

## CITY OF BETHLEHEM OFFICE OF THE SOLICITOR

### INTER-OFFICE MEMORANDUM

To:

Michael Colón, Council President

From:

Matthew Deschler, Assistant City Solicitor

Re:

Proposed Resolution Adopting Intergovernmental Agreement for

968 Moravia Street

Date:

May 2, 2023

Enclosed for Council's review and potential action is a proposed resolution adopting an intergovernmental agreement, which is attached to the resolution, between Lower Saucon Township and the City of Bethlehem, to which Alan and Nancy Finnegan are also signatories. The intergovernmental agreement concerns a parcel of land of approximately 1/5 of an acre at 968 Moravia Street, Bethlehem, PA 18015, that straddles the boundary between the City and Lower Saucon Township. The Finnegans, who own the property, are seeking to develop it into three condominiums. To avoid complications over tax revenue and municipal services pertaining to this small parcel, the intergovernmental agreements effectively treats the entire parcel as if it were located in the City so that all municipal services to the parcel are provided by the City, all municipal taxes derived from the parcel are paid to the City, and City ordinances, rather than Lower Saucon Township ordinances, apply to the entirety of the parcel. The Finnegans have executed the intergovernmental agreement and Lower Saucon Township, on March 22, 2023, adopted the agreement by resolution of its Council.

The intergovernmental agreement has been reviewed and approved by all pertinent City departments. Pursuant to the intergovernmental cooperation statute, the City must adopt the agreement by resolution or ordinance of City Council.

Matthew J. Deschler Assistant Solicitor

Deschler

Cc:

J. William Reynolds

Eric Evans Laura Collins Chief Kott Chief Achey Michael Alkhal John F. Spirk, Jr.

RESOLUTION NO.	
10000000011101	

A Resolution adopting the Intergovernmental Cooperation and Tax Allocation Agreement between Alan Finnegan, Nancy A. Finnegan, Lower Saucon Township, and the City of Bethlehem, and authorizing the Mayor and Controller to execute the same instrument.

WHEREAS, by virtue of a deed dated September 28, 1987, recorded on November 10, 1987 in the Office of the Recorder of Deeds of Northampton County, Pennsylvania, in Deed Book Volume 737, Page 000921, Alan Finnegan and Nancy A. Finnegan (the "Finnegans") own certain real property consisting of a single parcel of land at the corner of Moravia Street and Benner Avenue, known as Northampton County Tax Parcel Number P6SW3D 4 5 0204, with an address of 968 Moravia Street, Bethlehem, PA 18015 (the "Parcel"), located, respectively, in the City of Bethlehem and Lower Saucon Township; and

WHEREAS, the Parcel is a vacant lot, with the municipal boundary line between the City and the Township bifurcating the Parcel such that the Parcel is situated partially in the Township and partially in the City, with the entire Parcel located within Northampton County, Pennsylvania; and

WHEREAS, the City has exercised certain municipal rights over the years with respect to the Parcel by having always taxed the Parcel as a result of it having been a part of a larger tract, which at one time contained a mansion house fully in the City; and

WHEREAS, the zoning regulations of the Township would severely limit any development of the Parcel; and

WHEREAS, the Finnegans had previously sought approval for a four (4) unit development of the Parcel (the "Initial Development") with the Township and the City entering into a certain intergovernmental agreement dated June 10, 1993, and under which the Township and the City would each tax two (2) units of the proposed four (4) unit development; and

WHEREAS, the Finnegans never finalized the Initial Development, but now, due to a change in the City's zoning ordinance, desire to develop the Parcel into a three (3) unit condominium development in accordance with the Uniform Condominium Act, 68 Pa.C.S. §§ 3101 - 3414; and

WHEREAS, the Finnegans, the Township, and the City seek to enter into the Intergovernmental Cooperation and Tax Allocation Agreement (the "Agreement") attached to this Resolution as Exhibit "A" pursuant to Chapter 23 of Title 53 of the Pennsylvania Consolidated Statutes, 53 Pa.C.S. §§ 2301 – 2317 (authorizing intergovernmental cooperation) to memorialize their respective understandings concerning the performance of various municipal functions and the responsibility of the property owner(s) of the Parcel to comply therewith, and the allocation of the municipal real estate taxes for the Parcel; and

WHEREAS, the conditions of the Agreement are set forth therein and incorporated herein; and

WHEREAS, the Agreement's objectives and purposes, including the powers and scope of authority delegated therein, are set forth in the Agreement and incorporated herein; and

WHEREAS, the duration of the Agreement is set forth therein and incorporated herein; and

WHEREAS, the Agreement shall not require any financing for its purposes and objectives and does not authorize the acquisition, management, licensing, or disposition of real or personal property, nor does the Agreement create any entity empowered to enter into contracts for policies of group insurance and employee benefits, including Social Security, for its employees; and

WHEREAS, the Finnegans and the Township, by resolution adopted by the Township's Council on March 22, 2023, have executed the Agreement; and

WHEREAS, the City may adopt the Agreement by means of resolution or ordinance of City Council.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Bethlehem that the said Council hereby approves and adopts the Intergovernmental Cooperation and Tax Allocation Agreement attached to this Resolution as Exhibit "A", and authorizes the Mayor and Controller to execute said Agreement, which shall take effect according to the terms thereof.

	Sponsore	ed by	
ADOPTED by Council this	day of	, 2023	
ATTEST:		President of Council	
City Clerk			

### **EXHIBIT** "A"

# CITY OF BETHLEHEM AND LOWER SAUCON TOWNSHIP

THIS AGREEMENT is entered into this day of, 2023, by and between
ALAN FINNEGAN and NANCY A. FINNEGAN, husband and wife, adult individuals residing at 220 W. Broad Street, Bethlehem, PA 18018 (the "Finnegans");
AND
CITY OF BETHLEHEM, a Pennsylvania Third Class City, with an address of 10 East Church Street, Bethlehem, PA 18018 (the "City");
AND

LOWER SAUCON TOWNSHIP, a Pennsylvania Second Class Township, with an address of 3700 Old Philadelphia Pike, Bethlehem, PA 18015 (the "Township").

#### WITNESSETH

WHEREAS, by virtue of a deed dated September 28, 1987, recorded on November 10, 1987 in the Office of the Recorder of Deeds of Northampton County, Pennsylvania, in Deed Book Volume 737, Page 000921, the Finnegans own certain real property consisting of a single parcel of land at the corner of Moravia Street and Benner Avenue, known as Northampton County Tax Parcel Number P6SW3D 4 5 0204, with an address of 968 Moravia Street, Bethlehem, PA 18015 (the "Parcel"), located, respectively, in the City and the Township; and

WHEREAS, the Parcel is a vacant lot, with the municipal boundary line between the City and the Township bifurcating the Parcel such that the Parcel is situated partially in the Township and partially in the City, with the entire Parcel located within Northampton County, Pennsylvania; and

WHEREAS, the City has exercised certain municipal rights over the years with respect to the Parcel by having always taxed the Parcel as a result of it having been a part of a larger tract, which at one time contained a mansion house fully in the City; and

WHEREAS, the zoning regulations of the Township would severely limit any development of the Parcel; and

WHEREAS, the Finnegans had previously sought approval for a four (4) unit development of the Parcel (the "Initial Development") with the Township and the City entering into a certain

intergovernmental agreement dated June 10, 1993 (the "1993 IGA"), a copy of which is attached hereto as Exhibit "A", and under which the Township and the City would each tax two (2) units of the proposed four (4) unit development; and

WHEREAS, the Finnegans never finalized the Initial Development, but now, due to a change in the City's zoning ordinance, desire to develop the Parcel into a three (3) unit condominium development (the "Condominium Development") as shown on Exhibit "B" attached hereto in accordance with the Uniform Condominium Act, 68 Pa.C.S. §§ 3101 - 3414; and

WHEREAS, the Parties hereto are entering into this Agreement pursuant to Chapter 23 of Title 53 of the Pennsylvania Consolidated Statutes, 53 Pa.C.S. §§ 2301 – 2317 (authorizing intergovernmental cooperation) to memorialize their respective understandings concerning the performance of various municipal functions and the responsibility of the property owner(s) of the Parcel to comply therewith, and the allocation of the municipal real estate taxes; and

NOW THEREFORE, for good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Finnegans, the City and the Township (collectively the "Parties") agree as follows:

- 1. **Recitals.** The Recitals set forth above are hereby incorporated into the body of this Agreement and made a part hereof.
- 2. <u>Election of Municipal Real Estate Taxes</u>. Subject to the further terms of this Agreement and pursuant to 53 Pa.C.S. § 8818(c), the Finnegans, on behalf of themselves and their heirs, devisees, beneficiaries, executors, administrators, and assigns, elect the City as the municipality in which the Parcel, inclusive of the land and any improvements thereon, shall be assessed and to which municipal real estate taxes shall be paid.
- 3. <u>Municipal Ordinances and Services</u>. With respect to the Parcel, all present and future improvements thereon, and the conduct of persons found therein, the Parties, on behalf of themselves and their respective successors and assigns, do delegate as needed, recognize, authorize and otherwise agree as follows:
  - (a) The ordinances (including but not limited to tax ordinances, zoning ordinances, and subdivision and land development ordinances), resolutions, codes, rules, regulations, and procedures of the City, including without limitation any future amendments, repeals, or modifications thereto, shall apply to the Parcel exclusively, and the Parcel shall not be subject to any existing or future ordinances (including but not limited to tax ordinances, zoning ordinances, and subdivision and land development ordinances), resolutions, codes, rules, regulations, or procedures of the Township.
  - (b) The provision of municipal services, including but not limited to water, sanitary sewer, storm sewer, recycling, inspections, and responses of the fire department, police department, and emergency/ambulance services will be handled exclusively by and through the City, with any applicable fees or costs for such services charged by, and due and payable to, the City.

- 4. The arrangements set forth in paragraphs 2 and 3 of this Agreement shall continue in perpetuity unless and until both the City and the Township repeal their respective ordinances or resolutions adopting this Agreement.
- 5. <u>Contingencies.</u> This Agreement is effective contingent upon (a) the passage of an ordinance or resolution by both the Township and the City adopting this Agreement as an agreement of intergovernmental cooperation pursuant to Chapter 23 of Title 53 of the Pennsylvania Consolidated Statutes, 53 Pa.C.S. §§ 2301 2317; and (b) the Finnegans applying for and receiving from the City all necessary permits and approvals, including without limitation, building and zoning permits, land development approval from the City Planning Commission, and any necessary zoning relief from the City's Zoning Hearing Board pursuant to all applicable City ordinances (including but not limited to the City's zoning and subdivision and land development ordinances) and codes for the construction of the Condominium Development.

### 6. Miscellaneous.

- (a) <u>Binding On Successors and Assigns</u>. This Agreement shall be binding upon and inure to the benefit of the Parties, their respective heirs, devisees, beneficiaries, executors, administrators, successors, and assigns.
- (b) <u>Choice of Law</u>. This Agreement shall be governed and construed pursuant to Pennsylvania law without regard to conflicts of law principles. Venue of any dispute hereunder shall lie exclusively in the Northampton County Court of Common Pleas.
- (c) <u>Captions and Headings</u>. The captions and headings herein are for convenience and reference only and have no legal force.
- (d) <u>Severability</u>. If any provision of this Agreement is held to be ineffective, unenforceable or illegal for any reason, such decision shall not affect the validity or enforceability of any of the remaining provisions hereof, which shall remain in full force and effect.
- (e) <u>Amendment</u>. Subject to the rights of the Township and the City to terminate this Agreement by repealing their respective ordinances or resolutions adopting this Agreement as provided in paragraph 4 hereof, this Agreement may be amended or modified only by a writing signed by all the Parties hereto and in accordance with then prevailing requirements for intergovernmental agreements.
- (f) <u>Construction</u>. This Agreement shall be construed and interpreted without regard to incidents of authorship, drafting, or negotiation.
- (g) <u>Recording</u>. This Agreement shall be recorded in the Office of the Recorder of Deeds in and for Northampton County. The promises and agreements contained in this Agreement shall constitute covenants running with the land.

- (h) Release, Cancellation, and Voiding of the 1993 IGA. The Parties hereby waive and release each other of and from any and all liabilities, duties, obligations, claims, covenants, debts, dues, actions, penalties, costs, demands, and attorney's fees arising from or in connection with the 1993 IGA, which is hereby cancelled and rendered null and void.
- (i) <u>Entire Agreement</u>. This Agreement constitutes the entire agreement of the Parties hereto as to the matters contained herein and supersedes all prior representations, promises, proposals, discussions, agreements, and communications, whether oral or in writing.

IN WITNESS WHEREOF, the Parties or their duly authorized officers or agents have signed this Agreement on the date specified above.

WITNESS/ATTEST:  By: Jua Crulle	Alan Einnegan Sur Leter Don
WITNESS/ATTEST:  By: Jerk Kneller	Nancy A. Finnegan
WITNESS/ATTEST:	LOWER SAUCON TOWNSHIP
By: SagWerkheisee	By: Mark Hudson Township Manger
WITNESS/ATTEST:	CITY OF BETHLEHEM
By: George H. Yasso Controller	By:  J. William Reynolds  Mayor