

The BPA presentation on the Polk Street Garage at City Council July 2 (81)

The Bethlehem Gadfly Gadfly's posts, Parking, Serious Issues July 5, 2019

(81st in a series of posts on parking)

Here is the detailed document the BPA supplied to City Council before the meeting: [BPA Presentation – 7-2-19 – City Council – DRAFT](#). It provides two financing scenarios, one with a fine increase, one without.

Interestingly, the project is financially viable either way.

Key points include the letters of commitment to lease 80% of the proposed spaces and the decision to fund the garage with a private bank loan without guarantee by the City.

Mayor Donchez:

The Mayor emphasized that he fully supports a project that he sees as important for the development of the eastern end of 3rd Street.

Video of July 2 City Council meeting [at min. 21:45](#).

- “This is a project that has been a priority of mine for several years.”
- “It’s a critical project to support the parking needs of Northampton Community College and other businesses in that vicinity of the eastern corridor of 3rd Street.”
- “Last year I believe that the Authority had the responsibility to research all possible options for financing and proceed in the manner in the best interests of the taxpayer.”

- “I strongly support this project. . . . I think it’s important for economic development of the eastern corridor of 3rd Street.”
- “Out of 470, they have roughly 370 commitments for leases.”
- “And even when you look at the New Street Garage . . . in the year and a half since it opened, there’s 400 leases without Lehigh students, and I think that’s probably exceeded expectations.”
- “I did make a commitment as Mayor that we would try to wean ourselves off the contribution from the Bethlehem Parking Authority when the TIF would end, and I do want to fulfill that commitment. . . . When the TIF expires, the City will receive some additional revenue from the TIF.”
- “So I think this is a good project . . . I think that the financials [are in good order].

Kevin Livingston, Exec. Dir., Bethlehem Parking Authority

Again, key points are that the BPA doesn’t need City backing for the financing, and though it will recommend fine increases, they are not necessary for the financial viability of the project.

Video of July 2 City Council meeting [at min. 23:50](#).

- “The Bethlehem Parking Authority explored both a public and private financing of the Polk Street Garage.”
- “The bank loan does not require a fine increase or a City guaranty of the debt.”
- The garage is currently [planned to a 470-space garage with a 30-space parking lot.]
- “We intend to add a bid alternate to build the garage 91 spaces larger.”

- “Furthermore, there is an opportunity for a horizontal expansion of the garage of approximately 159 spaces.”
- “The maximum size of the garage is approximately 750 spaces.”
- “For \$2.1million, the Bethlehem Parking Authority purchased the land for the proposed garage from the Sands Casino in April 2019.”
- “It is the intention of the Bethlehem Parking Authority to close on the private bank loan in July and hope to start construction in December 2019 with anticipated completion 2020.”
- The BPA also plans to send the official request to Council in the summer of 2019 to consider fine increases to improve the parking system.”

PFM Financial Advisors

The BPA financial advisors answer President Waldron’s question, “What is the reason you are not looking for the City guarantee that you most recently did for New Street [garage]?”

Video of July 2 City Council meeting [at min. 26:19](#).

- “Our goal is to always try to kinda move the Parking Authority . . . financially away from the host city.”
- “[With New Street Garage financing] the Authority went out and established their own trust indenture, issued the debt, but guaranteed by the City, so we were starting to give the Authority a little bit of its own name, its own credit out there, but still with the backing of the City.”

- “That coincided very nicely with the financial resurgence of the City . . . perhaps now the highest [credit rating] of 3rd-class cities in the state.”
- “The goal was as the Authority became more financially healthy was to have the Authority possibly be able to do their own financing without the City backing.”
- “Again, that’s our goal as financial advisors . . . if they are financially stable enough to do that, they should do it . . . to take some of the liabilities off the City taxpayers.”
- “A win-win to be able to secure a financial package for this garage with very good terms and conditions.

Are you grounded in the “facts”? Next we’ll move into the discussion by Council and audience members of this presentation by the BPA.

How did the BPA presentation go over? What are you thinking?