

Not “under the surface” any more (67)

The Bethlehem Gadfly Gadfly's posts, Parking, Serious Issues November 7, 2018

(67th in a series of posts on parking)

Just last night Gadfly wrote: “There’s actually quite a bit of drama going on. But yet it’s under the surface. The news [regarding the parking issue] hasn’t really been covering this process in any intensive way. The town isn’t on the edge of its seats.”

Seems not to be under the surface any more.

[Sara Satullo, “\\$800K in tax funds given to luxury apartment developer draws scorn in Bethlehem.” lehighvalleylive.com, November 7, 2018.](#)

Gadfly is not exactly sure what to make of this at the moment. The situation has corners Gadfly has not explored yet. And Gadfly’s day is chock-full. No time for much contemplation.

Does this change the dynamics of tonight’s meeting at all?

Gadfly is putting it out there to you to think about.

Here are some quotes from Sara’s article that jumped out at him:

Some Bethlehem City Council members were surprised to learn last week that a prominent city developer was awarded an \$800,000 grant out of a tax fund they thought was almost empty. The same developer is a member of the investment group the Bethlehem Parking Authority is paying \$2.1 million to buy land for a new city parking garage. And it left them wondering: If the city’s tax increment financing district fund had \$800,000 in it, why wasn’t it put toward the cost of a new city parking authority garage planned for the corner of East Third and Polk streets instead of going toward private development?

“At the time we made the decision to fund Five10Flats, there was no discussion about the garage,” Redevelopment Authority Executive Director Tony Hanna said. “I’m not saying it’s not a legitimate question to ask, but it is a little late.”

“The Peron grant marks the first time TIF funds were awarded to a taxable, private development. Five10Flats also sits in the City Revitalization and Improvement Zone.”

[CRIZ, by the way, is chaired by the bodyguard BPA solicitor you have heard about here on Gadfly.]

“The money is there to spur development, not to enhance the private development that is already happening,” [Councilwoman Van Wirt] said.

“It is not like this project was going to stop when it was already underway. It was already being done.”

“It was exactly what the TIF was intended to do: site remediation,” Hanna said Monday, noting the award was made in a public meeting.

“We spent money on some appropriate issues.”

Questions surrounding the grant are interwoven with council’s questions about the future of parking and economic development incentive benefits in Bethlehem. It’s left some on council wondering about who benefits from the deal and if there were better uses for the money.

“I did not think there was money available,” Councilman J. William Reynolds said. “I was under the impression from the last couple of years that the parking authority was tasked with coming up with a plan for a Polk Street garage because there was no money left for the RDA to do it.” Hanna sees the questions about using the grant for Polk Street as a bit of Monday morning quarterbacking. “Nobody asked me that question,” Hanna said. “We made the decision to fund Five10Flats as a standalone discussion. That was never on the table that the parking authority could use another \$800,000.”

One of the most sought after properties in the TIF is a modest parking lot at the corner of East Third and Polk streets where city leaders have long envisioned a parking deck anchored by retail.

The plans date back to the Callahan administration when the redevelopment authority was spearheading the project. That authority spent almost \$1 million designing and gaining city approval for the almost 600-space deck.

But plans stalled when a ground-lease deal for the property petered out and the authority began to question whether enough new projects would be built in the TIF to support an almost \$13.3 million garage. The redevelopment authority and NCC have secured \$2.5 million in state grants for the deck.

The redevelopment authority then handed over the project to the parking authority, which finally just inked a \$2.1 million agreement to buy the land from Sand BethWorks Retail LLC, the development group that includes the Sands and Perrucci.

At one time, the Sands was supposed to sell the land for \$1, Negron said, and now she is learning from meeting minutes that the parking authority bought the land.

“I am very frustrated because they keep making decisions without coming in front of us and then they come to us as if we have no other

choice but voting in favor because the parking authority and the city will be in trouble if we don't support it," she said. "It is in the wrong order." Donchez's administration hopes the luxury apartments atop a Starbucks and restaurants represents the first spark of economic resurgence in that stretch of the South Side. The mayor sees the parking garage as the crucial linchpin in that redevelopment, which will hopefully eat up the surrounding vacant parking lots that are all owned by the Sands development group.

Council is being asked Wednesday night to [hike parking fines by almost 50 percent](#) to encourage folks to actually feed the meters and to help fund the city's parking infrastructure needs.

Waldron sent a lengthy memo to the parking authority pressing it to provide a long-term plan for how it is going to build a Polk Street deck, repair or replace the Walnut Street garage and maintain its other structures.

"The goals need to be clear, the financing needs to be clear and the idea that this Polk Street garage is the magic bullet that will draw development to East Third street is an antiquated notion," Van Wirt said. "Development is there."

Van Wirt is concerned about the authority's ability to pay for another parking deck.

"I don't want to stick my kids with paying for an out-of-date parking garage that is not going to be used," she said.