

## 2022 FAIR Hearing - October 19, 2022

### 2022 REPORTS

(Covering 2021 reporting year)

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**Financial Accountability Incentive Reporting (F.A.I.R.)  
Documents**

**2022**

**2022**

**Incentive Inventories**

ARTICLE 349 FAIR PROGRAM  
**INVENTORY OF  
ECONOMIC DEVELOPMENT TAX INCENTIVES**

This FAIR Program document is submitted to the City Council Community and Economic Development Committee pursuant to Article 349, Section 349.05(B)(1). “*Economic Development Tax Incentive*” is defined in Section 349.02 (14).

**ECONOMIC DEVELOPMENT TAX INCENTIVES**

The following Economic Development Tax Incentives were in effect on January 1, 2021.

**A. Local Economic Revitalization Tax Assistance (LERTA)**

- *Authorizing Legislation:* Local Economic Revitalization Tax Assistance Act - See 72 P.S. §4722 et seq.; Article 342 of the Codified Ordinances of the City of Bethlehem
- *Administered by:* City of Bethlehem, PA
- *Term of incentive:* NS: October 1, 2017 through December 31<sup>st</sup>, 2023; SS: January 1, 2018 through December 31, 2022

**B. City Revitalization and Improvement Zone (CRIZ)**

- *Authorizing Legislation:* Act 52 of 2013 and amended by Act 84 of 2016.
- *Administered by:* Authorized and administered by Pennsylvania and managed locally by the Bethlehem Revitalization and Improvement Zone Authority (BRIA)
- *Term of incentive:* August 15, 2017 through August 14, 2047

**DOCUMENT NOTES**

Defined Term References. Capitalized terms not defined in this document have the meanings set forth in Article 349 of the Codified Ordinances of the City of Bethlehem, PA.



## ARTICLE 349 FAIR PROGRAM

### INVENTORY OF NON-TAX INCENTIVES

This FAIR Program document is submitted to the City Council Community and Economic Development Committee pursuant to Article 349, Section 349.05(B)(1)(a). “*Non- Tax Incentive*” is defined in Section 349.02 (24).

#### NON-TAX INCENTIVES

The following Non-Tax Incentives were each in effect as of January 1, 2021.

#### GRANTS/LOANS

##### **A. Enterprise Zone Loan Program**

- *Authorizing Legislation:* Neighborhood Assistance Program (NAP) under Article XIX-A of the Tax Reform Code of 1971, known as the Neighborhood Assistance Act (Act 48-1994) (72 P.S. §8901-A, et seq.), as amended.
- *Administered by:* City of Bethlehem Department of Community & Economic Development
- *Term of incentive:* Original award date: unknown. Ongoing loan program.

##### **B. CDBG Loan Programs**

- *Authorizing Legislation:* Annual Action Plan
- *Administered by:* City of Bethlehem, Department of Community & Economic Development; Rising Tide Community Loan Fund
- *Term of incentive:* Annual Program approved by City Council under the Annual Action Plan

##### **C. Business Infrastructure Development (BID Program) Loan Fund**

- *Authorizing Legislation:* Act of July 2, 1984 (P.L. 520, No. 105), as amended, known as the Business Infrastructure Development Act
- *Administered by:* City of Bethlehem Department of Community & Economic Development
- *Term of incentive:* Original award date: unknown. Ongoing loan program.

#### DOCUMENT NOTES

Defined Term References. Capitalized terms not defined in this document have the meanings set forth in Article 349 of the Codified Ordinances of the City of Bethlehem, PA.



**2022**

**Program Summaries**

ARTICLE 349 FAIR PROGRAM  
**PROGRAM SUMMARIES**

**Submitted Administration Document:** Program Summaries  
**FAIR Program Year:** 2022

Pursuant to Article 349 of the Codified Ordinances of the City of Bethlehem (“City”), Section 349.05 (B)(4), the City Administration hereby submits this Program Summaries document in order to summarize Certain aspects of the Economic Development Incentive programs and/or services listed below in effect as of January 1 of the Program Year. This document summarizes selected aspects of the following Economic Development Incentive programs and services. *NOTE:* “Article” means a reference to the applicable article contained in the Codified ordinances of the City of Bethlehem, PA.

**ECONOMIC DEVELOPMENT TAX INCENTIVES** (programs that reduce/redirect City tax revenues)

- A. **Local Economic Revitalization Tax Assistance (LERTA)**
- B. **City Revitalization and Improvement Zone (CRIZ)**

**NON-TAX INCENTIVES** (programs that do not reduce or redirect City tax revenues)

**GRANTS/LOANS**

- A. **Enterprise Zone Loan Fund**
- B. **CDBG Loan Programs**
- C. **Business Infrastructure Development Loan Fund**

ARTICLE 349 FAIR PROGRAM  
**PROGRAM SUMMARIES**

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ARTICLE 349 FAIR PROGRAM  
**PROGRAM SUMMARIES**

**Program Name:**

**Local Economic Revitalization Tax Assistance (LERTA)**

**Authorizing law(s):**

Local Economic Revitalization Tax Assistance Act - See 72 P.S. §4722 et seq.; Article 342 of the Codified Ordinances of the City of Bethlehem

**Governance; Staffing:**

Managed by City of Bethlehem, Department of Community and Economic Development and the Tax Office.

**Purpose; Summary:**

LERTA, is a tax abatement program that was created in 1977 to incentivize property investment and redevelopment of difficult and undesirable properties. LERTA creates a tax abatement on the increase on the real estate tax payments on new construction and property rehabilitation. Recipient owners are incentivized to improve their real property within the zone, thereby increasing assessed valuation and future City tax base, because the owner will not have to pay full property taxes on the improvements for the duration of the specific LERTA zone. Program status reports are delivered to City Council by the City Administration every five years.

**Costs to City of Bethlehem:**

Costs to the city are hard to quantify because it is impossible to know if these projects would occur at these locations, or if they are completed faster or as a larger project because of the LERTA.

**Eligible Recipients:**

Owners of commercial, industrial, residential and business properties located within designated zones in the City are eligible for this incentive.

**Duration of Incentive:**

Each LERTA benefit is for 10 years. The Ordinance is authorized for every 5 years.

**Reporting; Monitoring; Recipient Compliance:**

The City solicits reporting from developers and companies receiving this incentive at least every five years. Companies applying for LERTA must obtain a building permit prior to application and must remain current on real estate taxes to receive the benefit.

**Other:**



ARTICLE 349 FAIR PROGRAM  
**PROGRAM SUMMARIES**

**Program Name****City Revitalization and Improvement Zone (CRIZ)****Authorizing law(s)**

Act 52 of 2013 (“CRIZ Act”)

**Governance; Staffing**

The CRIZ, authorized by the Commonwealth of Pennsylvania (PA) and managed locally by the Bethlehem Revitalization and Improvement Zone Authority (BRIA), an independent authority with members appointed by the Mayor. City agencies involved in program management include the Department of Community and Economic Development and the Business Administration.

**Purpose; Summary**

The CRIZ program was established by the state to spur new growth in cities that have struggled to attract development, helping to revive downtowns and create jobs for the residents in the regions. These developments will help to create jobs, increase personal income, grow local and state tax revenues, and improve the overall quality of living for residents. A CRIZ is an area (zone) of up to 130 acres, comprised of parcels designated for economic development. The parcels included in the CRIZ [may] include vacant, desolate, underutilized, and abandoned properties that are ready for redevelopment. In order to stimulate economic development within the zone, certain state and local taxes (qualified tax revenue) collected within the zone that exceed a pre-CRIZ tax baseline may be used to repay debt service on bonds or loans issued [for the acquisition, improvement and development of qualified capital improvements within the zone.] Bonds may be issued by BRIA, which will then be paid off using qualified tax revenue created in the zone.

**Costs to City of Bethlehem**

The main costs to the City of this program are: (a) [forgone] City tax revenues and (b) City staff time for program administration. [General Fund] revenues from certain types of City taxes may be [reduced] through the CRIZ program, including the following taxes:

- (1) *Business Privilege Tax* (Article 341) calculated and apportioned to reflect taxes attributable to the location within the zone;
- (2) *Amusement Tax* (Article 304), to the extent the tax is related to the activity of a qualified business within the zone;
- (3) *Local services tax* (Article 339) withheld from employees of a qualified business or construction contractor for work performed in the zone; and

Different businesses activities generate different types of tax revenue, so the above tax expenditures may not be applicable to a given business depending upon its individual activities.

ARTICLE 349 FAIR PROGRAM  
**PROGRAM SUMMARIES**

**Eligible Recipients**

Under the CRIZ Act, a “Qualified Business” is eligible which means (a) any entity that conducts business, provides services and is located or partially located within the borders of the CRIZ and (b) any construction contractors engaged in construction, including infrastructure or site preparation, reconstruction or renovation of a facility located in or partially in the CRIZ. (Source: 2014 PA DCED CRIZ Guidelines).

**Duration of Incentive**

The benefits last for the term of the financing or the remainder of the CRIZ designation, whatever is shorter.

**Reporting; Monitoring; Recipient Compliance**

All qualified businesses, including construction contractors, within a CRIZ must complete annual state and local tax reports by June 15 each year so the Department of Revenue and local tax authority may certify the amount of taxes to be transferred to the CRIZ Fund. The state tax report is available through the June 15 filing deadline by using the online portal. Qualified businesses that fail to timely submit complete CRIZ tax reports will be subject to a non-filing penalty of the lesser of 10 percent of taxes attributed to the CRIZ or \$1,000 for each late or non-filed report during the previous calendar year. Taxes paid by a contractor or qualified business that failed to timely submit a complete CRIZ tax report will not be included in the amount transferred to the CRIZ Fund.

**Other**



ARTICLE 349 FAIR PROGRAM  
**PROGRAM SUMMARIES**

**Program Name:**

**Enterprise Zone Loan Program**

**Authorizing law(s):**

Neighborhood Assistance Program (NAP) under Article XIX-A of the Tax Reform Code of 1971, known as the Neighborhood Assistance Act (Act 48-1994) (72 P.S. §8901-A, et seq.), as amended.

**Governance; Staffing:**

Managed by City of Bethlehem, Department of Community and Economic Development.

**Purpose; Summary:**

Private companies and non-profits can make qualified investments to rehabilitate, expand and improve buildings or land that promote economic development activities.

**Costs to City of Bethlehem:**

There is no direct cost to the city outside of funds administration.

**Eligible Recipients:**

Owners of commercial, industrial, residential and business properties located within designated zones in the City are eligible for this incentive.

**Duration of Incentive:**

Rates and term of the loan are flexible.

**Reporting; Monitoring; Recipient Compliance:**

One full-time job must be created or retained for each \$35,000 increment of the EZ loan. Companies must create jobs within three years. If the jobs are not created within a reasonable period of time, sanctions, such as an increase in the loan interest rate or an accelerated loan payment schedule up to and including immediate repayment at a higher interest rate may be enacted against the recipient. The City reports bi-annually to the Commonwealth on the use of the funds.

**Other:**

ARTICLE 349 FAIR PROGRAM  
**PROGRAM SUMMARIES**

**Program Name:**

**CDBG Loan Programs**

**Authorizing law(s):**

Annual Action Plan Required by HUD.

**Governance; Staffing:**

Administered by City of Bethlehem, Department of Community and Economic Development and the Rising Tide Community Loan Fund.

**Purpose; Summary:**

Bethlehem Small Business Loan Fund (BSBLF), Exterior Building Loan Fund (EBLF), and the CARES Small Business Assistance Grant Program

**Costs to City of Bethlehem:**

There is no direct cost to the city outside of funds administration.

**Eligible Recipients:**

Small business owners with businesses located within the City of Bethlehem.

**Duration of Incentive:**

BSBLF and EBLF - N/A, ongoing  
CARES Small Business Assistance Grant Program – N/A, closed

**Reporting; Monitoring; Recipient Compliance:**

Quarterly reporting is due to HUD on the Bethlehem Small Business Loan Fund. Yearly reporting is due to HUD on the Exterior Building Loan Fund. Both projects are captured in the Consolidated Annual Performance and Evaluation Report required by HUD. City staff monitors both programs for the duration of the job creation requirements (up to 1 year after project completion) through the collection of reports and through site visits to loan recipients and administrators. If recipients fail to create or retain the required amount of jobs, funds must be repaid to the City.

Applicants to the CARES Small Business Assistance Grant Program were required to be current on all City taxes.

**Other:**

ARTICLE 349 FAIR PROGRAM  
**PROGRAM SUMMARIES**

**Program Name:**

**Business Infrastructure Development (BID Program) Loan Fund**

**Authorizing law(s):**

Act of July 2, 1984 (P.L. 520, No. 105), as amended, known as the Business Infrastructure Development Act

**Governance; Staffing:**

Administered by City of Bethlehem, Department of Community and Economic Development.

**Purpose; Summary:**

To provide loans to private companies or developers for the construction, rehabilitation or repair of infrastructure improvements on privately owned property, which improvements are necessary to complement industrial investment by private companies which increases Pennsylvania's share of domestic and international commerce and creates net new jobs

**Costs to City of Bethlehem:**

There is no direct cost to the city outside of funds administration.

**Eligible Recipients:**

Private companies or developers for projects on privately-owned properties

**Duration of Incentive:**

Rates and term of the loans are flexible

**Reporting; Monitoring; Recipient Compliance:**

Although job creation is a requirement of this program, actual jobs required of any given applicant are evaluated and approved on a case by case basis. Companies must create jobs within three years. If the jobs are not created within this time, sanctions, such as an increase in the loan interest rate or an accelerated loan payment schedule, up to and including immediate repayment at a higher interest rate, may be enacted against the recipient. Prior to any loan approvals, the City must obtain written permission from the PA DCED for the use of funds.

**Other:**



**2022**

**Evaluation Reports**

Article 349 - Economic Development Incentive Reporting and Evaluation  
Financial Accountability Incentive Reporting (FAIR)

**EVALUATION REPORT**

*FAIR Program Year:* 2022 (“Program Year”)

*Report Submission Requirement.* Pursuant to Article 349 of the Codified Ordinances of the City of Bethlehem, PA (“City”), titled Economic Development Incentive Reporting and Evaluation, Section 349.05 (B)(3)(d), the City Administration is required to submit this Evaluation Report covering the Economic Development Incentive described below. For purposes of this report, the subject Economic Development Incentive shall be referred to sometimes as the “incentive.”

**EVALUATION REPORT CONTENT**

SECTION 1

DESCRIPTIVE INFORMATION

- (a) Name and description of the Economic Development Incentive  
**Local Economic Revitalization Tax Assistance (LERTA)**
- (b) Statutory reference(s) to any authorizing legislation  
**Local Economic Revitalization Tax Assistance Act - See 72 P.S. §4722 et seq.; Article 342 of the Codified Ordinances of the City of Bethlehem**
- (c) Enactment date, term of the incentive, and any sunset or other critical dates;  
**NS: October 1, 2017 – December 31, 2023**  
**SS: January 1, 2018 - December 31, 2022**
- (d) Legislative purpose of the Economic Development Incentive, if stated;  
**LERTA is a tax abatement program that was created in 1977 to incentivize property investment and redevelopment of difficult and undesirable properties. LERTA creates a tax abatement on the increase on the real estate tax payments on new construction and property rehabilitation. Recipient owners are incentivized to improve their real property within the zone, thereby increasing assessed valuation and future City tax base, because the owner will not have to pay full property taxes on the improvements for the duration of the specific LERTA zone. Program status reports are delivered to City Council by the City Administration every five years.**
- (e) Eligibility requirements; and  
**Owners of commercial, industrial, residential and business properties located within designated zones in the City are eligible for this incentive.**

Article 349 - Economic Development Incentive Reporting and Evaluation  
Financial Accountability Incentive Reporting (FAIR)

**EVALUATION REPORT**

- (f) Reference(s) to relevant policy or other City documents, if any.  
**Article 342 of the Codified Ordinances of the City of Bethlehem**  
**Ordinance No. 2017-13**  
**Ordinance No. 2017-23**  
**Resolution No. 2017-103**  
**Resolution No. 2017-136**

SECTION 2

TAX EXPENDITURE DATA

Where the incentive is included in the current-year Inventory of Economic Development Tax Incentives, defined in section 349.05 (B)(1)(a), include the following information:

- (a) Number of taxpayers who received the incentive, itemized by taxpayer type, using North American Industry Classification System (NAICS) codes or similar codes, if available  
**28**
- (b) Total dollar value of such incentive received by taxpayers, including amounts eligible to be carried forward into future tax years, if any.  
**\$1,910,070**

SECTION 3

ECONOMIC AND COMMUNITY IMPACT

For the last reporting period and including reasonable projections, where possible, include the following to the extent applicable:

- (a) "Return on investment calculation" analyzing the costs of providing the incentive and the benefits realized by the City  
**Value of incentive is demonstrated below.**
- (b) Total value of investment resulting from the incentive  
**Over \$800,528,662 of total project investment.**
- (c) Number of projects planned, started, and completed  
**28 active applications**



Article 349 - Economic Development Incentive Reporting and Evaluation  
Financial Accountability Incentive Reporting (FAIR)

**EVALUATION REPORT**

- (d) Changes in property value assessments directly or indirectly related to the incentive
- |  |  |
|--|--|
| <b>Post-LERTA Project Assessments</b>      | <b>\$184,893,750</b>   |
| <b>Pre-LERTA Project Assessments</b>       | <b>\$12,865,450</b>  |
| <b>Increased LERTA Project Assessments</b> | <b><u>\$172,028,300</u> increased assessment for active projects</b> |
- (e) Number of jobs and other direct economic benefits resulting directly from the incentive
- 6,508 current employees (6,389 FT).**
- (f) Estimate/discussion of the indirect economic or other benefits or activity stimulated by the incentive, including without limitation, changes to social and real estate indicators
- See attached Impact Statements**
- (g) Discussion of quantifiable and non-quantifiable community impact effects the Evaluator believes relevant.
- See attached Impact Statements**

SECTION 4

RECOMMENDATIONS AND OTHER INFORMATION

- (a) Recommendations for improving future evaluations and Administration Documents:
- None**
- (b) Where data constraints significantly limited the Evaluator's ability to provide required information and/or measure incentive performance, include recommendations for changing City law and/or practices that could mitigate such constraints in future years
- None**
- (c) Recommendations for potential legislative action, including continuing, amending, terminating, or otherwise modifying the incentive
- Will evaluate program and revisit during next opportunity to renew.**
- (d) An assessment of whether adequate protections are in place to ensure the fiscal impact of the incentive does not increase substantially beyond the City's expectations in future years
- SS: The City continues to collect 100% of base property taxes owed prior to a change in assessment due to new construction, renovation, etc. City then collects 100% of base property tax and 50% of new property tax increment over a 10-year period, then 100% of all property taxes thereafter.**
- NS: The City continues to collect 100% of base property taxes owed prior to a change in assessment, then City collects 100% of base property tax and 90% of new property tax increment over 10 years.**

DOCUMENT NOTES

1. Defined Term References. Capitalized terms not defined in this document have the meanings set forth in Article 349 of the Codified Ordinances of the City of Bethlehem.



Article 349 - Economic Development Incentive Reporting and Evaluation  
Financial Accountability Incentive Reporting (FAIR)

**EVALUATION REPORT**

*FAIR Program Year: 2022* (“Program Year”)

*Report Submission Requirement.* Pursuant to Article 349 of the Codified Ordinances of the City of Bethlehem, PA (“City”), titled Economic Development Incentive Reporting and Evaluation, Section 349.05 (B)(3)(d), the City Administration is required to submit this Evaluation Report covering the Economic Development Incentive described below. For purposes of this report, the subject Economic Development Incentive shall be referred to sometimes as the “incentive.”

**EVALUATION REPORT CONTENT**

SECTION 1

DESCRIPTIVE INFORMATION

- (a) Name and description of the Economic Development Incentive  
**City Revitalization and Improvement Zone (CRIZ)**
- (b) Statutory reference(s) to any authorizing legislation  
**Title 72 P.S. ST Ch 5, Art XVIII-C**
- (c) Enactment date, term of the incentive, and any sunset or other critical dates;  
**Bethlehem approved December 2013; 30 year incentive from the date of first financing**
- (d) Legislative purpose of the Economic Development Incentive, if stated;  
**The focus of the program is to provide opportunity to spur new growth, helping to revive downtowns and create jobs for the residents in the regions. Vacant, desolate, underutilized or abandoned space will be developed, thereby creating jobs, increasing personal incomes, growing state and local tax revenues, reviving local economies and improving the lives of city residents and visitors.**
- (e) Eligibility requirements; and  
**Under the CRIZ Act, a “Qualified Business” is eligible which means (a) any entity that conducts business, provides services and is located or partially located within the borders of the CRIZ and (b) any construction contractors engaged in construction, including infrastructure or site preparation, reconstruction or renovation of a facility located in or partially in the CRIZ. (Source: 2014 PA DCED CRIZ Guidelines).**
- (f) Reference(s) to relevant policy or other City documents, if any.

Article 349 - Economic Development Incentive Reporting and Evaluation  
Financial Accountability Incentive Reporting (FAIR)

**EVALUATION REPORT**

SECTION 2

TAX EXPENDITURE DATA

Where the incentive is included in the current-year Inventory of Economic Development Tax Incentives, defined in section 349.05 (B)(1)(a), include the following information:

- (a) Number of taxpayers who received the incentive, itemized by taxpayer type, using North American Industry Classification System (NAICS) codes or similar codes, if available

**4**

- (b) Total dollar value of such incentive received by taxpayers, including amounts eligible to be carried forward into future tax years, if any.

**\$488,657 (through 2020 only)**

SECTION 3

ECONOMIC AND COMMUNITY IMPACT

For the last reporting period and including reasonable projections, where possible, include the following to the extent applicable:

- (a) "Return on investment calculation" analyzing the costs of providing the incentive and the benefits realized by the City

**The return on investment is described below.**

- (b) Total value of investment resulting from the incentive

**In 2021, the total project costs exceed \$52.75 million. CRIZ debt associated with these projects is approximately \$11.3 million.**

- (c) Number of projects planned, started, and completed

**Four projects, all located in South Bethlehem, have commenced or have been completed since the inception of the program in 2013. Two of these projects resulted in the construction of two new mixed use buildings of five and six stories respectively. These two new buildings house nearly 40,000 s.f. of first floor retail space, 82,000 s.f. of professional office space and a 20,000 s.f. top-floor restaurant. The third project featured the renovation of a prohibition era bank facility into a 6,300 s.f. craft distillery and restaurant. During 2020, construction of a boutique hotel and event center on the site of the former Masonic Temple and Wilbur Mansion commenced. Demolition of the Temple was completed and renovations to the original mansion inaugurated. A May 2022 opening is planned.**

**Two more major expansion projects involving the two largest hotel complexes in the City have also been approved by the CRIZ Authority.**

**Nine (9) for-profit and two (2) nonprofit businesses were operating in the CRIZ at the end of 2021.**

Article 349 - Economic Development Incentive Reporting and Evaluation  
Financial Accountability Incentive Reporting (FAIR)

**EVALUATION REPORT**

- (d) Changes in property value assessments directly or indirectly related to the incentive  
**Current value for CRIZ projects is \$8,530,880. Current assessment for the CRIZ projects is \$4,265,440. Assessments prior to CRIZ were \$332,150.**
- (e) Number of jobs and other direct economic benefits resulting directly from the incentive  
**432 employees (382 full time), not including temporary construction jobs.**
- (f) Estimate/discussion of the indirect economic or other benefits or activity stimulated by the incentive, including without limitation, changes to social and real estate indicators  
**See attached Impact Statements**
- (g) Discussion of quantifiable and non-quantifiable community impact effects the Evaluator believes relevant.  
**See attached Impact Statements**

SECTION 4

RECOMMENDATIONS AND OTHER INFORMATION

- (a) Recommendations for improving future evaluations and Administration Documents  
**None**
- (b) Where data constraints significantly limited the Evaluator's ability to provide required information and/or measure incentive performance, include recommendations for changing City law and/or practices that could mitigate such constraints in future years  
**None**
- (c) Recommendations for potential legislative action, including continuing, amending, terminating, or otherwise modifying the incentive  
**None**
- (d) An assessment of whether adequate protections are in place to ensure the fiscal impact of the incentive does not increase substantially beyond the City's expectations in future years  
**Because of the baseline calculation outlined in the CRIZ program, no revenue previously generated for the city is lost.**

DOCUMENT NOTES

Article 349 - Economic Development Incentive Reporting and Evaluation  
Financial Accountability Incentive Reporting (FAIR)

**EVALUATION REPORT**

1. Defined Term References. Capitalized terms not defined in this document have the meanings set forth in Article 349 of the Codified Ordinances of the City of Bethlehem.

Article 349 - Economic Development Incentive Reporting and Evaluation  
Financial Accountability Incentive Reporting (FAIR)

**EVALUATION REPORT**

**FAIR PROGRAM - EVALUATION REPORT**

*FAIR Program Year: 2022* (“Program Year”)

*Report Submission Requirement.* Pursuant to Article 349 of the Codified Ordinances of the City of Bethlehem, PA (“City”), titled Economic Development Incentive Reporting and Evaluation, Section 349.05 (B)(3)(d), the City Administration is required to submit this Evaluation Report covering the Economic Development Incentive described below. For purposes of this report, the subject Economic Development Incentive shall be referred to sometimes as the “incentive.”

**EVALUATION REPORT CONTENT**

SECTION 1

**DESCRIPTIVE INFORMATION**

- (a) Name and description of the Economic Development Incentive  
**Enterprise Zone Loan Program**
- (b) Statutory reference(s) to any authorizing legislation  
**Neighborhood Assistance Program (NAP) under Article XIX-A of the Tax Reform Code of 1971, known as the Neighborhood Assistance Act (Act 48-1994) (72 P.S. §8901-A, et seq.), as amended.**
- (c) Enactment date, term of the incentive, and any sunset or other critical dates;  
**Original designation of Bethlehem Enterprise Zone was 1985. Ongoing loan program. Rates and term of the loan are flexible.**
- (d) Legislative purpose of the Economic Development Incentive, if stated;  
**Private companies and non-profits can make qualified investments to rehabilitate, expand and improve buildings or land that promote economic development activities.**
- (e) Eligibility requirements; and  
**Eligible applicants include industrial, manufacturing and technology-oriented businesses that are located within the boundaries of the Enterprise Zone. The businesses must be expanding, updating technology, creating and or retaining existing jobs. Retail businesses are not eligible to apply for Enterprise Zone Loan Program.**
- (f) Reference(s) to relevant policy or other City documents, if any.

Article 349 - Economic Development Incentive Reporting and Evaluation  
Financial Accountability Incentive Reporting (FAIR)

**EVALUATION REPORT**

SECTION 2

TAX EXPENDITURE DATA

Where the incentive is included in the current-year Inventory of Economic Development Tax Incentives, defined in section 349.05 (B)(1)(a), include the following information:

- (a) Number of taxpayers who received the incentive, itemized by taxpayer type, using North American Industry Classification System (NAICS) codes or similar codes, if available

**0**

- (b) Total dollar value of such incentive received by taxpayers, including amounts eligible to be carried forward into future tax years, if any.

**N/A – No loans were approved in 2021.**

SECTION 3

ECONOMIC AND COMMUNITY IMPACT

For the last reporting period and including reasonable projections, where possible, include the following to the extent applicable:

- (a) “Return on investment calculation” analyzing the costs of providing the incentive and the benefits realized by the City

**N/A**

- (b) Total value of investment resulting from the incentive

**N/A**

- (c) Number of projects planned, started, and completed

**N/A**

- (d) Changes in property value assessments directly or indirectly related to the incentive

**N/A**

- (e) Number of jobs and other direct economic benefits resulting directly from the incentive

**N/A**

- (f) Estimate/discussion of the indirect economic or other benefits or activity stimulated by the incentive, including without limitation, changes to social and real estate indicators

**N/A**

Article 349 - Economic Development Incentive Reporting and Evaluation  
Financial Accountability Incentive Reporting (FAIR)

**EVALUATION REPORT**

- (g) Discussion of quantifiable and non-quantifiable community impact effects the Evaluator believes relevant.  
N/A

SECTION 4

RECOMMENDATIONS AND OTHER INFORMATION

- (a) Recommendations for improving future evaluations and Administration Documents:

**None**

- (b) Where data constraints significantly limited the Evaluator’s ability to provide required information and/or measure incentive performance, include recommendations for changing City law and/or practices that could mitigate such constraints in future years

**None**

- (c) Recommendations for potential legislative action, including continuing, amending, terminating, or otherwise modifying the incentive

**None**

- (d) An assessment of whether adequate protections are in place to ensure the fiscal impact of the incentive does not increase substantially beyond the City’s expectations in future years

**The Enterprise Zone Revolving Loan Fund is funded by “grant-to-loans” from the Commonwealth. The City loans out this money and the loan repayment goes back into the fund. The recycled loan funds are then made available to eligible applicants.**

DOCUMENT NOTES

1. Defined Term References. Capitalized terms not defined in this document have the meanings set forth in Article 349 of the Codified Ordinances of the City of Bethlehem.



Article 349 - Economic Development Incentive Reporting and Evaluation  
Financial Accountability Incentive Reporting (FAIR)

**EVALUATION REPORT**

*FAIR Program Year: 2022* (“Program Year”)

*Report Submission Requirement.* Pursuant to Article 349 of the Codified Ordinances of the City of Bethlehem, PA (“City”), titled Economic Development Incentive Reporting and Evaluation, Section 349.05 (B)(3)(d), the City Administration is required to submit this Evaluation Report covering the Economic Development Incentive described below. For purposes of this report, the subject Economic Development Incentive shall be referred to sometimes as the “incentive.”

**EVALUATION REPORT CONTENT**

SECTION 1

DESCRIPTIVE INFORMATION

- (a) Name and description of the Economic Development Incentive: **CDBG Loan Programs: Bethlehem Small Business Loan Fund (BSBLF), Exterior Building Loan Fund (EBLF), and the Small CARES Small Business Assistance Grant Program**
- (b) Statutory reference(s) to any authorizing legislation:  
**Annual Action Plan Required by HUD.**
- (c) Enactment date, term of the incentive, and any sunset or other critical dates;  
**BSBLF and EBLF - N/A**  
**CARES Small Business Assistance Grant Program - Closed**
- (d) Legislative purpose of the Economic Development Incentive, if stated;  
**N/A**
- (e) Eligibility requirements; and:  
**Small business owners located in the City of Bethlehem.**
- (f) Reference(s) to relevant policy or other City documents, if any:  
**RESOLUTION NO. 2020-215, ORDINANCE NO. 2020-33**



Article 349 - Economic Development Incentive Reporting and Evaluation  
Financial Accountability Incentive Reporting (FAIR)

**EVALUATION REPORT**

SECTION 2

TAX EXPENDITURE DATA

Where the incentive is included in the current-year Inventory of Economic Development Tax Incentives, defined in section 349.05 (B)(1)(a), include the following information:

- (a) Number of taxpayers who received the incentive, itemized by taxpayer type, using North American Industry Classification System (NAICS) codes or similar codes, if available:

**92**

- (b) Total dollar value of such incentive received by taxpayers, including amounts eligible to be carried forward into future tax years, if any.:

**\$430,770**

SECTION 3

ECONOMIC AND COMMUNITY IMPACT

For the last reporting period and including reasonable projections, where possible, include the following to the extent applicable:

- (a) "Return on investment calculation" analyzing the costs of providing the incentive and the benefits realized by the City:

**The Small Business Assistance Grant Program awarded 92 businesses \$430,770 to help pay for rent payments, employee payrolls, utility payments, inventory, insurances and parklet development.**

- (b) Total value of investment resulting from the incentive:

**This was an investment in the survival of our small business community during COVID shutdowns.**

- (c) Number of projects planned, started, and completed:

**92. Complete list of recipients is attached.**

- (d) Changes in property value assessments directly or indirectly related to the incentive:

**N/A**

- (e) Number of jobs and other direct economic benefits resulting directly from the incentive:

**Direct economic benefit includes helping to mitigate business losses following COVID, government shutdowns, loss of foot traffic.**

- (f) Estimate/discussion of the indirect economic or other benefits or activity stimulated by the incentive, including without limitation, changes to social and real estate indicators;

Article 349 - Economic Development Incentive Reporting and Evaluation  
Financial Accountability Incentive Reporting (FAIR)

**EVALUATION REPORT**

**Indirect returns to the City result from maintaining commerce, tourism and related spending. In the 2021 project, 92 businesses received funding to help retain jobs and offset the financial impacts of mandatory shutdowns due to the COVID pandemic. Keeping businesses open meant continued access to food and services in our downtowns and maintaining commercial occupancy that combats building deterioration and blight in the neighborhoods.**

- (g) Discussion of quantifiable and non-quantifiable community impact effects the Evaluator believes to be relevant.

**The COVID funding helped to maintain our community by providing, principally for persons of low and moderate income, economic opportunities, decent housing, and consequently, a suitable living environment. It also helped business to survive long enough to adapt and become more proficient in utilizing new methods of commerce that will serve the community in the future.**

SECTION 4

RECOMMENDATIONS AND OTHER INFORMATION

- (a) Recommendations for improving future evaluations and Administration Documents:

**None.**

- (b) Where data constraints significantly limited the Evaluator's ability to provide required information and/or measure incentive performance, include recommendations for changing City law and/or practices that could mitigate such constraints in future years:

**None.**

- (c) Recommendations for potential legislative action, including continuing, amending, terminating, or otherwise modifying the incentive;

**No local legislative action necessary to continue these programs as legislative oversight is provided via the federal government.**

- (d) An assessment of whether adequate protections are in place to ensure the fiscal impact of the incentive does not increase substantially beyond the City's expectations in future years:

**The fiscal impact of these programs is limited in relation to the available federal funds and program income. This program has been created, administered, and managed by the City. This program has since been closed out.**

DOCUMENT NOTES

1. Defined Term References. Capitalized terms not defined in this document have the meanings set forth in Article 349 of the Codified Ordinances of the City of Bethlehem.

Article 349 - Economic Development Incentive Reporting and Evaluation  
Financial Accountability Incentive Reporting (FAIR)

**EVALUATION REPORT**

*FAIR Program Year: 2022 ("Program Year")*

*Report Submission Requirement.* Pursuant to Article 349 of the Codified Ordinances of the City of Bethlehem, PA ("City"), titled Economic Development Incentive Reporting and Evaluation, Section 349.05 (B)(3)(d), the City Administration is required to submit this Evaluation Report covering the Economic Development Incentive described below. For purposes of this report, the subject Economic Development Incentive shall be referred to sometimes as the "incentive."

**EVALUATION REPORT CONTENT**

SECTION 1

DESCRIPTIVE INFORMATION

- (a) Name and description of the Economic Development Incentive  
**Business Infrastructure Development (BID) Loan Fund**
- (b) Statutory reference(s) to any authorizing legislation  
**Act of July 2, 1984 (P.L. 520, No. 105), as amended, known as the Business Infrastructure Development Act.**
- (c) Enactment date, term of the incentive, and any sunset or other critical dates;  
**City received BID funding in 1992. Ongoing loan program. Rates and term of the loan are flexible.**
- (d) Legislative purpose of the Economic Development Incentive, if stated;  
**To provide loans to private companies or developers for the construction, rehabilitation or repair of infrastructure improvements on privately owned property, which improvements are necessary to complement industrial investment by private companies which increases Pennsylvania's share of domestic and international commerce and creates net new jobs.**
- (e) Eligibility requirements; and  
**Private companies or developers for projects on privately-owned properties**
- (f) Reference(s) to relevant policy or other City documents, if any.

Article 349 - Economic Development Incentive Reporting and Evaluation  
Financial Accountability Incentive Reporting (FAIR)

**EVALUATION REPORT**

SECTION 2

TAX EXPENDITURE DATA

Where the incentive is included in the current-year Inventory of Economic Development Tax Incentives, defined in section 349.05 (B)(1)(a), include the following information:

- (a) Number of taxpayers who received the incentive, itemized by taxpayer type, using North American Industry Classification System (NAICS) codes or similar codes, if available

**0**

- (b) Total dollar value of such incentive received by taxpayers, including amounts eligible to be carried forward into future tax years, if any.

**N/A – No loans were approved in 2021.**

SECTION 3

ECONOMIC AND COMMUNITY IMPACT

For the last reporting period and including reasonable projections, where possible, include the following to the extent applicable:

- (a) “Return on investment calculation” analyzing the costs of providing the incentive and the benefits realized by the City

**N/A**

- (b) Total value of investment resulting from the incentive

**N/A**

- (c) Number of projects planned, started, and completed

**N/A**

- (d) Changes in property value assessments directly or indirectly related to the incentive

**N/A**

- (e) Number of jobs and other direct economic benefits resulting directly from the incentive

**N/A**

- (f) Estimate/discussion of the indirect economic or other benefits or activity stimulated by the incentive, including without limitation, changes to social and real estate indicators

**N/A**

Article 349 - Economic Development Incentive Reporting and Evaluation  
Financial Accountability Incentive Reporting (FAIR)

**EVALUATION REPORT**

- (g) Discussion of quantifiable and non-quantifiable community impact effects the Evaluator believes relevant.  
N/A

SECTION 4

RECOMMENDATIONS AND OTHER INFORMATION

- (a) Recommendations for improving future evaluations and Administration Documents:

**None**

- (b) Where data constraints significantly limited the Evaluator’s ability to provide required information and/or measure incentive performance, include recommendations for changing City law and/or practices that could mitigate such constraints in future years

**None**

- (c) Recommendations for potential legislative action, including continuing, amending, terminating, or otherwise modifying the incentive

**None**

- (d) An assessment of whether adequate protections are in place to ensure the fiscal impact of the incentive does not increase substantially beyond the City’s expectations in future years

**The BID Revolving Loan Fund is funded by “grant-to-loans” from the Commonwealth. The City loans out this money and the loan repayment goes back into the fund. The recycled loan funds are then made available to eligible applicants.**

DOCUMENT NOTES

1. Defined Term References. Capitalized terms not defined in this document have the meanings set forth in Article 349 of the Codified Ordinances of the City of Bethlehem.



2022

## **Impact Statements**

Narratives related to specific  
Economic Development Incentive programs

## 2022 Economic Development Incentive

### Impact Statements

*How critical have the programs below been to the success of your project? Select one of the following:*

*Please elaborate on the impact that each program listed below has had on your ability to successfully complete your project and describe the impact it will have on the City:*

#### LERTA

24 found programs Very Critical

4 found programs Somewhat Critical

"The LERTA tax abatement was a powerful incentive for [REDACTED] (tenant) to locate their expanded operations at [REDACTED]. Having a gradual increase in the property taxes helped offset start up costs for the facility, which they moved into in Q2 2020. In fact, had the building not had the LERTA tax incentive, the tenant would've most likely located their operations in New Jersey. [REDACTED] is supplier of PPE so this facility still is a vital operation during the pandemic."

"Restoration and adaptive reuse projects such as this require various elements that go beyond what is financially viable in the marketplace. Financial assistance is needed to do these types of projects right and allow them to set an example for the neighborhood and greater community. By abating the incremental real estate taxes associated with the adaptive reuse of this property, the economic associated with the LERTA Program aid in bridging the financial gap to allow projects such as [REDACTED] to be constructed. Being able to utilize the LERTA Program was a key economic factor in this project."

"My only response would be that we provide life sustaining dialysis treatments to the people of this community."

"The LERTA, made a big difference when looking at this location. Knowing expenses would be high, taxes, utilities, and "cost of ownership" was a great unknown. LERTA, took the edge off and made this location in Bethlehem, a winner. As for the impact on the city, we are filling a need in this area, we are a manufacturer of machinery and we export all over the world. Our employees and skilled, our pay rate is very good, and we will continue to grow thanks to this move and the assistance the city of Bethlehem."

"[REDACTED] relocated to Bethlehem from New Jersey in 2015 due to (1) the availability of a full service industrial site in LVIP VII, (2) immediate access to I-78, and (3) tax advantages from the City (LERTA)."

"The LERTA program savings have allowed [REDACTED] to more easily and quickly fund capacity expansion of our business in PA. The funds have been used primarily to purchase additional equipment, trucks and fund ongoing operational improvement projects."

"[REDACTED] selected LVIP VII and Bethlehem in over other east coast sites due primarily to local incentives. They could have chosen sites in MD, DE, NJ and other PA regions."



"The LERTA was an incentive for the developer to build on former steel land. The reduced taxes over a 10-year period was an appeal to prospective tenants, allowing for the quick execution of the lease on this warehouse."

"The LERTA savings allowed the company to invest in additional equipment for the operation."

"The LERTA and Enterprise Zone incentives were essential to ensuring the financial feasibility of the [REDACTED] revitalization project. This historic fixture of South Side Bethlehem now houses administrative offices, a bank, local radio station, mobile phone store, consulting firm, and cooperative incubator space. It is a vibrant and growing business center as well as providing key services to the surrounding residents and emphasizing the historic character of the South Side. In particular, the Enterprise Zone helped fund the restoration the historic exterior of the building, while the LERTA tax credit continues to enable [REDACTED] to make space available to a variety of tenants, such as the startup incubator, based on other merits beyond simply price."

"Building in a zone that offered economic incentives was a must for determining the new manufacturing location. The LERTA program was one of the incentives the owners pursued. In addition, the owners also submitted 2 applications for the Enterprise Zone Tax Credit. Although unsuccessful, it was an incentive to build in the LVIP. Lastly, the owners also have a 3 year option to purchase the adjacent 12 acre site for future expansion and would continue to look forward to the available incentives from these programs."

#### Community Benefits:

Additional Jobs: This project created 19 new full-time, family-sustaining jobs in the City of Bethlehem within one year. Within three to five years, we anticipate to create 80 total jobs. Positions include machine operators, technician and management staff. We expect ~85-90% of these new hires will come from the local community. This number may be even higher depending on the applicants we receive for management roles, but the hourly work force will be local and will account for a majority of the hiring. The average hourly pay for these positions is \$12.50 and may be as high as \$18-\$19 per hour for skilled laborers. Employees receive full benefits, 401k options, as well as vacation and sick time. These positions are open to youths, low-income individuals, and unskilled laborers. All positions have training programs that individuals complete upon being hired. Additionally, the company has ongoing training and development program opportunities to encourage employees' continued growth. A breakdown of the new positions filled is as follows:

- (1) Salaried Technical Manager ~\$120K
- (1) Salaried Asst. Plant Manager ~\$110K
- (1) Hourly Administrative Assistant/ Front desk Desk ~\$15/hr
- (1) Hourly Shipping ~ \$13-\$15/hr
- (2) Hourly Senior Extrusion Operator \$18-\$19/hr
- (4) Hourly Extrusion Operators \$12-\$14/hr
- (10) Hourly Thermoform Packers \$10/hr

Increased Property Values: Our new facility was constructed to feature the highest-quality and industry-standard upgrades. These investments will increase the value of the property, which in turn will assist with the future sales of other commercial and industrial buildings within the community.

Increased spending to local businesses: We anticipate that all full-time employees and associated staff will routinely buy lunch each work day from local businesses in the community. Outside of work, our employees shop at the nearby Outlets at Sands Bethlehem, and have the option to enjoy gaming tables at the Sands Bethlehem Casino.

Additionally, we buy our manufacturing supplies from local vendors, and we use local consulting services and training programs to further our company's development. Bethlehem vendors we buy from include Kistler O'Brien, Cantelmi's Hardware, Valley Industrial Rubber, and Keystone Business Products. Local construction firm JVI, LLC headed our construction project. Other local companies were utilized at every possible level of the project, from site prep, to the local rigging and installation companies that were used for equipment installation, and beyond.

This project fully complements the goals and objectives of Bethlehem's Comprehensive Plan 2008 because we will be "cooperating closely with Lehigh Valley Industrial Park (LVIP) and other entities to facilitate phased redevelopment of the former Bethlehem Steel industrial lands in the southeastern part of the City (LVIP VII)." Furthermore, this project upholds the Plan's focus to "strengthen economic development programs geared towards retraining, attracting and expanding businesses" and to "strengthen the...South Side central business districts' branding and identity."

"Land development projects at the [REDACTED] compete for tenants against major developments in Northampton and Lehigh Counties, as well as sites in numerous business parks throughout the I-78, I-81 and I-83 corridors. Most of these competitors have lower local tax rates than the [REDACTED] and many have tax abatements or incentives like LERTA and KOEZ. The City of Bethlehem's LERTA allows the [REDACTED] to compete with the other regional developments. LERTA has been a key component to the site selection decisions of our present tenants, thus leading to more jobs for Bethlehem. In addition to competing against Pennsylvania sites, the [REDACTED] competes with sites across the Mid-Atlantic region and sites in states up and down the east coast. Other states have aggressive business retention and recruitment incentives that Pennsylvania does not have. These programs allow states like New Jersey, Virginia and South Carolina to offer millions of dollars of tax credits or grants to attract companies to locate or expand at sites in their state. LERTA helps to level the playing field, giving sites in the Bethlehem LERTA a tax incentive to provide potential end users comparing the Bethlehem LERTA sites, with locations in other states."

"This incentive has been helpful in the successful completion of our fulfillment center build-out. It will help to increase employment in the City."

"LERTA is very important to us as it allows us to ramp up our business over a 10-year period."

██████████ current employment: 50, expects to increase employment as they expand. They chose LVIP VII due to a quick to market, first class, industrial building. LERTA was a prominent factor for ██████████. ██████████ is a small distribution center employing 5 people.

“LERTA very helpful to keep operating costs lower to induce tenancy. LERTA – LERTA is one of the most significant economic incentives. It induces tenants to lease because the operating costs are reduced because the tax costs are lower. With the development of commercial buildings tenants are required because most lenders want lease commitments before they will finance.”

“LERTA provided ██████████ the assistance needed to invest \$5 million in a speculative flex industrial building. Our building was occupied by a small manufacturer who invested an additional \$6.5 million to date in new equipment. ██████████, our tenant, will continue to invest in equipment and add employees projected at 70 in a five-year period.”

“LERTA has been critical to attracting and retaining job-creating tenants to ██████████ brownfield redevelopment of former Bethlehem Steel Co. property. When tenants are choosing between locating/staying on a brownfield site and other developments on former farmland (‘green-fields’), all things being equal companies will chose the green-field (which does not have any risk or stigma of environmental issues – real or perceived). To compound the matter, these competing sites often have lower costs to begin with, like lower property tax rates, and in addition many also have incentive programs like LERTA or KOEZ (in PA) or other very aggressive business retention and recruitment incentives (in other states, like NJ). Incentives, like LERTA, help level the playing field by providing tenants an economic rationale to locate their operations on a former brownfield site that they would not otherwise be inclined to consider. Attracting and keeping these companies enables the many benefits of repurposing an old heavy industrial site, such as facilitating environmental remediation and creating jobs near existing population and housing (instead of out in rural areas). This jobs/housing balance allows workers to take public transportation or drive shorter distances to work, thereby reducing traffic congestion and accidents, and improving air quality, versus having to drive longer distances to their jobs. LERTA has been a key component to the site selection decisions of tenants at the ██████████, thus helping to bring jobs, new economic activity (direct, indirect and induced), and millions of dollars in investment back to the City of Bethlehem and the Lehigh Valley.”

“LERTA is helping to fund our continuing operation as a business accelerator, investing in and scaling up high growth potential companies in the food, beverage and pet food sectors. The project has created over 200 jobs already and we estimate that the companies that will be invested in by ██████████ and housed at site will create several hundred additional jobs.”

“Access to I-78 and the immediate availability of a new flex building was the primary mover in selecting its Bethlehem location. LERTA benefits were also an attractive incentive when comparing the overall costs of expansion.”

“This program facilitated ██████████ move to Bethlehem by providing cash for the facility buildout. ██████████ was attracted to proximity to market and LERTA benefits. ██████████ has 58 FT & 2 PT employees. ██████████ has 7 employees.”

“██████████ expanded during 2021 they now lease the entire building. They chose LVIP VII due to a quick to market, first class, rail served industrial building. LERTA was a prominent factor for ██████████. ██████████

██████████ relocated to Lehigh Valley Flex Center on Courtney Street in Hanover Twp., Northampton County.”

“The LERTA tax abatement is a powerful incentive for ██████████ (tenant) as they expanded operations at ██████████. They have a total three locations including Bethlehem which is vital location for their client base to store larger shipments and decrease delivery time. Having a gradual increase in the property taxes helped ██████████ establish their operations at ██████████ so they can gain a larger footprint on the east coast.”

## CRIZ

4 found programs Very Critical

“Helped to create the loan facility and provide debt for improvements. The ██████████ is now an extremely successful operating business on the South Side that is anchoring new development opportunities. As far as the impact of the CRIZ...without the CRIZ, the ██████████ would not have come to Bethlehem. They would have simply produced spirits on the farm in ██████████. The benefit of the CRIZ allowed us to redevelop a blighted building and incent a tenant.”

“CRIZ helps with bank financing. CRIZ – CRIZ is helpful in some circumstances. It is user dependent and a developer needs to balance the cost of union vs. non-union labor for construction. There is a general perception that CRIZ is like NIZ. It is not even close except in certain circumstances. It is a hurdle to get over when talking to potential tenants from the general area.”

“The CRIZ was the incentive necessary to get restaurant tenants to locate in this building. The Building now offers 4 operating food establishments and is a destination dining venue.”

“The CRIZ benefit has enabled us to save a big part of Bethlehem’s history and create a new business with many employees. Without the CRIZ saving the ██████████ would have not been viable. We have been able to make a positive financial and social impact within the Bethlehem community.”

# CARES Act Funding Continued

**\$430,770**  
Business Assistance

The Small Business Assistance Grant Program awarded 92 businesses \$430,770 to help pay for rent payments, employee payrolls, utility payments, inventory, insurances and parklet development.

## Businesses Supported

36E Fitness  
Aardvark Sports Shop  
Adagio Seafood  
A-List Salon  
AM Luxe  
Andrade & Nunez Investments  
Apollo Grill  
The Attic  
Backdoor Bakeshop  
Barreform  
The Bayou  
Bethlehem Brew Works  
Bethlehem Kung Fu Center  
Billy's Downtown Diner  
BlackForest Deli  
Bonaventure Academy  
The Brick  
Brownstone Design Groups  
Campus Pizza  
CapturedLV Escape Room  
Casa de Campo  
Casa del Mofongo  
The Clubhouse Grille  
Coal  
The Colony Meadery  
Crave  
Darto's Restaurant  
Domaci  
Donegal Square  
Edge Restaurant  
Eli's Original Steaks & Subs

Exclusive Cutz  
The Flying Egg  
Foundational Health  
Foundations Early Learning Academy  
Franklin Hill Vineyards  
From Hair To Eternity  
The Gem Shop  
General Zapata  
Hand Cut Crystal  
Hero's Kafe  
I.E. Imagevolution  
iiBliss  
Jenny's Kual  
Joe's Tavern  
The Joint  
Jumbars  
La Favorita  
La Lupita  
La Tia Restaurant  
Lara Bly  
Linda Shay Gardner, ESQ  
Machsgute Pub and Grille  
McCarthy's Irish Pub  
Metta Relaxation Co.  
The Mint  
Mixology Masters  
Molinari's  
Molly's Irish Grille  
Mozaik Barber Shop  
Musselman Jewelers  
The New Street Pub

New York Gyro  
OBT Restaurant  
The Owl Cove  
The Puppy Palace  
Ray's Motor Sports  
The Restoration Space  
Rippers Pub  
Rise Above Hair Studio  
Rudy's Diner  
Sahl Communications  
Savage Hospitality  
Sibris Restaurant  
Social Still  
Sotto Santi  
Southside 313  
SS 77 Hair Studio  
Steel Fitness Riverport  
Steel Ice Center  
Stefano's Restaurant,  
Tally Ho  
Tapas on Main  
Tokyo Do Restaurant  
Touch Thai  
Tulum  
Twisted Olive  
Urbano  
Verona Pizza  
Wiz Kidz  
Young & Young Designs  
ZEST bar+grille

## KIZ COVID Relief

In addition to the city's small business grant programs, the Board of the Southside Bethlehem Keystone Innovation Zone (KIZ), a program of BEDCO, allocated \$40,800 to 9 designated KIZ companies. The KIZ, established in 2004, has had a profound impact on innovation and entrepreneurship in Bethlehem by offering critical financial resources and assistance to early-stage startup companies. Funding was used for payroll, rent, supplies, and product development.

**\$40,800**

Total Investment

### Businesses Supported

Almas Foods  
Soltech Solutions  
Prospect Gen AI  
Rocket Cloud  
ProdHealth  
UBMe  
Bonn Place Brewing  
Testar  
Skillion



**2022**

**Tax Expenditure Spreadsheets  
Tax Expenditure Reports**

**CITY OF BETHLEHEM  
TAX EXPENDITURE SPREADSHEET**

**LERTA**

	<b>REAL ESTATE TAX OWED IF NOT IN LERTA</b>	<b>REAL ESTATE TAX PAID IN LERTA</b>	<b>BUSINESS PRIVILEGE TAX PAID</b>	<b>EARNED INCOME TAX PAID</b>	<b>LOCAL SERVICES TAX PAID</b>
2021	\$ 3,538,866	\$ 1,628,796	\$ 566,713	\$ 570,248	\$ 244,905
2020	3,261,375	1,290,972	627,279	517,882	266,020
2019	2,649,951	1,071,128	499,317	369,388	208,229
2018	2,595,833	1,256,603	379,675	326,212	180,569
2017	2,377,588	1,069,764	397,548	317,917	175,675
2016	2,332,281	923,213	407,351	306,687	154,030
2015	2,281,964	737,440	409,380	286,081	119,851
2014	2,160,930	530,177	428,045	261,400	100,550
2013	2,160,930	456,008	318,516	247,840	89,703
2012	2,019,497	373,217	332,677	243,227	83,010

**CRIZ**

	<b>REAL ESTATE TAXES PAID BY CRIZ PROPERTY</b>	<b>INCREMENTAL ACT 511 SENT TO THE STATE</b>
2021	\$ 140,286	\$ (54,440)
2020	137,514	(41,596)
2019	128,898	(24,471)
2018	100,251	(11,001)
2017	52,494	(6,279)
2016	52,494	(2,160)
2015	51,361	(1,154)
2014	48,637	-



**CITY OF BETHLEHEM  
TAX EXPENDITURE REPORT**

(1) **LERTA**

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		<b>REAL ESTATE TAX OWED IF NOT IN LERTA</b>		<b>REAL ESTATE TAX PAID IN LERTA</b>		<b>BUSINESS PRIVILEGE TAX PAID</b>		<b>EARNED INCOME TAX PAID</b>		<b>LOCAL SERVICES TAX PAID</b>
2021	\$	3,538,866	\$	1,628,796	\$	566,713	\$	570,248	\$	244,905
2020		3,261,375		1,290,972		627,279		517,882		266,020
2019		2,649,951		1,071,128		499,317		369,388		208,229
2018		2,595,833		1,256,603		379,675		326,212		180,569
2017		2,377,588		1,069,764		397,548		317,917		175,675
2016		2,332,281		923,213		407,351		306,687		154,030
2015		2,281,964		737,440		409,380		286,081		119,851
2014		2,160,930		530,177		428,045		261,400		100,550
2013		2,160,930		456,008		318,516		247,840		89,703
2012		2,019,497		373,217		332,677		243,227		83,010

(2) Local Economic Revitalization Tax Assistance Act - See 72 P.S. §4722 et seq.; Article 342 of the Codified Ordinances of the City of Bethlehem.

(3) Enacted in 1984

**CITY OF BETHLEHEM  
TAX EXPENDITURE REPORT**

(1) **CRIZ**

---

		<b>REAL ESTATE TAXES PAID BY CRIZ PROPERTY</b>		<b>INCREMENTAL ACT 511 SENT TO THE STATE</b>
2021	\$	140,286	\$	(54,440)
2020		137,514		(41,596)
2019		128,898		(24,471)
2018		100,251		(11,001)
2017		52,494		(6,279)
2016		52,494		(2,160)
2015		51,361		(1,154)
2014		48,637		-

(2) Act 52 of 2013 and amended by Act 84 of 2016.

(3) Enacted in 2013

2022

**CHANGE LIST**

Material Changes, if any, as compared to prior year reports  
pursuant to Article 349, Section 349.06



# CITY OF BETHLEHEM

Department of Community & Economic Development

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## Memorandum

**TO:** Bethlehem City Council

**FROM:** Alicia Karner - DCED Deputy Director, Economic Development

**DATE:** March 1<sup>st</sup>, 2022

**SUBJECT:** Change List

Below are Material Changes for our 2022 FAIR submission based on the requirement in Ordinance No. 2018-01, Article 349 Section 349.06:

- **Removal of Economic Development Tax Incentives**
  - o Bethlehem Works Tax Increment Financing District
    - TIF is now expired.