

Joseph Hoffmeier – Chairman  
Dino Cantelmi – Vice Chairman  
Lynn Cunningham – Treasurer  
Eugene Gonzalez – Member  
Billy Kounoupis – Member  
Bryan Callahan – City Council Liaison  
Kevin Livingston – Executive Director

Jim Broughal – BPA Solicitor

## BETHLEHEM PARKING AUTHORITY BOARD OF DIRECTORS MINUTES

A regular meeting of the Bethlehem Parking Authority Board was held on August 28, 2019 at 6:00 p.m. at the offices of the Bethlehem Parking Authority, 85 W. North Street, Bethlehem, PA 18018.

The following were in attendance:

Joseph Hoffmeier – Chairman  
Dino Cantelmi – Vice Chairman  
Billy Kounoupis – Member  
Lynn Cunningham – Treasurer  
Eugene Gonzalez - Member  
Jim Broughal - Solicitor  
Kevin Livingston – Executive Director  
Eliana Cruz – Finance Manager  
Bryan Callahan – City Council Liaison  
Eric Evans – City of Bethlehem Business Administrator

Also, in attendance:

Steve Fernstrom – Operation Manager  
Jeremy Alleshouse – Operation Manager  
Luz Vega – RPP/HP Coordinator  
Eric Evans – City of Bethlehem Business Administrator  
Members from the press and the public

Mr. Hoffmeier, the Chairman of the Board called the August 28, 2019 meeting of the Bethlehem Parking Authority to order.

## **MINUTES**

Mr. Hoffmeier asked the Board for a motion to approve the Minutes for the July 24, 2019 meeting. Ms. Lynn Cunningham made a motion to approve the Minutes for July 24, 2019 and Mr. Eugene Gonzalez seconds the motion. Motion passed unanimously.

## **COURTESY OF THE FLOOR**

Mr. Anthony Scarcia from 74 W. Broad Street, Bethlehem and Principal of Nova Development and President of Allied Building Corporation wanted to introduce himself to the Board and thanked the Bethlehem Parking Authority for being able to participate in the process of the Polk Street Garage. As a supplement to the proposal that was submitted, he would like to increase the excess parking spaces to a minimum of 125 spaces to be paid for by the development.

Mr. Ed Gallagher, 49 W. Greenwich Street, Bethlehem thanked Mr. Kevin Livingston for announcing the meeting on the website but asked if the agenda could also be published. He would like to see the design of the Polk Street Garage and how it fits and how does it relate to that spot.

Mr. Wilfredo Garcia, 1102 Dover Lane was appealing the decision of his denial for a residential handicap sign. He said there's only two handicap spaces on Essex Court and they were always taken. Mr. Hoffmeier told Mr. Garcia that a decision will be made and that he will be notified with the Board's decision.

Ms. Marilyn Legaspi, 608 Ontario Street asked for an exception for her mother to have a handicap space near her home. The vehicle is registered to Ms. Legaspi's son but was denied a handicap plate by the state. Mr. Hoffmeier said we cannot make a determination at this moment, but we will contact you with the decision.

## **DIRECTOR'S REPORT**

Mr. Kevin Livingston went through the process to petition council for a fine increase and they asked for more information and said we are at the point where we have the information. Next week I will repetition City Council to increase the fines and provide them with two variable rate parking memos from Desman and Kimley Horn.

## **SOLICITOR'S REPORT**

NONE

## **FINANCIAL REPORT**

Ms. Eliana Cruz reported for July 2019, the total current assets were \$4,883,750. The total long-term assets were \$34, 812.152 for total assets of \$39,695,902. The total current liabilities were \$734,167.

The total long-term liabilities were \$23,754,757. The short-term loan was \$2,543,625. The total equity was \$12,663,353. The total liabilities and equity were \$39,695,902.

The total revenue for the month of July 2019 was \$760,350. The total expenses before transfer were \$467,034 for a revenue of \$293,316.

Looking at the cash flow, there was a beginning balance of \$4,581,982. The ending balance was \$5,150,588.

Mr. Hoffmeier asked for a motion to approve the financials for July 2019. Mr. Eugene Gonzalez made a motion to approve the financials and Mr. Dino Cantelmi seconds the motion. Motion passed unanimously.

### **OLD BUSINESS**

NONE

### **NEW BUSINESS**

The Bethlehem Parking Authority resolution authorizing the issuance of the parking system revenue bonds, series of 2019

#### **Polk Street Garage**

Mr. Scott Shearer reported that a private bank loan with UNIVEST would be the most beneficial for the Bethlehem Parking Authority. This evening we have the resolution to accept the proposal from UNIVEST. The principal is not to exceed \$25,000,000. The estimated cost of the project is \$16,800,000. The private bank loan would be a secured senior loan basis with no guaranty from the City of Bethlehem. It has a long-term maturity of thirty year. The interest rate on the tax exempt is 3.88% for about ten years and some portion will have a taxable rate of 4.85%. Mr. Jim Broughal asked Mr. Scott Shearer to explain to the Board why a non-taxable rate and a taxable rate. Mr. Scott Shearer explained that in parking transactions, there's typically a component that is taxable. It has to do with the way the leases are structured with the parking authority and the uses of the garage.

Mr. Kevin Reid stated that based upon tax laws, the nature of the end user dictates whether it is tax exempt or a taxable bond.

Mr. Hoffmeier asked if it was common doing a private loan vs guaranteed loan? Mr. Scott Shearer said yes, these were very good provisions that were received. Mr. Hoffmeier also asked if we were in good shape based on our financials? Mr. Scott Shearer answered yes. Mr. Hoffmeier asked if it was better doing a private loan and Mr. Scott Shearer answered yes. Mr. Hoffmeier asked Mr. Joshua Dodd, Senior VP of UNIVEST Bank if his bank was willing to take on the risk of \$16,000,000 to \$25,000,000 non-guaranteed loan? Mr. Joshua Dodd answered yes. We had a commitment that was delivered in response to the RFP in that amount that was approved by the officers own committee. Mr. Kevin Livingston said that if the project were to come in greater than \$16,800,000, it would get brought back to the Board before the resolution be signed.

Tonight, would be the consideration for the adoption of the resolution. In September, finalize due diligence and executing lease agreements and looking to close the transaction sometime in October.

Mr. Kevin Reid went over the first part of the resolution. The first part is to go over the Parking Authority's indenture status. It would also authorize the Executive Director as well as other board officials to be on the committee in finalizing the actual project in October.

In the extent the Bethlehem Parking Authority utilizes any of its general funds to start the project, this allows for a reimbursement from the bond proceeds. For the reimbursement, there needs to be an official recognition in the resolution.

Mr. Hoffmeier asked for a motion to approve the Bethlehem Parking Authority Resolution authorizing the issuance of the Parking System Revenue Bonds, Series 2019. Mr. Eugene Gonzalez made a motion to approve and Ms. Lynn Cunningham seconds the motion. Motion passed unanimously.

Mr. Hoffmeier asked for motion to approve the resolution authorizing the Chairman to execute construction and consultant contracts for the Polk Street Garage after the recommendation of the Executive Director and the Solicitor. Ms. Lynn Cunningham made a motion and Mr. Billy Kounoupis seconds the motion. Motion passed unanimously.

Mr. Kevin Livingston asked for a motion to approve the agreement of sale of 61 W. Walnut Street in the amount of \$750,000. Mr. Dino Cantelmi made a motion to approve the agreement of sale and Mr. Billy Kounoupis seconds the motion. Motion passed unanimously.

#### **QNB Payoff Loan**

Mr. Kevin Livingston requested a motion for the payoff of the QNB \$600,000 loan for the 2018 capital repairs. The balance payoff balance is \$543,600. Ms. Lynn Cunningham made a motion to approve the payoff of the QNB loan of \$543,600 and Mr. Dino Cantelmi seconds the motion. Motion passed unanimously.

#### **QNB Bank loan for Capital Repairs and Property Acquisition**

Mr. Kevin Livingston is requesting a motion to approve a \$2,500,000 loan with QNB. The loan is for capital repairs and property acquisition. The loan is a subordinate lien with no City guarantee. The loan will have a ten-year final maturity with a fixed interest rate of 3.40%.

Mr. Hoffmeier asked for a motion to approve the resolution of borrowing of \$2, 550,000 from QNB for capital repairs and property acquisition. Mr. Billy Kounoupis made a motion and Mr. Dino Cantelmi seconds the motion. Motion passed unanimously.

**Award of Polk Street Retail RFP**

Mr. Tim Tracy, BPA Consultant from Desman mentioned that the Bethlehem Parking Authority issued an RFP for developer proposals on May 9, 2019. On June 7, 2019 two proposals were received. One from Nova Development and the other from Peron Development. Both projects are similar with ground floor retail and residential above. The Nova proposal was for a five story, 39,000 sq. ft. mixed use project. Proposed purchase price is \$565,125.

The Peron Development proposal was for a five-story building, ground floor retail and residential above. Their square footage was slightly over 50,000. Proposed purchase price is \$760,000 with a 20% returned CRIZ revenue to the Bethlehem Parking Authority if the project can be certified as a CRIZ project.

Ms. Lynn Cunningham made a motion to move that the Bethlehem Parking Authority select RFP proposal from Peron Development for the Polk Street Retail Unit 1, subject to the execution of an Agreement of Sale and, if required a Development Agreement, which agreements are consistent with the RFP proposals submitted by Peron Development and which agreements are subject to the Executive Director’s and Solicitor’s approval. Mr. Billy Kounoupis seconds the motion to approve Peron Development. Motion passed unanimously.

**ADJOURNMENT**

Mr. Hoffmeier asked the Board for a motion to adjourn. Ms. Lynn Cunningham made a motion to adjourn the meeting and Mr. Billy Kounoupis seconds the motion. Motion passed unanimously.