimed at Lehigh students. Ms. Carrell-Smith stated what she is worried about is domino four which is assuming that these other dominos have fallen. We have the domino one at Third and New, domino two is the parking study, domino three is this newly released proposed building not yet approved so domino four, will that be a high rise to fill up that parking garage. We are focusing on the needs of one developer when we could be looking at the needs of the whole south side and all of those small merchants. As Mr. Crownfield said, this distributed parking idea could spread out and benefit everyone. Ms. Carrell-Smith informed that when dominos fall that is what leads to super congestion, a high rise city like Midtown Manhattan. She wanted to thank Councilman Evans for saying that he recognizes the traffic congestion problem in that area and recognizes the pollution, the scale was outsized and that this is a very expensive garage. She would just like to ask have you considered a comprehensive parking plan as well as a comprehensive development plan that would help you see whose needs could be met by something such as looking at all of those lots that are empty all the time. We heard from the Parking Authority. They know they are empty, but they are already sold off as parking permits, but you can un-sell those, and switch that out, and use some of the money you are going to use on that giant garage. She remarked shrink the size of that garage, buy back those permits, meter those spaces and serve the needs of the merchants on the south side. Ms. Carrell-Smith added that you could spread out the wealth, and that is what real vitalization is on the south side. It is helping everyone to grow and everyone to prosper, not just one person, not just in two places. Please do not turn us into Midtown Manhattan city of high rises.

Seth Moglen, 726 Hillside Avenue, noted he has lived at this address for 16 years and he teaches at Lehigh University. He thanked the Mayor and Members of Council for listening to what residents and business owners have to say. It is a little confusing on these occasions and he does not want to repeat the arguments you have already heard. Mr. Moglen does not think there is anyone on Council that thinks a six-story parking garage is consistent with the Historic Preservation Guidelines. He thinks all of you probably have concerns of your own about the likely effect of a 600 space parking garage on the already serious traffic congestion problem on the south side. Mr. Moglen added that you have heard people's concerns about the private/public partnership which unduly benefits one developer. He is sure by now you have taken all of this in, but he also thinks you heard that the people who have come out to many meetings. We all feel the future of our community and of South Bethlehem is an issue. Mr. Moglen noted what you are hearing from people who work and live in South Bethlehem is that we want distributed parking, not concentrated parking. We do not want more traffic congestion. We want a community that honors the integrity of its historic fabric. Mr. Moglen thinks he wants to take a minute and say who has been at these meetings; maybe it has been a bunch of cranks, and maybe a bunch of people who have nothing important to do with their time and want to hear themselves repeat the same arguments. Mr. Moglen stated when he

looks around he sees the past President of the South Bethlehem Historical Society; he sees his friends and neighbors who live in south Bethlehem. He heard many Lehigh Professors and Lehigh students speak, he has not heard a single Lehigh faculty member or staff person or student speak up for this project, except those who are delivering a message from the Senior Administration. Mr. Moglen noted there are many people in this room who have worked for City government, and they are here tonight to say this does not make sense. He knows that being on City Council is sometimes a thankless task and that you have the best interest of the City at heart. Probably all of Council have made up your minds on this, but he does want them to look around this room and see who is here. Ask yourself who is in this room is speaking up for South Bethlehem in the sense of a place to live and a place to raise our families and a place where we have invested in our livelihoods and our neighborhoods. Mr. Moglen stated he does not hear South Bethlehem business owners speaking up for this; he does not hear south side residents speaking up for this. There is no one who is against south side development, but the question is what kind of development. Mr. Moglen thinks all of you know who is speaking up for this kind of development and he wants Council to look around the room and ask yourselves who is here tonight and who do you think represents the heart of our community, who will shop and patronize these businesses. Those people are speaking in a clear voice and he is not hearing South Bethlehem residents or business owners or the people who invested in the infrastructure of our community saying this is what we want. Before you vote please listen to who is here in this room.

Bruce Haines, 63 West Church Street, stated this garage is too big, it is in the wrong location, and it is for the benefit of one developer. The garage became a 626 car garage on the back of the second building, the 12-story building. Yet in the last two meetings the Administration has been trying to walk away from the Desman study, and say it is not for that, it is for other development that will occur. Then most of that development, by the way, is outside the 300 foot maximum that the study restricted itself to justify a 626 car garage. Mr. Haines noted even the garages in North Bethlehem are on the perimeter of the City. No decent planner would ever put a garage in the center of town where it is all congested; it would be like putting a garage where the Moravian Book Store is located. Mr. Haines added that it is a big mistake and he thinks you should vote no, and for no other reason but to send it back to be revisited as to where it should be located. We all heard and we know that a 350 car garage is all that is needed for Lehigh and for St. Luke's, yet it ballooned into a 626 car garage. He guesses because Lehigh students now cannot walk more than 300 feet. It is absurd to think that Lehigh students cannot walk more than 300 feet. Mr. Haines remarked that we do not have a City garage for the Hotel Bethlehem that is closer than 1,000 feet from the garage. He noted that his employees walk 1,000 feet to park in that garage and the same thing for the Moravian Book store. The garage is basically 90% for one developer and so he says if you build this garage for that developer, you owe the Hotel Bethlehem a garage because he only has a 100 car garage that we built, it is our garage. We do not have a City garage and we heard here that the City owes the businesses garages. Mr. Haines noted he has a \$40 million investment in the Hotel Bethlehem, which is twice what Mr. Benner is going to put into that building, and we do not have a City garage closer than 1,000 feet. It is not fair and it is wrong. Mr. Haines pointed out that you will destroy the vision of merchants in Bethlehem that want to become proactive to seek customers to come and shop downtown by eliminating on street meter parking. There is no way the City can take that position because there is no money in the surplus anymore until they raise rates in 2021. So any vision that we have to emulate, such as Naples or Sarasota or Saratoga Springs or Chatham, New Jersey that have all eliminated on street meter parking fees is gone, if you approve this tonight. Mr. Haines wanted to say that this is just like Martin Tower, lets hurry and let's get this done and vote this through, but what is the rush? Mr. Haines stated Council should stop this thing and send it back to the well. He remarked that he was at a Zoning Hearing Board Meeting last week and it is the first time he has seen in the 16 years that he has been in Bethlehem that a member of the Zoning Hearing Board stand up and recuse themselves and say they know this person for whom this vote is going to benefit, and therefore they recused themselves. Mr. Haines is asking tonight that Mr. Reynolds, who this developer has been the largest contributor to his most recent campaign to recuse himself. He added that Mr. Martell who this developer is the second largest contributor to his campaign to recuse himself also. In both cases about 10% of their total campaign funds came from the developer who will benefit from this garage. Mr. Haines is asking them to follow the step of Mr. Fitzpatrick of the Zoning Hearing Board who recused himself last week for the sake of good government in Bethlehem.

Al Wurth, 525 Sixth Avenue, mentioned he has spoken on the garage many times and agrees with all of what the speakers before him have mentioned. That includes the issues of pollution, the exorbitant cost, the wrong site, the traffic congestion and the losses that the garage will incur. Mr. Wurth was absolutely thrilled that one of his colleagues did an independent analysis and came up with the exact same annual loss and complained about it being buried in the Parking Authority total budget. We know this is a huge money pit that we will be stuck with for a long time. Mr. Wurth agrees that this will be a terrible mistake that will do direct and deliberate harm to the south side. He will not go into all the reasons he has gone through in the past because we have heard them before from others who have made the same points. He is very impressed by the fact that almost no one speaks for this except the direct beneficiaries. If he was getting the kinds of subsidies that they are getting he would speak on behalf of it also, although maybe he would not. Mr. Wurth stated he has some new news that we have not talked about a lot. He could not figure out how, when he looked at Google and his impression of the entire area, all you can see is parking spaces. There are a few buildings, but if you look at the Google map, it looks like there is nothing but parking everywhere around there. He thought how can this be, and then we have the parking study which did determine that there are 502 empty spaces at peak usage time in the study area. He still could not figure out how they could claim in the parking study that we were not going to have enough parking when there is parking everywhere. Mr. Wurth noted that part of it is that the parking study has all of these carefully drawn boundaries to exclude almost every lot that might be within distance of the designed project, including lots on Webster and Polk, the Brodhead lot that Lehigh owns, and it does not count the Lehigh parking decks that are within a few blocks of this site. The real interesting part was that there are almost no parking spaces that do not have meters included in the parking study. All of the pre-parking and permit parking spaces are not included as available as part of the study, maybe a few where they are but this includes two other lots on Mechanic Street, which average about 60 spaces. There are all kinds of spaces on First Street all the way down and around to and past the skating area, and there are lots on Polk Street; there is a Brodhead lot that is owned by Lehigh that is never full anymore. There is just so much parking and the reason is because we have carefully excluded all of the spaces that might be included and the second point is that especially now that we have decided we are going to park 300 Lehigh student cars or more in the heart of the central business district all day while they go to school. Basically, we will store their cars for them in the most expensive parking spaces that anyone has ever seen in Bethlehem. We will be losing \$1,300 - \$1,500 per space out of the City and the Parking Authority coffers so that Lehigh students can have cheap subsidized parking. This is because Mr. Benner is only paying \$600 dollars per space on average for spaces that are dedicated to him in this lot and the spaces cost over \$2,000 a year. We did not count the \$1 million that we spent to acquire the land. Mr. Wurth then wanted to go back one more time to show how we can save ourselves from this. First of all, you should file Mr. Seixas' idea of closing Graham Street. He continued you could spend the money you would have spent on all this debt service and cover every one of these lots and he recommends that you cover them with solar panels. That way you could generate some energy that you can profit from, create a farmer's market on the Greenway, give the 100 spaces that would exist, by the way, you are losing space on Graham that are not counted either by closing it and vacating it, which is an issue of time. He continued, put that farmer's market on the Greenway; give that to St. Luke's for the handicapped people; that will be the exact same difference as the garage would have been. You do not have to borrow any money, and you can review how things will go. If everything starts getting clogged up you can build another garage if you want to. Mr. Wurth reminded that you can do all of this on the cheap and not build a 30-year debt hole that everyone here has been complaining about all night.

4. OLD BUSINESS.

- A. Members of Council
- B. Tabled Items
- C. Unfinished Business

None.

5. COMMUNICATIONS

A. *Director of Public Works – Recommendation for Award – Boucher & James, Inc.*

The Clerk read a memorandum from Michael Alkhal, Director of Public Works recommending a contract with Boucher & James, Inc. for the design of the south Bethlehem Greenway connection to Saucon Park. The term of the contract is from the Notice to Proceed until December 31, 2016. The fee for the contract is \$72,606.

President Reynolds stated Resolution 9 E is on the agenda.

B. *Health Director – Recommendation for Award – Continual Impact*

The Clerk read a memorandum from Kristen Wenrich, Health Director recommending a contract with Continual Impact to facilitate 11 working sessions to assist the Health Bureau in the creation of an agency-wide strategic plan, which will fulfill the requirements of accreditation. The term of the contract is June 1, 2016 to December 31, 2016. The fee for the contract is \$14,900.

President Reynolds stated Resolution 9 F is on the agenda.

C. *Health Director – Recommendation for Award – 35th Street Consulting*

The Clerk read a memorandum from Kristen Wenrich, Health Director recommending a contract with 35th Street Consulting to assist the Health Bureau with data analysis as part of the community health needs assessment. The term of the contract is May 15, 2016 to July 30, 2016. The fee for the contract is \$5,000.

President Reynolds stated Resolution 9 G is on the agenda.

D. *City Solicitor – Use Permit Agreement – Mount Airy Neighborhood Association – West Side Farmer’s Market*

The Clerk read a memorandum from City Solicitor William P. Leeson, Esq. attached to which is a proposed Resolution and Associated Use Permit Agreement with the Mount Airy Neighborhood Association for the West Side Farmer’s Market. The duration of the agreement is every Saturday from June 11, 2016 through September 24, 2016, excluding July 4 and Labor Day weekends and the location of the event is the Rose Garden.

President Reynolds stated the Resolution will be listed on the May 17th agenda.

E. *City Solicitor – Street Vacation Ordinance – Portion of Graham Place*

The Clerk read a memorandum from City Solicitor William P. Leeson, Esq. to which is attached a proposed Ordinance to effect the vacation of a portion of Graham Place. If there are utility service lines located in the right-of-way of Graham Place, it is the Solicitor’s Office position that, prior to final passage of the vacation Ordinance, the utilities involved receive easements from the Bethlehem Parking Authority insuring the continuance of the utilities’ rights to maintain the lines currently in place. This approach is in accord with prior practice in handling these matters before Council. A report of the status will be provided prior to Council’s consideration for final passage.

President Reynolds stated Ordinance 8 A is on the agenda.

F. *City Solicitor – PennDOT Standard Bridge Reimbursement Grant Agreement – High Street Bridge Project*

The Clerk read a memorandum from City Solicitor William P. Leeson, Esq. attached to which is a proposed Resolution and Associated Commonwealth of Pennsylvania Department of Transportation Standard Bridge Reimbursement Grant Agreement in connection with the construction project for the High Street Bridge.

President Reynolds stated Resolution 9 H is on the agenda.

G. *Director of Community and Economic Development – Greater Lehigh Valley Chamber of Commerce*

The Clerk read a memorandum from Director of Community and Economic Development Director Alicia Karner, recommending a contract with the Greater Lehigh Valley Chamber of Commerce for marketing services. The term of the contract is January 1, 2016 through December 31, 2016. The fee for the contract is \$75,000.

President Reynolds stated Resolution 9 I is on the agenda.

6. REPORTS

A. *President of Council*

B. *Mayor*

City of Bethlehem Bond Rating

Mayor Donchez related that last week we received good news from S&P that the City's bond rating was raised from BBB to A minus with a positive outlook. The Mayor recognized that it was the the hard work of the Administration and certainly with the cooperation of City Council.

Community Development Committee

Chairman Martell stated that the Community Development Committee met on Tuesday, May 3, 2016 at 6 pm in Town Hall. The members of the committee reviewed the Ordinance establishing new Article 1162; Solid Waste Collection and Enforcement and recommended it to be approved by City Council with amendments to be drafted by the City Clerk. The First Reading of the Ordinance will occur on Tuesday, May 17, 2016 at 7:00 PM in Town Hall.

7. ORDINANCES FOR FINAL READING

A. *Bill No. 11 – 2016 – Parking Authority Parking System Revenue Bond Guaranty – Refunding Grant Anticipation Note, Series of 2013; Funding Capital Projects*

The Clerk read Bill No. 11 – 2016 – Parking Authority Parking System Revenue Bond Guaranty – Refunding Grant Anticipation Note, Series of 2013; Funding Capital Projects, on Final Reading.

President Reynolds stated before he turns to comments and questions from City Council he queried if the Administration wanted to comment at this time.

Mayor Donchez informed that he does respect everyone who has been here for the last several meetings. Unfortunately, he has a different point of view. In his opinion, South Bethlehem needs this parking structure. Adequate parking is a critical element to a successful downtown and economic development. Mayor Donchez added that parking in South Bethlehem is difficult; just ask any merchant south of the Lehigh River. There are too many surface lots that do not provide more than a handful of parking spaces. There is a limited amount of long term discounted parking spaces for employees, driving them to metered spaces. There is an inadequate number of on street parking spaces for people who want to patronize stores. Mayor Donchez advised that without adequate parking the prospects of economic development in that area of the City is severely limited. The City of Bethlehem has a long history of seeking out economic development projects and we bring all available incentives to the table. With the decline of the downtowns and the loss of Bethlehem Steel, Bethlehem's leaders did not sit around and wait for something to happen. They took the initiative. Over the last 20 years, four different Mayors worked aggressively with Federal, State and Local officials and the private sector to tackle significant economic development challenges in the City both big and small. Mayor Donchez continued to say that our redevelopment efforts have succeeded in places like the former Bethlehem Steel property, the Durkee Spice plant, Main Street Commons, Northampton Community College Fowler Center, the Hyatt Hotel, and One East Broad Street. He pointed out that we have not had the same success in the heart of South Bethlehem's business district. Throughout the City private investment would not have

occurred without significant public funding. Almost every Federal, State and Local economic development program has been used to provide the necessary funds to provide infrastructure and spur private sector investment. Mayor Donchez noted without these government funds, many of those businesses and organizations would have located on a suburban greenfield and Bethlehem residents would still be looking at an undeveloped Main Street and a blighted steel mill. Unfortunately we have not seen the same investment in the heart of South Bethlehem's business district. Mayor Donchez mentioned that before he took office the proposed projects at Third and New Streets, and the parking deck had long been discussed. With the rising competition from Allentown's NIZ, the list of prospective tenants at this location had diminished. Even LERTA and the CRIZ were not enough to attract the large tenants necessary to finance a \$20 million private development project. Mayor Donchez added that in early 2015, Lehigh University and St. Luke's University Health Network were approached with the idea of co-anchoring this space. Over months of negotiations their interest increased however they were unable to come to an agreement on parking. Mayor Donchez reported that it was then that he decided to work with the Parking Authority to negotiate a reduced lease rate from \$57 per space to a rate of \$39 dollars per space. This is a blended rate number of costs of the total number of leased spaces including 123 paid and 57 free spaces. This is a practice that the City and the Parking Authority have used before. For example, when the North Street garage was proposed Liberty Property Trust invested \$1 million in that deck, but they also received the benefit of 80 free spaces and 70 spaces for \$42.50. Not only were the 70 of those spaces at a reduced rate, but they were designated for the sole use of Liberty Property Trust tenants. Mayor Donchez mentioned this was preventing the Bethlehem Parking Authority from benefiting transient revenue on those spaces. While the letter of intent was submitted by the developer of Third and New Streets, it is St. Luke's and Lehigh University who will be receiving the incentive and will be paying the \$39 per space through their lease rate. Mayor Donchez advised; let me be clear, Dennis Benner is not receiving any of the negotiated benefit of the reduction of the cost of the parking spaces. His organization is merely the conduit through which the tenants are able to receive this benefit for locating in the heart of the south side business district. As you have heard from the two representatives, St. Luke's and Lehigh University, they are committed to be an anchor in this building, but the garage is a necessity. The investment by these two tenants at Third and New Streets will pay dividends to South Bethlehem. It begins with more than 180 employees who will now be within walking distance of our south side downtown; they will shop, dine and hopefully will come back for events during the weekends and evenings. Mayor Donchez informed that because of St. Luke's and Lehigh University's commitment there will be an opportunity for 18,000 square feet of new retail space and more than 45,000 square feet of additional office space. This space will bring more employees and add a potential for the current south side merchants to capture the disposable income of these employees and visitors. Mayor Donchez added that this is the beginning, in his opinion, of an investment that we have longed to see in the heart of the south side downtown. He respects the public's view, and they can sit here and second guess our decision to negotiate a reduced parking for St. Luke's and Lehigh University, however he knows that supporting this incentive offered by the City of Bethlehem and the Bethlehem Parking Authority is the right thing to do. It is a necessary thing to do because this investment is the catalyst of much greater economic development that will take place in the heart of the south side business district.

President Reynold thanked Mayor Donchez and asked if there are any other comments. He mentioned that we received several new documents in the past few days having to do with the most updated numbers on the bond sale. He wanted to give them the opportunity to speak.

Scott Shearer with Public Financial Management (PFM) mentioned he is at this meeting with his colleague, Chris Bamber. He stated they wanted to briefly summarize the new correspondence you received the other day regarding some recent information that the finance team received since our last meeting. We felt it was prudent to come back and share what some of those changes may have been, again very recent and very positive noteworthy events. Mr. Shearer then went to page 1 and remarked that since our last meeting on April 19th the first piece of great news that the Mayor mentioned is regarding the City's credit rating upgrade from BBB to A-. This is a very commendable action. It is not typical that we see a rating agency upgrade many municipalities, and also upgrade two notches, and still maintain that positive outlook. Mr. Shearer congratulated Council and the Administration for that. Not only does that show a good sign overall with the City and the progress it is making in the plans it has, but it also has a direct impact on the debt that is currently being considered for the guarantee of the Parking Authority. Mr. Shearer stated as their memo summarizes, basically this guarantee with

a better credit rating will lower the interest rate and therefore lower the annual debt service. We are conservatively estimating that it is going to save on debt service about \$30,000 to \$35,000 annually or somewhere close to \$1 million over the life of the transaction. Mr. Shearer mentioned that great news occurred on April 27th, and that provides additional benefit to this potential transaction. Another thing they wanted to point attention to is the cost of the project. The memo mentions that a portion of the project has received some bids. The Parking Authority went out for bids on a portion and the bids were received on April 21st, but then it took about a week for all of the proper team members to vet through the proposals. This is all recent information since our transaction. You see on the bottom of that memo that the portion of the bids that did come in so far shows a net savings of about \$2.5 million dollars to the cost of the project. Mr. Shearer stated the amount of the project that has been bid is about 50% roughly and we have seen a \$2.5 million benefit to the project, so that again is very good news.

Mr. Shearer continued to say that in light of those two recent events the team has gone back and revalued the debt service reserve fund requirement that we talked about at our last meeting. The next two pages of the memo get into more detail on the two different options of funding that debt service reserve fund. Mr. Shearer noted just to step back briefly, the debt service reserve fund is put in place basically is equivalent to about one year's worth of debt service. At some point in time if there would not be sufficient revenues coming in as generated from the parking system, there would be that one year of reserve that would be able to pay bond holders. So again there are two different methods to fund that one, basically with an insurance policy and one is with using cash or bond proceeds to fund that. This is similar to what the Water Authority had done in the past, it is a common technique used by the City and it is really the Authority's. Given the credit rating upgrade and the further discussions we had with the insurance company we were able to renegotiate some items. He continued number one, we were able to put the City guarantee in that waterfall we talked about last time behind the reserve fund, so if there would be not sufficient revenues coming from the system the debt service reserve fund would be hit first and the City guarantee would be hit third. Mr. Shearer pointed out that puts the City in a better position and again that is due to the credit rating upgrade and the negotiations we had with the insurance company. It also made more financial sense now due to the better performing pro-forma's with this good news, to move then to a cash funded debt service reserve fund. Mr. Shearer thinks this gives the City more time to replenish that debt service reserve fund if in fact it would need to be replenished over that 30 year period. So there are some other benefits that he thinks were neutral to the Parking Authority but more positive to the City. We felt since we had that ability to make those changes it would be in the best interest of the overall transaction to do so. Mr. Shearer informed they are happy to answer any questions. On the last page of the memo there is an illustration of the most recent pro-forma. Basically everything is identical to the April 19th pro-forma with the only exception of the debt service line item 11 that reflects the lower debt service than what you saw on April 19th. This is due to the better credit rating and the bid that came in for a portion of the project.

President Reynolds mentioned in looking at this debt service reserve fund requirement there is a one-time deposit of approximately \$906,000 at initial issuance, but then the fee of approximately \$32,000 at settlement and payable every time the bonds are refunded in the future. If that \$906,000 does not get touched, it just gets refunded; he asked if that is correct.

Mr. Shearer stated basically you have two choices. Number one, that \$900,000 will earn interest during the life of the transaction. So over 30 years interest will be earned and that can help go towards subsidizing the debt service payments. When we get to the end of the 30 year period of this amortization that we are proposing, that reserve, that \$900,000 can either be used to make the last years-worth of debt service payments, because it is basically equivalent to one years-worth, or it can just be given back to the Parking Authority for other projects. Typically it is used to make the last two years-worth of debt service payments.

President Reynolds asked if that saves us the \$32,000.

Mr. Shearer stated that is correct.

Mr. Bamber stated it is either/or, basically the \$906,000 is the cash funded reserve and the \$32,000 and change is what is known as the surety policy that is described in the debt service.

President Reynolds mentioned the decision beforehand to go with the surety policy was just that you did not feel that the borrowing was going to allow for the cash funded DSRF. He asked if that is correct.

Mr. Shearer said it is more economical now with the lower project costs and the better interest rates to go with the cash funded.

President Reynolds noted this might be a question for Mr. Livingston. He knows that it was said that the initial bids came in a little bit lower than originally expected and he talked about some of the estimates beforehand. He asked for an explanation of the timeframe as to when those bids went out or the process.

Mr. Livingston stated they came back on April 21st and the Parking Authority took close to a week to evaluate those proposals and they had gone out a few weeks before that.

President Reynolds queried if they went out the beginning of April.

Mr. Livingston stated yes and added that they knew they were coming back on April 21st. We did not know what the bids were, and then it took about a week to analyze them.

President Reynolds noted the plan was that the Parking Authority decided a long time ago to put those bids out at the beginning of April to coincide with when we were going to guarantee or not guarantee the bond.

Mr. Livingston informed that is correct. The schedule was to begin construction at the beginning of June if it passed, so we were putting the bids out to coincide with that and this.

President Reynolds then asked Mr. Shearer that if we are looking at a lower cost than initially expected and can he just explain the math with the interest rate point of view why it does not make sense to borrow less money.

Mr. Shearer mentioned that right now we are assuming that the actual borrowing amount will be lower. Before we were estimating about \$17.4 million and now when you factor in the low interest rates, the debt service reserve fund, and the lower project costs, we are now about \$15.6 million. So again the actual borrowing amount we do expect to be lower than what we had talked about two weeks ago.

President Reynolds then queried how much that number could move between now and when we actually take bonds to market.

Mr. Shearer thinks very minimally.

President Reynolds noted that he has some other comments on the overall guarantee but will turn to his colleagues now with any questions for Mayor Donchez, Ms. Karner, Mr. Brong, Mr. Shearer, or anyone from the Parking Authority.

Mr. Evans stated he had a question about the large reduction and what that means to borrowing. He remarked what we have been talking about during the past few weeks was the \$17.4 million number. Then the bids came in at \$2.46 million less so we take that out, but we add back in that \$906,000 to hold that in reserve, and with the difference he is off a few hundred thousand. He asked if this is related to when they spoke of the change in interest rates.

Mr. Shearer stated that is a big part of it but basically the debt service from the last meeting to this meeting, because of the positive events, it has gone down from \$1.1 million annually to about \$900,000 annually.

Mr. Bamber informed that is correct, and one of the things that he wanted to emphasize is a lot of the uses of funds that are included in this bond issue are dictated by the amount of annual debt service including the sizing of the debt service reserve fund as outlined in the memo, as well as other certain uses including capitalized interest for the first year of the bonds. While the garage is under construction, some bonds proceeds will be used to pay the debt service on the bonds, which is typical for a revenue type transaction. Mr. Bamber noted these bond issues, as with many others, especially in the revenue space it is fairly iterant, meaning

that the size of the bond issue also moves with the interest rates because the interest rates determine what the annual debt service is and the annual debt service then determines some of the uses. For example, the size of the debt service reserve fund, the cost of insurance and the cost of also that capitalized interest. That slight discrepancy is mainly attributable to a reduced interest cost which then turns into reduced uses in the funds.

Mr. Evans mentioned for the proposed guarantee is still listed as \$17.4 million, but should that be reduced with an amendment.

Mr. Shearer remarked they would still recommend keeping the Ordinance at the \$17.5 million. We are very confident that the actual bond issue itself will be around \$15.5 million but again we have a few weeks until we price the transaction, so if the vote would be affirmative this evening to move forward then everything would be filed with the State and there would be a certain period until we are able to price the bonds, about 20 days or so after that. So the Ordinance and what the Parking Authority already approved, and what this Ordinance and guarantee agreement specifies, is that these proceeds can only be used for the south side garage to pay cost of issuance and for capitalized interest. Mr. Shearer mentioned assuming that the actual financing comes in around this \$15.5 million your bond counsel will then basically eliminate that the \$2 million off the debt statement immediately. We would still recommend, just to give us the flexibility in the structuring of the transaction because we have to conform to State laws, the local government unit debt act, we need to make sure that the debt fits the proper way for the Authority portfolio and the City portfolio. Again, this is a common technique in these kinds of financings to have the Resolution or Ordinance have that cushion in but then after the final pricing is completed to get that off the City's books immediately.

Mr. Evans noted we had something very similar with the Bethlehem Authority. It moved in a positive way, but it was the same thing for the reasons that you explained. Mr. Evans then wanted to turn to Council's Solicitor John Spirk for confirmation, if he concurs with those statements.

Solicitor Spirk replied that he does agree.

President Reynolds mentioned that the reason for the bond guarantee from the City is not necessarily that the Parking Authority could not float the bond themselves but the City guarantee helps the Parking Authority as far as the interest rates are concerned.

Mr. Shearer stated absolutely, especially now with the upgraded rating to two notches to A- positive gives a much more benefit as well.

President Reynolds remarked that the guarantee from the City allows for less debt to be taken on by the Parking Authority.

Mr. Shearer noted that the much lower interest rate translates into lower annual debt service.

Ms. Negrón-Dipini noted every week we seem to get a new update so we are trying to catch up with every one of those. It is said now that perhaps because of the \$2 million change the debt will be \$15.5 million. If that is the case, this last projection that was presented to us as requested by Councilman Evans, said that doing the 5 level or 4 level garage, the 4 level in here goes down to \$14.8 million, and so with the \$2 million savings it will actually be \$12.8 million.

Mr. Shearer stated no but he will defer to the team members to answer that.

Mr. Tracy stated no because you do not get the benefit, the savings across the entire financing. What we did is that certain aspects of the project, there is still the fixed cost so you will not see the \$2 million necessarily on the \$14 million dollar. It might be less because we have less infrastructure. So you get the benefit of the \$2.5 million dollars of savings on the \$17 million project. The smaller size you might get a reduced savings as well.

Ms. Negrón-Dipini then went back to the statement that Mayor Donchez presented to us. On the first page, next to last paragraph that the Polk and Third Street garage and you mentioned the \$20 million of a private development price. She wonders if he is talking about the plan that the City had in terms of the entire area, not just the parking garage.

Mayor Donchez queried if she is mentioning page one the second to last paragraph. Ms. Negrón-Dipini replied yes. Mayor Donchez noted he was talking about the project that is being discussed this evening, the \$20 million project.

Ms. Negrón-Dipini stated she misunderstood and thought he was talking about the garage on Polk Street.

President Reynolds noted one thing that has come up is the conversation about the amount of contracts as far as the 626 spots in this garage. He believes that the expected amount for the project at Third and New Streets is 180 contracts.

Mr. Livingston stated currently it is 180, and if the building fills out, it will be 350 for the building at Third and New Streets.

Mr. Livingston mentioned that under the current tenants, being Lehigh University and St. Luke's, it translates to about 180 contract spaces. When you take the other floors that are presently unoccupied, as well as the ground level retail, it would bring the total parking demand for that project to upwards of 350 when it is fully occupied with 100% occupancy.

President Reynolds queried who would contract the parking spaces between the 180 and 350 spaces. Would it be the determined tenants or retailers?

Mr. Livingston stated the tenants or the retail would approach the Parking Authority directly, and it would be market rate.

President Reynolds noted that his question is beyond 180 spots, it is not any type of blended rate or anything else.

Mr. Shearer explained one of the important things that the bond counsel has to do in conjunction with other financing team members is make the taxable and tax-exempt split, and that is based on the private use test. So, no, the financing that is contemplated only entertains other market rates going forward.

President Reynolds noted with that being said, obviously there has been conversation as well about other potential development in the area with other buildings that would still have to go through the whole land development process. As far as the Parking Authority's plan that goes along with the financing, additional contracts for new buildings would be with individual tenants as well. He asked if that is correct.

Mr. Livingston stated at market rates.

President Reynolds remarked beyond the deal that Mayor Donchez referenced, as far as the 180 spots are concerned, any other contract in this garage would be at the market rate.

Mr. Livingston informed that is correct, they would have to approach the Parking Authority.

Mr. Evans noted there was a meeting today for the Bethlehem Parking Authority at 4:00 pm and he asked if there was anything that came up with regard to this project and if any new information was discussed at that meeting or were any new votes taken.

Mr. Livingston informed that the Board passed the Resolution to issue the bonds under the understanding if it was guaranteed by the City Council.

Mr. Waldron stated he wanted to touch again on the perceived free spaces at least. You can look at this two different ways. Mayor Donchez broke it down that there are 57 free and 122 paid, so again you can combine 180 and figure the math that way, which was done for us. Mr. Waldron was not able to get an answer the last time he asked regarding why giving away free spaces and why not have all of them at a discounted rate, so he will ask that again. He asked why 57 free spaces are being given.

Mr. Livingston believes that the Mayor addressed that. We are looking at this as a blended rate at \$39 per space.

Mayor Donchez reiterated that this is a blended rate, but the fact is that it is part of St. Luke's and Lehigh University, the parking is figured into their base rent with Mr. Benner.

Mr. Waldron asked who the 57 free spaces are for.

Mr. Livingston said that the Mayor addressed that already, it is for St. Luke's and Lehigh.

Mr. Waldron asked if they are splitting those spaces.

Mr. Livingston does not know what the exact split is, but between 180 it is for the tenants, St. Luke's and Lehigh.

Mr. Waldron mentioned one of the things that keeps popping up on the pro-forma's is the rate increases for revenue assumptions in the future. Every five years having an increase in off-street and on-street parking rates as well as fees, assuming that future Council's would approve fees being raised. He understands that there are a lot of assumptions going in down the line. He asked if the 123 paid and the 57 free spaces would be subject to any fee increases in the future.

Mr. Livingston stated no.

Mr. Waldron asked for how many years will that be for the 180 contract spaces.

Mr. Livingston informed there is no current lease; there is a letter of intent.

Mr. Waldron mentioned there is no signed and executed contract right now.

Attorney Broughal mentioned what was indicated last time, the 57 spaces will be looked at after 5 years, and if the revenues that are projected for that garage are not met by the Parking Authority, the developer will lose half of those free spaces and that will continue for the rest of the 15 years.

Mr. Waldron queried if this will be looked at every 5 years.

Mr. Broughal replied no, just the first 5 years.

Mr. Waldron asked if there was consideration for holding these same spaces to the standard of the rest of the City, as far as rate increases for contracts. He guesses those are things that are worked out behind closed doors. Mr. Waldron is getting the overall sense that not enough pressure was put on the developer for what the City is getting and what the developer is getting. While he supports the project at Third and New Streets and that development, if everything goes as projected losing somewhere between \$800,000 and \$1.1 million a year he does not know how he can get behind the idea. It does not seem like a good investment for the City of Bethlehem and for the Parking Authority. Mr. Waldron would like the Authority to go back to the developer before that contract is executed and signed, to try to get better terms if this Ordinance does pass this evening. Regardless, he has not been led to believe this is a good investment, so it will not have his support this evening. Mr. Waldron thinks this is the last opportunity as Council to stop what is going to be a 30 plus year mistake, because it is not just the financing of this bond, but it is the long term infrastructure needs that are going to be required as we are looking at the other investments on the two north side garages. One is crumbling and the other needs some serious infrastructure repairs. Mr. Waldron would hope that we can come to a better agreement as far as the development of the south side and the parking needs that offer some other things too that he does not think were looked at such as the increased congestion and pollution, as well as the lack of walkability and the lack of any retail space on the first floor of the garage. Those are all things that may have been overlooked and he would like to see in a 21st century parking plan.

Mr. Colón mentioned that we have not heard from the Comfort Suites at all tonight although they have been a previous meetings. He asked if they can speak to where they are with their concerns.

Mr. Livingston apologized to Mr. Evans. There was another action taken with respect to the parking garage and that was that the Board approved an agreement with Best Hospitality Suites LLC to get the land that we need to transfer to the City, and to help them with their accesses on Third Street and Vine Street. There are two access points; one is on Third Street and one on Vine Street. That agreement is in place.

Mr. Colón mentioned the surface lots on Mechanics Street and queried are those long term leased spots.

Mr. Livingston stated two out of three are.

Mr. Colón asked what the terms of those leases are in terms of rate increases over 5 or 10 years, and if they are locked in similar to what we are seeing with the parking garage, or do they follow as the other fees follow.

Mr. Livingston believes there are increases although he does not have them that information at the moment.

Mr. Callahan noted as the Mayor has said, he also wanted to thank everyone who has come to these numerous meetings regarding the garage and the bond. He made some notes from the speakers so their questions could be addressed. He did want to say that he thinks the overwhelming factor for him was that there have been two decades of a resounding cry for help from the area of Third and Fourth Streets. The Sands, the Levitt Pavilion, ArtsQuest, Channel 39, and the hotel by the Sands, have all done great things for that area and for the south side, but all of the business owners on the other end of the south side have said they seem to be forgotten. We really have not had a chance to do anything for them, but now we have a developer, whether you like him or not, who will spend \$20 million of his own money on a property that there are no guarantees on. Mr. Callahan would hope that everyone would think about what it would be like to take \$20 million of your own money and put it into development that you are not sure is going to work. This is an ideal project to Mr. Callahan, because it is a combination of the private sector, the developer, the public sector, the City and our two largest non-profits joining together to try to bring professionals who have disposable work income into an area where the businesses in that area have needed help. Mr. Callahan noted we have had a number of businesses that have closed over the years. He knows there were a few comments about the fact that we should be thinking of the interests of the businesses, but we have. Everyone on Council has received a number of emails from businesses not only this week, but outside of Mr. Taylor, who is concerned about the traffic, no other businesses in that area have showed up at a meeting. He has a list of the names of them and if you talk to those business owners they are adamant in their support for this garage, 100%. We and the Mayor received a number of emails in support of this project. The business owners are not here because they have businesses to run and other things to do, but they have made their voices heard. Mr. Callahan also heard another comment that for senior citizens the meters will become too expensive for them to park. That is the whole purpose of a garage. The garages are less expensive than meters. We do not want people parking at the meters; we want people getting off of the street and parking for a cheaper rate in the garage to free up the meters for people coming and going for an hour or two to visit those businesses on the south side. Mr. Callahan remarked that Mr. Cunningham talked about the right kind of jobs, downtown growth and that parking is essential. Ms. Negrón-Dipini mentioned at the last meeting that she was in support of some of the projects that were being announced as far as the ice house on Third and Adams Streets and the Banana Factory expansion. They are going to expand and a large portion of their parking will be gone. All of those businesses and all of those projects need off-street parking and they have none. They are allowed according to the zone that they are in to do what they need to do. Mr. Callahan noted the Parking Authority, with the developer and with the City backing the bond, and only backing it to get a lower interest rate, is a good project. He knows that Mr. Evans had some questions on the numbers and wanted to get this down to \$14 million two weeks ago, and we are very fortunate that the Mayor gave us good news on the bond rating which lowers the interest rate. The bids came in at \$2.5 million less and we are looking at \$900,000 a year in debt service right now. The Parking Authority has been giving the City \$500,000 a year to offset our taxes, but in 2021 when the TIF expires, he hopes sooner, he

has discussed about the possibility of giving that money back to the Parking Authority earlier. When the TIF expires, that is \$500,000 a year extra that the Parking Authority will not give the City, and money that they will have to support the Authority and their facilities. Mr. Callahan stated there is no question that the financials will be met and the debt service will be able to be met by the Parking Authority. There is not a dime of taxpayer money that is going into this and it will be fully funded by the people who are using the parking garages and the parking system. If you do not want to park there, do not park there, but it will be used by the people and businesses that are using those parking areas. Mr. Callahan pointed out that another speaker tonight said that there is no plan to help small businesses. This is exactly the reason for helping those businesses, they have asked for additional foot traffic. Mr. Callahan mentioned that Lehigh University and St. Luke's are making the commitment to our downtown and they do have other available sites they could go to. Lehigh has a lot that they could build on and St. Luke's is expanding, but both are making the commitment to our south side downtown. For that there were some concessions that had to be made by the Administration in order to make this project work, and at the end of the day, after 30 years with just this one building, if you add it all up it will be a good project. He thinks that the parking garage will be at capacity in five years and if he is wrong he will be the first to admit it. Mr. Callahan advised if we lowered it down to 300 or 400 parking spaces it would just be for Mr. Benner's project. He does not see how taking two decks off the garage will help. We will not have the savings, we will still have the same footprint, and there would be a small amount of savings, and many on Council would have a problem with it. He wants to have parking for St. Luke's and Lehigh, but also we will have over 300 spaces for the general public. Mr. Callahan noted the possibility of making this smaller is not feasible and he thinks the whole purpose of this is to provide parking for Lehigh, St. Luke's and the other tenants of that building. He knows there were some discussions about other tenants moving into that building. Mr. Callahan stated this goes back to listening to what he would call the silent majority who are the business owners. Everyone should go down and talk to the businesses there and the landowners. He knows many are passionate about this and we have had a total of 18 to 22 people that have come to these meetings, but there are many others out there that do want this project to move forward. Because of that he will wholeheartedly support this project. Mr. Callahan added that when he ran for Council he talked about things he wanted to do as a City Councilman, and that was economic development and growth. This project alone will add \$20 million to our ratables and hopefully by the end of all of the development it will be \$80 million. That is a lot of school taxes and a lot of City and County taxes. The only way we get there is by economic development, and this is a project that the landowners and business owners in that area are 100% in support of. Another speaker talked about when he was in an elected position supporting a major development at the Coke Works. There are millions of dollars of economic development, but there is parking. You cannot have economic development without parking. Mr. Callahan added that millennials want to live downtown. This generation does not want to live out in the suburbs and are moving downtown, but you have to provide parking. The south side is already vibrant and alive and is coming back and in five to ten years from now when you look at this project and other projects, this will be an eclectic place to live. Mr. Callahan mentioned that the possibility of connecting the Greenway with the Rail Trail was discussed tonight, but much like Jim Thorpe, you will see the day when you see people with their bicycles on their cars parking in that parking garage and coming downstairs and going on that Rail Trail. Returning at the end of the day they will come back to that downtown area and shop and eat; this will be a vibrant area. Mr. Callahan knows that many tonight do not agree with that, but we are allowed to have a difference of opinion. Mr. Callahan reiterated that he will be supporting this and he congratulates the Mayor for putting this deal together.

Mr. Colón mentioned that one of the things that he always speaks about with the things he reads is overdevelopment. He has read that when you build a building you have to fill the building. Mr. Colón was not in the room when these negotiations were made, he just knows what is in front of him. On Third and Fourth Streets we have all seen businesses open and close over the past many years. He added that Mr. Callahan is correct, for every phone call that he has received from people in this room he has gotten an email or phone call from people whose livelihoods depend on keeping their doors open on Third and Fourth Streets. They are as in support of this as some people are against it. He hears where they are coming from when they say we need parking. One person moved their shop from the Promenade that has parking. They were attracted to the south side because they wanted to be in south Bethlehem, but now they are finding out that their customers are saying that they need more foot traffic. Mr. Colón noted that now we have two institutions saying we are ready to move in here, with good paying jobs, people with money in their pockets who will go out to lunch or go out for a drink,

maybe not every day, but that will be a positive boost. He hears from people who are not millionaires and are not big developers, but average people trying to pay their bills, the small business owners when they reach out to him and say this is a good idea. Mr. Colón is sympathetic to the things he has heard with traffic. If this building does get proposed and built, the work does not end today; we have to continue to look at ways to navigate the traffic of south Bethlehem. He does not advocate for skyscrapers in south Bethlehem and building sky high today or ever. He is also sympathetic to the talks about response times. Mr. Colón stated he worked at a 911 center for years, and he knows what it is like to be talking to people who are waiting for EMS to get there, but the work does not end today. What is voted on tonight, whether it passes or not, is not a stopping point, it is a beginning point, and how we can efficiently manage what is going on? Regarding congestion he noted that he was looking at census numbers. The population of Bethlehem was 75,500 people in 1960. In 2010 it was 75,000 people and that is a 500 drop off for obvious reasons related to Bethlehem Steel but, you would expect to see some growth in that time. The video we saw earlier showed the revitalization. He heard about development prior to being on Council, about potentially taking business away from the downtowns and he was sympathetic to the merchants, but now he is sympathetic to the merchants who say we have an opportunity to bring business to the downtown on the south side. When we talk about transportation, he would like to see when the transportation trends do tip. There was a loop that was proposed to run from the north side to the south side. The City promoted a day for people to get out and ride it. His understands that this route no longer exists because people were not riding it. Mr. Colón mentioned we do not know what the future holds but today people are not utilizing public transportation. We need to look at what is in front of us today and it is where this project is going to lead.

Mr. Evans stated he would like offer thanks to a number of people. This has been a long road; we have talked about this for several months in many meetings. He thanked the Mayor for all the work he has done and for being available to sit down and meet with us. We have had a number of questions, and Mr. Evans remarked that he sat down and spoke to Mr. Brong about what it means for the City to guarantee the bond and what were Mr. Brong's concerns. Mr. Evans mentioned that he spoke to Ms. Karner about the development opportunities that this means to the future if this project moves forward, and we also heard from the Public Works Department Traffic Superintendent Tiffany Wells through her memos and input about her ideas to handle congestion of traffic. Mr. Evans also wanted to thank our Controller Mr. Yasso for the conversations with him. The EAC also provided input to us. We were able to reach out to many people, and everyone was very responsive. That list includes Mr. Livingston, Mr. Broughal and Mr. Shearer who helped to answer questions. Mr. Evans added that Mr. Shearer gave us the pro-formas and this week we received a new one with good news, and he gave us timely information. Mr. Evans also thanked Boyle Construction Company, Maser Consulting, and Desman Design, who continue to provide the professional consulting services and respond to our concerns. They were all available and attentive to all questions and were very fair in their answers throughout this process. Mr. Evans pointed out he would like to thank the number of folks who attended these meetings; we have had very loyal people that are passionate about this area and this project itself. They voiced concerns and presented options for us to think and talk about. He remarked that he had the opportunity to sit and meet with several of them. Mr. Evans advised that we have come to a point where we add the pros and cons, and no way have all of his concerns been met, but he does believe that parking is needed. The corner of Third and New has been vacant for a number of years. We have reached a point where we cross the Fahy Bridge and nothing is there. It is a sad state of affairs and it has been like this for some time. At this point we have a proposed building; it has been approved and is a great looking building by all standards. It is loaded with A plus tenants to start off, pillars of the community. What we have is an approved building, a \$20 million investment, and we have a proposed garage that is able to provide parking to that building, but also create an opportunity for more significant development around the area. He is clear that he would not support a 12-story building in that area. Mr. Evans noted there are growth opportunities that have been mentioned that would bring the foot traffic to that area and help the merchants. A no vote in general tonight would mean that we do not want that building that is already approved, and that should go back to a vacant corner. He expressed he thinks that everyone supports that building. Mr. Evans noted that building has those tenants, and they do have options as mentioned by Mr. Callahan. There are timelines involved, but without the garage as stated by those proposed tenants, if there is no garage there would be no tenants, and so it would stay an open lot for some time to come. Mr. Evans has appreciated the options he has heard and he has taken those back to the engineers to see if they make sense. There were some creative options that did not gather his attention, but further investigation made them not feasible for one reason or another. The one he did pursue

the last couple of weeks was a reduction of the parking garage, but complications also arose there. Mr. Evans remarked that Boyle Construction Company came back very quickly with changes and they provided an opinion of cost, which is certainly no surprise. A project with a layer or two smaller would be much less economical to put together because of the early embedded costs in just the footprint itself. The higher you go it is more reasonable and makes more sense. Mr. Evans added that Mr. Livingston also provided a memo of implications, and part of that was something that Mr. Broughal said at the last meeting. Mr. Evans stated at the last meeting he offered an amendment for a reduction to be considered by Council Members. We kicked it around a little bit and discussed it. He wanted to make sure he got responses to some of these numbers and what it would look like. At the end of that conversation Mr. Broughal stated that by going smaller you are doing what people are concerned about including the merchants. It would satisfy some concerns but would bring up other concerns, and now it would become a garage suitable for just one building. That building has Lehigh and St. Luke's occupying a significant portion and when that fills out and the retail is added, it quickly fills up and you get to the spot where that garage is filled already, and does not allow for future growth. Mr. Evans mentioned another part is the financials, the guarantee and this could go on without Council. Approvals are in place. They could borrow \$15.6 million but what we are doing is offering to help provide a more favorable interest rate by providing the guarantee. The Bethlehem Parking Authority has looked at this, and this has been mentioned for a few years. They are educated and intelligent, and he puts his trust in them. Mr. Evans noted that this Mayor and the previous Mayor appointed the Bethlehem Parking Authority and we as a Council confirmed their appointments. This has gone to the Planning Commission with other citizens who were confirmed and he also trusts them. Mr. Evans added that the HARB also approved this and now it is in front of Council. The question for us becomes if this is a project that makes sense, are we willing to guarantee it. It becomes clear that with the first financials that it would not have any growth for 30 years. We then saw another pro-forma on April 19th and this was modified and he had more comfort with this. He spoke about reduction at the last meeting because he was concerned about the size of this garage and the debt service involved. In some ways that took care of itself this week as we have talked about when this was a \$17.4 million borrowing that turned into a borrowing of \$15.5 million. That is a significant drop with the bond rating change. It continues to bring it down so the debt service changes substantially. Mr. Evans noted that all of his concerns have not been addressed but with a project there are always concerns. We have challenges ahead but he believes this project is an important project and based on his findings there is benefit to the surrounding district and the City, and because of those findings he will support the guarantee tonight.

Mr. Martell also wanted to thank everyone for coming out to these meetings and discussing the project and financing. Many ask if we like conflict, people coming out and get involved and staying late into the night to talk about these issues. The answer is, of course, because the reality is that people care, and it would not be fun living in a City where people are not concerned and will not invest their time and expertise in their City. Mr. Martell knows there are disagreements on this issue, but if you think about the entire process, some of the questions asked have made this a better process. Mr. Martell mentioned with the Sands Casino coming in there were many people concerned about the fact that there would be societal ills that the casino would bring, and it was right to bring those questions up, and the fact is that we have not seen those fears come to fruition. Many people were also concerned about the Lowe's project for a variety of reasons. Mr. Martell added if you pull the transcripts on the North Street parking deck you will see people who were concerned about that and perhaps some of the same issues that we heard here. He knows there are some individuals in the room that still think that the North Street parking deck has not been good for Bethlehem and the downtown. Mr. Martell believes it has supported the small businesses in the area and it has brought a litany of benefits to the residential, retail and commercial communities. If you look at those things you see positives come out where people feared negatives. We are dealing with a central business district. We have 150 businesses in that district that are and have been struggling. Many mentioned Third and Fourth Street businesses going out of business, and struggling for feet on the ground. We need to remember these are people's livelihoods. Mr. Martell pointed out we have the vacant lot on the corner of Third and New Streets where there once was mixed use, where there was commercial and residential. We are talking about a parking lot that we are looking to make more efficient use of. Mr. Martell noted when he ran for City Council he was very honest about promoting smart economic development, and with this we are not taking parks away, we are not knocking down trees, we are not limiting access to water, we are redeveloping what was once there into probably a better project. It will increase the amount of jobs in the area, put feet on the ground and help support some of the existing businesses that

are there. Mr. Martell mentioned it was heard that we should invest on the north side first but can you blame residents on the south side when they ask when we are going to do something for them. We talk about walkability and 75% percent of Bethlehem citizens work outside of the City, and that is not a sustainable walkable practice. He would love to live in a world where we are not relying on cars, but that is not the reality today. He continued hopefully one day we will get there, but those businesses do not have the time to wait 30 or 40 years down the road. Mr. Martell mentioned this will be strengthening the area; we will help the businesses out and hopefully spur more economic development in that area, not just the \$20 million project going in. Mr. Martell mentioned for those reasons he will definitely support this project. He commended everyone involved including the people who came out to speak against it. Mr. Martell stated the people brought up a lot of tough questions and pointed out a lot of things and we appreciate that, but sometimes it is our job to stand here and give tough responses. There are many people in this City, not just the 30 people who came out to speak against this project. If you look at the numbers, more are for the project than against it for, and he will be supporting this tonight.

Ms. Negrón-Dipini commented that she did say that she is excited about other developments on the south side, including the ice house, however she does not believe that is the reason we need a parking garage. She wants to continue to see the south side blooming and developing, but mentioned we need smart development. She guesses the word smart is different for everyone here. Ms. Negrón-Dipini added there is a lot to be considered in order to be called smart. She will definitely say that one of her worries about building all of the other possible development is that those are way over 300 feet from the garage that we have in front of us, and so they will not be parking in this garage, from what we have been told. She also believes that smart development cannot include breaking the historic Ordinances that were approved by Council, especially when no one is allowed to break any Ordinances. The traffic study failed because it does not include everything else. Ms. Negrón-Dipini pointed out that she lives on the south side and has been there for 20 years. She walks and talks to people too and gets stuck in traffic now without all of the other development that will come around. She is concerned about the health consequences of this project. She heard what people are saying, and that is that asthma is killing us. We have elementary schools, middle schools, senior buildings and residents in this area. Ms. Negrón-Dipini also does believe that this entire project has been presented to us in pieces. Every week we get a new report with new numbers and she finds that outrageous. She believes that we need to do a parking study of the entire south side and because she cares about the south side she will present a motion to table this ordinance until we get a comprehensive parking study that will truly tell us about, not just the block around this building, but the entire south side of Bethlehem.

President Reynolds queried if there is a second on Ms. Negrón-Dipini's motion. Seeing no second the motion dies.

Ms. Negrón-Dipini informed she thought that would happen, because she knows and listens, and added that she was elected by the people because she is concerned and worried. It is her responsibility to act for those that elected her, so therefore she will vote against this tonight.

President Reynolds noted that he will agree with Ms. Negrón-Dipini with respect to the way we got into this process and information provided to us. It was not an effective process with the first and second pro-forma and the traffic study. He thinks what ended up happening was that a lot of questions were raised because of the way the information was presented to us and that led to even more concern and more uneasiness about what was out there. President Reynolds added that he has a great deal of respect for everyone that worked on this project. Referencing the two pro-form's he thinks everyone would have seen the pros to this project a lot quicker if this would have been something that was presented in a different way. President Reynolds does not understand why we got a first pro-forma that showed the City was going to have to guarantee the debt within 10 years. This is the same story that he has seen from the first time he went to a meeting 14 years ago. The right ideas, if they are able to be defended, need all the information available so that decisions can be made. If you show the whole picture and say what will happen with the garages, and put it all out there with the pros and the cons, people are smart enough to see through things. There is a big difference between the first pro-forma and the second pro-forma, and part of it might have been the fact that there was hesitancy about putting into there what was needed for this project and the other garage repairs. President Reynolds thinks we learned here and back in December when we were dealing with the

rezoning of the Martin Tower property, that the best way to get these things done is to come up with a strong argument that you are willing to stand behind and say this is what it is. President Reynolds pointed out that Mayor Donchez stated and defended before what he wanted to do and it is one that he agrees with. These things should have been presented to us in a more comprehensive way, and hopefully things will be in the future. President Reynolds thinks this was presented to us in a way to say yes, we kind of think it is a good idea, but no one wants to stand up and take ownership for it. So it led to a situation where we had to have a lot of meetings with different information and people who were in favor of this project had to ask questions. President Reynolds noted there would have been fewer questions from City Council and more understanding from people in the audience and there would have been less confusion. He hopes there is a lesson learned from this for the future. President Reynolds mentioned the two biggest concerns he had a few weeks ago did have to do with what the deal was with the 180 contract spaces. We were not in that particular room when this agreement was discussed. He hopes that as we go forward and we look at the feasibility of the Parking Authority, and also Polk Street, and what the Parking Authority needs to pay to the Comfort Suites to have their access issue resolved, we would at least be mindful in the future to take a look at what will happen over the next 20 years. We were contacted by a lot of small businesses. President Reynolds pointed out that everyone on Council has extensive networks with people; we run into people at stores, at restaurants and in the neighborhoods and we talk to them about what is before us. We received emails from small businesses on Third and Fourth Streets. Mr. Callahan mentioned they are not here tonight because they are working, but they thought the best way for their opinion to be respected was to send an email. Many of those emails said we cannot come to the meeting and speak about what we believe. He pointed out that some businesses that were on the south side three to five years ago are no longer there. These are the people that watched multiple Administrations working on how to revitalize the south side. President Reynolds stated he was glad to hear from Mr. Livingston about the future contract with direct tenants and not with one single person. That was going to fit into his questions about the 60/40 split with the tax-exempt versus taxable bonds. President Reynolds then mentioned the Greenway, which is a unique project that you will not find many places. The amount of grant money and effort and time that Ms. Heller and her colleagues put into that is amazing, and they are still working to try to have other connections. President Reynolds mentioned many times things that people do that just make sense we do not talk about them, and we do not say that was a huge investment. Mr. Colón had mentioned the loop bus before, and he recalls when that started and it was with the Casino and we thought how would help we move people around. The City, LANTA, and business owners put money into it but unfortunately the amount of ridership did not work out as well as people thought it would. Many people that said they will vote for the Bond ordinance, including himself, have had a lot of criticism of many things about this garage project, but this is about making a tough decision. President Reynolds knows that Mayor Donchez and Mr. Brong have talked about the bond rating going up, but the bond rating did not go up by accident, it went up through a few relatively small tax increases. We have also eliminated jobs over the past several years. President Reynolds pointed out that people will not take time out of a Tuesday night to come here and say, Mayor Donchez, President Reynolds you have made tough decisions and we are happy the bond rating went up. Maybe someone you run into will say that but it does come down to making tough decisions. President Reynolds mentioned the conversation about parking revenues and Mr. Callahan mentioned the Parking Authority's \$500,000 contribution. He hopes that we can lessen that \$500,000 over the coming years, and he has suggested we should come up with a way to move those funds towards streetscape improvements and beautification projects. Those are real dollars that can be moved to something that accomplishes a lot of these goals. President Reynolds pointed out that many have given different reasons why they think this is a good idea, but it comes down to whether or not the benefits outweigh the negatives. He will be voting yes on this Ordinance tonight.

The Clerk read amendments to Bill No. 11 sponsored by Mr. Callahan and Mr. Reynolds, as follows:

BOND ORDINANCE AMENDMENTS FROM FIRST READING - Bill 11-2016

Parking Authority Bond Guaranty

1. Inserted in the caption and in the body of the Ordinance the maximum aggregate principal amount of the Bonds as \$17,500,000.

2. Page 3 - paragraph 6 shall be added to read:

WHEREAS, the Authority has solicited and received proposals or bids for the provision of municipal bond insurance in order to achieve savings with respect to the interest cost of the Series of 2016 Bonds.

3. Page 3, paragraph 7 which reads as follows:

WHEREAS, the Bonds will be secured by, among other things, (i) a Municipal Bond Insurance Policy (the "Bond Insurance Policy") issued by ~~[Bond Insurer]~~ (the "**Bond Insurer**"), that guarantees the scheduled payment of principal of and interest on the Bonds when due, and (ii) a ~~Municipal Bond Debt Service Reserve Insurance Policy (the "DSRF Policy"), issued by the Bond Insurer, which will be deposited in lieu of a cash to the 2016 Series Debt Service Reserve Account, as defined and established under the Second Supplemental Trust Indenture (as hereinafter defined), in an amount equal to the debt service reserve requirement for the Bonds; and~~

Shall be amended to read:

WHEREAS, the Bonds will be secured by, among other things, (i) a Municipal Bond Insurance Policy (the "**Bond Insurance Policy**"), issued by a bond insurer hereafter selected by the Authority (the "**Bond Insurer**"), that guarantees the scheduled payment of principal of and interest on the Bonds when due, and (ii) a 2016 Series Debt Service Reserve Account, as defined and established under the Second Supplemental Trust Indenture (as hereinafter defined), in an amount equal to the debt service reserve requirement for the Bonds; and

4. Page 3, paragraph 8 which read as follows:

WHEREAS, the City, as an inducement to the purchasers and to any and all subsequent owners of the Bonds to purchase the Bonds and to the Bond Insurer to issue ~~the DSRF Policy and the Bond Insurance Policy, and thereby to achieve interest cost and other savings, has determined to guarantee (i) the payment of principal of and interest on the Bonds, when due, (ii) all amounts due and payable to the Bond Insurer under or in connection with the Bond Insurance~~

~~Policy, including without limitation administrative costs and reimbursement amounts to the Bond Insurer, and (iii) all amounts due and payable to the Bond Insurer under or in connection with the DSRF Policy and the Debt Service Reserve Agreement between the Authority and the Bond Insurer, including without limitation policy costs and administrative expenses, pursuant to this Guaranty, all as permitted by and in accordance with the terms and conditions of the Debt Act.~~

Shall be amended to read:

WHEREAS, the City, as an inducement to the purchasers and to any and all subsequent owners of the Bonds to purchase the Bonds and to the Bond Insurer to issue the Bond Insurance Policy, and thereby to achieve interest cost and other savings, has determined to guarantee (i) the payment of principal of and interest on the Bonds, when due, and (ii) all amounts due and payable to the Bond Insurer, including without limitation administrative costs and reimbursement amounts to the Bond Insurer, all as permitted by and in accordance with the terms and conditions of the Debt Act.

5. Page 4, Section 4 that reads as follows:

The debt to be incurred as lease rental debt, as set forth in Paragraph 3 hereof, shall be evidenced by the Authority's Series of 2016 Bonds, in the maximum aggregate principal amount of \$17,435,000. The Series of 2016 Bonds shall be one or more series of Guaranteed Parking System Revenue Bonds issued under and pursuant to a Master Trust Indenture (the "**Master Indenture**"), as amended and supplemented by a First Supplemental Trust Indenture (the "**First Supplemental Indenture**"), and as further amended and supplemented by a Second Supplemental Trust Indenture (the "**Second Supplemental Indenture**"), and together with the Master Indenture and the First Supplemental Indenture, collectively the "**Indenture**"), between

the Authority and Manufacturers and Traders Trust Company, as Trustee, and secured by, *inter alia*, a pledge of all of the Net Revenues, as defined ~~therein~~, derived from the Parking Facilities

Shall be amended to read:

The debt to be incurred as lease rental debt, as set forth in Paragraph 3 hereof, shall be evidenced by the Authority's Series of 2016 Bonds, in the maximum aggregate principal amount of \$17,500,000. The Series of 2016 Bonds shall be one or more series of Guaranteed Parking System Revenue Bonds issued under and pursuant to a Master Trust Indenture (the "**Master Indenture**"), as amended and supplemented by a First Supplemental Trust Indenture (the "**First Supplemental Indenture**"), and as further amended and supplemented by a Second Supplemental Trust Indenture (the "**Second Supplemental Indenture**"), and together with the Master Indenture and the First Supplemental Indenture, collectively the "**Indenture**"), between the Authority and Manufacturers and Traders Trust Company, as Trustee, and secured by, *inter alia*, a pledge of all of the Net Revenues, as such term is defined in the Indenture, derived from the Parking Facilities.

6. Page 4. Section 5 that reads as follows:

The City shall enter into a Guaranty Agreement (the "**Guaranty Agreement**") with respect to the Series of 2016 Bonds ~~to be issued by the Authority~~, substantially in the form presented to this meeting as Exhibit A attached hereto, which form is approved; and a copy of the Guaranty Agreement, in the form so presented to this meeting and so approved, shall be filed with the City Clerk of the City for inspection, at reasonable times, by interested persons requesting such inspection.

Shall be amended to read:

The City shall enter into a Guaranty Agreement (the "**Guaranty Agreement**") with respect to the Series of 2016 Bonds, substantially in the form presented to this meeting as Exhibit A attached hereto, which form is approved; and a copy of the Guaranty Agreement, in the form so presented to this meeting and so approved, shall be filed with the City Clerk of the City for inspection, at reasonable times, by interested persons requesting such inspection.

7. Page 4. Section 6 that reads as follows:

The Mayor, the President of the Council of the City, the City Controller, the City Treasurer, the Business Administrator or the City Clerk, as appropriate, of the City hereby are authorized and directed: (a) to prepare, verify and file with the Pennsylvania Department of Community and Economic Development (the "**Department**"), a debt statement and the borrowing base certificate, as required by Section 8110 of the Debt Act; and (b) to prepare and file originally and thereafter, as required, with the Department, appropriate statements required by Section 8026 of the Debt Act which are necessary to qualify all or a portion of lease rental debt of the City, which is subject to exclusion as self-liquidating debt, for exclusion from the appropriate debt limit of the City as self-liquidating debt.

Shall be amended to read as follows:

The Mayor, the President of the Council of the City, the City Controller, the City Treasurer, the Business Administrator or the City Clerk, as appropriate, of the City hereby are authorized and directed: (a) to prepare, verify and file with the Pennsylvania Department of Community and Economic Development (the "**Department**"), a debt statement and the borrowing base certificate, as required by Section 8110 of the Debt Act; and (b) to prepare or cause to be prepared and file originally and thereafter, as required, with the Department, appropriate statements required by Section 8026 of the Debt Act which are necessary to qualify all or a portion of lease rental debt of the City, which is subject to exclusion as self-liquidating debt, for exclusion from the appropriate debt limit of the City as self-liquidating debt.

8. Page 6. Section 11 that reads as follows:

The distribution of the Preliminary Official Statement of the Authority (the "Preliminary Official Statement") setting forth, among other matters, certain information about the City hereby is authorized. The Mayor, the City Controller, or the City Clerk of this City, as appropriate, hereby are authorized and directed to execute on behalf of this City such certificates as to the Preliminary Official Statement, including a certificate that as of its date the Preliminary Official Statement is "deemed final" by this City in accordance with Rule 15c2-12 of the Securities and Exchange Commission, as to information regarding this City, and the final Official Statement as the purchasers of the Series of 2016 Bonds may reasonably request and counsel may recommend.

Shall be amended to read:

The distribution of the Preliminary Official Statement of the Authority (the "Preliminary Official Statement") setting forth, among other matters, certain information about the City hereby is authorized. The Mayor, the City Controller, or the City Clerk of this City, as appropriate, hereby are authorized and directed to execute on behalf of this City such certificates that the purchasers of the Series of 2016 Bonds may reasonably request and counsel may recommend with respect to the Preliminary Official Statement and the Final Official Statement as to information regarding this City, including a certificate that as of its date the Preliminary Official Statement is "deemed final" by this City in accordance with Rule 15c2-12 of the Securities and Exchange Commission.

9. Page 6. Section 15 that reads as follows:

The City covenants that it will execute and deliver and comply with a Continuing Disclosure Certificate (the "**Disclosure Certificate**") for the benefit of the owners of the Series of 2016 Bonds at or prior to the closing for the issuance thereof. Pursuant to the Disclosure Certificate, the City will provide certain financial and operating information on an annual basis and notice of certain events to ~~each Nationally Recognized Municipal Securities Information Repository, the appropriate state repository, if any, and~~ the Municipal Securities Rulemaking Board, Electronic Municipal Market Access System (EMMA), in accordance with Securities and Exchange Commission Rule 15c2-12. The Mayor, the City Controller or the City Clerk of this City, as appropriate, are hereby authorized and directed to execute and deliver the Disclosure Certificate on behalf of this City with such changes as have been approved by the Solicitor to the City and Bond Counsel.

Shall be amended to read:

The City covenants that it will execute and deliver and comply with a Continuing Disclosure Certificate (the "**Disclosure Certificate**") for the benefit of the owners of the Series of 2016 Bonds at or prior to the closing for the issuance thereof. Pursuant to the Disclosure Certificate, the City will provide certain financial and operating information on an annual basis and notice of certain events to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system (EMMA), in accordance with Securities and Exchange Commission Rule 15c2-12. The Mayor, the City Controller or the City Clerk of this City, as appropriate, are hereby authorized and directed to execute and deliver the Disclosure Certificate on behalf of this City with such changes as have been approved by the Solicitor to the City and Bond Counsel.

10. Inserted the maximum annual obligation parameters for the Bond – Exhibit E

Voting AYE on Amendments to Bill No. 11: Mr. Evans, Mr. Martell, Mr. Waldron, Mr. Callahan, Mr. Colón, and Mr. Reynolds, 6. Voting NAY on Amendments to Bill No. 11: Ms. Negrón-Dipini. 1. The Amendments passed.

Voting AYE on Bill No. 11, as Amended: Mr. Evans, Mr. Martell, Mr. Callahan, Mr. Colón, and Mr. Reynolds, 5. Voting NAY: Ms. Negrón-Dipini, Mr. Waldron, 2. Bill No. 11-2016 now known as Ordinance No. 2016-012, was adopted on Final Reading.

8. NEW ORDINANCES

A. *Bill No. 11 – 2016 – Street Vacation – Graham Place*

The Clerk read Bill No. 12 – 2016 –Street Vacation – Graham Place sponsored by Mr. Callahan and Mr. Reynolds and titled:

AN ORDINANCE AUTHORIZING THE VACATION,
DISCONTINUANCE AND STRIKING FROM THE CITY'S
GENERAL PLAN OF STREETS OF PORTIONS OF
GRAHAM PLACE IN THE SECOND (2ND) WARD
OF THE CITY OF BETHLEHEM, COUNTY OF
NORTHAMPTON, COMMONWEALTH OF
PENNSYLVANIA

Ms. Negrón-Dipiní commented she is against this project, and as she mentioned before, she needs to vote against this because she believes this is wrong to vacate Graham Place.

Voting AYE: Mr. Evans, Mr. Martell, Mr. Callahan, Mr. Colón, and Mr. Reynolds, 5.
Voting NAY: Ms. Negrón-Dipiní, Mr. Waldron, 2. Bill No. 12 – 2016 was passed on First Reading.

9. RESOLUTIONS

A. *Authorizing Use Permit Agreement – Bethlehem Chamber of Commerce – 2016 Festa Italiana*

Mr. Callahan and Ms. Negrón-Dipiní sponsored Resolution 2016-103 that authorized a Use Permit Agreement with the Bethlehem Chamber of Commerce for the 2016 Festa Italiana on May 27, 2016 from 5:00 PM to 10:00 PM and May 28, 2016 from 11:00 AM to 10:00 PM on Main Street.

Mr. Callahan stated he is hoping to get a shout out by The Morning Call and The Express-Times on this event. He pointed out this is something we talked about a year and a half ago. Due to some bad weather a few winters ago there was a delay with the construction with the relaying of the sidewalks on Main Street, and we were forced to postpone the event until this year. Mr. Callahan added that last Thursday night they had a pasta sauce tasting contest, and they had a number of people who brought their Mother's and Grandmother's sauce in, and it is narrowed down to a field of nine sauces. We are looking forward to Festa Italiana and he wanted to thank Lynn Cunningham and Emily Krall from the Chamber of Commerce who put a lot of work into this. It is officially set to go with Council's approval and we look forward to many people coming to Festa Italiana. Mr. Callahan noted that the north end of Main Street will be set up with northern Italian cuisine and the southern end of Main Street will be southern Italian cuisine. We are hoping in upcoming years to expand this so that we have a little boot of Italy going down towards the lower end of Main Street and maybe having a Bocce tournament at some time. The game is not normally played on grass; they are usually on a platform. Mr. Callahan encourages everyone to come to festival during the last weekend in May. Mr. Callahan reported that his sauce, which is wife's sauce, did make it into the finals. The nine official finalists will be given time in a Department of Health approved public kitchen so the sauces can be shared with the general public. Mr. Callahan pointed out this will be another way to put foot traffic out on Main Street to help the businesses.

Voting AYE: Mr. Evans, Mr. Martell, Ms. Negrón-Dipiní, Mr. Waldron, Mr. Callahan, Mr. Colón, and Mr. Reynolds, 7. The Resolution passed.

B. *Authorizing Use Permit Agreement – ArtsQuest – Step Outdoors Lehigh Valley*

Mr. Callahan and Mr. Waldron sponsored Resolution No. 2016-104 that authorized a Use Permit Agreement with ArtsQuest for the Steps Outdoors Lehigh Valley event June 4, 2016 from 11:00 AM to 5:00 PM and June 5, 2016 from 11:00 AM to 5:00 PM. The Premises is First Street between Founder's Way and the Eastern Terminus.

Voting AYE: Mr. Evans, Mr. Martell, Ms. Negrón-Dipiní, Mr. Waldron, Mr. Callahan, Mr. Colón, and Mr. Reynolds, 7. The Resolution passed.

C. *Authorizing Use Permit Agreement – ArtsQuest – Sabor Event*

Mr. Callahan and Mr. Waldron sponsored Resolution No. 2016-105 that authorized a Use Permit Agreement with ArtsQuest for the Sabor Event June 17, 2016 from 5:00 PM to 12:00 midnight and June 18, 2016 from 5:00 PM to 12:00 midnight. The Premises is First Street from Polk Street to the Eastern Terminus and Founders Way from Second Street to First Street.

Voting AYE: Mr. Evans, Mr. Martell, Ms. Negrón-Dipiní, Mr. Waldron, Mr. Callahan, Mr. Colón, and Mr. Reynolds, 7. The Resolution passed.

D. *Authorizing Use Permit Agreement – ArtsQuest – July 4th Celebration*

Mr. Callahan and Mr. Waldron sponsored Resolution No. 2016-106 that authorized a Use Permit Agreement with ArtsQuest for the July 4th Celebration July 4, 2016 from 3:00 p.m. to 12:00 midnight. The Premises is First Street from Polk Street to the Eastern Terminus and Founders Way from Second Street to First Street.

Voting AYE: Mr. Evans, Mr. Martell, Ms. Negrón-Dipiní, Mr. Waldron, Mr. Callahan, Mr. Colón, and Mr. Reynolds, 7. The Resolution passed.

E. *Approve Contract – Boucher & James, Inc.*

Mr. Callahan and Ms. Negrón-Dipiní sponsored Resolution 2016-107 that authorized to execute an agreement with Boucher & James, Inc. for the South Bethlehem Greenway connection to Saucon Park.

Voting AYE: Mr. Evans, Mr. Martell, Ms. Negrón-Dipiní, Mr. Waldron, Mr. Callahan, Mr. Colón, and Mr. Reynolds, 7. The Resolution passed.

F. *Approve Contract – Continual Impact*

Mr. Callahan and Ms. Negrón-Dipiní sponsored Resolution 2016-108 that authorized to execute an agreement with Continual Impact for a Strategic Plan Consultant.

Voting AYE: Mr. Evans, Mr. Martell, Ms. Negrón-Dipiní, Mr. Waldron, Mr. Callahan, Mr. Colón, and Mr. Reynolds, 7. The Resolution passed.

G. *Approve Contract – 35th Street Consulting*

Mr. Callahan and Ms. Negrón-Dipiní sponsored Resolution 2016-109 that authorized to execute an agreement with 35th Street Consulting and Danielle Walters for Data Analysis.

Voting AYE: Mr. Evans, Mr. Martell, Ms. Negrón-Dipiní, Mr. Waldron, Mr. Callahan, Mr. Colón, and Mr. Reynolds, 7. The Resolution passed.

H. *Approving Bridge Reimbursement Grant Agreement – High Street Bridge Project*

Mr. Callahan and Mr. Waldron sponsored Resolution 2016-110 that authorized to execute an agreement with the Commonwealth of Pennsylvania Department of Transportation for the High Street Bridge Project.

Voting AYE: Mr. Evans, Mr. Martell, Ms. Negrón-Dipiní, Mr. Waldron, Mr. Callahan, Mr. Colón, and Mr. Reynolds, 7. The Resolution passed.

I. *Approve Contract – Greater Lehigh Valley Chamber of Commerce*

Mr. Callahan and Ms. Negrón-Dipiní sponsored Resolution 2016-111 that authorized to execute an agreement with the Greater Lehigh Valley Chamber of Commerce for marketing services for the City of Bethlehem.

Voting AYE: Mr. Evans, Mr. Martell, Ms. Negrón-Dipiní, Mr. Waldron, Mr. Callahan, Mr. Colón, and Mr. Reynolds, 7. The Resolution passed.

10. NEW BUSINESS

Committee Meeting Announcement

Chairman Callahan announced on Tuesday, May 17th the Finance Committee will be meeting here in Town Hall at 6 pm and the subject will be Budget Adjustments and Transfers.

11. PUBLIC COMMENT

Graham Place Vacation, Public Safety

Greg Zebrowski, 23 Dewberry Avenue, mentioned he would like to make a few comments to the Mayor, Council and to the Fire Chief. If you close Graham Place and one of your vehicles comes in on Vine Street, and there is a car on the corner, he does not see how you can service that area. It is very tight and is why he has a safety concern about the project in terms of keeping Graham Place open. Mr. Zebrowski informed that there is a serious public safety issue there and you could accommodate your present development and keep Graham Place open, because there is another vote on the Ordinance for Graham Place. He hopes that with your next vote that you at least consider that. The integrity of your project that you are moving forward with would not be affected. Mr. Zebrowski noted that the gentleman who lives there, and who is at this meeting, is directly affected by that. The other thing he wanted to mention is he still has the same concerns and he will keep reiterating them as long as this project keeps moving forward, and we do not get enough push back from the Mayor, Council and public officials on what he considers a plan that is out of scale and too big, too expensive, and fundamentally he thinks they cut a bad deal. Mr. Zebrowski noted there is very little private money in this, and the investors are walking away with a sweetheart deal and the taxpayers are picking up the tab. That has already been said, but what he is concerned about is that you have a public responsibility to push back on finance and also design and to uphold your own Ordinances. Mr. Zebrowski advised you can still speak on behalf of the public's interest on the size and scale of future development as being proposed by our favorite developer at this moment. He is proposing ridiculously sized buildings on West Fourth Street, and he is getting a good deal because he has a parking garage behind that new building that you are building for him. Again, he has no skin in the game; he is getting it on the taxpayer's dole. One other thing he would like to say is with the garage, it is noteworthy that someone spends \$20 million, but there are other developers out there that would love to develop in the City of Bethlehem and there have been other options. Do not confuse the fact that some of the critics of this proposal have been opposed to economic development. That is farthest from the truth. We want economic development, and he wants to see vitality on the south side. He does not want to see development that smacks into the integrity of the historic district, and does not have any concern about the scope and scale of development. This developer obviously does not. He bought the properties when he knew they were in an historic district and the Mayor, Council and the Planning all felt that did not matter. They would rather go chase around a guy for his window for \$1,000 dollars. That is an integrity issue, and a concern about how we are operating City government at this point. Mr. Zebrowski is concerned about where this City is going with regard to south side development, how it is going to look and whose interests are being represented. Please give that some consideration, where the size and scale of this development is going and planning, and how it may be envisioned as we move forward on the south side. He thanked Council and the Mayor for being able to speak and give his point of view and he does respect the decision making.

Al Wurth, 525 Sixth Avenue, queried that when you vacate Graham Place who will own it then and what will happen to it. He asked if the Parking Authority owns it because they own the garage.

President Reynolds stated he believes so.

Mr. Wurth asked if they are paying the City for it because of the loss of service to the taxpayers and the public.

Solicitor Leeson noted we are losing a street and we are reserving our utilities. He does not think they are paying for the street.

Mr. Wurth mentioned it is just a loss of service to the public.

Solicitor Leeson stated from his understanding they are not paying for the street.

Breena Holland, 379 Carver Drive, stated she thanks Councilman Waldron and Councilwoman Negrón-Dipiní for voting against this. She agrees with most of the people here who spoke tonight that it is a big mistake. One thing that she believes is really disappointing about this Council, and the comments that took place afterwards, are that for those who spoke in favor of the garage you do not seem to be able to distinguish between a garage and the development of the building on the corner of Third and New. She thought that was really upsetting because she does not think anyone was speaking against the building. The developer has clearly made it so that the two cannot be separated. In allowing the developer to do that you missed the opportunity to look at a lot of other options that could have solved some of these problems. Ms. Holland thinks that is unfortunate, a little bit of slowing down and thinking through some other options could have yielded some much better results for finding ways to deal with the tenants and future users of that building. She wanted to suggest just one possibility. There has been so little attention that has been given to the traffic concerns and how to deal with them on the street. One of the residents suggested placing traffic cones in the street to see the impact. Ms. Holland informed if you vacate the street, it does not even matter if you are going to make that decision before you even decide to put some cones up and see what happens. She is convinced that there is a huge impact of closing Graham Place and the impact on the intersections along New Street. Since you are also in this area basically destroying the Greenway, you will have six-story buildings on each side and a three story walkway. She would like to suggest that you maybe consider moving Graham Place over into the Greenway and not closing it and taking up some of the Greenway. She expressed that would be better for the traffic and would preserve walkability in the community. Ms. Holland mentioned if you have people coming out of that garage and the one exit on the back at the same time there is some sort of emergency on Graham Place, the fire trucks cannot get down because of the cars along Graham Place, you will have a real safety problem. Ms. Holland thinks that trying to find a way to keep Graham open even if you will not shrink the footprint of the garage, is worth considering. Closing Graham Place will make a mess on New Street; there are a lot of people who move along that street. The Greenway will not be a pleasant area. In the future there is an opportunity here to use your position to get something from the developer. She referenced the article in the Lehigh Brown and White newspaper concerning Mr. Benner's proposed Fourth Street project, and appreciates Councilman Evans expressing that he will not support that building, and will hold him accountable to that vote. Ms. Holland addressed Mr. Colón and remarked she would like him to show a little backbone since he rejected the developer money in the first place. She continued I hope you stick with that in the future so we can try to conceive of you as independent, but your vote was a real mistake. Historic preservation is something that helped get you elected, so you did not speak to the integrity of the historic issue. It is one thing to put a building on that corner if there was a garage down there next to the building that was six stories high. She would not complain about it, that garage is in the wrong place. Ms. Holland noted we can live with a big building on that street, but not where the garage is. So please consider trying to find a way to keep Graham Place open.

Sam, 200 block of Ettwein Street, mentioned he especially liked Mr. Waldron's point about what our City of the future would look like. When Mr. Waldron said that, he had a memory of Halloween this past year. He was on the south side with his friends and the south side was packed, and the Easy Weinies hot dog cart was surrounded by people. At some points it was actually a problem with traffic, which Bethlehem Police did a good job with handling. He mentioned that all of the bars were at capacity. One of the things he asked himself was how did everyone get there? Presumably they all came from all around Bethlehem and outside of Bethlehem, but Mechanic Street was open because one of his friends parked there. He noted one of the things that is happening, which is a shift in how the City will look in the future, is that night Uber had a search of 8 times, meaning it was 8 times normal fare to take an Uber. That means the demand must have been astronomically high because on New Year's Eve the highest he saw it was at 5. He mentioned that goes to other studies that have been put forward where surveys show that millennials, which Mr. Callahan had brought up earlier, are actually moving away from vehicle ownership and prefer not to own a car at all. He crunched his numbers and if he took an Uber three times a day for 5 days to get to work and do something else, he would still save money than he would with making a car payment and paying for insurance and gasoline. It is actually cheaper and that was before Uber cut their fares. Another thing that Uber does is they send out emails to you every week to entice you to ride with them.

One thing they give you is a heat map that shows you demands within the Lehigh Valley. Mr. Rosario pointed out this map is coded with yellow, orange and red. Allentown will have usually a little bit of orange and red in the center and the rest is plain and Bethlehem just has this big red blob right over the south side. What that indicates to him is that people are not even driving to the south side, especially at night; they would rather just take an Uber down there and take an Uber back home. They are using a means of transportation, not the ideal form of transportation, but it is a form of public transportation. He stated to think the people do not take transportation or other means like the Loop, he thinks it is just circumstances that were surrounding that. People are and whenever they can, they will try to use alternative transportation and with Uber you have the advantage of picking you up at your house and dropping you off at your house.

12. ADJOURNMENT

The meeting was adjourned at 10:48 p.m.

ATTEST:

City Clerk