CITY OF BETHLEHEM

Department of Community and Economic Development Interoffice Memorandum

Date: November 4, 2026

To: Rachel Leon, President of City Council

From: Sean Ziller, Deputy Director of Economic Development

Re: RACP Council Resolution – ArtsQuest Turn and Grind Shop

The Redevelopment Assistance Capital Program (RACP) is a Commonwealth of Pennsylvania grant program for construction projects exceeding $1 million in cost. To the benefit of the residents of the City of Bethlehem, many projects have received RACP grants through the years. Previous projects include Historic Bethlehem Museums & Sites (HBMS), several of the City's parking facilities, the Goodman Building, and the National Museum of Industrial History (NMIH). Other active RACP projects in the City include the Health Center at (Martin) Tower Place and the second-floor expansion at NMIH. The City typically acts as the pass-through entity of these funds and the projects are carefully monitored by the Commonwealth of Pennsylvania.

Attached is a resolution for consideration. The resolution is related to the redevelopment of the "Turn and Grind Shop" by ArtsQuest, located at 645 E. 1st St on the former Bethlehem Steel Site, and the RACP funding (ME #: 3277-00) awarded to the project in the amount of $7,000,000. The Turn & Grind Shop, once a vital part of Bethlehem Steel's operation, is being redeveloped into a 27,000 sq. ft. arts and cultural venue including for the hosting of festivals, exhibitions, private and corporate events, hospitality and community gatherings. The RACP grant funds will be utilized for construction and the 50% non-state match for the project cost is provided by ArtsQuest.

I respectfully request that this item be placed on an upcoming Council agenda for consideration. In the meantime, I am available for any questions regarding this project.

RESOLUTION NO. 2026-_____

WHEREAS, the City of Bethlehem at the request of ArtsQuest is desirous of obtaining funds from the Redevelopment Assistance Capital Grant Program of the Commonwealth of Pennsylvania in the amount of $7,000,000, appropriated under Capital Budget Project Itemization Act of 2017-052 and 2020-036, for the purpose of assisting ArtsQuest with the ArtsQuest Turn and Grind Shop project (RACP ME # 3277-00) in the City of Bethlehem, Northampton County, Pennsylvania; and

WHEREAS, the City of Bethlehem considers that this project will assist in reducing unemployment and provide economic benefits to the City of Bethlehem, Northampton County, and the Lehigh Valley region;

BE IT RESOLVED by the Council of the City of Bethlehem that the Mayor and Controller, of said municipality, be authorized and directed to execute all application forms necessary for the $7,000,000 grant which will be passed through the City of Bethlehem to ArtsQuest for the purpose of their project;

AND BE IT FURTHER RESOLVED, that the Mayor and City Controller be authorized to enter into a Cooperation Agreement with ArtsQuest for the project administration of said project;

AND BE IT FURTHER RESOLVED, that the City of Bethlehem has been assured by ArtsQuest that the entities will assume the full local share of the project costs, which will be in excess of the $7,000,000 grant, and also assume responsibility for the project's ongoing operating and maintenance costs;

AND BE IT FURTHER RESOLVED, that the City Clerk of the City of Bethlehem is directed to execute a certificate attesting to the adoption of this Resolution and to furnish a copy of the Resolution to the Commonwealth of Pennsylvania.

Sponsored by: /s/_____

/s/_____

ADOPTED by Council this day of , 2026.

/s/_____
President of Council

ATTEST:

/s/_____
City Clerk