

Downtown Revitalization and Economic Development



A variety of retail and upper-story residential uses line Bethlehem's East 3rd Street



Downtown Revitalization and Economic Development

■ DOWNTOWN REVITALIZATION AND ECONOMIC DEVELOPMENT

Economic Development Vision

Bethlehem has enjoyed an economic renaissance in the decade since Bethlehem Steel ended most of its operations. The private sector has invested heavily in retail, office, high-tech manufacturing, medical, research and other types of businesses. City government and non-profit economic development entities have worked on many fronts to ensure that Bethlehem retains a business-friendly climate. The City's economic development efforts include the following:

- Preserve and strengthen the City's role as a major commercial, institutional and industrial job center in the Lehigh Valley with a focus on office, retail, technology and services.
- Strengthen the City's role as a key destination for visitors, interested in cultural, historical, and educational attractions.
- Ensure Bethlehem has enough appropriately-zoned, conveniently-located properties for new and expanding businesses—properties adequately served by streets, water, sewer and other infrastructure.
- Continue linking existing and prospective employers with job training services, incubator assistance and other business development resources.
- Sustain a physical environment in and around the City's retail centers that projects vitality and encourages people to work, live and play in Bethlehem.
- Continue to expand and diversify the City's real estate tax base.



The Caffeine Cafe and Bethlehem Book Loft add vibrancy to East 4th Street



■ Economic Overview

The City's North Side and South Side downtowns continue to revitalize. Each of the two areas has a distinct, unique character. As a result, the City's downtown business districts complement rather than compete with each other. On the North Side, a "restaurant row" has added a new dimension to this area of historic appeal, architectural charm, and diverse retail offerings. On the South Side, a number of niche stores have a different appeal and vibrancy based on an eclectic, artsy atmosphere. Both downtown business districts are growing in office and retail uses.



New construction has replaced a fire-ravaged structure at Broad and Main Street

In recent years, developers have acquired and redeveloped key vacant and underutilized parcels in both the North Side business district, the South Side downtown business district and adjacent areas. In addition to breathing new economic life into underutilized sites, a number of these projects transformed outmoded buildings into architecturally distinctive structures.

On the North Side, private investors have redeveloped key properties along the Main Street and Broad Street corridors. The City has assisted by supporting business relocations, facade improvements and job creation.

Major redevelopment has also occurred outside of the North Side downtown business district, along 8th Avenue between Route 378 and Schoenersville Road. Recent projects on 8th Avenue have included a Lowes Home Improvement Center, low-rise apartments, a regional bank headquarters, and a medical office building. The City has also approved the plan for redeveloping Bethlehem Steel's former Martin Tower site into condominiums and townhouses.

Adaptive reuse projects in the South Side downtown business district have helped revitalize the area. These projects include redeveloping a former Bethlehem Steel office building into the Northampton Community College Fowler Family Southside Center. That project strengthened the physical connection between the heart of the South Side downtown near the Fahy Bridge and the planned casino-related development located further east along the 3rd Street corridor near the Minsi Trail Bridge.

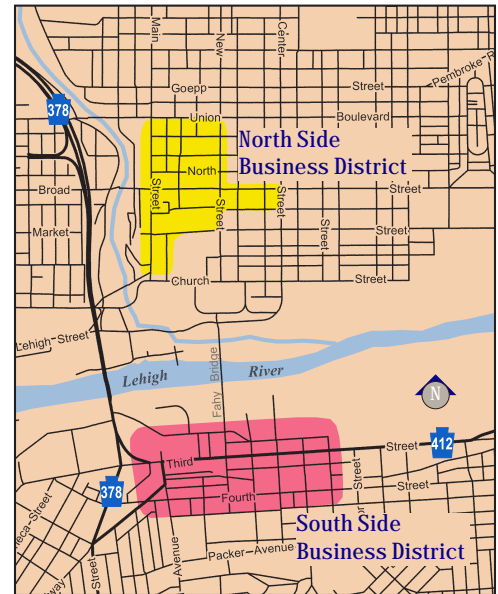
Reuse of the Banana Factory as a community cultural arts center, the transformation of Bethlehem’s former Johnson Machine shop into Riverport condominiums, and redevelopment of the Union Station into medical offices are other examples of the South Side’s on-going revitalization and successful adaptive reuse.

East of the Minsi Trail Bridge and adjacent to the South Side downtown business district, redevelopment of former Bethlehem Steel lands into industrial and business park uses (LVIP VII) has generated hundreds of new jobs and enhanced the City’s tax ratables. Rail access and the intermodal train/truck facility in this area offer major cost-savings for many new businesses.

Plans for future development and redevelopment promise to continue Bethlehem’s business renewal. Within the North Side business district, plans exist to develop a new downtown hotel and create more mixed use space. There are also plans to construct a commercial complex on 8th Avenue.

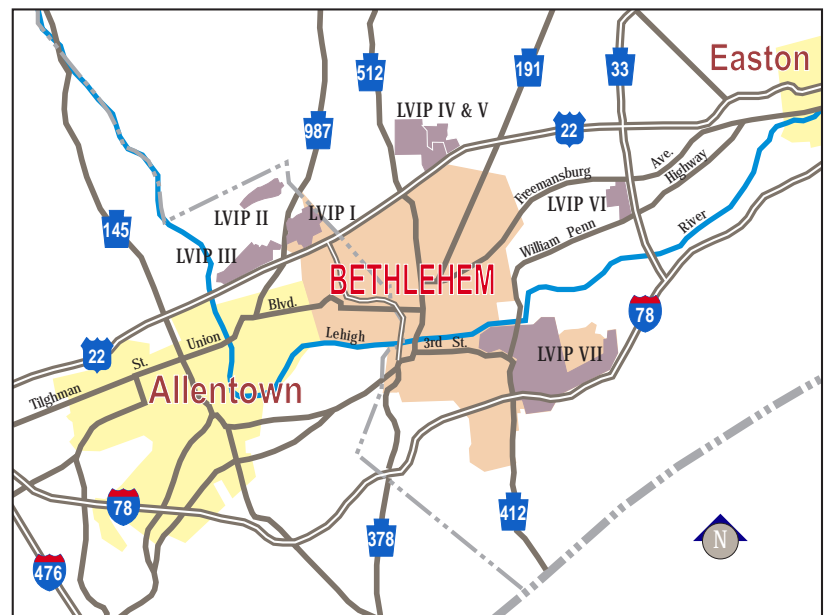
On the South Side, the multi-faceted Sands BethWorks project and the buildout of LVIP VII are slated to transform former steel lands into commercial, industrial, residential and cultural uses on a grand scale. These and other projects signal that Bethlehem’s diversified growth will continue. Projected casino visitation also bodes well for Bethlehem businesses. The City and the casino owner plan to market Bethlehem’s tourist attractions, retail shops and restaurants to casino patrons. In other locations where casinos exist, the gaming industry has benefited many businesses, such as food services, printing, advertising, laundries, hotels, retail, tourism and recreation, to name a few. In addition to jobs and spinoff revenues, the casino project will pump major revenues into the City’s budget through host fees, property taxes and related contributions.

To better serve business uses, the City is completing a Parking Master Plan. This study is examining existing and projected demand for parking in the downtown areas of both the North Side and the South Side.



BETHLEHEM'S NORTH SIDE AND SOUTH SIDE DOWNTOWN BUSINESS DISTRICTS

LEHIGH VALLEY INDUSTRIAL PARK LOCATIONS





■ Major Employers

The following are the largest employers in and around the City. Employers who provide a significant number of jobs within Bethlehem are noted with an asterisk.

Top 25 Lehigh Valley Employers - 2007

Estimated Rank	Employer Name	Estimated Employment
1*	Lehigh Valley Hospital and Health Network	6,200
2	Air Products and Chemicals, Inc.	4,500
3	LSI Logic, Inc.	4,000
4	Dorney Park and Wildwater Kingdom (Seasonal)	3,100
5	St. Luke's Hospital	2,700
6	Mack Trucks, Inc.	2,200
7*	Manpower, Inc.	2,180
8*	Sodexo / Wood Dining Services	2,050
9	Allentown School District	1,950
10	Guardian Life Insurance Company	1,900
11	KidsPeace	1,800
12*	Bethlehem Area School District	1,740
13	PPL Corporation	1,690
14	Dun and Bradstreet	1,600
15	Sacred Heart Hospital of Allentown	1,500
16	Victaulic Company of Allentown	1,500
17	Easton Hospital	1,470
18*	B. Braun Medical	1,400
19	Daytimers	1,400
20*	Wachovia Bank	1,400
21*	Lehigh University	1,340
22	Rodale, Inc.	1,300
23*	F. L. Schmidt	1,300
24	Binney & Smith, Inc.	1,200
25*	Good Shepherd Home	1,200

* Provides significant number of jobs in City of Bethlehem

Note: Excludes municipal, state and federal jobs

Sources: Lehigh Valley Economic Development Corporation, Allentown Morning Call

Economic Development Leadership and Assistance

The City of Bethlehem administers or participates in several programs to retain and enhance local business growth.

Downtown Bethlehem Association – The Downtown Bethlehem Association (DBA) features downtown merchants and businesses that unite to organize events and programs for attracting visitors. The DBA coordinates with the Greater Lehigh Valley Chamber and the City of Bethlehem. The DBA represents the North Side DBA and the South Side DBA.

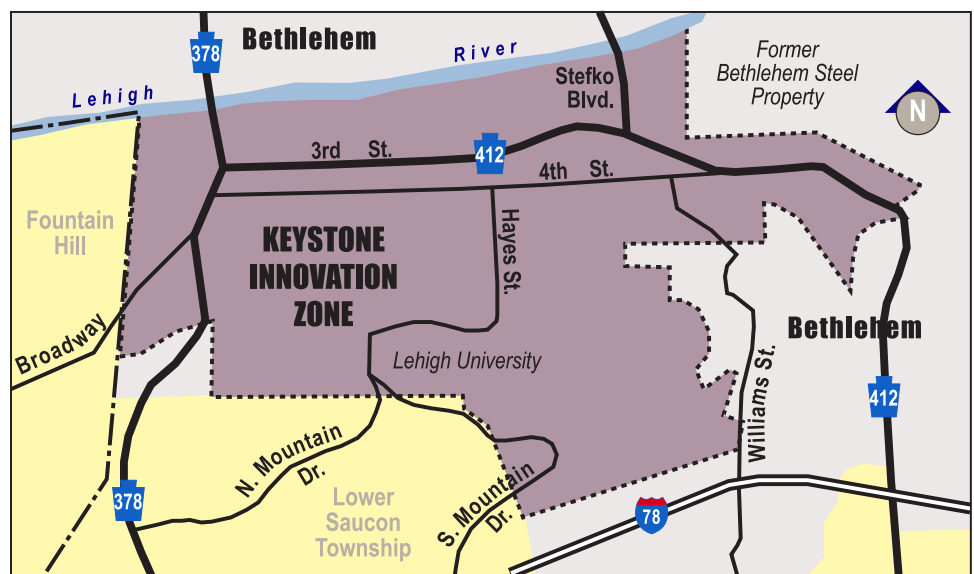
Keystone Innovation Zone – This state designation fosters cooperation among universities, entrepreneurs, and local governments to increase business and job growth in the technology sector. To date, nearly 20 firms in Bethlehem’s KIZ zone have received assistance, such as technology transfer grants and tax credits.

The Keystone Innovation Zone houses Bethlehem’s Technology Center I and Technology Center II, which served as business incubators to help growing start-up companies. Ultimately, two of the incubating companies grew their business to the extent where they purchased these buildings for their headquarters. Bethlehem’s South Side is becoming a regional technology hub, including sites at Lehigh’s Mountaintop Campus. Some of these businesses grew from research that originated at Lehigh University.



Businesses on East 4th Street include the well-known Godfrey Daniels Coffee House

KEYSTONE INNOVATION ZONE





Tax Abatement – Bethlehem’s Local Economic Revitalization Tax Assistance Act (LERTA) district attracted over \$100 million of investment between 1989 and 2006. Within the LERTA district, businesses that develop properties are not assessed immediately for the full value of these improvements. Instead, the new real estate taxes are phased in over ten years. The City evaluates and renews LERTA every two years to ensure it is targeting appropriate areas. The City recently shrank the size of its LERTA district from 3,580 acres to 1,382 acres. This change helped eliminate areas that no longer require incentives for continued development.

Enterprise Zone – The State Enterprise Zone program offers incentives for private entities to invest in improving buildings and/or sites within designated zones. Incentives include certain state tax credits, and low interest loans for acquisition, renovations, machinery and equipment. As shown on the accompanying map, Bethlehem’s Enterprise Zone program has six target areas.

**ENTERPRISE ZONE
TARGET AREAS IN BETHLEHEM**

- ① South Bethlehem
- ② Stefko Boulevard
- ③ Route 22 Corridor
- ④ Route 378 Area
- ⑤ Monocacy Creek Corridor
- ⑥ Lehigh Street Area



Facade Improvement Program – In cooperation with local banks, Bethlehem offers up to 100 percent loan funding at below-market rates for the owners of commercial and mixed use buildings to upgrade building facades. In the future, the City hopes to target the loans to three particular areas, among others: the South Side, the Broad Street Corridor, and Linden Street from Broad Street to Elizabeth Avenue.

Other City Assistance – In addition to participating in the initiatives noted above, the City offers other forms of business aid. These include site location assistance, technical assistance in preparing grant applications, low-interest loans for certain activities that create jobs or eliminate blight, and referrals to work force training and development programs.

■ Downtown Revitalization and Economic Development Strategies

1. Continue to strengthen economic development programs geared towards retaining, attracting and expanding businesses.
2. Strengthen both the North Side and South Side central business districts' branding and identity.
3. Ensure the gateways into and out of the City project an attractive and welcoming image to people visiting, living and/or working within the City.
4. Complete the Bethlehem Parking Authority's Downtown Parking Master Plan which is designed to ensure both downtowns have sufficient supply of (and ideally located) on-street and off-street parking.
5. Support efforts by the Lehigh Valley Convention and Visitors Bureau and the Lehigh Valley Economic Development Corporation to develop a wayfinding signage program that includes vehicular and pedestrian-oriented directional signs, pedestrian kiosks, public parking signage, and temporary event signage.



Downtown Bethlehem's Main Street



6. Continue to expand tourist-oriented venues and events in the two downtowns. This should also encompass more promotion by the City of cultural events at Moravian College and Lehigh University.
7. Secure assistance from the Pennsylvania Downtown Center for programs that will help both downtowns secure a competitive advantage and strengthen economic vitality.
8. Encourage more cooperative merchandising and common evening hours among downtown business operators.
9. Support public and private partnerships for promoting the downtowns as great places to live, work and play.
10. Update the City's zoning ordinance to facilitate economic development in the following ways:

- Encourage appropriate light commercial uses along the planned South Side Greenway, such as ice cream shops, cafes, and bicycle shops.
- Accommodate and guide subsequent (post-casino) phases of the Sands BethWorks Projects.
- Implement the design and land use planning guidelines recommended in the 2001 South Side Bethlehem Master Plan and promote form-based regulations that aim to ensure new development is compatible with the architecture and design of the surrounding area.
- Ensure parking regulations do not unreasonably constrain property owners from converting older properties to new uses.
- Ensure the City's zoning ordinance permits mixed residential / non-residential uses in all appropriate locations.

New office construction at LVIP VII



11. Develop and implement a streetscape improvement plan for both downtowns, including completion of the West Broad Street improvements described in the 2005 City of Bethlehem Elm Street Plan.

- 12.** Recruit businesses to take better advantage of the Canal, Lehigh River, and the Towpath, such as adjacent bike rentals, canoe rentals and restaurants.
- 13.** Continue 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).
- 14.** Use the Code Board of Appeals to provide reasonable flexibility in construction codes when older buildings are being converted to new uses.
- 15.** Promote land assembly for a larger mixed use redevelopment on the east side of Stefko Boulevard between Pembroke Road and Market Street.



Ensure the gateways into and out of the City project an attractive and welcoming image





One East Broad - one of downtown Bethlehem's newest office buildings

