

How about Extending the TIF? (15)

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(15th in a series of posts on parking)

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During this past Thursday's public hearing that addressed the proposed meter rate hike, I suggested another possible funding source to build the anticipated Polk Street garage. This source would use the borrowing power of Tax Increment Financing (TIF), which already exists and has been used for development in the Beth Works site. The TIF is scheduled to expire in 2020.

Negotiated with Bethlehem Steel in 1999 when I was acting director of community and economic development, along with then city solicitor Joseph 'Jay' Leeson and Bethlehem Redevelopment Authority executive director John Rohal, we formed the city team that brought this economic development tool to fruition.

In a TIF, instead of the taxes going to the taxing entities, in this case the City of Bethlehem, County of Northampton, and Bethlehem Area School District, the tax revenues are collected in a TIF fund to be used to make public improvements. At the time we negotiated Bethlehem's TIF, the construction of roads and parking garages were the primary use anticipated to support development in the Beth Works area. That area encompassed property between roughly the Fahy and Minsi Trail Bridges.

In the intervening years TIF was primarily used for the Stock House restoration and renovations, SteelStacks campus, Hoover Mason Trestle, and Southside Greenway.

Thinking of the Polk Street garage as just one more future project driving meter rate increases, I suggested extending the TIF for an additional 5 years so that proceeds could be used to construct this garage and thereby relieve area residents of additional financial burden. Extending TIF would require that the three taxing entities cooperate and agree to do this.

We have been repeatedly told that parking garages lose money and that the overall parking system, which includes meters and the revenue they generate, is needed to support these initiatives.

Extending TIF to generate the revenue needed to construct the Polk Street garage would remove that burden from the system and thereby from Bethlehem residents.

In preliminary discussions about building a parking garage in this area, TIF had been part of the original financing discussion. Why not make it a reality by exploring an extension and thus removing the need for the Bethlehem Parking Authority to bleed area residents with parking meter rate hikes for the foreseeable future?

Dana