

MINUTES FROM THE BETHLEHEM REVITALIZATION AND IMPROVEMENT AUTHORITY (BRIA)

February 6, 2020
3:30 p.m.

1.0 Call to Order

A meeting of the **Bethlehem Revitalization and Improvement Authority (BRIA)** was held at 3:30 p.m. on Thursday, February 6, 2020 at Town Hall located at 10 East Church Street, Bethlehem, Pennsylvania.

Mr. Kelly called the meeting to order.

2.0 Roll was taken as follows:

Authority: Joseph Kelly
Ann McHale
Donna Taggart - absent
John Filipos
Mark Jobes

Solicitor: Edward Andres

Staff in attendance: Alicia Miller Karner
Denise Rider
Chris Jones

3.0 Public Comment on Current Agenda None

4.0 Approval of Minutes dated January 16, 2020 There are no additions or corrections. A motion to approve the minutes was made by Mr. Filipos and seconded by Ms. McHale. The minutes were then unanimously approved as presented.

5.0 Treasurer's Report Mr. Filipos indicated that there are no changes to the Treasurer's Report. He did note that he signed an Agreement of Engagement with BRIA's auditors, Baker Tilly. The audit is expected shortly.

6.0 Old Business

6.1 Wilbur Mansion Project Approval and Extension Request Ms. Karner provided the background of the project. The reason the project is coming before the board today is for an updated project approval and a

project extension request. The prior agreement was contingent upon one year from the approval of the Commonwealth.

Mr. Tipton asked for clarified of the extension. Ms. Karner indicated that the extension is for the time prior to start the project. Then there will be two years from beginning to completion.

Mr. Noble provided an updated written narrative to the BRIA today which provides a comparison between the prior project and the one that is before the Authority today. The partnership with Sayre Mansion is no longer part of the plan. They are now working with a new partner that is more food oriented. They are downsizing the scale of the project which includes less hotel rooms in the mansion and a first floor restaurant that has increased in size, which will provide a destination culinary experience hotel. There will be a single story addition on the back of the mansion with a kitchen and smaller event space. The parking lot size will increase to 10 additional spots due to the downsizing of the project. Mr. Noble noted that all parking variances were received for the last project.

Mr. Jobs asked when they expect to start the project. Mr. Noble indicated that they expect to start once today's decision is made by the BRIA and the State does the transfer of CRIZ property. In the meantime, they will be working on finalizing the designs and awarding bids. He noted that the City reviewed a majority of their new plans. The NPDES permit has been redesigned and the scope of 65 parking spaces is designed and approved by the County. Mr. Noble would like to break ground in the Spring.

Mr. Filipos asked how long the project will take once breaking ground. Mr. Noble noted that they are anticipating a maximum of 12 months to complete the project. The temple will need to be torn down and they will need to determine what is going on with the basement of it. They will also need to take care of interior hurtles with the mansion with regards to renovations.

Mr. Kelly asked what the difference in value of the project is now compared to the last request. Mr. Nobel indicate that the construction costs are going down but fixture and kitchen fit out will increase. There is a \$1.5 or \$2 million difference to the project cost, overall. Mr. Noble believes the economic impact will be better because labor requirements will increase and create more jobs.

Mr. Filipos asked if the restaurant will have a liquor license. Mr. Noble indicated that they are going to get a license.

Mr. Jobs asked Mr. Noble if he can reveal who they are partnering with. Mr. Noble stated at this time they are not able to provide that information.

Mr. Kelly requested a motion to approve the change in scope as described in the narrative as well as an extension of time of one year with the inclusion of a December update report. A motion was made by Ms. McHale and seconded by Mr. Filipos. Being no further discussion, the motion was unanimously approved as presented.

7.0 New Business

7.1 Wind Creek Project Updates

Ms. Karner indicated that there was a press announcement yesterday with Wind Creek and Senator Boscola. Ms. Karner noted that the Mayor strongly supports the Wind Creek desire to move CRIZ designation from an existing Wind Creek lot to the project before the Authority today. At this time, the Authority is focusing on the approval of the project. Wind Creek will be back before BRIA to hold a public hearing to officially move the property CRIZ designation to this project.

Mr. Tipton indicated that, provided the Authority approves their request, they will return with a transfer application to describe the details of the real estate and back again assuming Commonwealth approves transfer for their final application approval with additional detail on the condominium project. The current CRIZ designated area, known as the "ruins west lot", is located at 524 1st Street and is currently a 2.3 acre surface parking lot. They would like to transfer the acreage to a 2.3 acre CRIZ designation on the existing casino property. Mr. Tipton noted that the property has been subjected to condominium ownership since inception. He also noted that Sands BethWorks Condominium Association has been in existence since 2008. There are two units. The first unit is the gaming area which has the gaming facilities, hotel and event center and the second unit is the mall with the balance of the property being common element. There will be an amendment to the current declaration to create a third unit which would basically be the same floor plan as the new hotel improvements. The third unit will be owned and transferred by Wind Creek to a wholly owned subsidiary which complies with the new business requirement necessary under CRIZ law.

Mr. Tipton indicated that Wind Creek wants to break ground in 2020. They will need to come before the Authority again for a transfer application due to the need of a new parcel. They have already received a temporary parcel ID from the County. As soon as the amendment to the condominium declaration is finalized they will return before the Authority.

Ms. McHale asked where the project is located. Mr. Carr, CEO of Wind Creek Bethlehem, LLC, provided her with that information.

Mr. Carr then came before the Authority to discuss the plans for the hotel. There has been a large demand for hotel rooms for quite some time. The hotel rooms will be revamped and there will be a much better arrival experience on the hotel side that is currently lacking. They plan to add a grand lobby that will go to the event center, the hotel and the mall. There will also be an area enclosed in glass with an outdoor feeling. The design is set up to allow the buildings to flow together as the project grows. He mentioned that there will have to be a future garage for additional planned development.

Mr. Tipton advised the Authority that they are projecting over one million dollars of CRIZ increment being produced by the project. In addition, the applicant offered in its qualification application a 20% split in increment with BRIA. He indicated that they have had preliminary conversations with a regional lender about underwriting a loan for the hotel for an amount that will enable Wind Creek to do the development shown at this meeting. They will be back with a firm commitment most likely when they come before the board for application phase. The loan will be matched by the equity the applicant is putting into the project. Mr. Tipton then asked for qualification of the project and to allow them to appear before the Authority again for a formal transfer application.

Mr. Kelly asked if any members of the Authority had questions. Ms. McHale asked what the timeframe is for groundbreaking. Mr. Carr stated that they are currently working with Zoning and that they are looking at the second quarter of this year.

Mr. Kelly asked how the project would differ if CRIZ was not used. Mr. Carr stated that it will not look the same. It would be just another tower, not connected to current tower. The CRIZ will allow the look to be seamless as the two hotel towers will be connected with a feeling of one hotel tower, it will have a full hotel lobby bar experience, and there will also be more meeting space and a 20,000 square foot ballroom.

Mr. Carr noted that last year they had to turn down \$7 million worth of business because the footprint was not large enough. Mr. Kelly none of the revenue is used they are sales tax and hotel tax that are associated solely with the tower. Mr. Carr indicated that this is correct.

Mr. Jobs asked how they came up with the CRIZ increment dollar amount. Mr. Carr took the established numbers with the current hotel and pared it down due to lower occupancy because of the increased number of rooms, assigning 80 new employees tied to the meeting space. Mr. Kelly requested a motion to qualify the Wind Creek project. A motion was made by Ms. McHale and seconded by Mr. Jobs. Being no further discussion, the motion was unanimously approved as presented.

8.0 Solicitor's Report
None

9.0 Executive Director's Report
None

10.0 Next Meeting Date
The next meeting has been canceled as there is no new business to discuss. The next meeting will be in March

11.0 Adjournment
There being no further business to come before the Board, a motion was made by Ms. McHale and seconded by Mr. Jobs to adjourn the meeting. The motion was unanimously approved at 4:02 PM.

Signed by: Ann McHale
Print Name: Ann McHale
Print Title: Asst. Secretary &
Vice Chairperson