

Redevelopment Authority of the City of Bethlehem

MEMORANDUM

February 24, 2016

To: J. William Reynolds, President of City Council
From: Tony Hanna, Executive Director
Re: Council Approval of Sale of Redevelopment Property

The Redevelopment Authority was recently asked to approve a Fourth Amendatory Agreement, between the Authority, Silk Mill Apartments, L.P., and Peron Silk Mill, L.P. Various predecessors to Silk Mill Apartments had received approvals from both the Redevelopment Authority and City Council for various transfers and sale of real estate associated with the former Silk Mill in the vicinity of West Goepf Street.

The reason this is coming back to City Council for approval is that the parcel in question was acquired by the Redevelopment Authority as part of the Northside Urban Renewal Area #1. One of the conditions in that urban renewal plan was that all disposition of property must be approved by City Council as a condition of Redevelopment Authority approval for the disposition of that property.

The Redevelopment Authority passed a resolution at its recent meeting on February 18, 2016 and attached for your information and review. In addition, I am attaching copies of a site plan showing the proposed apartment development by Peron Silk Mill, L.P. as well as copies of architectural renderings of the proposed development.

I recognize that City Council's typical approval protocol would be to read this Memorandum in as a Communication on March 1, 2016 and refer the matter to Committee, if required, and then place it on Council's agenda for its next meeting on March 15, 2016. Since City Council has previously approved this development, and since the plans have not changed substantively from the previous approvals, I am respectfully requesting that Council place this item on the March 1, 2015 Agenda for approval. I have attached a suggested form of resolution for your review and adoption, so the process can be expedited.

Thank you for your consideration of this request. If you have any questions, please let me know.

Copies: City Clerk, Council Solicitor Spirk, Members of Council, Mayor Donchez, Alicia Karner, RDA Solicitor Riskin, Heather Bambu

RESOLUTION _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BETHLEHEM
APPROVING THE EXECUTION OF A FOURTH AMENDATORY
AGREEMENT BY SILK MILL APARTMENTS, L.P., PERON SILK MILL, L.P.
AND THE REDEVELOPMENT AUTHORITY OF THE CITY OF BETHLEHEM**

WHEREAS, a Fourth Amendatory Agreement, by and between the Redevelopment Authority of the City of Bethlehem (hereinafter called "Authority"); Silk Mill Apartments, L.P., (hereinafter called "SMP"); and Peron Silk Mill, LP, a Pennsylvania limited partnership with offices at 60 West Broad Street, Suite 102, Bethlehem, Pennsylvania 18018 (hereinafter called "Peron") has been presented for review and approval by the Authority; and

WHEREAS, the Authority and predecessors to SMP (herein called the "Redevelopment") entered into a Contract for Sale of Land for Redevelopment dated December 6, 2004 and recorded in the Office of the Recorder of Deeds in and for the County of Northampton at Easton, Pennsylvania in Deed Book 2005-1, Page 254147 on July 8, 2005 (hereinafter called "Redevelopment Agreement"); and

WHEREAS, said Redevelopment Agreement was amended by a "First Amendatory Agreement" dated the 15th day of December, 2005 and recorded in the Recorder of Deeds Office of Northampton County, Pennsylvania in Record Book 2005-1, page 532073 on the 30th day of December, 2005; and

WHEREAS, said Redevelopment Agreement was amended by a "Second Amendatory Agreement" dated the 29th day of April, 2008 and recorded in the Recorder of Deeds Office of Northampton County, Pennsylvania in Record Book 2008-1, Page 266913 on the 25th day of September, 2008; and

WHEREAS, SMP acquired the land described in the Redevelopment Agreement for Seventy-Nine Thousand Five Hundred Dollars (\$79,500.00), pursuant to the Second Amendatory Agreement; and

WHEREAS, Silk Mill Partners, LP also acquired all other land and real property and rights of Silk Mill Realty, LP; and

WHEREAS, Silk Mill Partners, LP conveyed the Common Area to Bethlehem Silk Mill Condominium Association, for \$1.00; and conveyed Unit 1 (which did not include any portion of the Redevelopment Lands) to 4220 Broadway LLC, and conveyed Units 2 and 3 to SMP (which did not include any portion of the Redevelopment Lands); and

WHEREAS, said Redevelopment Agreement was amended by a "Third Amendatory Agreement" dated the 22nd day of October, 2012 and recorded in the Recorder of Deeds Office of Northampton County in Record Book 2012-1 at page 267030; and

WHEREAS, SMP has entered into an Agreement of Sale with Peron to sell to Peron Units 2 and 3 (the "Units") of the Silk Mill Condominium (the "Condo") along with the rights relating to Units 2 and 3 in and to the Condo's common areas; and

WHEREAS, the common area may include the land described in the Redevelopment Agreement which was sold to SMP; and

WHEREAS, the allocation of the purchase price to SMP for the land that was the subject of the Redevelopment Agreement shall not exceed \$79,500.00; and

WHEREAS, a "Certificate of Completion" for the remaining property has not been issued by the Authority because SMP has not completed the required improvements to the subject property and therefore, the property cannot be sold without the consent of the Authority which consent is hereby given subject to certain terms and conditions as described in this Amendatory Agreement; and

WHEREAS, in consideration of the foregoing, the mutual promises of the parties hereto and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties do mutually agree to amend the aforementioned Redevelopment Agreement as follows:

1. The use of the subject property shall be for the construction of multi-family, residential units and be in accordance with Paragraphs 1 of the Second Amendatory Agreement dated April 29, 2008.
2. The Authority does hereby approve the sale of the subject premises from SMP to Peron, as part of Peron's purchase of the Units.
3. Upon Peron's purchase of the Units and to the extent required for that purchase, and except as set forth herein, Peron does hereby agree to be bound by any and all obligations, responsibilities, covenants and restrictions of SMP/Redeveloper in the Redevelopment Agreement and any amendments and modifications thereto and the Deed for the transfer of the subject property to Redeveloper. SMP shall not be relieved of these responsibilities and obligations until such time as the "Certificate of Completion" is issued by the Authority as described in Section 307 of Part II of the Redevelopment Agreement.
4. The improvements to the project/property shall be completed before the 31st day of March, 2019 and upon Peron's purchase of the Units, the Authority waives any violations

that predate the purchase by Peron for completing the Improvements, and any associated right of reverter the Authority may have.

5. Peron shall have 180 days from its purchase of the Units to submit plans for the Improvements.
6. All other terms and conditions in the Redevelopment Agreement, amendments, modifications and other documents relating to this Project shall remain in full force and effect.
7. The Authority ratifies the transfers of title as are set forth above and of record in the Office of the Recorder of Deeds of Northampton County, Pennsylvania, and

WHEREAS, the approval of the Fourth Amendatory Agreement by the Redevelopment Authority is contingent on the approval of City Council of said Agreement;

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Bethlehem, that the execution of a Fourth Amendatory Agreement between the Redevelopment Authority of the City of Bethlehem and Silk Mill Apartments, L.P. and Peron Silk Mill, L.P. are hereby approved and the Redevelopment Authority is authorized to execute the Agreement.

Sponsored by _____

ADOPTED by Council this day of , 2016.

President of Council

ATTEST:

City Clerk

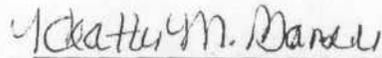
MEMBERS OF AUTHORITY
EARL BETHEL
DENNIS R. CUNERO
RONALD R. HECKMAN
JASON R. HENNINGER
CHRISTOPHER T. SPADONI, ESQ.

**REDEVELOPMENT AUTHORITY
OF THE CITY OF BETHLEHEM**

10 East Church Street
Bethlehem, PA 18018-6085
(610) 865-7055
Fax (610) 865-7330
TDD (610) 865-7086

TONY HANNA
Executive Director
MICHAEL E. RISKIN, Esq.
Solicitor
HEATHER M. BAMBUI
Secretary

I hereby certify that the attached Resolution Number 1431 was passed at a duly called, advertised, and lawful meeting of the Redevelopment Authority of the City of Bethlehem, at which a quorum was present, on the 18th day of February, 2016.


Secretary

RESOLUTION 1431

**FOURTH AMENDATORY AGREEMENT TO CONTRACT
FOR SALE OF LAND FOR REDEVELOPMENT DATED
DECEMBER 6, 2004 BETWEEN THE REDEVELOPMENT
AUTHORITY OF THE CITY OF BETHLEHEM AND
SILK MILL REALTY, L.P.**

WHEREAS, a Fourth Amendatory Agreement, by and between the Redevelopment Authority of the City of Bethlehem (hereinafter called "Authority"); Silk Mill Partners, LP, (hereinafter called "SMP"); and Peron Silk Mill, LP, a Pennsylvania limited partnership with offices at 60 West Broad Street, Suite 102, Bethlehem, Pennsylvania 18018 (hereinafter called "Peron") has been presented for review and approval by the Authority; and

WHEREAS, the Authority and the predecessors to SMP (herein called the "Redeveloper") entered into a Contract for Sale of Land for Redevelopment dated December 6, 2004 and recorded in the Office of the Recorder of Deeds in and for the County of Northampton at Easton, Pennsylvania in Deed Book 2005-1, Page 254147 on July 8, 2005 (hereinafter called "Redevelopment Agreement"); and

WHEREAS, said Redevelopment Agreement was amended by a "First Amendatory Agreement" dated the 15th day of December, 2005 and recorded in the Recorder of Deeds Office of Northampton County, Pennsylvania in Record Book 2005-1, page 532073 on the 30th day of December, 2005; and

WHEREAS, said Redevelopment Agreement was amended by a "Second Amendatory Agreement" dated the 29th day of April, 2008 and recorded in the Recorder of Deeds Office of Northampton County, Pennsylvania in Record Book 2008-1, Page 266913 on the 25th day of September, 2008; and

WHEREAS, SMP acquired the land described in the Redevelopment Agreement for Seventy-Nine Thousand Five Hundred Dollars (\$79,500.00), pursuant to the Second Amendatory Agreement; and

WHEREAS, Silk Mill Partners, LP also acquired all other land and real property and rights of Silk Mill Realty, LP; and

WHEREAS, Silk Mill Partners, LP conveyed the Common Area to Bethlehem Silk Mill Condominium Association, for \$1.00; and conveyed Unit 1 (which did not include any portion of the Redevelopment Lands) to 4220 Broadway LLC, and conveyed Units 2 and 3 to SMP (which did not include any portion of the Redevelopment Lands); and

WHEREAS, said Redevelopment Agreement was amended by a "Third Amendatory Agreement" dated the 22nd day of October, 2012 and recorded in the Recorder of Deeds Office of Northampton County in Record Book 2012-1 at page 267030; and

WHEREAS, SMP has entered into an Agreement of Sale with Peron to sell to Peron Units 2 and 3 (the "Units") of the Silk Mill Condominium (the "Condo") along with the rights relating to Units 2 and 3 in and to the Condo's common areas; and

WHEREAS, the common area may include the land described in the Redevelopment Agreement which was sold to SMP; and

WHEREAS, the allocation of the purchase price to SMP for the land that was the subject of the Redevelopment Agreement shall not exceed \$79,500.00; and

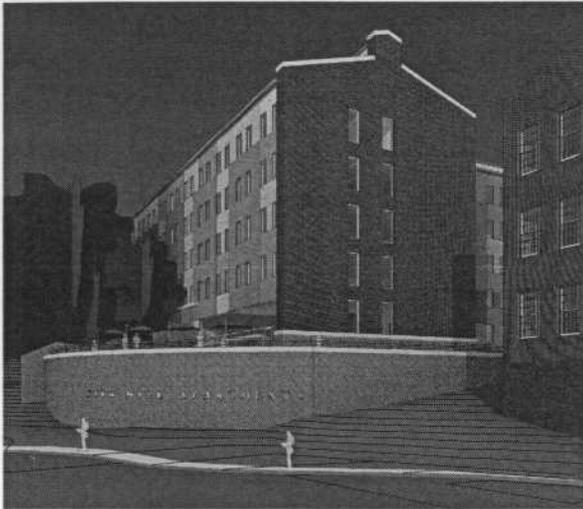
WHEREAS, a "Certificate of Completion" for the remaining property has not been issued by the Authority because SMP has not completed the required improvements to the subject property and therefore, the property cannot be sold without the consent of the Authority which consent is hereby given subject to certain terms and conditions as described in this Amending Agreement; and

NOW, in consideration of the foregoing, the mutual promises of the parties hereto and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties do mutually agree to amend the aforementioned Redevelopment Agreement as follows:

1. The use of the subject property shall be for the construction of multi-family, residential units and be in accordance with Paragraphs 1 of the Second Amending Agreement dated April 29, 2008.
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3. Upon Peron's purchase of the Units and to the extent required for that purchase, and except as set forth herein, Peron does hereby agree to be bound by any and all obligations, responsibilities, covenants and restrictions of SMP/Redeveloper in the Redevelopment Agreement and any amendments and modifications thereto and the Deed for the transfer of the subject property to Redeveloper. SMP shall not be relieved of these responsibilities and obligations until such time as the "Certificate of Completion" is issued by the Authority as described in Section 307 of Part II of the Redevelopment Agreement.
4. The improvements to the project/property shall be completed before the 31st day of March, 2019 and upon Peron's purchase of the Units, the Authority waives any violations that predate the purchase by Peron for completing the Improvements, and any associated right of reverter the Authority may have.
5. Peron shall have 180 days from its purchase of the Units to submit plans for the Improvements.
6. All other terms and conditions in the Redevelopment Agreement, amendments, modifications and other documents relating to this Project shall remain in full force and effect.
7. The Authority ratifies the transfers of title as are set forth above and of record in the Office of the Recorder of Deeds of Northampton County, Pennsylvania.

NOW, THEREFORE, BE IT RESOLVED, that the Redevelopment Authority hereby approves the Fourth Amending Agreement subject to Bethlehem City Council approval; and

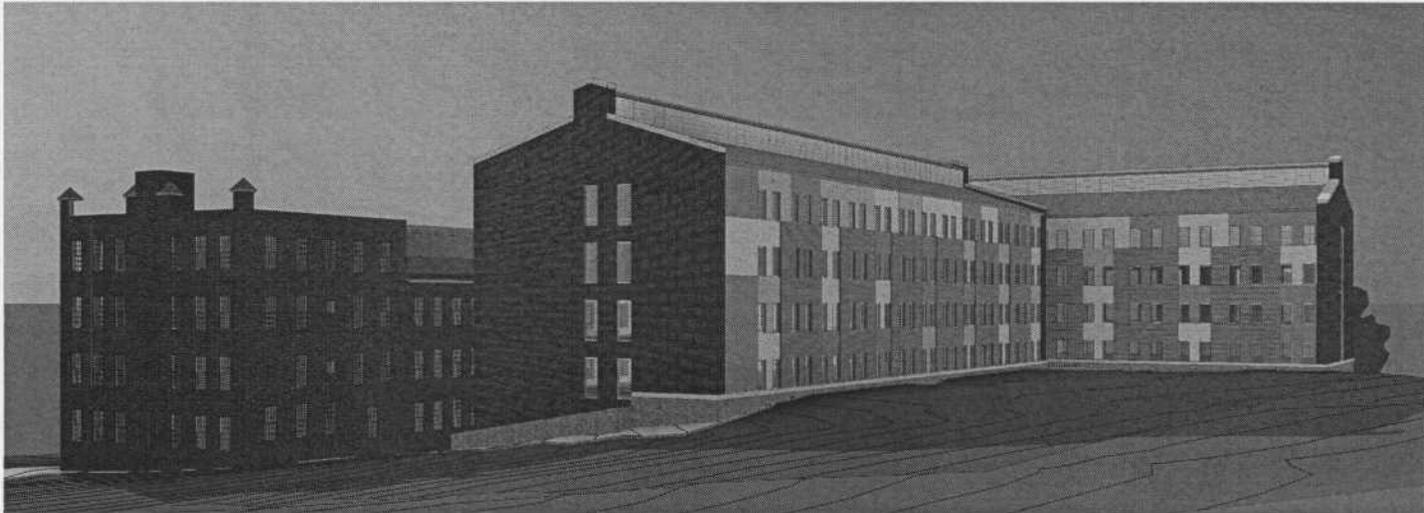
BE IT FURTHER RESOLVED, the appropriate officers of the Authority are authorized to execute the Fourth Amending Agreement and other documents related to, same to be attested to by Secretary.



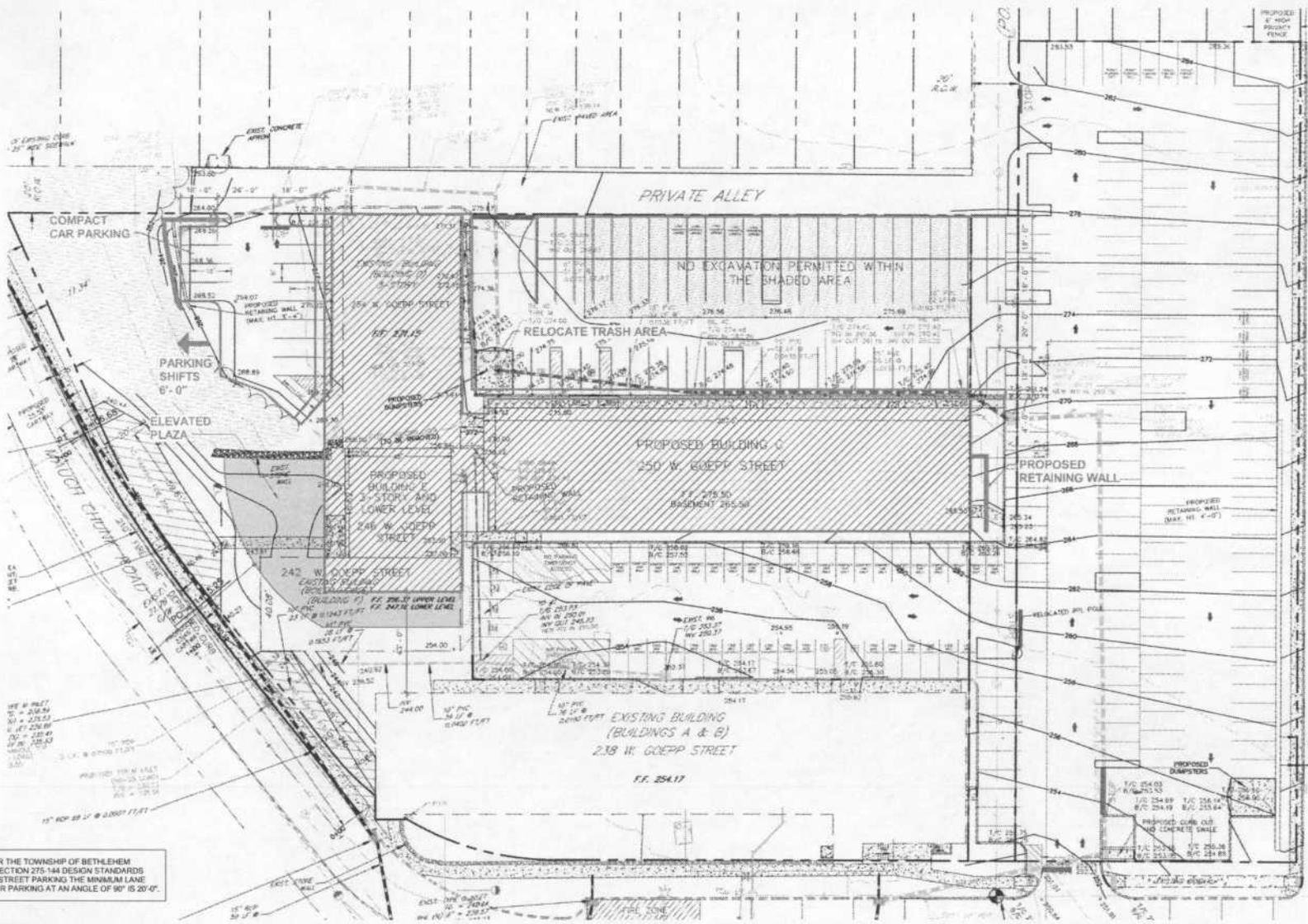
① CORNER VIEW
SCALE:



② DRIVEWAY VIEW
SCALE:



③ REAR VIEW
SCALE:



NOTE: PER THE TOWNSHIP OF BETHLEHEM ZONING SECTION 275-144 DESIGN STANDARDS FOR OFF-STREET PARKING THE MINIMUM LANE WIDTH FOR PARKING AT AN ANGLE OF 90° IS 20'-0\"/>

architects planners + interior designers

SILK MILL APARTMENTS at MORAVIAN COLLEGE

for PERON DEVELOPMENT

1.21.16

SITE PLAN

SCALE 1" = 20'-0"