



BETHLEHEM REVITALIZATION AND IMPROVEMENT AUTHORITY

10 East Church Street, Bethlehem, Pennsylvania 18018-6025

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www.bethlehem-pa.gov

Memo

To: BRIA Board Members
From: Alicia Miller Karner
CC: Mayor Robert Donchez
Date: January 31, 2020
Re: NIP Wilbur, LLC

NIP Wilbur has requested the authority consider a change in project and extension for the Wilbur Mansion.

History

In November 2016, NIP Wilbur responded to an RFP issued by Mayor Donchez for consideration of CRIZ for the Wilbur Mansion project. The project included renovation of the existing mansion, demolition of the former temple and the addition of an 8,000 sf office building. That project was conditionally approved by BRIA in September 2017.

In May 2018, NIP Wilbur requested a change in project to include 17,000 sf luxury hotel with 7,000 sf of event and restaurant space. That project, proposed as a joint venture with the Sayre Mansion, was conditionally approved and BRIA obtained the CRIZ designation on the parcel and project approval from the Commonwealth of Pennsylvania in May 2019.

Current Request

After the joint dissolution of the partnership with the Sayre Mansion, NIP Wilbur is requesting a change in project to include 9 boutique hotel rooms, dining area for 90 guests, private event space for 100, outdoor space and a focus on Lehigh Valley food sourcing. While confidential, the NIP Wilbur has represented this partnership has been formalized and is ready to invest in the Wilbur Mansion. The footprint of the building addition remains the same and therefore the CRIZ acreage remains the same. The expected increment generation by this new project is expected to increase by approximately \$60,000 to \$219,000 in the first year.

Support

Mayor Donchez has met with the representatives for NIP Wilbur and supports this project.

Action Requested

Because the changes to this project represent a material change, the Commonwealth has requested BRIA submit a new project application for approval. Additionally, NIP Wilbur has requests an extension to timeframe outlined in the current MOU (12 months from the date that DCED designates in writing the inclusion of the Project in the CRIZ) for an additional 12 months. All other conditions, including completion of the project within 24 months of project commencement.

Therefore, it is requested that BRIA move to approve the project which includes a boutique hotel, restaurant and private event space; and, extend the timeframe for project commencement 12 months from the approval of the Commonwealth of Pennsylvania of the project.

Wilbur Mansion CRIZ Narrative

After the joint dissolution of the partnership with the Sayre Mansion, NIP Wilbur, LLC has reconnected with a partner who shares the same vision regarding this spectacular project. We are partnering with a local and nationally recognized restaurateur to create a boutique, luxury hotel with a culinary focus.

The originally proposed concept was more hotel focused and less food/hospitality focused with a large private events facility on site. In readdressing the project, both partners agreed the following changes would ensure the success and the longevity of the Wilbur project.

1. A shift from the large hotel focus to a smaller, more boutique approach to the rooms. With development on the South Side focusing on more large hotel development, this shift to exceptional, boutique rooms will set the project apart as well as compliment what is currently in the market.
2. A smaller and more flexible approach to the private event facility, allowing for the ability to change according to market needs.
3. A real focus on the food and hospitality with the goal being national and regional tourism that focuses on the local offerings of the Lehigh valley.

These changes were made to increase the sustainability of the project for the foreseeable future. After more than 20 years in the hospitality industry the restaurant partners know that it is key to plan on flexibility, innovation and a product that is not currently being offered in the market.

The partners (NIP Wilbur LLC) are committed to making the Lehigh Valley a destination for real boutique tourism. The Wilbur Mansion is a unique and amazing property to make this happen. The hospitality partners have been able to garner this kind of attention after 12 years in the Lehigh Valley and believe that this next step provides the ability to continue and build upon this legacy with an elevated venue. This is an opportunity to bring more employment to the South Side, training for local students and the ability to bring more people to the area through internship programs. This project proposes a destination that does not currently exist in this area.

Project Details:

- 9 boutique hotel rooms
- Bar/Dining Room for 90 guests
- Flexible space for private events from 10-100 ppl
- Curated outdoor space
- Focus on agritourism programming and the bounty of the Lehigh Valley
- Capitalize on the already nationally recognized reputation to make this a destination for Philadelphia, New York and the DC Metro Area



FLORIO
PERRUCCI
STEINHARDT &
CAPPELLI LLC

60 West Broad St., Suite 102
Bethlehem, PA 18018

o 610.691.7900
f 610.691.0841

Seth R. Tipton | Partner

610.691.7900 x 1039
stipton@floriolaw.com

January 24, 2020

VIA HAND-DELIVERY AND EMAIL (AKarner@bethlehem-pa.gov)

Bethlehem Revitalization and Improvement Authority

Attn: Alicia Miller Karner, Executive Director

10 East Church Street

Bethlehem, PA 18018-6025

Re: Wind Creek Bethlehem LLC
City Revitalization & Improvement Zone ("CRIZ") Qualification Application
77 Wind Creek Blvd.
Parent Parcel Id: P6 2 2-25 0204

Wind Creek Bethlehem LLC, ("WCB" and/or the "Applicant") is excited to submit the following Qualification Application ("Application") to the Bethlehem Revitalization & Improvement Authority (the "BRIA") for financing to support the construction of a second hotel tower and new lobby to the Wind Creek Bethlehem Hotel (the "Hotel Unit") building located in the 77 Wind Creek Blvd, Bethlehem, PA 18015. WCB intends to construct a new hotel building on a new condominium unit, which will add approximately 276 hotel rooms, a spa and a bar to the property. Photographs of the proposed project are attached hereto as Exhibit A. WCB envisions using a portion of the CRIZ increment generated at the Hotel Unit to create a partnership with BRIA to allow BRIA to invest in priority projects within the City of Bethlehem (the "City").

Although the Hotel Unit at 77 Wind Creek Blvd is not currently located in the CRIZ, WCB intends to file a CRIZ acreage transfer application shortly after this Application to transfer CRIZ acreage to cover the footprint of the Hotel Unit, pursuant to 72 P.S. § 8814-C, and accordingly, requests authorization from the Bethlehem Revitalization and Improvement Authority ("BRIA") to submit the same to the Pennsylvania Department of Community and Economic Development. Specifically, WCB has identified 524 1st Street (P6 2 2-5 0204), which is owned by WCB and which is located within the CRIZ. See Bethlehem CRIZ map, attached hereto as Exhibit B. No facility has been constructed, reconstructed or renovated on this parcel using money under the Act, in accordance with 72 P.S. § 8814-C(a). The total acreage of 524 1st Street is 2.3 acres and is sufficient to cover the entirety of the Hotel Unit's footprint, which is projected to be 2.24 acres. See Northampton County Tax Record for 524 1st Street, attached hereto as Exhibit C.

WCB will be the actual owner of the land where the Hotel Unit will be located. A condominium unit will be created within Sands Bethworks Condominium Association that matches the footprint of the new construction. WCB will then take title to the Hotel Unit in a new corporate entity formed in Pennsylvania with a new tax identification number. The Hotel Unit will be in complete compliance with the City of Bethlehem's Zoning Ordinance (the "Ordinance"). Specifically, the Hotel Unit meets the definition of a hotel under the Ordinance as "[a] building or groups of buildings which has a central office and which contains 1 or more rental units which are rented to transient visitors to the area, and which may also include an accessory tavern, restaurant, pool, exercise facilities or meeting facilities." Section 1302.59. The Hotel unit will be located in the IR—Industrial Redevelopment District, which specifically permits Hotels. See Section 1303.02; Article 1305. The Hotel Unit will further the purposes of the IR District, which is to promote the economic revitalization on underutilized properties that historically were used for older industrial uses. See Section 1303.07. Finally, the Hotel Unit will not be located within a keystone opportunity zone, keystone opportunity expansion zone, keystone opportunity improvement zone, keystone innovation zone, keystone special development zone, neighborhood improvement zone or strategic development area.

The construction of the Hotel Unit will further the purposes of the CRIZ Act, 72 P.S. § 8802-C, *et seq.* (the "Act"). Specifically, it will constitute a "Facility" under the terms of the Act, as it will be a structure within the CRIZ to be used for commercial, hospitality, conference, and/or retail purposes. It is further anticipated that the Hotel Unit will create numerous temporary construction jobs and over 80 hotel operations jobs, creating significant economic development and job creation within the City of Bethlehem. Additionally, pursuant to WCB's five-year tax increment projections, WCB anticipates generating approximately \$1,343,000 in CRIZ annual increment within five years. Because WCB intends to dedicate 20% of its CRIZ increment back to the City, this amount of annual increment will mean that BRIA will receive approximately \$300,000 annually to use to revitalize the CRIZ Zone.

It is my clients' hope that we can have this project before BRIA for qualification to apply for permission to transfer CRIZ acreage to the Hotel Unit at its next scheduled meeting. Please do not hesitate to contact my office with any questions or to confirm the agenda. Finally, copies of sketch plans and a spreadsheet modeling eligible CRIZ tax increment for the project are attached hereto as Exhibit D and Exhibit E, respectively.

Please do not hesitate to contact me with any questions or requests for additional information.

Very truly yours,

Florio Perrucci Steinhardt & Cappelli, LLC

Seth R. Tipton

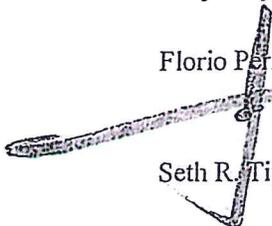
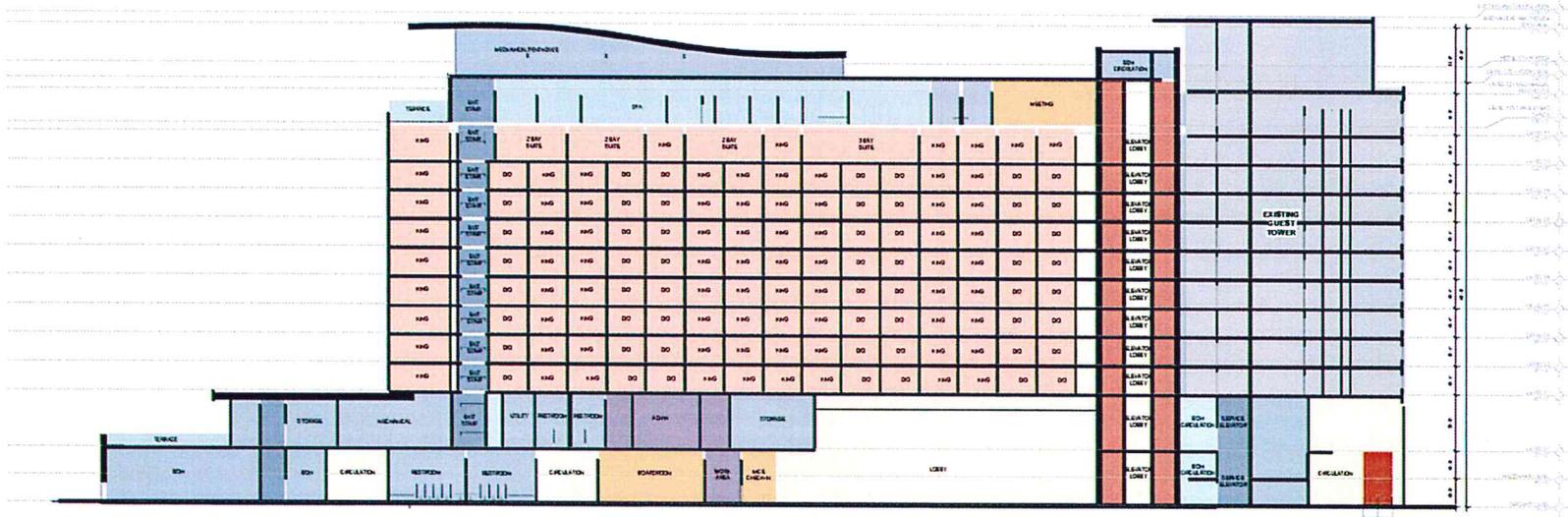
A handwritten signature in blue ink, appearing to read "Seth R. Tipton", is written over the typed name. The signature is somewhat stylized and overlaps the text.

EXHIBIT “A”



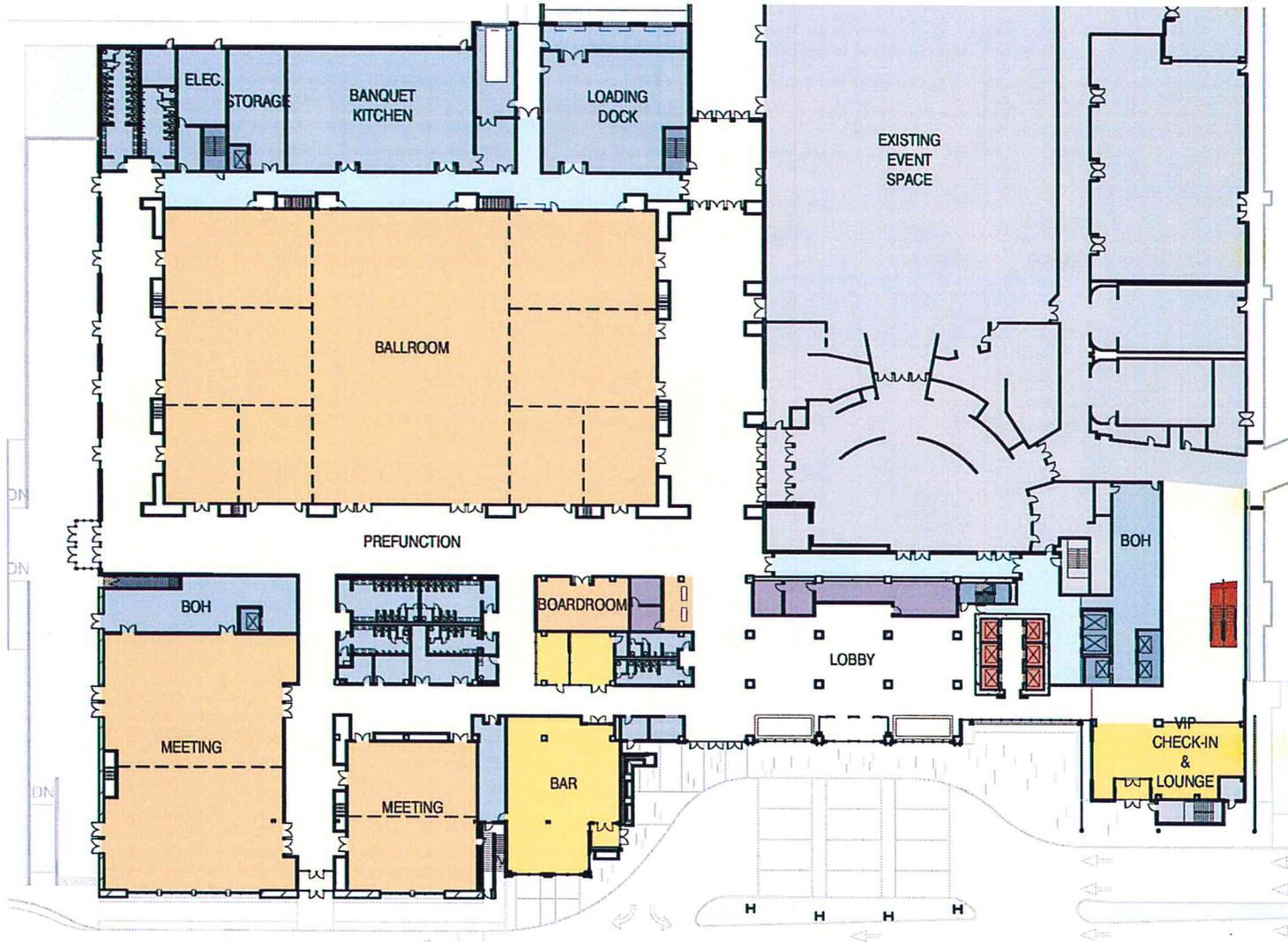




GUEST ROOM EAST/WEST

WINDCREEK BETHLEHEM

GROUND FLOOR LEVEL 01



SITE + PLAN OVERLAY

SATELLITE IMAGE



SITE + ROOF PLAN OVERLAY

SATELLITE IMAGE





EXHIBIT “B”

City Revitalization and Improvement Zone

Bethlehem CRIZ

Economic Development GIS Map





P6 2 2-5 Address: N/A
Parcel: P6 2 2-4 0204
Owner:
Sands Bethworks
Retail LLC
77 Sands Blvd.
Bethlehem, PA
18015

  P6 2 2-5	 Picture not available  P6 2 2-6	  P6 2 2-8	 Picture not available  P6 2 2-9	 Picture not available  831 East 2nd St.	  920 East 1st St
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EXHIBIT “C”

Home > Property Records > County Website

Parcel	PARID: PE 2-2-5-0294	524 1ST ST E
Owner	SANDS BETHWORKS RETAIL LLC,	
Multi-Owner		
Residential	Property Location	524 1ST ST
Commercial	Unit Desc	
Out Buildings	Unit #	
Land	City	
Values	State	
Homestead	Zip Code	
Sales	Neighborhood Valuation Code	C207
Tax Information	Trailer Description	
Photos	Municipality	BETHLEHEM CITY
Sketch	Classification	Industrial
Map	Land Use Code	99 - Industrial Vacant Land
	School District	BETHLEHEM SCHOOL DIST
	Topography	LEVEL
	Utilities	ALL PUBLIC
	Street/Road	PAVED
	Total Cords	
	Living Units	
	CAMA Acres	2.3
	Homestead /Farmslead	-
	Approved?	-

- 1 of 1
Return to Search Results
- Actions
Printable Summary
Printable Version
- Reports
Mailing List
PRC Report
- Links
Codes and Descriptions
Soil Codes and Descriptions

Parcel Mailing Address

In Care of Name(s) SANDS BETHWORKS RETAIL LLC

Mailing Address C O ACCOUNTS PAYABLE DEPT 77 SANDS BLVD
City, State, Zip Code BETHLEHEM, PA, 18015-

Alternate Address 1

Alternate Address
City
State
Zip

ACT Filings

Act 319/515
LERTA
Act 43
Act 66
Act 4/149
KOZ
TIF Expiration Date 2020
BID
Millage Freeze Date
Millage Freeze Rate
Veterans Exemption

Tax Collector

LINNEA LAZARCHAK, FINANCIAL DIRECTOR
10 E CHURCH ST
BETHLEHEM PA 18018
610-855-7125

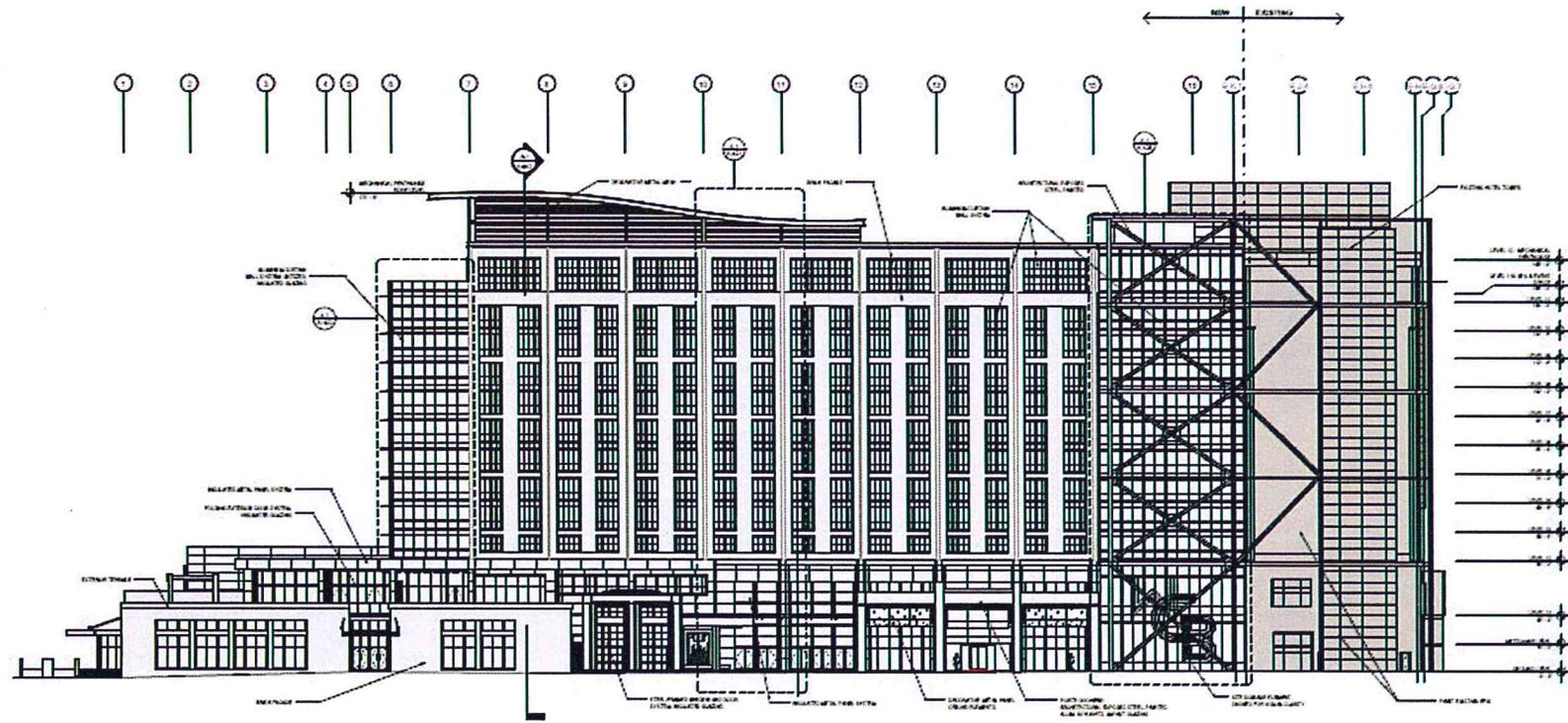
Assessor

SHAYNE MURRAY
610-829-6170

EXHIBIT “D”

Architectural Firm
 12345 Main Street
 City, State, Zip
 Phone: (555) 123-4567
 Fax: (555) 987-6543
 Website: www.tvdsdesign.com

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
A	B	C	D	E	F	G	H	I	J	K	L	M	N	P	Q	R	S



A.1 OVERALL WEST ELEVATION

WIND CREEK BETA FRM
 WELLS FARGO COMMERCIAL
 BRANCH

OVERALL ELEVATION - WEST

DATE	ISSUE	REVISION

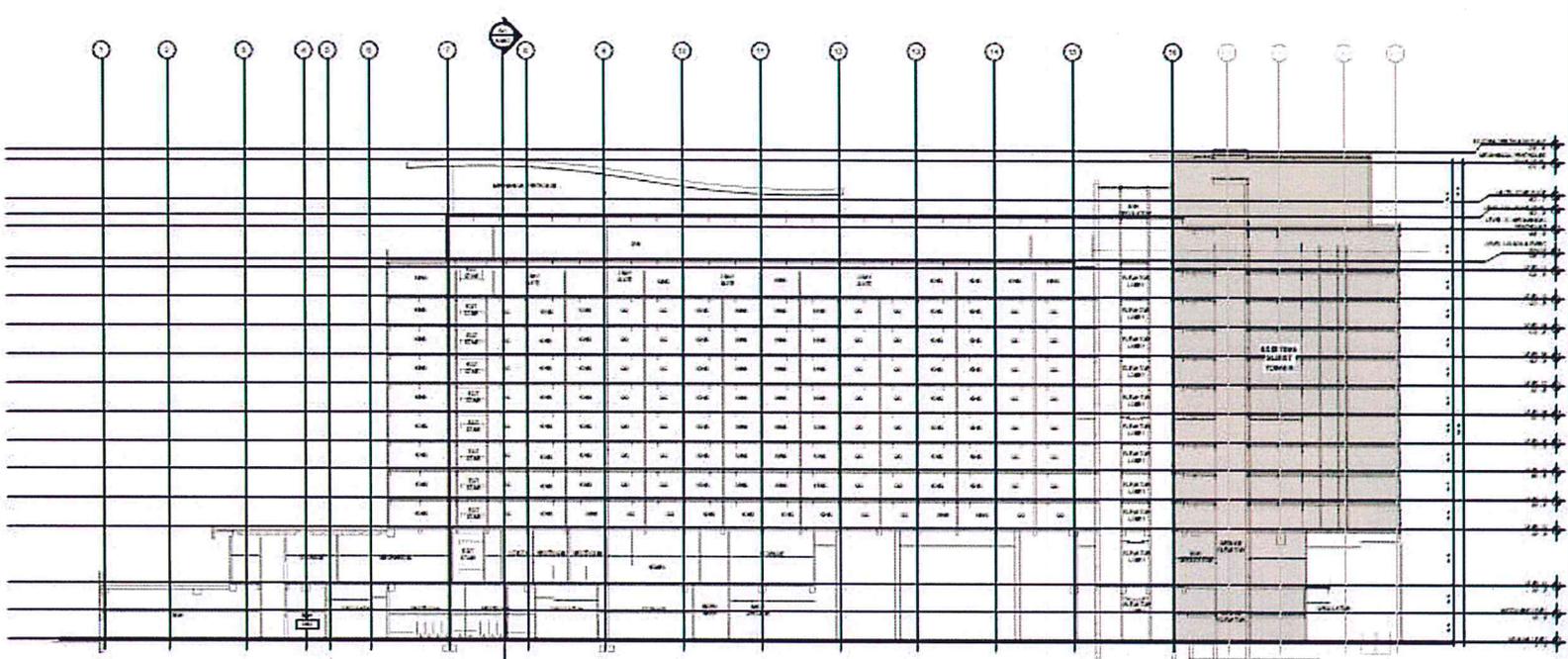
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NO. 1	1/4" = 1'-0"	DATE	10/10/10
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Project No. **OVERALL SECTION - EAST WEST**
 Title Block
 Date
 Scale
 Drawing No. **A-411**
 Revision
 Author

REVISIONS AND
 COMMENTS TO BE MADE AND APPROVED BY THE ARCHITECT

NOT RELEASED FOR CONSTRUCTION

