

BETHLEHEM CITY COUNCIL MEETING
10 East Church Street - Town Hall
Bethlehem, Pennsylvania
Tuesday, October 20, 2015 - 7:00 PM

INVOCATION

Pastor Jamison Baxter, Christ Church UCC, 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, Eric R. Evans, Michael D. Recchiuti, Cathy Reuscher, Louis N. Stellato, Adam R. Waldron, and J. William Reynolds, 7.

CITATIONS

Honoring Keith Fryslin and John S. Hayes III

President Reynolds stated that the Citations for Keith Fryslin and John S. Hayes III on the occasion of their retirements will be mailed to them since they were unable to attend the Meeting.

PUBLIC HEARING

Prior to the consideration of the regular Agenda items, President Reynolds called to order a Public Hearing to review and accept public comment on the Proposed 2016 CDBG and HOME Programs.

Proposed 2016 CDBG and HOME Programs

Allyson Lysaght, Housing and Community Development Planner reported there was a meeting on Monday, October 12, 2015 to present this to the Members of the Community Development Committee. It was approved without change but there was substantial question and answer. Ms. Lysaght stated she will go through the proposal that Council has as a handout. She informed they vetted proposals from the following organizations and recommend the following funding for our \$1.15 million anticipated 2016 CDBG award. Ms. Lysaght noted that New Bethany will be receiving \$20,000 for use of the Representative Payee Program. They will also be receiving \$20,000 for building renovations of their transitional housing facilities. The YMCA will be receiving \$40,000 of CDBG funds for major building renovations including the replacement and repair of water pipes. Ms. Lysaght advised that the Hispanic Center will be receiving \$50,000 in Capital funds for renovations at 502 and 520 East Fourth Street, which is part of a larger capital campaign. The Community Action Development Corporation of Bethlehem (CADCB) will be receiving \$60,000 for a residential façade and weatherization program. The Lehigh Valley Community Land Trust will be receiving \$14,900 for streetscape improvements on Hayes Street to go along with their façade program that is currently being funded by HOME funds. Ms. Lysaght continued to say that the Lehigh Valley Center for Independent Living will be receiving \$15,000 to support the PLACE program, which helps disabled residents of the City find suitable housing. The Salvation Army has been awarded \$15,000 to support their Rental Assistance Program, which is short term rental assistance for people who are between jobs and paychecks. Shared Care will be getting \$7,000 to support their elder care in-home services to City residents. NorthPenn Legal is being awarded \$20,000 for their Fair Housing counseling, seminars and advocacy services on behalf of citizens of Bethlehem. Ms. Lysaght informed that Moravian Development Corporation will be receiving \$178,750 of capital money for improvements to their Senior Center which is part of a larger project. They have recommended \$135,000 to Parks and Public Property and \$33,264 is our partial support of the South Side Recreation Coordinator salary. For Public Works we have awarded \$145,000 for street overlays and curb cuts in low to moderate areas. Ms. Lysaght

added that they have awarded \$70,000 to the Police Department for overtime and community drug policing. The Health Bureau will receive \$5,000 for support of the Dental Program for low to moderate income residents. The 9-1-1 Center has asked for and received \$50,000 for five camera replacements in low to moderate income areas in the City. Parks and Public Property are doing a planning study of parks, pools and recreation facilities and we are supporting that with \$25,000 of CDBG match money. Ms. Lysaght pointed out that there is \$35,000 for Community Development Consulting which is for Triad Associates, which Council approved a few weeks ago. We are using \$25,000 of CDBG funds to match funding for a downtown retail market study. Lastly, there is \$80,000 for Overall Program Administration which is salary support, incidentals, travel mileage and things of that nature.

Ms. Lysaght continued with the HOME award. We are anticipating a little over \$310,000 in HOME funds to go to the following. New Bethany will receive \$150,000 for the acquisition and renovation of homes that they will be renovated into affordable housing. She added that the YMCA will be receiving \$60,000 to replace some of their boiler systems and heating systems in their transitional housing facility. Lastly, the Lehigh Valley Community Land Trust will be receiving \$100,000 to rehabilitate one home in a targeted low to moderate income area within the City.

President Reynolds queried how many organizations applied for this funding.

Ms. Lysaght explained in addition to the ones that were approved we had two others that applied that were not funded.

President Reynolds inquired whether the funds are about what we expected to receive this year. He mentioned that in past years sometimes there were some expectations and the numbers came in lower. He asked her to speak of the general trend.

Ms. Lysaght stated they tend to budget 10% less each year because the funds have been going down about that much each year. Last year, before she was here, we received a little bit of an adjustment so we made a good estimate. When we then received a little more funding, we allocated it among the organizations. Ms. Lysaght remarked we are pretty much on track at this point. She noted they budgeted awards of a little over \$1 million and we think we will make about \$1.1 million. She wanted to give us a little bit of leeway so we did not have to go back and deny people funding that was already promised.

Mr. Callahan reported they had a Community Development Committee Meeting last week and we reviewed all the proposals and all the awards. There were many questions and we all agreed on this.

PUBLIC COMMENT

None.

President Reynolds informed the Resolution will be placed on the November 4, 2015 Council agenda.

The Public Hearing was adjourned at 7:10 p.m.

2. APPROVAL OF MINUTES

None.

3. PUBLIC COMMENT

Martin Tower – Office Mixed Use Ordinance

John Lustig, 115 East Market Street, mentioned he has been living in downtown Historic Bethlehem for eight years and he dearly loves the City. Mr. Lustig noted one of the things he is concerned about is the Martin Tower Project. He is in agreement with probably 90% of the people in Bethlehem. He continued that says that this property needs to be developed, and he understands the aspects of tax revenues generated by it. However, he believes there should be a limit to it, and he would like to hear more discussion on a limit and when that limit is made, he

prefers to have that in layman's terms, meaning for him personally square footage means more to him. Mr. Lustig mentioned he can understand what 100,000 square feet is, but 10% of 53 acres, is hard for him to envision. Mr. Lustig mentioned going back to another project several months ago something was brought up on City Council. It is a building on Market Street that wanted to be converted from a residence to a possible law office/administration building and it was chopped down because of spot zoning. Mr. Lustig believes what is happening at Martin Tower is spot zoning 100 times greater. Mr. Lustig pointed out the fact that he loves the City so much, he purchased two properties. The last one was in May and it was a residential property. He went in front of the Zoning Hearing Board to get a special variance to take the floor back to Commercial from Residential and he was granted that. Mr. Lustig noted he wishes he had the Mayor going in front for him before he went in front of the City and said can you do this for me. Mr. Lustig is wondering why Mr. Ronca is not standing here today presenting his plans to redevelop this property. The only thing he can figure out is that when he did it, he had to have a plan. There is no plan being presented here. Mr. Lustig advised he is having a difficult time with that. He wishes Mr. Ronca was here so he could ask him some questions about what he has planned for this property, just like City Council had the opportunity to ask him when he changed his property from Residential to Commercial use. Mr. Lustig informed that one Ronca vote did not get anyone in this room elected; it was us that got you elected. All we ask is that you remember who you are working for, which is us.

Krisann Albanese, 115 East Market Street, informed she has a business in downtown Bethlehem and although she could have had it anywhere, she chose to have that business here. The reason why she is speaking is that she is asking for a do over. She was here two weeks ago and presented her personal beliefs based on her business. Ms. Albanese is asking for a do over because that is exactly what the developer is asking you, the Members of Council. She noted she was born and raised in that residential area, and it is a very nice piece of property. As she understands, in the year 2006 when the developer purchased that piece of property Mr. Donchez was on City Council and approved this plan. Ms. Albanese noted that Mr. Donchez saw very nicely what that developer presented to you and you agreed with him. She thanks the Mayor for that because he let the system work. She noted that Mr. Donchez is sitting here today as our Mayor and proposing to him to do over what you thought was such a great idea back then. If you are not proposing it for him, she does not understand why he is not here so she could ask him what he intends to do with that property. Ms. Albanese mentioned if he is here, she does not see him, and she would think that City Council, if he does own that land and he does want a do over and if Mr. Donchez is representing him, kind of, because he wants to develop that property, would you not want to ask him, Mr. Ronca if he agrees with what Mr. Donchez is proposing? Ms. Albanese thinks she would like to have a voice if it was her property. She continued it is a catch-22, and all she is saying is that you are her checks and balances to make sure that the rules that are laid out before us are actually followed. If she asks a question, she gets an answer. Mr. Ronca should be asked the same thing and give him the opportunity to explain himself. Ms. Albanese stressed that she would like to hear an explanation and maybe she would like to ask him on her next project. He seems to have an awful lot of money, and that is what she needs to do her project. She is asking Council to table this rezoning proposal for now because there are too many outstanding questions that all of us have in our minds. Ms. Albanese noted if it were easy to own a business we would all do it. She continued you all work for me and for the concerned people who are here tonight. She would love to see that property developed because it has been empty way too long. Her education came from her mother and father; they chose to live here. Ms. Albanese mentioned she would love to see Broad Street redeveloped and she would like to see Main Street redeveloped. She thinks we are a throw-away society anymore. If things do not work, we just throw it away and buy new. We do have a really nice downtown and she would like to see the movie theater brought back. Ms. Albanese mentioned perhaps consideration could be given to move all City government officials to Martin Tower and redevelop all of the Historic section in the area of City Hall.

Dyanne Holt, 519 Eleventh Avenue, remarked that she is one of the owners of the Apollo Grille. Almost ten years ago the Martin Tower property was purchased for \$12.5 million with high end condos planned. A short time later the zoning was changed so that allowed the developers to build high end condos, but keep Martin Tower. In 2008 the housing market crashed, and yet in 2010 many things happened. Ms. Holt mentioned that per the request of the developer backed by then the Administration and County officials they asked the School Board for the TIF to build office space, 230 high end apartments, and 285 townhouses. The developer threatened at that time if the School Board rejected their proposal he would seek a lower property assessment and mothball the building until he could build a less desirable community. Ms. Holt noted it was

rejected by the School Board. The School Board said they were not in the business of subsidizing developers. Later that year, the developer filed plans to build 945 low end apartments. The plan went dormant, but he got his \$1.3 assessment reduction. Ms. Holt continued to say that soon after, per the developer's request, he wanted the Martin Tower put on the National Registry of Historic Places to be eligible for tax credits. In 2013 City Council removed the tower from the demolition protection per the developer's request. The CRIZ was introduced to spur new growth in Cities that have struggled to attract and develop and revive downtowns and create jobs for local residents. So then Martin Tower received CRIZ designation for 53 acres. Ms. Holt informed that our State Senator said that it was a phenomenal application and it was supposed to be shovel ready. It highlighted the ability of the private developer to fund the project without the State's help. The CRIZ is for areas that are blighted and the developer can capture State, Local and Liquor taxes. There is no incentive for the CRIZ if you are building homes. Our Director of Community and Economic Development Director in early 2014 said that she had a preliminary meeting with the developers and said "I do think they will be very deliberate about moving forward on Martin Tower." And now the City wants to rezone the property. Ms. Holt continued with a quote from the Community and Economic Development Director, "We have worked diligently with the property owner on the proposed changes over the last several months and are anxious to hear the thoughts of the Planning Commission." Ms. Holt remarked, so here we are at the request of the developer. The developers do not have to speak because our government is speaking for them. Ms. Holt has some arguments she would like to address that she has heard. She heard that they cannot build houses. The School Board does not want too much of a strain. Ms. Holt queried does anyone in this room know who J. B. Reilly is? Forget the NIZ. There are about six or seven of the Traditions Of in our area. They cannot build and fill those fast enough. These are \$400,000 plus homes for 55 and older people with no children and big property taxes. She has heard people complain about traffic. She lives on the west side but what do you think a lifestyle center will do to Eighth Avenue. Ms. Holt continued with parking, and what is the big deal about all the merchants worrying about parking. We use to have in downtown Bethlehem a business and community minded Parking Authority. We do not have that anymore and have not had that for years. Ms. Holt remarked that at the Apollo Grill alone, we probably spend close to \$1,000 a month on parking among everyone. We are not against development, just unfair development. We are not against the CRIZ. Look what it did to revive the south side. We are against unfair competition that is subsidized by State tax dollars and a lifestyle that will charge less rent with free parking at our downtown's expense.

Rod Holt, 519 Eleventh Avenue, mentioned he is also an owner of the Apollo Grille. He remarked the reason he is here because he is surprised at the lack of interest shown by his political leaders in this City when almost 90% of the business community speaks with one voice that this is a bad idea, and we get no response. Mr. Holt wonders why our City's elected officials are ignoring almost the entire business community advice and warning regarding the probable consequences of this proposed zoning change. Several months ago when these plans first became known to the public and before the first Planning Commission Meeting, he was told by a member of this Council and two of the Planning Commission Members that he should not waste his breath; this is a done deal. Mr. Holt stated he and his fellow businessmen and downtown property owners were out running around trying to meet with our elected officials and we tried to meet with the developer and anyone that would listen, but he realizes very few were listening. We were wasting our breath, this is a done deal. Mr. Holt wonders why this City's elected officials are ignoring the business community and why this is a done deal before it became before the public. He found his answer, like everyone else, on the internet. He went to his City's homepage and looked at the campaign finance reports for some of his elected officials. There are thousands and thousands of dollars in contributions from developers, builders, building trade unions and someone from Boca Raton, Florida. Mr. Holt noted, as it has been pointed out, the developer does not even show up at the Council meeting. They seem to have more clout in this City than all these business owners and property owners.

Bruce Haines, 63 West Church Street, mentioned that he understands the emotional frustrations of the lack of development of that site; however the Administration is pursuing the wrong strategy for development of this property. What is needed is a change in ownership in the property, not a change in zoning. Mr. Haines stated this would be zoning that would undercut a core downtown and dramatically increase the property values of one property owner, and that is bad zoning. He noted that the current developer has demonstrated consistent lack of ability or willpower to turn a shovel on the property since he has purchased this over ten years ago. They attempted to sell the property for \$30 million after the 2006 rezoning that they requested. Mr. Haines advised that they failed to use the \$8 million Redevelopment Assistance Capital Program

(RACP) funds that they had to address the sprinkler and asbestos issues. They therefore never put the building into a marketable status. Mr. Haines remarked that this developer does not even appear to be a member of the LVEDC in the City, so he has not even been in the game. More importantly, they were granted a grossly excessive share of the CRIZ acreage for a predominately residential parcel. They should have only been given seven acres for the tower parcel. The other 45 acres should have been placed on Broad Street in downtown going both east and west, similar to what they did in Lancaster. Mr. Haines would suggest that if this property was in the hands of a developer such as J. B. Reilly, the tower would be full with corporations fleeing from high taxes of New York City, and apartments would be prolific by now all over the property. He continued the best way to fix this problem is to reject the rezoning proposal, force this developer to either sell the property as it is currently zoned, or develop this property as it was portrayed to the State of Pennsylvania in the CRIZ application made less than two years ago. Mr. Haines mentioned in the City CRIZ application it stated "The owner/developer intends to redevelop the 21 story tower and surrounding acreage. It is readily marketable with an approved master plan already in place that complies with current zoning." They also stated that a final development plan would be in place by mid-2014, but that never happened. Mr. Haines stated it would appear that before the ink even dried on the CRIZ application the new 29-page zoning proposal was being hatched that stopped all progress. The current mixed use zoning permits a lot of flexibility between residential and office uses, and restricts retail to neighborhood retail of approximately 50,000 square feet. This was established by testimony made and documentation presented to Council at the hearing two weeks ago. The proposed zoning would permit up to 300,000 square feet of one story box retail plus another million square feet of multi-story buildings, like those on Main Street, with first floor retail. Mr. Haines advised that Ms. Heller attested to that in questioning from Eric Evans at the Public Hearing. Mr. Haines noted the Administration's misinformation campaign of 525,000 square feet of retail permitted with the existing zoning appears to be designed to create a perception of an insignificant change to both the Planning Commission and to City Council and ultimately to Harrisburg if this zoning is approved. He mentioned that rezoning Martin Tower as proposed in his opinion would disqualify this 52 acre parcel for CRIZ designation because it would no longer meet the program guidelines of reviving downtowns. Mr. Haines noted downtown Bethlehem is the primary beneficiary if Martin Tower development as it is currently zoned. As proposed however, it creates the opportunity to create a new downtown that unfairly competes with us and this will lead to urban decay. By Darlene Heller's own words at the Hearing, downtown would expect to see spillover, without commenting on the loss of our existing customers. This result would not only disqualify this property but would jeopardize the entire Bethlehem CRIZ application with regards to its alleged 11 shovel ready projects. Mr. Haines asked Council to not fall into a trap to facilitate one developer to pocket a potential windfall profit by selling the property simply by a zoning change that Council would approve that would allow him to capture the 6% sales tax. Mr. Haines also wanted to mention a comment at the Public Hearing where it was portrayed that this developer is essentially sitting in the rumble seat and the bus is being driven by the Administration. He had no input into the rezoning. Mr. Haines said he met Ms. Karner and Ms. Heller the day after the proposal was announced on July 8th, the day before the Planning Commission, appealing to pull this from the Planning Commission hearing, and they were so happy they had talked this developer down. He wanted the same zoning as the Sands had and they talked him into this much less rezoning that throws downtown under the bus.

Dana DeVito, 38 West Church Street, remarked that she is the General Manager of the Moravian Book Shop, which has been located on Main Street for 270 years. Although she speaks with authorization of Richard Santee, the President of Moravian Book Shop Board, she does not speak for the Board members nor does she speak on behalf of the Moravian Church, which owns the Book Shop. Ms. DeVito informed she is speaking as General Manager of the Moravian Book Shop and as a resident of downtown Bethlehem. She is speaking because she shares the concerns of many of the residents of Bethlehem, not just downtown or south side merchants, who believe that the proposed changes to the Zoning Ordinance are not in the overall best interest of the City. Ms. DeVito advised that this change is significantly different from the current zoning and significantly different from the plan currently in place. Virtually every discussion about the future of Martin Tower and its surrounding 50 plus acre tract has presumed that the area, located as it is so close to downtown and Burnside Plantation, would be developed to encourage residential use coupled with complementary office, light industrial and neighborhood convenience retail. She mentioned that this zoning overlay was put in place in 2006 at the request of the developers. The CRIZ was awarded to this entire property in December of 2013 based upon this zoning overlay and master plan currently in place. Ms. DeVito noted, since then the debate seems to focus around the refurbishment or the demolition of Martin Tower. While she does agree that this conversation does need to continue, she believes this is an issue that is separate and apart from the discussion to

dramatically alter the zoning for the remainder of this large tract, about which she is concerned. It seems as if the sole purpose for changing the zoning amendment is to do something with the Martin Tower tract, presuming that anything or something is better than the status quo. Ms. DeVito agrees that something should be done, but disagrees that anything or just something is better than the status quo. She believes that members of the Downtown Business Association and other concerned citizens, some of who have tried to share their perspective and insight here before City Council, would like to work cooperatively with the Administration and the current developer. They would like to discuss ways to craft a vision for Bethlehem that does not unfairly stack the deck against any one of the current retail locations. However, so far our request to the Mayor and the Administration has resulted in only one meeting with Alicia Karner and Darlene Heller. At that meeting we were advised by Ms. Karner that meetings with the Administration would be the wrong forum and that the appropriate forum for these concerns would be the public forum, such as the Planning Commission and City Council, so that is why she is here tonight. Ms. DeVito noted other than hearing from City officials that they do not think that an additional destination in the City of Bethlehem will hurt our communities, we have been given no evidence or assurance that the basis for these comments are supported by any statistical analysis of any feasibility study. In fact, if this is such a good plan to help revive the downtown then we would invite the Mayor and the Administration to meet with us to explain why this is beneficial to the downtown retail community. Ms. DeVito believes that before such a dramatic and drastic change in vision for the use of this last largely unspoiled tract of the City is approved, the developer should be asked to share his vision for the use of the tract, what efforts he has made to sell or develop the tract with the current overlay in place. In addition, she would ask that City Council give the community more time to weigh in on these issues, and share its concerns. Finally, she believes that the planning and development offices in the City should commission a feasibility study, surveys and other methods to determine that the proposed use will not adversely affect the City as a whole. It seems to her that until these questions are answered and some attention has been given to the overall best interest to the entire City of Bethlehem, changing the current zoning is premature at best and potentially harmful to the overall economic health and growth of the City. Ms. DeVito is asking that Council table this.

Kelly Ronalds, 425 Heckwelder Place, remarked she is the Director of Sales and Marketing at Historic Hotel Bethlehem. She is also on the Executive Board of the Downtown Bethlehem Association and she chairs the Marketing Committee. Ms. Ronalds would like to address what she considers a lack of what seems to be concern of our elected officials. She has read media accounts of what has been quoted in the papers that nothing can penetrate the merchants on Main Street and Broad Street and on the south side. She has also heard that it was said that nothing can hurt or be injurious to our downtowns. Ms. Ronalds pointed out that our Executive Committee Board of the DBA requested meetings early in the spring with each of our City Council Members and some of you chose not to meet with us at all. We wanted to share with you then our concerns with the challenges we were having with marketing and the challenges we were having with Allentown and the unfair playing field that Allentown presented with the NIZ. Ms. Ronalds noted that this was even before this whole project with Martin Tower came to light in July. She learned things in those meetings with some on Council and especially what was most compelling was the meeting with Mr. Recchiuti. Ms. Ronalds related that in the meeting with Mr. Recchiuti what was the most telling was that she specifically asked him what will he do when the Moravian Book Shop announces that they will open a satellite shop in Allentown and he said do not worry, that will never happen. Ms. Ronalds noted that a week later, they announced that they were opening a satellite shop in Allentown. Do not worry, nothing can happen seems to be the theme from City Council and our elected officials, she added. When Moravian Book Shop opened in Allentown the shoppers are shopping in Allentown. They are not coming to Bethlehem and those feet are not hitting our streets, and they are not spending their dollars here. Ms. Ronalds mentioned in that same meeting she talked about the Waterfront in Allentown and that this will happen and what will we do when that happens. Again, they said do not worry. The very next day there was a headline in The Morning Call newspaper that Allentown got their money and will develop the Waterfront. Today's Lehigh Valley Business Journal said on November 12th that the shovel will hit. She has been told not to worry but she is starting to worry. Ms. Ronalds related that we have lost a major conference to a hotel that does not have to pay their tax, the 6% sales tax, so they can do their rates however they want. Ms. Ronalds asked what would happen when the Moravian Book Shop, are doing so well in Allentown that they shrink their footprint on Main Street. They have been on Main Street for 270 years. Ms. Ronalds believes that Council is not truly listening when we talk to you and tell you that there are issues and that we are worried. Maybe Council is not truly in touch, and thinks that the Apollo Grill will always be the Apollo and that the Moravian Book Shop will not be in Allentown. She expressed we are doing fine but we do have challenges and ask you to

listen. Ms. Ronalds hopes that Council will finally open their eyes and know that we are not always invincible. Maybe all of the predictions you have given us so far have not always been 100%. We cannot afford for you to be continually naïve and sometimes wrong. Ms. Ronalds stated she has been worried about Allentown which is six miles away, and now you are saying not to be worried about this project that is a mile away. Ms. Ronalds is asking Council to reconsider and table this decision. She also has additional signatures, 20 more signatures and an additional 2 businesses on the petition that Ms. Griffiths submitted to Council at the last meeting.

Peter Crownfield, 407 Delaware Avenue, stated there is no sensible reason to support this proposal. It is a major change and any implication that this is not, is ludicrous. Mr. Crownfield mentioned this is an especially silly change when you consider that the present zoning was at the request of the developer. If the developers made a bad decision about the right way to develop this property, that is on them much like it is with any of the businesses here in town. If they make a bad decision and it costs them money and perhaps they go out of business. If he loses money on this, that is his problem. He continued; do not make it the citizen's problem. Do not subsidize it and do not throw away a strategic plan and an existing Zoning Ordinance just to make the developer happy. Mr. Crownfield noted that a Member of Council said that Bethlehem needs to learn how to say yes to investment. He mentioned that is not the problem. Look at all of the developers that we have said yes to. The City is always chasing new investment, but it needs to learn how to support the people who have already invested in Bethlehem and not undermine them as this zoning would do. Mr. Crownfield stated we need to make Bethlehem the best place to live and work and go to school, a good place for businesses to operate. If so, we will have to turn the developers away, because they will want to come here and will not be asking for subsidies. He added they just would be asking for a chance to get in and that will drive up property values and create more business for the existing businesses. Mr. Crownfield noted that changing the zoning as proposed here, just makes no sense at all and should not be done.

Bruce Haines, 825 Barnsdale Road, remarked that he owns the Aardvark Sports Shop and he just wanted to ask a few questions rather than make a few points. He does endorse everything that his fellow merchants have said this evening. Much was made two weeks ago at that Council Meeting about the tax revenues from the property when it was at its peak. Mr. Haines asked whether or not a tax reassessment has been requested or can be requested now that the CRIZ designation has been given to the property. It would seem to him that the property has increased in value quite dramatically in that time period. Mr. Haines noted if we are so concerned about the tax revenue we should ask the County to reassess the property. Mr. Haines added that he has a copy of the City Revitalization and Improvement Zone (CRIZ) document of November, 2014 from the State of Pennsylvania. It is interesting reading and there is one section that he was curious about. He referenced page 5, section 7, transfer/addition of property and read "Parcels in a zone where a facility has not been constructed, reconstructed, or renovated using funds obtained through zone designation may be transferred out of the zone if a request is filed in writing with the DCED and approved by the Revenue Department. Additional parcels in the City or Municipality may be added to the zone so long as they do not exceed the acreage of parcels transferred out and the addition is approved by the DCED, the Revenue Department and the Office of Budget." Mr. Haines stated it would seem to him that given some of the concerns here, specifically about Broad Street, and what has transpired over there the past few years, that we need to consider redistributing some of the CRIZ parcel to that location. Mr. Haines noted there is no reference that he can find that the owner of the property that is currently designated needs to agree to that but maybe that is hidden somewhere in the State legislation. He would request that we look into that.

Neville Gardner, 381 Biery's Bridge Road, informed he is the owner of Donegal Square and McCarthy's Red Stag and Whiskey Bar and then passed a communication out to Council. He mentioned that in 2013 he came to City Council with Bruce Haines from the Hotel Bethlehem and they made a request that City Council consider moving some of the CRIZ designation into the Historic District. Page one of the communication he gave to Council was a document and picture of an architectural rendering that he received from a developer in Bethlehem. When they came here to request that City Council consider, or whoever was in charge of allocating the CRIZ, we asked them to consider doing this. At that time the answer they were given was that they will get this CRIZ application in and after it is in we can move the acreage around to fit anywhere we need. Mr. Gardner noted the assurance they were given was that downtown Bethlehem would be given some allocation from the 130 acres. On page two from the handout is a map that he printed out from the City of Lancaster. The green spots on there appear to be all in the downtown. Mr. Gardner stated the acronym, CRIZ, means City Revitalization Improvement Zones. It appears that Lancaster, rather than selecting a bunch of developers, actually said they will take their downtown

and take this area that needs improvement and allocate the CRIZ to this area. Mr. Gardner stated the City of Lancaster made the decision as to where they wanted the CRIZ to apply and they were not dictated by random developers. Mr. Gardner then went to page 3 of his handout and mentioned this page is full of numbers, Pennsylvania Sales and Withholding tax projections with 50,000 square feet, which is the current allocation of retail in the current zoning and is approximately equal to the Aardvark's Sport Store, Donegal Square, The Moravian Book Shop, The Apollo Grill, the BrewWorks . The approximate retail business that would be taxable in a year is somewhere in the region of \$20-25 million for an area similar. Mr. Gardner noted that sales tax, based on 6% on the \$20 million would be \$1.2 million per year. If you multiply that by 30 you get \$35 million. If we scale that up to 1.3 million square feet and do the numbers it would generate \$31.2 million per year over 30 years and that is \$936 million. He remarked that is almost \$1 billion. Mr. Gardner stated assuming the staffing of 1,000 people in a lifestyle center with 3.1% withholding tax comes up with another \$930,000 per year and over 30 years that would be \$28 million. The last page in his handout shows the map of the downtown area and it shows an allocation between Raspberry Street and Walnut Street, New Street and Main Street. The area in there is approximately five acres, maybe less. Cannot we take five acres out of these 130 acres that we allocated to all of these developers and put it in the downtown to revitalize the area that really needs to be revitalized? Mr. Gardner stated he has a problem with that so you have to reject this zoning change and take some of this acreage and put it in the downtown, fix it up and use it for the true purpose of the CRIZ. He concluded your job is to do that; not give our money away to a bunch of developers who could probably care less about us.

Gen Marcon, 55 East Church Street, mentioned that two and half years ago she and her family moved to Bethlehem Historic District following a brief period in New York City. They looked at homes in Saucon Valley, Allentown, and Historic Bethlehem. The reason they chose Historic Bethlehem was why many of her neighbors did, which is the charm, the beautiful homes, the walkability of the neighborhood, the Library and of course the ability to walk to the restaurants and shops downtown. Ms. Marcon noted she has since become involved in the community. She has been on the Historic and Architectural Review Board as well as involved in the Bethlehem Historic District Association. She expressed she loves the neighborhood so much that she decided to open up a small business in the Historic District. Ms. Marcon stated the current rezoning plan for Martin Tower that contains a high percentage of retail is extremely concerning to her. This will create a third downtown that will detract from our existing downtown. For some of the shops and restaurants that are barely getting by, this unwanted heavy retail development could put an end to those businesses. Ms. Marcon noted that two weeks ago at the last City Council meeting numerous residents of the Historic District and area merchants came to speak out and oppose the rezoning of Martin Tower. She added that numerous merchants from downtown signed a petition to oppose the rezoning and she feels this speaks volumes for how rezoning is being perceived by the people who live and work in the downtown district. Ms. Marcon mentioned by voting to accept the rezoning of Martin Tower as proposed, you are sending a message to the residents and business owners in the downtown district that their voice does not matter; that their investment they have made in their home and businesses do not matter. It is apparent that the plan that the City put together is in the best interest of the developers. If approved, they will develop the site to include heavy retail or turn around and resell it with the zoning that is more favorable for resale. Ms. Marcon noted that either way this negatively impacts our downtown merchants. To vote yes to this rezoning plan that still leaves room for so much uncertainty clearly shows that the developers have gotten the best of you. We all hope that for such a small fee these developers are not buying many votes. Ms. Marcon urges Council to go back to the City and ask them to reevaluate their plan, come up with a smarter plan that not only works for the City but also for the downtown residents and existing business owners. Ms. Marcon pointed out that we all understand that it is impossible to make everyone happy when dealing with a project of this magnitude, but we need to push harder to foster creative, outside the box thinking and come up with a solid zoning plan that is truly smart for our City. One that will not only bring in revenue for the City but one that we can all be proud of.

John Oesmann, 114 East Broad Street, stated he is relatively new to this area and has lived here for about a year and a half. He mentioned his wife owns a business. He continued we are big fans of the whole mixed use zone concept. They took a commercial property, invested heavily in it, renovated the property, and had it rezoned as a mixed use property. Mr. Oesmann noted that his wife's interior design business and their residence are in the same building. They invested heavily in this property and it shows. They moved from New Jersey to Bethlehem and were so impressed by the way things were run here and loved the idea of a walking lifestyle and with the idea that this would be their last move. Mr. Oesmann would hate to see his investment, from a

personal perspective, go downhill. He believes that repurposing the tower would be a much better way to go. He finds it hard to believe that the shell of that building is not that valuable. Mr. Oesmann thinks that the existing owner will more than likely have to, as part of the demolition process, mediate and remove all of the asbestos anyway before knocking it down. So why not show good faith and do that, they have the building and have a nice shell of a building that would be valuable and desirable for someone else to take on. It could be a combination of mixed use of apartments, condos, offices, retail and it could all be in one building. Mr. Oesmann thinks that the historic benefit of this building and property is being minimized because that is a true landmark even though it is not historical from a timing perspective. He thinks there are many historical reasons to keep it. Mr. Oesmann noted his company recently built a new double platinum LEED headquarters in New Jersey and the amount of common area space that is considered to be unproductive waste is based similarly to what is in that building today. Mr. Oesmann stated as far as taxes are concerned he was shocked to see the slide from the last meeting regarding how much the tax base has come down since the repurchase of the property. Right now, the savvy business man who owns the property will play the waiting game and will more than likely flip the property for huge profit once this rezoning takes place. At that point in time you have to believe that the next owner or whoever develops it will maximize the property and will hit the limits for whatever space they can, if retail they will use the 65%. Mr. Oesmann thinks we have heard a very strong local voice here that has asked you to not have done this, it seems there is no rush. When they did their renovation, they presented their plans, got temporary verbal approval that they would get their zoning done and then before they completed the work they actually reapplied for the zoning change, so it should not be any different here.

Sonja Walker, 123 East Church Street, noted that she moved here thirteen years ago because she picked Bethlehem as the place she wanted to live in. She was raised to believe that local politics is where your vote and voice really count. City Council is elected by citizens of Bethlehem to represent them to express their needs. Ms. Walker remarked that two weeks ago we heard about 30 people say that the rezoning is not what they want. One person spoke and said they thought it was a good idea. Ms. Walker noted that tonight we heard 12 people say they are against the rezoning and no one spoke for it. She does not know how Council could possibly vote for something like this.

Beall Fowler, 443 Center Street, moving to 409 Center Street, but as you can notice he chose to stay in downtown. What you have heard tonight is very moving to him. People are here because they love Bethlehem and it reminds him of what Ralph Schwartz said many years ago, "We are all here because we love Bethlehem." Mr. Fowler advised that we are not here because we want to cause trouble because of some nice person who wants to build a building in this town; we are here because we love this City. The statements that were made were compelling and he does not think he could add to them. Mr. Fowler stated the situation Council is in reminds him of a possible situation, maybe hypothetical and probably happened once. In a rural area where there was a nice area of woods, maybe 100 acres, but it was not providing much tax revenue and many of the trees were not in good shape. Someone came from out of town and said they would like to buy that wood land and convert it to agricultural use and the leaders of that rural community thought that sounded great. They would get rid of those trees and have nice fields to grow maybe wheat or oats. Mr. Fowler noted that they approved it and two years later there was a pig farm on that area and they were then very sorry. This is because they had voted for something that was so general that this person was able to put in a pig farm. Mr. Fowler is not suggesting that what will be at Martin Tower site is a pig farm but he believes that the proposed zoning is so open that it could be the commercial equivalent of a pig farm and it could stink up the whole community.

Andrew Dorman, 31 West North Street, remarked the reason that Martin Tower was put on the National Register of Historic Places was because if it is knocked down that would be a significant difference to the community. If we knock this down, we will never get this back because it has been up there 45 years and in all that time this is the first thing that people see when they come to Bethlehem. You can see Martin Tower from Route 22, from Allentown and from many places. Mr. Dorman believes this is a significant building and should not be knocked down and should be put on the anti-demolition list.

Martin Tower Project, Rehab Technical Specialist

Dana Grubb, 2420 Henderson Place, mentioned not to worry; he is sure generations of residents in the Lehigh Valley thought the same thing about Bethlehem Steel. Lately, it seems in Bethlehem that developers are favored pretty regularly and it is usually over the interest of the public and small business owners and rhetorically, why is that. Mr. Grubb informed there have been links made to campaign contributions and the only follow up he would like to make to that is that the City has an ethics Resolution. If elected officials are not familiar with that perhaps they might want to take a look at that and read through it. Mr. Grubb added if the original Zoning Overlay was not right for this property, what makes you think that this rezoning is right. The Martin Tower property was put up for sale after the Zoning Overlay was passed so what guarantee is there that the same thing will not happen again and who really benefits from that if it is sold? It has been asked before why no plans have been presented to support this rezoning request. Mr. Grubb remarked as Public Officials how many of you would write a similar blank check from your own bank accounts. He doubts any. Why do public officials keep touting this as Smart Development when it is not beneficial to the rest of the community? Mr. Grubb queried why this site has been shovel ready twice, both after the zoning overlay was passed and when the CRIZ application was submitted. Mr. Grubb wonders why there are so many questions with so few answers from public officials, yet many of you indicated that you are jumping on the bandwagon. The real question is who will determine the future of Bethlehem, the community or special interests. Mr. Grubb stated his vote is with the community, the people you represent. Mr. Grubb mentioned there is another item that Council will be voting on tonight that he wanted to comment on. This involves the Rehab Technical Specialist. There is a proposal before Council to make that position a full time salary position. This may in all circumstances be required. He noted that this is not in the best interest of the residents of Bethlehem. It should be a full time contract position. Mr. Grubb noted that any non-union position that is fully grant funded in the City of Bethlehem should always be a contract position, that way you incur no future pension liability. Mr. Grubb will use himself as an example. He had a 27 year career with the City, 8 years of which was in the Housing Rehab Program as a Finance Specialist. If he is fortunate enough to collect on that pension for 30 years, Community Development Block Grant is not paying the freight; the taxpayers are. He will say that there has never been a full time contract employee in that program, but there are three 90 year old pensioners, four in their 60s, and one in their 70s collecting pensions. If they had they had been full time contract employees, you would have no obligation. They could have invested in the City's 401K, but no long term pension liabilities. Mr. Grubb mentioned that we hear every year at budget time about pensions and health care benefits and their impact on the City budget. When you have a chance to do something the right way, do it. It does not matter whether it is a short term solution or a long term solution, it should be handled in that fashion. Mr. Grubb noted in addition he was bemused to read that there was a 15 person waiting list in that program and that it would take a year to do those. He was the sole Finance Specialist in that program. He remarked he processed 40-50 cases a year. He stated somebody is asleep at the wheel. Mr. Grubb mentioned we are not getting good bang for our buck and something needs to be done about it.

Electra D'Amato, 65 West Market Street, remarked that she and her family moved to Bethlehem for four reasons, which are the neighborhood, restaurants, community and shops. These are the same reasons that they lived in Tribeca. While in Tribeca, she and her husband built a 5,000 square foot gourmet shop, with fish, poultry, produce, prepared foods, ice cream, and bakery, all the things that a neighborhood likes, wants, and needs. Ms. D'Amato stated they employed 50 people, and were open seven days a week. They went out of business because Whole Foods came within six blocks of them and they had 50,000 square feet. Her whole store was 5,000 square feet, while Whole Foods produce department alone was 5,000 square feet. Ms. D'Amato added that we should make no mistake; this gets diluted to the extent that small retailers do go out of business. While in Tribeca last week she saw an old friend who was a real estate broker. There are now 100 empty retail stores in Tribeca, some are due to high rents, but make no mistake the retailers are not coming back. There is Whole Foods, Bed Bath and Beyond, Barnes and Noble, all the big things came in too close for comfort. This is progress, yes, but make no mistake, not at the expense of one town.

Will Carpenter, 224 Wall Street, mentioned he has been in this neighborhood about 16 years, and in retail development for about 20 years. He is interested in the City and the neighborhood, and has a couple observations. Mr. Carpenter stated that with rezoning he has never in his experience seen rezoning happen at the impetus of a Mayor and a Planner. He stated rezoning is serious business and it happens with master planning and looking at all of the

ramifications in the entire City. Mr. Carpenter remarked whenever he tried to get things rezoned he had to demonstrate the need for a change. In the entire presentation at the last meeting he did not see from a need perspective of zoning. He does understand the tax issue. We all want to see that, but he questioned what has changed in our community from 2006 or 2012. Mr. Carpenter wonders, do we need more or less residential, and how does the residential market today compare to the residential market in 2006. To him, that would demonstrate need and perhaps he could get behind this proposal. Mr. Carpenter queried how has the retail market changed and can we demonstrate a need for several hundred thousand square feet of more retail. All of that information can easily be accessed, and he is sure that local real estate brokers can tell you in moments what our absorption rate is and what kind of need we have for residential or commercial, but he did not hear any of that evidence. Mr. Carpenter related at this point he feels this is an irresponsible proposal with all of the ramifications to the rest of the community, without demonstrating that need or showing the change that has happened with the prior two reviews of this project. Mr. Carpenter is also thinking about the question of recusal. He understands that several Councilmen have received donations and money from the developer. He believes that the developer is not a resident of our City. He continued it just makes you wonder if a non-resident gives substantially to Councilmen and he has one primary very large business interest, and those people do not recuse themselves. The purpose of recusal, as he understands it, is to avoid the appearance. He is certainly not accusing anybody of anything, but it is the appearance of impropriety. When you do not do that, you add to the skepticism of governments, because we do not believe if it looks like a duck, walks like a duck and quacks and you are telling us do not worry, it is not a duck. Mr. Carpenter noted again, he is not accusing anyone but it that is why recusal is a tool for government officials to avoid the appearance.

Jeff Fegley, resident and business owner, noted in 1997 they kicked off a project to build the Bethlehem Brew Works in a struggling downtown. If you pass this zoning change, anyone who is in his similar shoes now, who would be looking to come downtown versus this proposed site with its changes, would be stupid to pick downtown. Mr. Fegley added as a business decision, coming downtown versus the incentives that this site will offer would be stupid. He added that a wise man that spoke tonight stated earlier in the week, foremost will it be to make clear that the Donchez Administration is on the wrong track, and that what is required to develop the property is an ownership change, not a zoning change. Mr. Fegley noted this legislation is potentially illegal. This legislation is also flawed in that it does not create open opportunity for any developer and the City to work together to qualify eligible projects to help blighted or troubled properties. This is a beautiful property and this property was always beautiful back in its heyday and it continues to be kept beautiful, as it should be by the property owner. Mr. Fegley noted this property and its owners have been given zoning changes previously, which has been spoken about by many people tonight, and it earmarked millions of State grant funds for different projects, which they have not removed those funds since the designation of the CRIZ. Mr. Fegley added this developer did nothing with those previous incentives, and then the property was designated with the CRIZ. It is a property now with a tax incentive on steroids. This developer has failed to do anything with all of these tremendous opportunities and now you haphazardly decide to make a zoning change, and apparently the developer had nothing to do with it, that all of you just thought it was a great idea to stimulate this property because it did not have enough stimulation already. Mr. Fegley stressed that this zoning change is a tremendous handout to a property that needs no more. There are properties all over Bethlehem that need these types of incentives. He continued, focus on working with Harrisburg to make appropriate changes to this legislation; not zoning changes to line the pockets of very wealthy developers with large incentives already who are not living or doing business in the area. Mr. Fegley added that they should think about what they are doing. Recuse yourselves if you received significant contributions from this developer or their subcontractors, families or friends. Mr. Fegley noted that recusal is not an ugly word. The gentleman who just spoke talked perfectly about this subject. Recusal is there for a purpose. Mr. Fegley stated he was not at the last Council Meeting but he heard the reaction of Council Members and how they were going to silence anyone that dare says they should recuse themselves. That is ludicrous. Mr. Fegley remarked that Council has a responsibility to the people, the taxpayers, the business owners, the residents, the dogs and the cats, and the trees. He expressed the fact that his son tonight asked him why he was going to Council tonight. He answered him that part of this is to protect the trees. Mr. Fegley stated does he want to protect his business. The answer is absolutely, because he came here and he saw the potential of this City as many other business owners and people that chose to live here as said by Professor Fowler. He stated what you are doing is ridiculous and you need to stop it. Mr. Fegley is asking Mayor Donchez to call Governor Wolf and remove the illegal language that exists in this legislation and create a fair CRIZ plan or end it all together. Ask your local Senators what language that may be illegal. They will know;

they are worried about it. Mr. Fegley is asking Mayor Donchez and Council to invite him to their offices or visit him in his place of business. He can explain the numbers of the CRIZ to them and how much incentive the developer has been handed before you even gave them the zoning change with no other opportunity to any other developers to work with those same incentives. The NIZ and the CRIZ have their flaws and problems but anyone can go into the NIZ zone and attempt to purchase property and develop it. Mr. Fegley is asking them to reject the zoning change and make this developer get the job done with the current incentives, which are insane when they can sell the land with the current zoning to any other developer if they have problems in getting it done with what they have. There are several other developers that would swarm on the opportunity with everything that exists on this property to date. Mr. Fegley added that Council would be blown away at the sale price of this land with what it already has, so please stop the pay to play. He added it does exist; you may not know it or think you are doing it but it is there. This property has enough. He is sure none of you want to put a dollar amount on what the CRIZ designation put on the land. This is a huge handout so please stop it now. Mr. Fegley stated they should vote no to this zoning change and be careful.

Joanne Smida, 452 Main Street, remarked she is the owner of Handcut Crystal. They will have been in business for 30 years next year and she is not sure after this goes through if they will be able to last another 30 years. Her mother saw this business through hard times, watched people walk by, built up the business and decided to sell it to her. Ms. Smida remarked she did not have it handed to her. Ms. Smida stated she works very hard. This is a very difficult retail climate. There is competition online from big box retailers and she really appreciates what the woman said about Tribeca and what happened in that city. Ms. Smida noted that Council just does not see it. They think that Bethlehem is going to stay on the books as being the grandest and the best, but as she mentioned the last time she spoke, if you will keep thinking that way you will have to be careful. Ms. Smida stressed that Council needs to help the existing downtown. She makes a joke in her store that you should be paying her to stay open because no matter what, she does not bring a lot of revenue for the City, but helps bring many people into the City. Ms. Smida informed that she has customers from New York and Nashville, and they spend money in the City because they like coming to Bethlehem. If Bethlehem does not exist anymore, the way it stands now and it keeps on going downhill and stores are closing, you will not get people coming here. Do you think they will go to Martin Tower and shop there because it is so great? Bethlehem is on the map for a reason and you better think about it. She appreciates any member of the Administration and City Council that have shopped in her store. Ms. Smida remarked she does not want to make enemies, but she thinks you should also keep in mind, how you can protect what is so great and make it better versus handing it to a developer who will only pull from only what is great.

Mike DeCrosta, 914 Walters Street, stated it should be increasingly clear that there are two options. He finds this very analogous with what has been happening on the south side. He stated you can make a widely criticized vote against a room full of citizens and alienate both downtowns, while creating another place, a potential worst case scenario somewhere mirroring the Lowe's development. All of these little decisions kind of add up along the way. Or, Mr. DeCrosta informed, that someone could stand up and say we recognize this, we need to reconsider the CRIZ and make a public statement saying we recognize the concern and we are committed to reevaluating the CRIZ parcels and the way that they will revitalize our downtown.

Stephen Antalics, 737 Ridge Street, informed he has heard dedicated citizens speak with great intelligence and vision and he has come to the conclusion that they have what is in the best interest of Bethlehem for the future. Mr. Antalics stated we should listen to them. His thoughts are that we have to go back to fundamentals on what is best for the citizens, but there is no guarantee of succession. As Ben Franklin said, the next best system was a Republic form of Government, which it is, and which we have that is governed by the will of the people. Mr. Antalics noted our will is projected through you because you came to us and said vote for me and I will protect your welfare and do what is best for the City and we voted for you, except for two Council Members who were appointees. When you took your oath of office you guaranteed us that this would happen so your guiding light is what we the people have in our will given to you. Mr. Antalics stated there is a serious virus in the City of Allentown and that virus has a name, which is pay to play. Someone had written that there is the impression that there is money being used to buy politicians and therefore they are not beholden to the people who elected them but to the donors. Mr. Antalics noted that you have heard the will of the people on two occasions and it is clear that some of you have said you made a decision before we heard what our will was. That is incomprehensible and is very disturbing. It says that you do not care. Mr. Antalics stressed that since you have heard us twice you will vote and voting will be a political decision. That vote

creates a moral issue for you because you took an oath that you would listen to us and vote according to our will. So if that is true, that is clearly what you need to do but vote one of two ways. Vote the will of the people who elected you or vote the will of the developers. Mr. Antalics noted that Council has a choice here and your choice will let us know what you think of the will of the people. Mr. Antalics believes this is a no brainer, but there is a lot of politics going on behind the scenes and that should not flavor your decision. Your decision is to us, because we put you there, except for two members. Will you listen to us or a developer? It is a simple decision and that decision will give us a message which tells us what you think of us as concerned citizens. Mr. Antalics mentioned vote your conscience and if you vote your conscience your decision will be very, very clear.

4. OLD BUSINESS.

A. Members of Council

None.

B. Tabled Items

None.

C. Unfinished Business

None.

5. COMMUNICATIONS

A. *Police Chief – Resolution Request – Sale of Bethlehem Police Horse*

The Clerk read a memorandum dated September 29, 2015 from Police Chief Mark DiLuzio requesting a Resolution for the Sale of Raven, Bethlehem Police Horse. The Bethlehem Police Department would like to retire Raven, one of the original Police Horses. Raven was purchased by way of JAG Funds obtained in a Federal Grant that was awarded March 1, 2009 and purchased on May 21, 2009 by the Bethlehem Police Department. The Bethlehem Police Department Mounted Unit is seeking approval to retire Raven while adhering to the JAG Grant compliance and Third Class City code guidelines. They are seeking a fair market value of \$500 for Raven. The sale of Raven must be approved by City Council by Resolution.

President Reynolds stated Resolution 9 A is on the agenda.

B. *Mayor – Resignation of Deputy Director of Community and Economic Development*

The Clerk read a memorandum from Mayor Robert J. Donchez advising of the resignation of the Deputy Director of Community and Economic Development. It is in the best interest of the City to fill this position as soon as possible. I look forward to sending a qualified candidate for consideration.

President Reynolds stated this is for information only at this time.

C. *Director of Budget and Finance – 2015 Pension State Aid*

The Clerk read a memorandum from Mark W. Sivak, Director of Budget and Finance regarding the 2015 Pension State Aid. A direct deposit for State Aid in the amount of \$3,352,313.75 was received on September 25, 2015. The proceeds have been allocated as follows:

Fire – MMO	\$2,248,963.06
Reimbursement – Pension Bond Payment 5/1/15	431,019.96
Reimbursement – Pension Bond Payment 11/1/15	672,330.73

President Reynolds stated Resolution 9 C is on the agenda.

D. *Director of Parks and Public Property – Facility Rental for Special Event Fees*

The Clerk read a memorandum from Ralph Carp, Director of Parks and Public Property, regarding facility rental for special events. The Illick's Mill building's first floor will soon be occupied by the Appalachian Mountain Club, leaving the second and third floor available for rental to parties and organizations. I therefore request the following fees be added to the Facility Rental for Special Event fees:

First 5 hours/\$50/hr.	
After 5 hours:	
Non Profit	\$250/day
For Profit/Resident	\$450
For Profit/Non-Resident	\$550
Private Rental/Resident	\$300
Private Rental/Non-Resident	\$400

In addition the Ice House Fee established in Exhibit A of Resolution 2014-260 needs to be changed, due to a typo, from \$650 to \$450.

President Reynolds stated the Resolution can be placed on the November 4 agenda.

E. *City Solicitor – Street Vacation Ordinance – Portions of Durham Street and Orchard Street – Final Reading*

The Clerk read a memorandum from William P. Leeson Esq., City Solicitor, regarding the Street Vacation Ordinance for portions of Durham Street and Orchard Street scheduled for Final Reading. This will confirm that the City has secured an acceptable signed easement agreement with respect to its utilities. This will also confirm that letters have been received from PPL, UGI and Verizon indicating that no easements are required over the portions of Durham Street and Orchard Street to be vacated.

President Reynolds stated the Ordinance is on the agenda for Final Reading.

F. *Director of Public Works – Recommendation for Award – A J Trunzo, Inc.*

The Clerk read a memorandum from Michael Alkhal, Director of Public Works recommending an amendment to a contract with A.J. Trunzo, Inc. New traffic signal foundations were constructed at the intersections of Elizabeth Avenue and Main Street, and Elizabeth Avenue and New Street. This work included installation of new conduit, electrical boxes, sidewalks and handicap ramps. This amendment would allow for additional costs incurred due to unforeseen conditions to be paid to the contractor through a change order. The approximate cost is \$27,106.84. The estimated completion date is November 13, 2015.

President Reynolds stated Resolution 9 I is on the agenda.

6. REPORTS

A. *President of Council*

B. *Mayor*

C. *Community Development Committee Meeting*

Mr. Callahan, Chairman of the Community Development Committee, presented an oral report of the meeting that was held on Monday, October 12, 2015 at 6 p.m. in Town Hall. The committee considered the following: The proposed 2016 CDBG and HOME programs. The Committee recommended that City Council adopt a Resolution approving the 2016 CDBG and HOME programs at the November 4, 2015 City Council Meeting, following the Public Hearing on October 20, 2015.

7. ORDINANCES FOR FINAL READING

A. *Bill No. 35 – Bethlehem Parking Authority 2015 Bonds*

The Clerk read Bill No. 35 – 2015, Bethlehem Parking Authority 2015 Bonds, on Final Reading.

President Reynolds informed that the First Reading of this Ordinance was on October 6, 2015 and Council received the various changes today from the Bond Counsel for Final Reading tonight.

Voting AYE: Mr. Waldron, Mr. Callahan, Mr. Evans, Mr. Recchiuti, Ms. Reuscher, Mr. Stellato, and Mr. Reynolds, 7. Bill No. 35-2015 now known as Ordinance No. 2015-34, was adopted on Final Reading.

B. *Bill No. 36 – Amending the Non-Utility Capital Improvement Fund*

The Clerk read Bill No. 36 – 2015, Amending the Non-Utility Capital Improvement Fund, on Final Reading.

Voting AYE: Mr. Waldron, Mr. Callahan, Mr. Evans, Mr. Recchiuti, Ms. Reuscher, Mr. Stellato, and Mr. Reynolds, 7. Bill No. 36-2015 now known as Ordinance No. 2015-35, was adopted on Final Reading.

C. *Bill No. 37 – Street Vacation – Portions of Durham Street and Orchard Street*

The Clerk read Bill No. 37 – 2015, Street Vacation – Portions of Durham Street and Orchard Street, on Final Reading.

Voting AYE: Mr. Waldron, Mr. Callahan, Mr. Evans, Mr. Recchiuti, Ms. Reuscher, Mr. Stellato, and Mr. Reynolds, 7. Bill No. 37-2015 now known as Ordinance No. 2015-36, was adopted on Final Reading.

8. NEW ORDINANCES

A. *Bill No. 38 – Zoning Text Amendment – OMU District – Martin Tower Site*

The Clerk read Bill No. 38 – 2015 – Zoning Text Amendment – OMU District – Martin Tower Site, sponsored by Mr. Callahan and Mr. Recchiuti and titled:

AN ORDINANCE AMENDING THE ZONING ORDINANCE OF THE CITY OF BETHLEHEM, PENNSYLVANIA, AS AMENDED, BY DELETING THE CM-LTN LANDMARK CONSERVATION AND TRADITIONAL NEIGHBORHOOD OVERLAY DISTRICT AND REPLACING IT WITH AN OMU OFFICE MIXED USE DISTRICT; ADDING DEFINITIONS FOR FAST-CASUAL RESTAURANT, FAST-FOOD RESTAURANT AND FOR TASTING ROOM; SETTING THE PURPOSE OF THE OMU DISTRICT; AMENDING THE ZONING MAP TO CHANGE THE DESIGNATION OF VARIOUS PARCELS FROM THE CM-LTN ZONING DISTRICT TO THE OMU ZONING DISTRICT; MODIFYING THE ALLOWED USES IN PRIMARILY NON-RESIDENTIAL DISTRICTS; MODIFYING THE DIMENSIONAL REQUIREMENTS IN SOME DISTRICTS; MODIFYING DESIGN STANDARDS TO CREATE NEW REQUIREMENTS FOR THE OMU DISTRICT; AND CREATING ADDITIONAL REQUIREMENTS FOR THE OMU DISTRICT.

President Reynolds queried if there were any comments from the Administration on this Ordinance due to much comment from the public. He wanted to make sure the Administration had a chance to speak before Council made their comments.

Mayor Donchez remarked he was going to read a short statement and will ask Alicia Karner, Director of Community and Economic Development to clarify some of the comments

that were made regarding the CRIZ acreage, because he believes that is important. Mayor Donchez noted this amendment and proposal that is before City Council is a result of much deliberation of the City's Planning Commission, the Lehigh Valley Planning Commission and is now before you for your consideration. As he said two weeks ago, when he put this proposal forward, Mayor Donchez believes this provides the flexibility to make this site attractive for retail, residential, office, and commercial uses. Mayor Donchez informed as he sees this City Council has several options. They could vote for this Ordinance, vote against this Ordinance, or offer Amendments. What is before you does not have the support of everyone. He realizes that the City needs his opinion to move forward to try to develop this 53 acre property in West Bethlehem. Mayor Donchez noted in the end he stands willing to work with City Council on ways to develop this site to make it productive for the continued success of the City. He then asked Ms. Karner to give some clarification on the acreage questions that came up by several residents.

Ms. Karner understands that the CRIZ is a confusing piece of legislation and it took her a long time to figure out the ins and outs of it, working with the Authority and the Commonwealth. She will go through a few notes that she took. Regarding the transfer of property, there was a document that came out in addition to the guidelines from November, 2014 indicating that the transfer of property is only done once the property owner and any tenant on the site file an affidavit allowing or agreeing to the transfer of CRIZ acreage. She wishes it were as simple as the CRIZ authority making a determination on where to locate the CRIZ property, but it is not. Ms. Karner added once the affidavits are filed with the authority then the authorities need to file an application with the Commonwealth. Once that occurs then it has to have the approval of all three of the departments, which are the Office of the Budget, Revenue Department and the Department of Community and Economic Development. Ms. Karner pointed out there were also some comments about the power of the CRIZ. She can understand because it rhymes with the NIZ that there is this assumption that it is as powerful. She thinks we have seen the difficulty that Allentown has had in attracting new businesses into the NIZ. Ms. Karner mentioned in Bethlehem we are severally handicapped with attracting new businesses into the CRIZ. The CRIZ was not developed to take businesses from one community to another. When you look at the CRIZ legislation and you start to understand it, it is really much more about the attraction of new business to the CRIZ. Ms. Karner stressed if it were that easy we would see a lot more new businesses in Allentown. When you look at Lancaster's model, it is significantly different than ours. They did take a significant portion of their downtown, and to their disappointment they did see about \$2,800 dollars in State tax revenue that was just certified by the Commonwealth in the past week. It is not exactly what they hoped it would be. Ms. Karner reported that ours is not exactly as we hoped it would be. It is an incentive to encourage development. She does not presume to know what other people are thinking or planning, but she tends to think that the developers and property owners are as curiously watching Allentown as the business owners in Bethlehem. Ms. Karner would have to presume there is the same level of anxiety and apprehension on investing money into the development of those sites. So when it comes to the CRIZ, it is not an incentive on steroids. If that were the case, we would be dealing with a much different development project today. Ms. Karner queried if there were any questions from Council about the CRIZ.

Mr. Recchiuti noted he was going to ask some questions regarding the same issues with the CRIZ and he is glad she took the initiative here to address those issues. With regard to transferring the land, that position with the CRIZ is no different than what the State does with the KOZ or KIZ.

Ms. Karner stated there are some similarities with the KIZ. They do model it off of that. Different programs act differently.

Mr. Recchiuti mentioned the landowner has to sign the affidavit.

Ms. Karner stated it is the landowner and the tenants. That was a policy decision. It was not buried in the legislation. It was a policy decision that we certainly hope that the Commonwealth will reconsider.

Mr. Recchiuti noted Ms. Karner made the point with regard to Lancaster. He remarked that City Council did not allocate or approve the properties that were given CRIZ designation. The CRIZ authority board, Bethlehem Revitalization and Improvement Authority (BRIA) approved the designated properties. All we did in October and November of 2013 was to

approve the BRIA Board, and we approved those board members. Mr. Recchiuti stated we did not hear proposals on the projects. City Council had not input there; that was strictly BRIA's responsibility.

Ms. Karner informed that is her understanding. She did start with the City in January of 2014, and it was not as if there was input by the Donchez Administration on the development or selection of those parcels.

Mr. Recchiuti stated he agrees. Mayor Donchez was on Council at the time with us and all we did was vote for the Board Members that created the authority in October. The Board met in November. Mr. Recchiuti attended that public meeting where they heard all the presentations and decided to put certain land into that CRIZ designation.

Mr. Recchiuti referenced Ms. Karner's mention of Lancaster. Lancaster did not do the same thing as the City. The City looked at vacant parcels and the BRIA Board had a better understanding of how the CRIZ legislation worked. The tax increment on existing parcels does not count.

Ms. Karner stated that is right. There is something called a baseline in the CRIZ as opposed in the NIZ. Whenever a business that exists in Pennsylvania moved in they have to operate for one whole year to establish the baseline. We are never able to collect the baseline, so it is not as if there is a pool of funds available like that in Allentown to help get development off the ground from the beginning. Ms. Karner explained ours is realized almost two years later.

Mr. Recchiuti mentioned that last week we saw that. The numbers in the Morning Call for our baseline were about \$120,000, and the Lancaster baselines were in the millions. Ms. Karner stated \$11 or \$12 million.

Mr. Recchiuti noted that even Tamaqua was more. Ms. Karner stated it was \$2.2 million with 61% of their businesses reporting.

Mr. Recchiuti related that even if we put the CRIZ downtown, it would not have the same effect as that of the NIZ.

Ms. Karner stated if we had the opportunity to move the CRIZ to the downtown the Administration would certainly consider moving it.

Mr. Recchiuti stated we have some downtown.

Ms. Karner stated we do have two parcels in the CRIZ, and those are the Bethlehem Parking Authority parcels of the Walnut Street Garage and the Long Street lot. There are other prime locations such as the Boyd Theater and some other parcels surrounding them that would be prime for CRIZ designation.

Mr. Recchiuti mentioned the RFP that the Parking Authority sent out for the work on Long Street and wondered if they received any responses yet.

Ms. Karner reported they received a few responses and determined they were not satisfactory. She does not feel comfortable speaking about them at length but that was the direction they decided to not move in.

Mr. Recchiuti noted even though the Parking Authority is an independent authority they are still controlled by the City. Had the City considered moving that parcel, that acreage from the Parking Authority properties to some other properties?

Ms. Karner stated the City is always considering where we can get acreage from the CRIZ to some needed properties on the north side, the south side, west Bethlehem and other areas of the City. That is always a conversation.

President Reynolds followed up on this saying that he thinks there are things in this proposal that he disagrees with, but noted that one of the things that came up was the idea that Mayor Donchez and the Administration has given everything to the developer that they wanted. It was a very public disagreement between Mayor Donchez, the Administration and

the people in the CRIZ when that change was being considered in Harrisburg. President Reynolds mentioned there was an article in the Morning Call or Express Times. This was where the Mayor had expressed his concern about taking some of that control away from the BRIA Board, which are people that are recommended by the Mayor and confirmed by City Council. President Reynolds recognized the Administration if they wished to comment.

Mayor Donchez commented that for the record the Administration has worked very hard with our State Representatives, Senator Boscola, Senator Brown and others to hopefully offer amendments once we have a State Budget dealing with CRIZ legislation. Mayor Donchez noted that Lancaster feels the same way. Mayor Rick Gray of Lancaster is certainly in favor of amendments to the CRIZ legislation. Mayor Donchez noted that he and Ms. Karner went to Harrisburg and met with the Secretary of Community and Economic Development, representatives of Revenue and the Budget Office a few months ago specifically just to discuss the CRIZ legislation. Mayor Donchez stated they realized also that it needs to be amended and that it is flawed and it is handicapping Bethlehem and Lancaster to a point where we are aggressively trying to get some changes to that legislation.

President Reynolds mentioned the five members on the BRIA Board are not able to currently move the land, and asked if that is correct.

Ms. Karner stated not without the affidavit filed by the property owner and the tenant, if there is a tenant.

President Reynolds queried if that was part of the State legislation.

Ms. Karner stated that was a policy decision and is not in the Act. It is a policy decision by the Administration.

President Reynolds queried by which Administration.

Ms. Karner stated the Wolf Administration.

Mr. Callahan queried if Ms. Karner is in favor of Council voting on this tonight.

Ms. Karner believes that what you have before you is a proposal that the Administration worked hard on and is something that we did advocate for a very open and transparent dialogue on. She does not know if it is fair to say that we discouraged people from talking to the Mayor directly, but when it was in front of the Planning Commission we certainly encouraged everyone to come out and share their views. We incorporated some of the concerns of the Planning Commission and the Business District. Ms. Karner feels that what we have before you is a good document as the stated by the Mayor. If there are amendments that Council would like to see, we stand ready to work with Council to address those concerns. At the end of the day though, she thinks that if the zoning that is currently on site, and with the market needs of today, we see more development at the location. It is a large track of property of the City and it is the key to the City's success. She hopes that Council considers what is in front of them.

Mr. Callahan asked if she is recommending that we vote for this.

Ms. Karner stated they would not have forwarded this to Council if we were not recommending that you vote for it.

President Reynolds commented that he appreciates everyone coming out to this meeting. To take a step back, we did have our Public Hearing two weeks ago. He continued that in hindsight, there were a few things that we could have done differently, and you can take this as an apology. President Reynolds reference other long zoning hearings such as the one involving the casino and other involved zoning matters. He noted that the Public Hearing two weeks ago was 5 or 6 hours long, and something we should have considered was moving back the time to be earlier in the night, perhaps starting at 6PM, to avoided the late hour. President Reynolds stated he wanted to take some of the blame for that. He remarked that the Public Hearing that was offered at that time was very different than the Public Hearing tonight regarding the CDBG program. In hindsight he should have explained better what the process was going to be to go through the presentation and he wanted be on the record regarding that

matter. President Reynolds added that he wanted to thank the Administration for this proposal. He does want to remind everyone that this is a new Ordinance, and it will take two votes. It is not just the vote tonight, but there will also be a vote in two weeks on November 4, 2015. What passes tonight is not necessarily what will go into effect. There is still the opportunity at the next meeting for any changes. President Reynolds noted he agrees with the goals of the Ordinance, but has concerns. He knows that one of the common themes that has come up is the fact of Council listening, and the checks and balances. He can say that he does not want to see 1.3 million square foot of retail in this site, and he thinks something needs to be done to address that language. President Reynolds does not think that anyone wants to see a third downtown at this site. He remarked something needs to be done to address that language to stop that as a possibility. He understands that the fear exists and we need to find a way to address those fears. If you talk to members of the Administration and members of City Council, there is a process by which we address those fears. He thinks we need to address the 1.3 million square feet of retail that is in this proposal and drastically reduce it. President Reynolds added he thinks when we hear some of the concerns, and some of the things we want to see at this site, we need to find a way to do it. We also need to find a way to adjust the language that has people concerned about the creation of a third downtown. The idea that we could approve something that could lead to the type of development that people could think would be a threat is something that should be addressed. So this comes down to the ways in which we make those particular changes and the process. President Reynolds would ask our Council Solicitor, because zoning changes and amendments are different than regular Ordinances, to outline the options available to Council.

Solicitor Spirk mentioned they are the same as any other Ordinance with the difference that because it is a Zoning Ordinance it has already gone in front of the local and regional Planning Commissions. Any change or amendments, no matter how slight to the language in front of you now, would require that before it came back here for a vote, it would have to go back to the local and regional Planning Commissions for their review and input. Solicitor Spirk pointed out if the changes or amendments would be substantial, in addition to having to go back to the two Planning Commissions it would also require re-advertising and another Public Hearing.

President Reynolds stated the two things he has heard over the past few weeks over and over again has to do with the retail and, correct him if he is wrong, but the percentage was originally suggested by the Planning Commission or were they put into the Ordinance by the Administration.

Ms. Heller noted the requirement of specific uses on the site and the percentages for each of those uses was initially added by the Planning Commission as an amendment to the text when it was submitted to them.

President Reynolds noted that was not something that was in the original proposal made by the Administration but was added by the Planning Commission.

Ms. Heller stated that is correct.

President Reynolds understands where the fear comes regarding the percentages and thinks that is a real concern. The easiest way to move forward with this is to come up with a particular cap on the retail, which appears from listening to comments, is the biggest concern. The proposal that has been stated many times and from many people could allow up to 1.3 million square feet of retail and he believes that number needs to be drastically reduced. He is not sure whether or not it would be 200,000 or 225,000 square feet, and would not want to throw out a number without talking to our planning personnel, as well as regarding what that might mean. President Reynolds noted an individual before spoke of the idea of percentage of retail. Percentage of retail, depending on how much the site is being developed, could mean something different, but 1.3 million square feet is obviously the worst case scenario. If we are going to approve this, we need to include a hard and fast number that would give everyone an exact idea of what we would be looking at. President Reynolds queried to Ms. Karner if is it possible that we can do something to change the language that is in this proposal. He knows this is not her suggestion because you came forward with this proposal, but wondered if we could change the language in the proposal to necessarily take a look at the concern of the creation of a third downtown. President Reynolds asked if they could explain where some of

those concerns come from and explain what could be the solution on City Council's side to add language to reduce that fear going forward.

Ms. Karner mentioned without fully exploring, because there is more than one solution to any problem, we can certainly look at different ways to amend the Ordinance to achieve the goals of Council. If you are talking about a straight cap on retail or a reduction in the lot coverage, or building coverage of the district, those are all areas we can look at to accomplish a decrease in that number, at least an assurance that there would not necessarily be an investment or a creation of retail space over a certain threshold.

President Reynolds mentioned when you look at the Ordinance is it a situation by which it would be a removal of language or changing the language. He recognized that this is not something that Administration suggested to us, but if that was something City Council could do in following up with the Mayor's comments about working with City Council, and asked what would be the options.

Ms. Karner remarked as far as amending, Solicitor Spirk indicated the process if this is amended. There is certainly the opportunity to amend any Zoning Ordinance at any time. So if you are talking about amending before passage or post passage there is the flexibility to do it either way. Ms. Karner thinks if we are talking about specific provisions as she said, there are a few ways we could go about achieving the limitations you are looking for, particularly as it relates to retail as opposed to relying solely on what the market can support at that location.

President Reynolds stated those two concerns are things where he will speak for himself only, but he thinks those have to be made absolutely clear as far as listening to these concerns. The process by which those things are done and how that language will go about being added by City Council, the Administration and a combination of both, is something that will be up for discussion. He does not know if anyone agrees with him but he does feel that something needs to be done about the tower. President Reynolds noted after watching that property for a number of years he is not of the belief that we will ever see the day when Martin Tower is redeveloped. He knows that is an emotional issue for some people, and many people tonight have spoken about effect of the Martin Tower rezoning on the downtown. When he looks at the challenges with the tower, with what is going on in Allentown and Easton, and the vacancy with office space he does not know if we will ever see that tower redeveloped. President Reynolds asked if Ms. Karner could speak to the challenges of Martin Tower with the delaying movement on the tower.

Ms. Karner stated that is one of the things that the Ordinance in front of you does. It removes the obligation to keep the tower and get the additional benefits associated with residential and the current overlay with retail. A 21 story tower is like nothing we have anywhere else in the Valley, so the challenges associated with it have been significant. We have seen the inability to locate a headquarters company or even with significant office space at that location. To quote Don Cunningham at LVEDC at LVEDC, "companies do not look for large blocks of office space anymore." They are not looking for the investment that it will take to renovate this structure and occupy the number of floors necessary to carry the renovation of the entire tower. Ms. Karner stated it would take a perfect storm of several companies coming together at once to make that project financeable, even with the incentives on the site. The CRIZ is an incentive but not the incentive to finance that. The number of businesses or square footage that would need to be occupied at the same time that we would need letters of intent on all at the same time has not come together to date. Ms. Karner remarked that we can debate the floor plan and debate the inefficiencies of the layout, but we know with the last ten years that it has been very difficult to occupy this tower. She added that until the tower is decided upon, whether it is to stay or to go, she thinks we cannot begin to understand what will happen to the rest of that site. The rest of the site is so dependent on what happens with the tower that it has held up the development of the surrounding acreage.

President Reynolds commented that he does think that zoning changes are unusual in the fact that we are not able to make changes to them without starting the whole process over. Going forward from his point of view, while he is comfortable with moving ahead with increasing the flexibility of the tower, it is not something he will be comfortable with in two weeks on our second vote until he hears a plan regarding what we can do with lowering the retail from 1.3 million square feet. He thinks that number should be lowered substantially to a few hundred thousand and also looking at the language that leads to a lot of fears with the idea

of a third downtown. President Reynolds understands that is a disagreement with the Administration, but he agrees with the idea that something has to move with the tower. The idea of starting the whole process over with another six or seven months as far as the tower is concerned is not in the best interest of the City. President Reynolds believes we need to move forward with creating flexibility in the tower but he stands willing to work to lower the 1.3 million square feet of retail to a much, much lower number, perhaps a few hundred thousand square feet. President Reynolds noted that we do need the flexibility to move forward as far as allowing the tower the possibility of it coming down to move for a development site.

Mr. Recchiuti queried if the developer has even hinted at a plan that is different from what is currently approved.

Ms. Karner stated her professional opinion would be that what we will see at that location is big box retail.

Mr. Recchiuti mentioned like a Costco.

Ms. Karner informed certainly a B. J.'s or Costco or something along those lines.

Mr. Recchiuti queried how big a Costco would be.

Ms. Karner stated it would be 100,000 to 150,000 square feet.

Mr. Recchiuti then mentioned the Airport Square that is near Route 22 that includes a Target, and wondered how many square feet that is.

Ms. Karner informed she does not know at the moment. She thinks that Southmont is 33,000 square feet and the Sands Retail shops are 133,000 square feet. The Promenade is 475,000 square feet with 73 retailers, just to give some perspective.

Mr. Recchiuti asked what the current amount of retail that is allowed under the zoning.

Ms. Heller stated without actually reciting what is in the Ordinance there is a 50,000 square foot cap on new construction for a variety of uses, retail, restaurant, personal service uses, banks and others. But it also allows reuse of any portions of the buildings that could be demolished. If you want the square footage at the site that was permitted to be developed as a retail use, it would include the total square footage of the outlying buildings, which is about 375,000 square feet. That is not called out specifically in the Ordinance. Her interpretation of the intent of the Ordinance was that the reuse of those non-residential portions was to be permitted to be reconstructed elsewhere on the site. Ms. Heller noted there was some talk at the last meeting about the development that was proposed and that was considered the Phase I of the development of the overall site. Phase I did not include the reuse of the tower or some of the areas along the frontage on Eighth Avenue. So really the square footage of retail at that point was limited but it did not reuse significant portions of the site that would be anticipated to be non-residential.

Mr. Recchiuti mentioned after that last meeting, after the public hearing he had our Assistant Clerk do some research for him. The language in 2006 is not the same language that is in the Ordinance now. It was changed in 2012 and he is specifically referring to Article 1314.

Ms. Heller stated she would have to research that.

Mr. Recchiuti mentioned in February of 2012 City Council voted for the Comprehensive Overhaul of the Zoning Ordinance. He was new on Council then, and they talked a lot about this. One of the things that was changed was the last sentence in 1314.03(a)6. The original Ordinance said "the amount of such commercial use is within a building that existed prior to the enactment of this Overlay District is not bound by the 50,000 square feet limitation", and it stops there. The new Ordinance in 2012 states "The amount of such commercial use within a building that existed prior to the enactment of this Overlay District or such amount of up to equal area thereafter replaced is not bound by the 50,000 square feet limitation." So that is where you get if they demolish the Printery building and the out buildings, that is about 375,000 square feet. So they could demolish that now and build 375,000 plus 50,000 square feet of new existing buildings on that site.

Ms. Heller noted that is their interpretation of the provision, yes.

Mr. Recchiuti mentioned that is where the 425,000 square feet of retail comes from. Ms. Heller stated that is correct.

Mr. Haines queried if he could rebut that information.

President Reynolds stated that he may speak at the second courtesy of the floor. Mr. Haines will have the opportunity to speak then, and added that this is only the first vote of this tonight. He could speak at the second courtesy tonight and at the beginning of the next meeting to speak and rebut that in any way he would like.

Mr. Recchiuti advised that although Ms. Karner stated the market could bear it, he does not think that 1.3 million square feet of retail is realistic.

Ms. Karner stated that is correct.

Mr. Recchiuti mentioned relating what she said earlier about the Southmont Mall and the Promenade, they are nowhere near 1.3 million square feet.

Ms. Karner stated that is correct.

Mr. Recchiuti pointed out the Promenade is having trouble right now and not doing a great business.

Ms. Karner informed that is her understanding.

Mr. Recchiuti noted without giving out any privileged information he can say that he had a client years ago that rented a space there and the rents now have significantly decreased. They are subsidizing their own rental to compete with Allentown. That is one of the things we have to look at in the City. We are competing with the NIZ, which is a super powerful tool. Mr. Recchiuti added that even with projects like the shopping center in Lower Macungie needed TIF to get off of the ground. He thinks one of the things we see today in development, and he knows that Ms. Karner and Ms. Heller follow this closely, is that these new developments need incentives, and they need that taxpayer incentive. Mr. Recchiuti thinks that something like the CRIZ is good here in that it will help recoup some of those costs of building the buildings. He thinks we need to find a happy medium of retail. The market will bear what the market will bear. Right now he does not believe you will see anywhere near 1.3 million square feet of retail. Mr. Recchiuti does not even know if 400,000 square feet is realistic. He is assuming there would be one big box store and a few other smaller stores, something like the new ShopRite development on Freemansburg Avenue.

Ms. Karner noted that typically when we refer to big box stores we refer to 100,000 to 150,000 square feet. Then there is the smaller big box, which is 45,000 to 50,000 square feet which would be like Staples.

Mr. Recchiuti stated he had a conversation today with Mayor Donchez and he thinks that the Mayor is looking out for the best interest of the City. He supports the Ordinance as is but he does have some concerns about the retail. He looks forward to what his other Council Members come up with a solution for this.

Mr. Evans thanked the Administration for starting the dialogue. It is obviously a complex project and development. In addition, we have the CRIZ, which makes it that much more difficult to have this discussion. We need to figure out what is best for the City to move forward. Mr. Evans also wanted to thank the citizens at the last meeting as well as those at this meeting for bringing their input. Everyone on Council has listened between the proposal the Administration provided and the responses of the residents and citizens. There is a lot to digest with this, and for a few days he had given thought to this proposal. Mr. Evans noted when we as Council sit on this side of the table we have to be cognizant that we need to see through a lens of who we are hearing from, what is being said, and what is the true impact to the City. Mr. Evans stated he had the opportunity to meet with Mayor Donchez, Ms. Karner and Ms. Heller on Monday and let them know he is not comfortable with this proposal as it stands. The

biggest problem he has is the lack of a public plan. We can all talk about square feet and what it might be, but it is nebulous. It becomes difficult for Council. At the end of the day we are the gatekeepers of what is going to go there. Mr. Evans advised it comes from the Administration, goes through Planning, then to the Planning Commissions. We receive input from that, but we make the final decision. Two weeks ago at the last meeting we had the opportunity to vote on the Zoning change that involved Moravian College and for that vote leadership from Moravian was in place and we had the opportunity to ask them questions. They answered those questions and we got to see a plan. Mr. Evans stated he went out to see that Moravian site, felt comfortable, and that completed the circle of what was being done. Mr. Evans mentioned as this stands he just believes that this proposal is too wide open. The Planning Commission attempted to control it by putting percentages on it and that gave us something to work off of. At the end of the day, the CRIZ with the facts of this is likely to drive whatever we allow with retail. Mr. Evans added that this could go to 100% with the two and three stories because it is on percentage of square footage. So that is a concern. Mr. Evans mentioned we heard a lot from the merchants and we do know how invested they are with their time, money, and spirit here in Bethlehem, and how we need to protect what now exists. The taxpayers have also invested a lot. They have invested funding from past Mayors, and this Mayor has proposed different capital projects. His concern with the CRIZ is that we might upset that natural market equilibrium of what is going on there. We want this development to be successful. That is a large property in the urban core, and we have to get the development moving but not at the expense of what we have. Mr. Evans noted he at the last meeting there was a young woman who spoke who owns a business on the corner of Broad and Main Streets that used the old economic theory of risk versus return, and mentioned he had her in his class 15 years ago. So what is the risk versus return? When we look at this with the risk, if we vote no, there is a lower assessment. We want to drive up the assessed value so we can increase the property value and the taxes. Mr. Evans continued to say to let this go in the state it is, that stalls the opportunity to collect those revenues. On the other side, if we do rush this through with limited controls, a little too loose, and allow what might go in there, he thinks that the other risk is much higher, which is what we could lose on Main Street or the South Side. Mr. Evans mentioned that the risk and return is not there for us. He does think for him to feel comfortable with this he would like a few things to give his support. Mr. Evans would like to see a public plan. He is not adverse to retail, rather he thinks the site supports that but it depends on what the plan looks like. Mr. Evans added there is an infrastructure that supports this and thought it interesting to note this evening that we heard some great speakers, but not many from the west side of Bethlehem. Mr. Evans mentioned he made the trip to a block watch a few weeks ago and they felt much different than we felt tonight. When we look through the lens of what we heard tonight, that demographic represents an important part of the City where we want to preserve, but from the west side they delivered a different message to him. Mr. Evans stated that meeting was at the Church of the Manger. They had a great turnout. The residents felt the opposite of the downtown merchants in that the residential component was the fear to them and what that might bring. A few years ago in 2006, City Council passed a plan 4-3 that was not popular, and there were a number of people who sat here when it was going residential and they filled up the room. Development will always bring controversy. If it is all residential, then that issue filled the room and people talked about the location being the size of the Borough of Bath. Mr. Evans continued, now it is all about retail and this room is filled with people concerned about that aspect. He has this feeling that we will fill this room no matter which way and that is what makes this property so difficult. Mr. Evans mentioned there are many special interests that the developers want, Main Street wants, and the neighbors want, and to try to balance this is a difficult task. He does have a sense that when Council gets a plan that they can embrace or move forward with, it will still probably have some group or neighborhood that will not be happy. His hope is that we can put something in that is controlled and that we do believe is best for the City. Mr. Evans does not favor tabling this Ordinance. That action would put it in a spot where we could bring this up on any given night without warning. His recommendation is to move this to a Community Development Committee Meeting. That would allow us to continue the dialogue and offer suggestions to the Administration between now and when that meeting would come up. It would allow us to work with the Administration on a plan and allow us to hear the plans of the developer and what their thoughts are regarding the property. Mr. Evans noted we could hear a plan from them, something that would involve the square footage that President Reynolds talked about, so we have a vision of what this is or what it is not. Then we could vote more intelligently and more focused. Mr. Evans stated that would be his motion, to have a Community Development Committee Meeting and he will look for a second on that motion where we could further evaluate this.

Mr. Callahan thanked everyone for coming out. He remarked these meetings are long and for anyone who was at the last meeting that is not here tonight, he thinks all are a part of the process. Every time he looks at a decision, as Mr. Evans said, he looks at it through the lens of the whole City, the taxpayers and the residents. Mr. Callahan tries not to look at one area at a time but at the total view. He thinks we are all in agreement that the development of that 53 acres Martin Tower site is important and critical to the City. The tax rate on this has dwindled down to very little. We can all put the blame on this not getting done, but the bottom line is that the developer back then did not want to do all residential and that was against West Bethlehem's wishes. They did not want all residential and neither did the school district or the school board. Mr. Callahan stated no matter what Council does, we will hear from someone so the smart thing to do as far as Smart Growth is concerned, as President Reynolds said, he is for moving this plan forward, but he is also not comfortable with the square footage of the retail component. We will have a discussion at the next meeting and future meetings about toning that back. Mr. Callahan stated that fear is a real thing, especially when you own a business. He mentioned he dines at the Apollo Grill every week and he has had discussions with Rod and Dyanne Holt and he has had discussions with Neville Gardner prior to the last meeting. He continued it is not as if he came in here with his mind made up. He has done a lot of research and talked to a lot of people about this. Mr. Callahan mentioned we do have a property that is very, very difficult to develop. This is not about helping a developer. This is about helping a large parcel of land that is proven over the last nine years that there is no IBM or Xerox looking to move in there. We would all love that, but it is not happening. Mr. Callahan noted what it is about is moving that parcel forward to try to get it back on the tax rolls. We have done this before. There is a flyer that was passed around and put into his home mailbox with comments on it. There is a picture on this that shows their argument against development and that we are being accused of public subsidizing the Martin Tower. The top of the picture shows a million dollar star that was through the infrastructure and the star through the City and a private Partnership. You have millions of dollars of street lighting that the City taxpayers paid for. Mr. Callahan continued to say you have a brand new paved Main Street. He recommended walking around the City and talk to property owners who have streets that have not been paved in 30 or 40 years. Mr. Callahan referenced the potholes on Henderson Street. He added that Main Street had nothing wrong with it, but it did need paving with the piping that was recently done. Main Street was just repaved for \$200,000 and the sidewalks repaired. Other than the people that are on Main Street, other residents or property owners in the City are responsible for the sidewalks. We have inspectors that go to residences and if your sidewalk is falling apart it is your job to fix the sidewalk. Within the last six months the City spent \$300,000 and we paid half of the cost because we care about you and our downtown to fix the broken and uneven sidewalks, because many could not afford it. There is millions of dollars in lighting. There is a decorative star which is a beautiful thing for the City. We have a dedicated worker from the Streets Bureau that does nothing but clean up and empty garbage on Main Street. Mr. Callahan pointed out that we have tried as much as we can to help you out in your businesses on Main Street. In fact, if you look at some of the past history, with Hotel Bethlehem, no one wanted that closed up and Mr. Haines and his partners came in and bought it for \$1.8 million dollars and they received a \$1.5 million publicly subsidized low interest loan from BEDCO. The City believed that this is a huge anchor and he is sure Mr. Haines would agree with that, but it was a low interest loan that was provided to him and there have been other businesses. The Apollo Grill has received a publicly subsidized loan. He is not picking on anyone, but he is trying to point out that there is a lot that has happened on Main Street that was due to publicly subsidized help because we care about the City. Mr. Callahan mentioned that people are saying he may vote on something that will harm Main Street, but he does live there and the money he earns goes into his property and he would never do anything to harm downtown. Mr. Callahan informed he has complimented the Hotel Bethlehem about the good job they do with their property, from the decorations at Christmas time to the small things throughout the year. No one would question Mr. Haines knowledge or his ability to run the hotel. We have heard numerous times before about the Lowe's that was built on Eighth Avenue and how it would ruin Cantelmi's Hardware, but Cantelmi's is thriving, and the other hardware stores are thriving. Mr. Callahan added that no hardware store lost their business; you could not even buy a piece of wood in Bethlehem before the Lowe's. You had to go out to the township. It was also said that the opening on Broad Street was going to ruin the downtown. What it did was help the downtown, because now we have two more blocks of Historic Bethlehem that has been extended with Billy's Diner and the property across the street. Mr. Callahan then mentioned the Sands Casino and that this is bringing in \$9 million a year in the Host Fee. Our Police force and Fire Department would be devastated had we not had that \$9 million of Host Fee and our taxes would be astronomical compared to what they are today.

Mr. Callahan remarked that Mr. Haines was against the casino. He fought it and he will tell you, and he told me, his last five years have been record years and much of the business he has now is from the Casino overflow. If we look at some projects on the south side, many people who were here tonight when things were getting done on the south side were against the south side redevelopment. Mr. Callahan pointed out that \$13 million in County taxes was put into Commerce Center Boulevard and it has now generated billions of dollars from the warehouses and new development over there, which is on the tax roll. There was millions of dollars invested in Third Street and Fourth Street with decorative lighting and the main streets were all paved within the last few years. Mr. Callahan continued to talk about the Route 412 improvements which total \$90 million dollars on the south side. He then mentioned ArtsQuest and PBS39 that received RACP money for their projects. They would not be there without the RACP money and also without the Sands. If the Sands is not there and the hotel is not there, nothing would be there. Mr. Callahan then mentioned the south side Greenway which was \$9 million dollars and \$50 million dollars in TIF money. That was money that the Sands paid in taxes. They paid the School District, County, and City taxes but it went into a fund. It went into a brand new visitor center. It was the oldest most dilapidated property on the Steel property and that was rebuilt for \$8 million dollars and it is a brand new visitor center. Mr. Callahan mentioned the Hoover Mason Trestle, Levitt Pavilion and \$3 million in funding. A total just on the south side for publicly subsidized money is over a quarter of a billion dollars. Mr. Callahan remarked there are several new buildings on the south side with restaurants such as Molinari's. If you walked along there or drove over there ten years ago, Third and Fourth Street was in decay. Mr. Callahan noted that many people who are sitting here tonight were against all of that publicly subsidized development on the south side and now you are teaming up, which is understandable because there is a fear of a new Ordinance and new Zoning over at Martin Tower. Fear is a real thing, and he does not want anything to happen to Main Street. With that being said, he does agree with President Reynolds about the amount of square footage that will be permitted and hopefully we can bring that number severely down to relieve some of the concerns and fears that many have about the amount of retail. Mr. Callahan thinks that in the next month or so, hopefully we have some good news from the Mayor about some development that may be happening on the south side and with this project on the north side he believes that Main Street will be thriving. He does support the rezoning, but he also will be looking to change some of the text modifications in the next few meetings so we can relieve some of the fears many have about the amount of retail. Mr. Callahan noted that facts are facts, and many times government input is needed to get and start an economic engine for new parcels. It has been done not only on Main Street but on the south side. He thinks that in 5 to 10 years Mayor Donchez will be congratulated for having the vision for putting this forward. He will support this tonight but he will look forward to change some of the text on this so we can lower the square footage of the amount of retail being allowed.

Mr. Waldron stated he does not have a lot to say but he does have a lot of questions. He thinks this proposal brings many questions as did the residents and merchants who are concerned. He does think that the property needs to be developed in time, thoughtfully and in a sustainable way. Mr. Waldron added that this proposal does not feel like that. He expressed it feels like it is being jammed down our throats. We are talking about the timeline of this and he is a little in fear about tabling or amending with a text amendment of what that process would be. He understands that would have to go back to the City Planning Commission and the Lehigh Valley Planning Commission but he is not sure what that process would be like. Mr. Waldron noted that maybe Solicitor Spirk could clarify what that would be. Solicitor Spirk had spoken before about a substantial change but what is the litmus test for substantial versus non-substantial.

Solicitor Spirk confirmed that any change, the slightest change, would have to go back to the Planning Commissions. In addition to that if the change were substantial you would have to re-advertise and have a hearing as well, but the Planning Commission is for any change.

Mr. Waldron noted the big point is the square footage and he does not think that percentages will work with this site. We need to be specific and talk about the actual number of square footage and we need a much lower limit. So if we were to change and put some square footage in would that be something that would need to come obviously to the Planning Commission but would that need to be discussed at a Public Hearing.

Solicitor Spirk stated it depends, relative to the whole rest of the Ordinance, how substantial it was.

Mr. Waldron does feel like we are rushing through this a bit and he does not know why. Someone brought up a good point. The tower is the problem. That is what is holding back the development. He does see a need to develop that space and get that moving, whether the tower be developed and stay, or taken down. Regardless, the asbestos needs to be taken care of. Mr. Waldron mentioned that the RACP money has been talked about that has been put aside for the asbestos and wondered if Ms. Karner could speak about that.

Ms. Karner noted actually the original scope of the RACP was to renovate two floors and construct a parking deck. This is from looking at historical documents and having conversations with people in Harrisburg. There has been flexibility relating to the RACP. This is not one of those things where a lump sum was allocated at one time; rather it was built up over time with allotments. Ms. Karner stated it is her understanding that there is the possibility of using it for abatement of asbestos, but the Commonwealth always likes to see something come out of the ground. They do not ever want to spend funds on just the demolition or abatement. They want to see either vertical construction or significant rehabilitation on any work.

Mr. Waldron thinks a big part of this is what will go in at the site, and that is the big concern because residents do not know and the Administration does not know. He is not even sure if the developer knows. He has not spoken to him so he does not know the plan moving forward. Mr. Waldron believes if we had a better idea of what was going there we could say if it would be appropriate or not. Again, that comes back to many questions and he would defer to some of the other Members of Council. Mr. Waldron understands the urgency for doing something about the property, but do we need to do something this month or this year, even, and what is the rush. Mr. Waldron definitely thinks we need to do something to amend this proposal to bring those numbers down on the retail side of the square footage but he is not sure of the best process of where we need to get us to where we need to be.

Ms. Reuscher noted like her colleagues and many in this room she would like to see this property put to good use and bring tax revenue into the City. She does not think anyone here wants to see this property sitting empty. Ms. Reuscher stated she wanted to thank the Administration for putting this plan together. She has questions about some parts and some parts she does not agree with, however, she knows they put a lot of time into it. She also wanted to thank everyone that came out tonight. It is now 10:00 pm and we should all be at home with our loved ones getting ready for tomorrow, but we are here. Ms. Reuscher mentioned we are here because we love the City. She wants to assure everyone that Council does care about this. She knows that people are thinking that we do not care about this and that could not be farther from the truth. She works downtown and she lived downtown on the north side for several years. She now lives on the south side and continues to patronize the businesses on Main Street. Ms. Reuscher does care about this, and noted it is not exaggeration to say she loses sleep over these issues. She does want to iron out the details. She expressed that she is a bit of an idealist and knows we will not make everyone happy. Ms. Reuscher noted that perhaps it is a smaller square footage area for retail or it may be something else. Ms. Reuscher agrees with Mr. Evans that this discussion may take more time and we owe it to the community here tonight as well as the entire City to open this discussion up even more. The City has been very good with making this process public so she does not see any reason why we should not take our time to do this right. She stated, whether that means bringing this to Committee, which is one of the suggestions on the table and providing a public plan that people can see. Ms. Reuscher remarked it may have to do with the types of businesses that are being proposed there. No one would have a problem with a fitness center in this area. If we could open this up, provide a public plan, provide more opportunities for discourse, she thinks there is nothing to lose. Ms. Reuscher believes we have everything to gain and nothing to lose from doing this right and taking our time.

Mr. Stellato also wanted to thank everyone that came out tonight. It was very good input, and good dialogue, and we did listen. Mr. Stellato does understand their passion and their fears. He also feels that empathy because he comes from a small business family. His father had a restaurant on the south side and a gas station. Later on he had a restaurant on Main Street for 12 years. Mr. Stellato noted he can appreciate what the merchants are going through and can relate what they are trying to accomplish here tonight. Mr. Stellato advised it is time to make a decision. We need to separate that rederick from reality. The bottom line for him is that we have to do something. He thinks we all can agree to that because doing nothing is not the

answer. It has not been the answer for the next nine years. We need to support this proposal although in what form he is not sure yet. Someone will have to explain that to him before he votes on it, but it is time to move forward.

President Reynolds added that one of the things that has been a constant in this conversation is the disagreement between the Administration in about how much retail is currently allowed and others who have a disagreement. He does think that one of the things he thought regarding his idea about putting a much lower cap on retail is finding a way to put language in there that addresses that question once and for all. President Reynolds is not sure what it is. He knows there is a difference between 50,000 square feet and 425,000 square feet or higher, although there were other numbers thrown around, and that 525,000 square feet was mentioned before that was the opinion of the Administration. Whatever happens here, it is one of the goals to move forward with a text amendment to solve that question. President Reynolds noted we need to find a way to clarify the language so there is not that disagreement. He understands why that disagreement has occurred. We have heard that conversation multiple times over the years. President Reynolds does think that everyone on City Council would agree that if we had the capability and support of the Administration in having more of a say over being able to have flexibility in the future about CRIZ land that would be something people would want to see. He does not think there is any disagreement there. President Reynolds mentioned before he entertains any motions from Council, he is offering the idea of zoning text amendments as noted before in response to Mr. Evan's interest in sending the proposal to the Community Development Committee. He remarked that would allow for that public process regarding the square footage related to retail and the language regarding a third downtown. He continued, this would allow the Planning Commission to review and comment, a Public Hearing would take place and that would be a several month process by which we take care of the two biggest issues that people are interested in and you take the tower aspect away from that because he does think we need to move forward on the tower. President Reynolds thinks calling for some type of text amendments after moving on the flexibility of the tower would allow people to weigh in on the specific language and take away many of the fears. That could be a drawn out process or a short process as it takes to control how much retail and what the language could be that people think that is in the proposal that has come to us that could eventually lead to a third downtown.

Mr. Waldron queried what the timeline would look like if we wanted to put a text amendment in, as far as tonight's vote or the next Council meeting for a second reading.

President Reynolds noted as Solicitor Spirk said, the options are that a text amendment could be offered at any time to any Zoning Ordinance in the City of Bethlehem. He noted a zoning text amendment can be offered by the Administration, City Council, or a property owner. So those could occur at any time. As he has said before, if you add or change language in this Ordinance, that would start the whole process over. President Reynolds mentioned his thought was the idea of passing it to allow for the flexibility of the tower to give it some type of certainty, but also by the time we vote on this a second time, have language and a plan and a process where we can move on it as soon as possible after the Planning Commission meetings and so on. This is to address these two particular issues. Part of this would have to include conversations with Ms. Heller and Ms. Karner and others with what they feel would be the best language to put in the Ordinance. The square footage is pretty straight forward with retail but with some of the other things that have led to the fear of another third downtown that would take some reaching out to the Administration as well as reviewing some of the things that came up at the public meetings. President Reynolds hopes we would be able to find a way to move on that to get the language for the November or December Planning Commission and follow that process.

Mr. Waldron stated he would be a lot more comfortable if we were able to get something on paper even before our next Council Meeting as a draft text.

President Reynolds would ask Ms. Karner and Ms. Heller to look at what type of things could be added as soon as they can. He would like them to come back to us with some type of plan. He noted it maybe that we disagree with the Administration's plan. The Administration did not put this proposal together as far as what we are looking to do, but he would expect we could work together if this is the will of City Council. He agrees that he would not be comfortable voting on this two weeks from now without language there and a clear path.

Mr. Waldron added that would also give us time to talk to merchants and people in the community for feedback.

President Reynolds noted that is his theory to get the language in there. He knows that Ms. Heller and Ms. Karner are thinking of ways to do this, but this is not something that can be put together in 12 hours. He understands they need time, but he would like this as soon as possible.

Mr. Waldron stated he would be a lot more comfortable moving this forward tonight then, knowing that we have some capability and flexibility of scaling this way back and taking in the concerns of residents and merchants. We can then make this something that is a much more sustainable growth program for that site.

Mr. Recchiuti remarked the point President Reynolds set forth is a good one and he would add that what he would think is possible that under our Zoning Ordinance is that Council can propose the amendment as a new Ordinance. A second Ordinance would be voted on for the first time at the next meeting and then it would go to the Planning Commission and then come back to us for a final vote, after they approve it.

President Reynolds believes that is a possibility, but he does not want to move unilaterally. We have one side of the table here in one perspective but at the same time he does not feel comfortable without taking into account the concerns or the Administration's thoughts.

Mr. Recchiuti then wanted to clarify what he said. It would be a new Ordinance that is forward to us by the Administration for our first approval. That is a way to do that under our Zoning Ordinance to amend the proposal. So they would not submit it to the Planning Commission first, they would submit it to us first as amended.

Mr. Evans wanted to move forward with his motion that he suggested. He would still prefer to move in that direction although he does agree with some of the comments that President Reynolds made. He would be more comfortable with the timeline to space this out and hopefully get a plan and bring the developer into the conversation like we typically do and the Committee format would be more of an opportunity to do this than the approach here.

Mr. Evans made the motion that we refer the Ordinance as proposed to the Community Development Committee for consideration. Ms. Reuscher seconded the motion.

President Reynolds believes we should take a step back. Everyone on Council has the same goal as far as what we are trying to do; it is just a question of what process we want to follow.

Mr. Waldron then asked what the timeline would be for moving this to Committee and reviewing it.

Mr. Evans noted we talked about the loop that would be involved. With a Committee Meeting, this would allow us to lay this out and work with the Administration to see what they are able to do and if the developer is interested in coming into this conversation. It would be a positive step if we could see something, ask questions, and have interested parties ask questions as well. The issue becomes the fact that we have budget season coming upon us and there will be less time to have meeting dates available for the Committee to meet. Also, there is the switching of the Council. We will have three new Council Members on January. We will have Mr. Martell, Mr. Colon and Ms. Negron. They have attended most of these meetings but they will be stepping into something right away.

President Reynolds stated no matter which path we decide to go down, when you look at the timeline it is likely they will be involved in some aspect of this decision. You would have to imagine that if it goes to Committee and there are suggestions made then the process would start over and then they would be involved. That is one advantage of either of these. This does give them the opportunity to weigh in no matter which way we go. President Reynolds noted he is a little more comfortable not going into the Committee process, but with the zoning text amendments, there is a way to move forward that necessarily moves on the tower.

Mr. Waldron mentioned it is difficult to know how sending this to Committee would play out, and remarked what are the advantages of putting this to text amendment versus Committee or the disadvantages. This is our first time going through this process and he is new to this process. He wants to make sure we make the right decision.

President Reynolds would not speak for anyone else but the biggest practical difference would have to do with the tower. Either way there is going to be a drawn out conversation over at least a few months about the square footage and also some of the language that causes concern about a third downtown. There is a shared concern about this but either way that process is going to occur over a few months. If it goes to Committee, he finds it almost impossible that it will not come back with some type of recommendation to have the same changes that would be offered through some type of zoning text amendment. President Reynolds noted the difference would be as far as whether or not the flexibility of the tower would have already been provided or not.

Mr. Callahan recommends that we do not move this to Committee and that we vote for this tonight and later on try to change with text amendments.

President Reynolds queried if there was any other thoughts before the City Clerk calls the roll on the motion from Mr. Evans to move this to the Community Development Committee Meeting.

Mr. Recchiuti pointed out that he thinks that Council came into this situation a few years ago with regard to the reuse of corner properties and we did have a similar situation where Mr. Reynolds said we should pass it and amend it right away or shortly thereafter. That was the quick and easy solution for that.

Mr. Evans thinks the main point he has is that it is important to send this to Committee before approving this. He has a philosophical difference about approving this and then go back to change it. He would like to see if we can craft a plan and craft an Ordinance around that plan. Mr. Evans thinks it is important that we make the changes before we vote for it. That is his reason for the call for a Committee Meeting.

Voting AYE: Mr. Evans, Ms. Reuscher, 2. Voting NAY: Mr. Waldron, Mr. Callahan, Mr. Recchiuti, Mr. Stellato, Mr. Reynolds, 5. The Motion failed 2-5.

President Reynolds queried if there is any other motion or discussion on Bill No. 38-2015.

Ms. Reuscher wanted to state that she will be supporting this tonight with the footnote that we plan on amending this and also that this is the first out of two votes.

Mr. Waldron noted he wanted to second the comments made by Ms. Reuscher. He would support this as long as we move forward in the next few weeks and we get something on paper that we are committed to in order to change the square footage. If that does not happen he would not be supporting this two weeks from now.

President Reynold remarked that everyone is on the same page with that.

Voting AYE: Mr. Waldron, Mr. Callahan, Mr. Recchiuti, Ms. Reuscher, Mr. Stellato, and Mr. Reynolds, 6. Voting NAY: Mr. Evans, 1. Bill No. 38-2015 was passed on First Reading.

9. RESOLUTIONS

A. *Approving Position – Housing Rehabilitation Technical Specialist Position*

Mr. Evans and Mr. Stellato sponsored Resolution 2015-253 that approves the filling of the position of the Housing Rehabilitation Technical Specialist.

Mr. Recchiuti believes that Mr. Grubb brought this up during public comment and Mr. Recchiuti pointed out that he had discussed this with Mr. Evans earlier this evening. This is a grant funded position and there is no reason we should be making this a TAMS position. Mr. Recchiuti thinks this should be a full time contract position. He has no problem making this full time. He remarked that a contract position is historically what we have done with grant funding

positions and we should continue to do that. He would like to make an amendment on the Resolution to make this a contract position and will wait for discussion before he does that.

Ms. Karner noted this is the Housing and Community Development Planner who oversees the program. There is a position and a half currently in the program. The companion position is also a CDBG funded position, but it is a TAMS position. The rationale behind that she would have to presume, because she was not around when that was created, was that it is based on program delivery. When the program and the funding goes away, the position goes away. Ms. Karner stated the presumption that it is purely grant funded and wanted the ability to be able to let go of the position on short notice. We are advocating for parody on this with the companion position because it is fully funded through CDBG. There is not a burden on the City.

Mr. Recchiuti thinks that the legacy cost is a burden on the City.

Ms. Karner mentioned those funds for the pension investment can be subtracted through the CDBG funds.

Mr. Recchiuti mentioned if the grant is not there in 10 years from now, we are still paying for that pension. He thinks that making this a full time position is a good idea but he just does not think adding to our pension burden in the City is the best idea at this time.

Ms. Karner stated he is entitled to his opinion. She is just trying to provide with the explanation and the parody associated with the positions within that same program, and why we think that is important to include this as a TAMS position as well.

Mr. Recchiuti made the motion to amend the Resolution to make this a full time contract position. Mr. Waldron seconded the motion.

Voting AYE: Mr. Waldron, Mr. Callahan, Mr. Evans, Mr. Recchiuti, Ms. Reuscher, Mr. Stellato, 6. Voting NAY: Mr. Reynolds, 1. The Motion passed 6-1.

Voting AYE: Mr. Waldron, Mr. Callahan, Mr. Evans, Mr. Recchiuti, Ms. Reuscher, Mr. Stellato, 6. Voting NAY: Mr. Reynolds, 1. The Resolution passed 6-1 as amended.

B. Approving Sale of Bethlehem Police Horse

Mr. Recchiuti and Mr. Evans sponsored Resolution 2015-254 that authorized the sale of one horse from the Bethlehem Police Department.

Mr. Recchiuti queried if we could just give the horse away.

Police Chief Mark DiLuzio stated the horse was purchased by the use of Department of Justice Funds because it comes from the JAG Funds. The horse is required be sold and the money has to go into the horse program in the City.

Mr. Recchiuti noted that it is not like with the dogs that are in the Police Department. They usually retire and remain with their handler.

Police Chief DiLuzio reported that the horse, Raven is at Toland Farms in Germansville which is a 180 acre horse farm. He added that Raven is out there frolicking in the fields as we speak.

Police Chief DiLuzio stated that they have three horses now and will soon have another one, which will bring a total of four horses for the Police Department.

Mr. Recchiuti asked what the price was for Raven.

Police Chief DiLuzio remarked that \$500 is the going price for a used Police Horse.

Voting AYE: Mr. Waldron, Mr. Callahan, Mr. Evans, Mr. Recchiuti, Ms. Reuscher, Mr. Stellato, and Mr. Reynolds, 7. The Resolution passed.

C. Approving 2015 Pension State Aid

Mr. Recchiuti and Mr. Evans sponsored Resolution 2015-255 that authorized to allocate \$3,352,313.75 of the 2015 General Municipal Pension System State Aid among the City's pension plans as follows:

Fire – MMO	\$2,248,963.06
Reimbursement – Pension Bond Payment 5/1/15	431,019.96
Reimbursement – Pension Bond Payment 11/1/15	672,330.73

Voting AYE: Mr. Waldron, Mr. Callahan, Mr. Evans, Mr. Recchiuti, Ms. Reuscher, Mr. Stellato, and Mr. Reynolds, 7. The Resolution passed.

Motion – Considering Resolutions 9 D through 9 H as a Group – Certificates of Appropriateness

Mr. Waldron and Mr. Callahan moved to consider Resolution 9 D through 9 H as a group.

Voting AYE: Mr. Waldron, Mr. Callahan, Mr. Evans, Mr. Recchiuti, Ms. Reuscher, Mr. Stellato, and Mr. Reynolds, 7. The Motion passed.

D. Certificate of Appropriateness – 79 West Market Street

Mr. Recchiuti and Mr. Evans sponsored Resolution No. 2015-256 that granted a Certificate of Appropriateness to install two bronze signs to the left of the entrance door at 79 West Market Street.

E. Certificate of Appropriateness – 24 East Wall Street

Mr. Recchiuti and Mr. Evans sponsored Resolution No. 2015-257 that granted a Certificate of Appropriateness to replace a fence with a new cedar 6'-0" high fence at 24 East Wall Street

F. Certificate of Appropriateness – 33 East Wall Street

Mr. Recchiuti and Mr. Evans sponsored Resolution No. 2015-258 that granted a Certificate of Appropriateness to repaint the exterior and the window trim of the home and repair the brick chimney at 33 East Wall Street.

G. Certificate of Appropriateness – 30 East Market Street

Mr. Recchiuti and Mr. Evans sponsored Resolution No. 2015-259 that granted a Certificate of Appropriateness to remove existing porch columns, porch floor deck board, railings skirt boards, etc. at 30 East Market Street.

H. Certificate of Appropriateness – 4 West Church Street

Mr. Recchiuti and Mr. Evans sponsored Resolution 2015-260 that granted a Certificate of Appropriateness to paint the front doors Rookwood Red at 4 West Church Street.

Voting AYE on Resolutions 9 D through 9 H: Mr. Waldron, Mr. Callahan, Mr. Evans, Mr. Recchiuti, Ms. Reuscher, and Mr. Reynolds, 7. The Resolutions passed.

I. Approving Contract A J Trunzo

Mr. Recchiuti and Mr. Evans sponsored Resolution 2015-261 that authorized the execution of a contract with A J Trunzo for traffic pole foundations at Elizabeth Avenue and Main Street and Elizabeth Avenue and New Streets.

Mr. Recchiuti queried what the holdup is with this and asked if there was an overrun. He believes that the memo said there is a cost overrun.

Michael Alkhal, Director of Public Works mentioned that they ran into some unsuitable material when they were excavating to install the ADA ramps and they had to over excavate bringing additional material than what was in the contract. They also had to reroute some of

the conduit work that supports the lighting, and the traffic signal, that resulted in additional linear footage of wiring and conduit. Mr. Alkhal stated that added up to the change of almost 10% of the overall contract.

Mr. Recchiuti noted he lives in the neighborhood and drives by this every day. He has noticed that it has taken a long time to put up the poles and get the lights up.

Mr. Alkhal mentioned there is a little bit of a delay but it will get done.

Mr. Recchiuti believes they started this in the early summer.

Voting AYE: Mr. Waldron, Mr. Callahan, Mr. Evans, Mr. Recchiuti, Ms. Reuscher, Mr. Stellato, and Mr. Reynolds, 7. The Resolution passed.

10. NEW BUSINESS

Rescheduling First City Council Meeting in November to Wednesday, November 4, 2015

Mr. Callahan and Mr. Evans moved to reschedule the first City Council Meeting in November to Wednesday, November 4, 2015 at 7:00 PM in Town Hall, since Tuesday, November 3, 2015 is Election Day.

Voting AYE: Mr. Waldron, Mr. Callahan, Mr. Evans, Mr. Recchiuti, Ms. Reuscher, Mr. Stellato, and Mr. Reynolds, 7. The Motion passed.

11. PUBLIC COMMENT

Martin Tower – Office Mixed Use Ordinance

Clyde Thomas, 315 Hamilton Avenue, remarked that he should have brought this up earlier but he just noticed this while they were reading the highlights of the Zoning Ordinance. Mr. Thomas was referring to the approved uses such as pharmaceutical companies and medicines and asked if that means pharmaceutical manufacturing.

Ms. Heller believes that it is.

Mr. Thomas stated he has concerns about pharmaceutical manufacturing. He worked in pharmaceutical manufacturing for almost 20 years as a chemist and an environmental engineer. Some of the chemicals that are used in pharmaceutical manufacturing are extremely hazardous. Mr. Thomas noted one of the chemicals they had at his site in New Jersey was considered an extraordinarily hazardous chemical. This could have that type of consequences depending on how much is stored on the facility that is allowed by the State. He does not believe that the State of Pennsylvania has similar restrictions on hazardous chemicals. Mr. Thomas stated with the close proximity to sites like Burnside and Medical offices that are across the street and Nitschmann Middle School, to a pharmaceutical manufacturing it is really a dangerous proposition. Having the zoning with such potential with those hazards anything could happen and it is problematic. He stressed that things like pharmaceutical packaging is more what you would probably want, but the chemical manufacturer of pharmaceuticals can use some extremely hazardous chemicals and the storage and transportation of those to the facility and the hazardous waste that is generated by them, is not something you would want in close proximity to a neighborhood.

Shawn Martell, 1417 Stehr Street, advised that now that it seems that the OMU rezoning will come into the next term, he will be a part of that. He just wanted to say that it is a property that needs to be redeveloped. It has been vacant for 10 years. He grew up in the shadow of Martin Tower and many of us will agree that there has not been a lot of activity going on from much longer than that. He is happy to see that on the agenda and that things are going forward. Mr. Martell is also glad to see the events of tonight. It demonstrates that people are listening and trying to work with everyone in the City to get the best result for everyone. He just wanted to be on record saying he definitely shares the concerns about some of the language in this Ordinance with the square footage and percentages. He will be looking for more clear language and certainly a reduction in square footage in the amount of retail that can be on that site.

Bruce Haines, 63 West Church Street, remarked that he wanted to clarify some things that came up this evening. First, that incredible power and money given to six awarded developers; that the ability to transfer the CRIZ is not unilaterally within the City's capabilities. Those six people here in Bethlehem were all hand selected without any transparency and it seriously suggests an investigation as to who was the influential party to convince the Wolf Administration to change the policy. Mr. Haines is confident this was not something just initiated by the Wolf Administration. Second is the issue with the 50,000 square feet against the 425,000 square feet. The word "such" is being ignored in the paragraph by Ms. Heller. It says "such" commercial that existed prior to the Overlay and the word "such" refers to the uses in the beginning of the sentence which means the retail, not all commercial that was in those outbuildings but any retail that was there or personal services or bank and in the tower. First off, in the Annex there were not any, in the printery there were not any, and in the tower there was a barber shop and a gift shop; probably a few thousand square feet. So the answer is that it was probably something like 55,000 or 56,000 square feet that is permitted and that is the difference. Mr. Haines noted you are leaving out the word "such", referring earlier in the sentence. He also noted to clarify the RCAP, the \$7.5 million RACP was primarily for asbestos and sprinklers. The garage was an add on. So there is no reason why they cannot do the sprinkler and the asbestos. Mr. Haines would suggest that rather than pull the plug on the tower right away, he thinks this particular developer has not done what needs to be done. Mr. Haines noted that he was in charge of relocations at U. S. Steel and we used a relocation broker. He doubts that anyone has gone to New York City to find a relocation broker to find some big companies that are in New York trying to escape New York and bring them out here. Until you get the tower ready for somebody, how do you go find anybody, he remarked. Referencing the fact that the developer has not done anything on this he would say slow down a little bit on pulling the plug on the tower. Mr. Haines stated repetition says we do not really care about the tower, up or down. He continued our main concern is retail, but he does want to say he does not think in investigating this there has been enough work to find someone. Finally, he wanted to clarify to Mr. Callahan that it was the State that paid the half on the sidewalks. The merchants paid half and the State paid half, which was a pass through. That did not come out of City funding. With regard to the Hotel Bethlehem loan from BEDCO, that was a BEDCO loan pool so it really was not the City. It was the businesses that participated in the loan pool which was Bethlehem Steel, Lehigh University, the banks in town, etc. It was not the City money. It was the loan pool money and it was not a below market rate loan. Mr. Haines noted it was not lower than the rate loan we had on our first mortgage on the property and we paid it all back. We did not get any handout. It was simply a loan with standard rates. Mr. Haines is disappointed that Council is not sending this to Committee, but at least he appreciates the recognizing of the significant reduction in retail.

Dyanne Holt, owner of the Apollo Grill, stated she just wanted to respond on a few things she heard from Mr. Callahan. Yes, they did get the Façade loan. It was a low interest rate loan and we paid it all back with interest, and since 1999 when we opened the restaurant, all of our State, Local and our Liquor taxes have gone back to the State. That is not only for the business. Every time you buy a martini in her restaurant or tenderloin, it is going back to the State and also for her 50 plus employees. Ms. Holt pointed out there were comments made regarding the sidewalks. She can say that during Musikfest someone fell by the Boyd Theater. There are potholes in the sidewalks and they came to her restaurant with bloody knees. We cleaned them up and gave them band-aides. The next day she called Mr. Alkhal's office and was told by his secretary that it is the property owner's problem, not ours, and so the City did not fix those sidewalks. Ms. Holt mentioned the CRIZ was the gift to the developer. If as Ms. Heller says, it was 375,000 square feet of retail, why has he not done anything? The reason is that he wants as much retail as he can because that is where he will make his money. Ms. Holt added that we sat with Mr. Grubb, and Mr. Haines and 20 other people in downtown Bethlehem in the DBA office at the Chamber with a representative of the developer. He sat there and listened to us and when we asked him if he had a plan, he said no, and there will be no plan until we get the zoning. He gave us zero information. Ms. Holt mentioned you know the old saying "You let the horse out of the barn, it is not coming back."

Rehab Technical Specialist

Dana Grubb, 2420 Henderson Place, remarked that Ms. Karner left but she talked about parody with the already existing position that is entirely grant funded. He would suggest that the real parody should be measured against all of the Health Bureau employees who have been

contract workers for decades because they are funded with programmatic grants. Mr. Grubb added it is time to make the playing field equal in City Government. We tried to do it at times when he was there and it is time to recognize those legacy costs. If you do not do that, 20 years from now some Council, some Mayor will be sitting here lamenting the fact that we have these pension costs. Mr. Grubb stated it is about time when you have an opportunity to do something that is far sighted, that you follow through and do it. Mr. Grubb thinks Council did the right thing tonight. He added, you have maybe another position or two to look at in Community and Economic Development that are completely grant funded, but it is the right thing to do for the taxpayers of this City.

Martin Tower – Office Mixed Use Ordinance

Stephen Antalics, 737 Ridge Street, informed that people this evening were speaking of Mr. Ronca. Apparently they do not have full information because at one point Mr. Ronca was 25% owner. The other 25% was Mr. Pektor, and 50% was Mr. Herrick. Mr. Antalics mentioned that Mr. Pektor disappeared and his 25 % was split for \$10 dollars to each person on the deed where Mr. Herrick is now 62.5% owner and the other gentleman is 37.5%. Has anyone ever seen or heard or talked to Mr. Herrick? He is in Florida. Mr. Antalics would think that you would expect to sit down with these developers and see what they want to do and say how that will affect zoning based upon their wishes. We do not know what the wishes are. Mr. Antalics thinks it would be important. At one time Mr. Pektor was spokesperson for Mr. Herrick and he was operating on a fictitious title. Now Mr. Ronca is possibly the spokesperson for Mr. Herrick. Mr. Antalics asked if Council has the power to invite them here to sit down face to face where there might be a public meeting where we the people could ask them what their plans are. It seems that we are going forward, making fine comments on where the garage door will be and where other things should be, when we do not have a clue what they want. Mr. Antalics has a serious problem in understanding this, but does the City have the power to say please come in and tell us what you want to do so we can see how it fits in the Zoning Ordinance. He is just trying to use commonsense. Mr. Antalics asked if City Council or the Administration insisted that the principle owner sit down with you and discuss with you what he wants to do. We do not know what they want to do. As the gentleman said before, they might want to put in a pig farm. That is absurd, but it made a point. The question is if City Council or the Administration has the ability to invite the prime owner to answer questions based upon what will satisfy the needs for the rezoning. He asked if anyone would care to answer that.

Mr. Jeff Fegley, does not know if it is the process to not answer when you are asked a question, but it is still ignorant. He does not mean that in a bad way, but you are ignoring the person that is asking the questions. Those were brilliant statements he just heard. Those are difficult questions and the reason you do not answer is that you are afraid to ask those questions and afraid to demand more discussion. Clearly, by not going to Committee you are afraid of the time it might take. He is not sure what the urgency is because the incentives are 30 years. He heard Ms. Karner say, it is not an incentive on steroids. If it was, you would see so much happening. You are seeing what is happening in Allentown and there are several years ahead of Bethlehem. He remarked it will take time; it is not an easy thing. It is a complex equation, but the bottom line is that the taxes on this are tremendous. We are talking about zoning and when we talk about zoning it is correct for him to go up and state that there should be a plan. We all agree we have to do something. But why do you have to do anything with this property other than what has been done because you live in the shadow or you drive by it. Is it blighted? If it is blighted, then follow the blight process. If it is struggling because the current incentives are not good enough and the developer cannot get a client, prove that to the residents and business owners. What and who has told you that you have to do anything because this group is very wealthy and they are sitting on the property and they are paying the taxes. Ultimately the developer cannot develop it. They need to sell it to someone who can. That is how this world works and he does not understand why anyone would say we have to do something. When you vote next time, explain yourselves why you have to do anything. So, he actually would question why they have not done anything. If you have not spoken to them in the public here and not behind closed doors, you have not proved to anyone here. Mr. Mayor, you need to prove to us why we have to do this. As a taxpayer and from a business and personal side, he is owed the reason of why we have to do this zoning change. It could be developed the way it is. He knows it is late, but when someone asks a question, you should answer them. You are afraid, the Mayor is afraid, and Council is afraid to quantify the value of the incentive on the CRIZ. He will say that this property has appreciated in value since the original purchase. There is no hardship to the developer. There was a plan that was in place in

2007 that still exists today. The zoning is there with additional incentives. There is no rush here because the proposed zoning changes would still allow most, if not all of what is already allowable, so the developer can be moving forward with existing zoning. He is just not sold on why we have to do this and why we have to rush and not go to Committee. It is 30 years of incentives. It has been vacant, but they have kept the property fixed up enough that they are not getting blighted by the City. If it starts to fall apart, you should blight it and it should force the developer to do something appropriate. He will still remind all of you that recusal is not an ugly word. It is the proper ethical thing to do when you talk about the tremendous decision that is a property worth about \$185 million. With 53 acres and 1.3 million square feet, it will be somewhere around \$185 million dollars. That is just an average.

12. ADJOURNMENT

The meeting was adjourned at 10:55 p.m.

ATTEST:

City Clerk