

“South Side Bethlehem’s new \$16.8 million Polk Street parking deck isn’t going to be your average concrete monstrosity”

The Bethlehem Gadfly Parking, Serious Issues August 29, 2019

(112th in a series of posts on parking)

Meet the Polk Street Garage that will be more than a garage. Gadfly has clips from the two media stories below, but he suggests that you read both articles fully. Note especially the opinion of the City ad hoc committee. More comment and analysis coming.







renderings from both lehighvalleylive and Morning Call

Nicole Radzievich, “Here’s a look at what will front a future south Bethlehem garage.” Morning Call, August 28, 2019.

A long-envisioned parking garage in south Bethlehem would be fronted by a five-story building of high-end apartments and a ground-floor retail store, under the proposal the Bethlehem Parking Authority selected Wednesday.

The 8,000 square feet of retail space is to be anchored by Factory Retail, a project of the nearby Factory that opened in a former Bethlehem Steel building by former FreshPet executive Richard Thompson. That’s an innovation campus or launching pad to raise relatively new food and beverage companies to the next level — a term known as “scale up.”

The residential portion of the \$6.4 million project, proposed for Polk and Third streets, is to include 32 one- and two-bedroom apartments.

The project was picked over one by Nova Development, a subsidiary of Allied Building Corp. of Bethlehem. The biggest difference was over how much each was willing to pay for the 12,000 square feet of land needed to build the project, authority members said.

The decision comes after a city ad hoc committee had reviewed the proposals, concluding both entities were “experienced, capable and successful” but that Nova “has a stronger track record of project completion in the city” and proposed “a more desirable building design,” including the rooftop which could feature a restaurant or other amenities. The committee also advised that there was much “uncertainty” around the CRIZ designation part of Peron’s proposal.

According to the memo, the committee expressed concerns around the capacity of Peron “to complete the project without delaying or sacrificing” other projects it has already undertaken in the city.

The ad hoc committee also noted the uniqueness of the Factory Retail portion, saying it would be a lost opportunity if it were exclusively associated with the Peron/Petrucci proposal and not picked.

The Nova project said it had lined up a national retail tenant for the project.

Other big differences in the proposals had to do with how much parking each needed from the proposed garage. Nova anticipated at least 75 spaces and Peron/Petrucci 32, according to the proposals.

Also on Wednesday, the Parking Authority backed taking out a private loan to be taken out to pay for an estimated \$16.8 million garage.

Sara Satullo, “A lot of ka-ching,’ unique tenant put this Polk Street proposal on top for Bethlehem.” lehighvalleylive.com, August 29, 2019.

South Side Bethlehem’s new \$16.8 million Polk Street parking deck isn’t going to be your average concrete monstrosity.

In order to not waste prime real estate along one of South Bethlehem’s fastest changing corridors, the Bethlehem Parking Authority put out a call for proposals for a mixed use development fronting East Third and Polk streets with the garage to the rear. Proposals were received June 7 and then they were vetted by the authority, its Desman parking consultants and an independent committee of city officials.

On Wednesday night, the authority’s board selected a Peron Development and J.G. Petrucci Co. plan that proposes a five-story building with 32 luxury apartments on the upper four floors and a unique first floor retail user.

Peron beat out a proposal from Anthony Scarcia’s Nova Development and Allied Building Corporation that pitched a six-story, \$7 million project with 7,700-square-feet of first-floor retail with commitments from two nationally-recognized tenants, 45 apartments and a rooftop space that could act as a building amenity or restaurant.

Peron’s offer of nearly \$200,000 more in their purchase price for the land sealed the deal for the authority’s board members.

“It is a lot of ka-ching,” said Billy Kounoupis, member and owner of Billy’s Downtown Diner in Allentown, Bethlehem and Easton.

The authority is planning a deck with at least 470 spaces and a 30-spot parking lot with bid alternatives that could grow the garage to 750 spaces with enough commitments. The board also authorized issuing bonds of up to \$25 million for the project, which is estimated to cost \$16.8 million.

Authority board members expressed excitement for Peron's proposed retail tenant. The 8,000-square-foot ground floor is to be anchored by a unique type of retail run [by The Factory](#) — the glossy, high-tech innovation laboratory for entrepreneurs located steps away on Columbia Street in a former Bethlehem Steel Corp. building.

Customers will be able to learn about entrepreneurship and food production while sampling and shopping for products from a rotating lineup of retailers. The Factory partners with companies like Mikey's and Honey Stinger looking to scale-up their business and innovate in their facilities.

The city committee formed to evaluate the proposals for the authority came to a different conclusion, backing the Nova Development project due to the company's stronger track record of project completion and a better building design that adds to the variety of styles in the corridor.

“The overall aesthetics, including the stone arches reflecting the ruins and the steel elements, provide an overall stronger relationship to the place in (which) the building is located,” the committee's memo states. In a memo, the committee said the difference in purchase price is not the only financial aspect to consider and pointed to the large gap in contracted parking spaces.

Parking Authority Chairman Joe Hoffmeier said he ultimately thinks the number of contracted parking spaces would end up being similar. The

Factory already is committing to spots in Polk Street. “I’m not walking away from \$200,000,” he said.