

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

2026

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2024 Financial Accountability Incentive Reporting (F.A.I.R.) Documents
Article 349 Economic Development Incentive Reporting and Evaluation

2026 FAIR Hearing

2026 REPORTS

(Covering 2025 Reporting Year)

TABLE OF CONTENTS

<u>DOCUMENT</u>	<u>PAGE NUMBERS</u> (bottom of each page)
Incentive Inventories	
Inventory of Economic Development Tax Incentives	1
Inventory of Non-Tax Incentives	2
Program Summaries (summaries of incentive programs)	3 - 10
Evaluation Reports	
1. Local Economic Revitalization Tax Assistance (LERTA)	11 – 14
2. City Revitalization and Improvement Zone (CRIZ)	15 – 18
3. Enterprise Zone Loan Program	19 – 21
4. Bethlehem Small Business Loan Fund (BSBLF)/CDBG Loan Program	22 – 25
5. Business Infrastructure Development (BID) Loan Fund	26 – 28
Program Impact Statements	29 – 30
Tax Expenditure Spreadsheets / Reports	31 – 32
Local Economic Revitalization Tax Assistance (LERTA)	
City Revitalization and Improvement Zone (CRIZ)	
Change List (list of Material Changes from 2024 Reporting Year, if any)	33

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2025

Incentive Inventories

ARTICLE 349 FAIR PROGRAM

**INVENTORY OF
NON-TAX INCENTIVES**

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

The following Non-Tax Incentives were each in effect as of January 1, 2025:

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 Dept. of Community & Economic Development
- *Term of Incentive:* Original award date: unknown. Ongoing loan program.

B. Bethlehem Small Business Loan Fund (BSBLF)/CDBG Loan Program

- *Authorizing Legislation:* Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, as amended 42 U.S.C. 5301 et seq.
- *Administered By:* City of Bethlehem, Department of Community & Economic Development; Rising Tide Community Loan Fund
- *Term of Incentive:* Ongoing loan program. Corresponds to the applicable loan terms.

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 Dept. 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.

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2025

Program Summaries

ARTICLE 349 FAIR PROGRAM
PROGRAM SUMMARIES

Submitted Administration Document: Program Summaries

FAIR Program Year: 2025

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. **Bethlehem Small Business Loan Fund (BSBLF)/CDBG Loan Program**
- 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 difficult 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 as a result 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: N/A

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 Commonwealth 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. 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: N/A

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: N/A

ARTICLE 349 FAIR PROGRAM
PROGRAM SUMMARIES

Program Name:

Bethlehem Small Business Loan Fund (BSBLF)/CDBG Loan Program

Authorizing law(s):

Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, as amended 42 U.S.C. 5301 et seq.

Governance; Staffing:

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

Purpose; Summary:

Bethlehem Small Business Loan Fund (BSBLF)

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 - N/A, ongoing

Reporting; Monitoring; Recipient Compliance:

Periodic reporting is due to Rising Tide Community Loan Fund (RTCLF) staff pursuant to loan documents and other agreements binding borrowers. Where applicable, RTCLF staff monitors job creation and other requirements through collection of reports and other methods. City staff periodically collects documentation from RTCLF in connection with oversight of federal funds. BSBLF borrowers and the RTCLT are subject to requirements governing the use of federal funds and if they fail to comply with their obligations under applicable agreements, law, and regulation, they may be subject to potential repayment and/or other remedies.

Other: N/A

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 (3) 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: N/A

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2025

Evaluation Reports

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

EVALUATION REPORT

FAIR Program Year: 2025 (“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;
Affordable Housing LERTA: September 7, 2021 – December 31, 2026
Southside LERTA II: January 1, 2023 - December 31, 2027
- (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.
- (f) Reference(s) to relevant policy or other City documents, if any.
Article 342 & Article 343 of the Codified Ordinances of the City of Bethlehem
Ordinance No. 2021-24, No. 2022-14
Resolution No. 2021-146, No. 2022-153

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

33

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

\$1,046,028

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 \$816,638,662 in total project investment.

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

Active:

At the start of 2025, 33 active abatement schedules

Completed:

Four (4) properties had LERTA expire in 2025.

One (1) project became tax-exempt in 2025

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

Post-LERTA Project Assessments \$182,674,350.00

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

EVALUATION REPORT

Pre-LERTA Project Assessments **\$17,851,700.00**
Increased LERTA Project Assessments **\$164,822,650.00 in reassessed value**

- (e) Number of jobs and other direct economic benefits resulting directly from the incentive
5,105 current employees (4,923 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
Southside II: City 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. Projects must maintain 10% affordability over the 10-year period or contribute \$52,320 per affordable unit.
Affordable Housing: City 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. Projects must maintain 10% affordability over the 10-year period or contribute \$25,000 per affordable unit.

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

EVALUATION REPORT

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.

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

EVALUATION REPORT

FAIR Program Year: 2025 (“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.
N/A

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

6

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

\$ 1,786,610 (only 2024)

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 2024, the total project investments reached \$289.95 million (\$48 million new investments in 2024). CRIZ debt associated with these projects is approximately \$40 million.

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

Six projects have been completed since the inception of the program in 2013. Three (3) of these projects resulted in the construction of three (3) new mixed-use buildings of five and six stories, respectively. These new buildings house nearly 65,000 sq. ft. of first floor retail space, 82,000 sq. ft. of professional office space and a 20,000 sq. ft. top-floor restaurant. The fourth project featured the renovation of a prohibition era bank facility into a 6,300 sq. ft. craft distillery and restaurant. Other projects included the re-construction of a boutique hotel, restaurant event center on the site of the former Masonic Temple and Wilbur Mansion as well as the expansion of an existing hotel and conference center by nearly 100% with the addition of 276 rooms and 33,000 sq. ft. of event space. The last project resulted in the construction of two (2) three story medical office buildings for a total of 100,000 sq. ft. at the site of the former Martin Tower in West Bethlehem.

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

EVALUATION REPORT

Twelve (12) for-profit and two (2) non-profit businesses were operating in the CRIZ at the end of 2024.

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

Current assessment for the CRIZ projects is \$45,662,000. Assessments prior to CRIZ were \$1,637,100.

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

839 employees (708 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.

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

EVALUATION REPORT

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.

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

EVALUATION REPORT

FAIR Program Year: 2025 (“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:
N/A

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 2025.

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

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

EVALUATION REPORT

- (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

- (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

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: 2025 (“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:
Bethlehem Small Business Loan Fund (BSBLF)/CDBG Loan Program
- (b) Statutory reference(s) to any authorizing legislation:
Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, as amended 42 U.S.C. 5301 et seq.
- (c) Enactment date, term of the incentive, and any sunset or other critical dates;
N/A, ongoing
- (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. Loans may be used for acquisition of property, new construction, expansion, and equipment. Other program eligibility rules apply.
- (f) Reference(s) to relevant policy or other City documents, if any.
N/A

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:

One (1) limited liability corporation (LLC) with NAICS code 611699

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

\$24,412.10

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 cost of administering the funds that support the BSBLF has not been determined; the “return” to the City is through job creation, economic development benefits, and direct dollar investment resulting from supported projects.

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

Including this loan, the recipient secured at least \$24,412.10 in total financing for its project.

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

One (1) started and completed in 2025.

Six (6) active in 2025.

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

N/A; at this point in the project.

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

EVALUATION REPORT

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

N/A; at this point in the project.

- (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;

Indirect returns to the City result from increased commercial activity, tourism, and related spending.

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

The BSBLF Program helps create viable communities, economic development benefits, and job opportunities for low-and moderate-income individuals by providing financing opportunities to borrowers that may not otherwise have affordable access to bank and financial institution lending opportunities.

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 is necessary to continue this program and legislative oversight is provided via the federal government and its agency, HUD.

- (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 City did not direct new CDBG dollars to this program in 2025. The fiscal impact of this program is limited in relation to the available funds.

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

EVALUATION REPORT

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.

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

EVALUATION REPORT

FAIR Program Year: 2025 (“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:
N/A

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 2025.

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

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

EVALUATION REPORT

- (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

- (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

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.

2026

Impact Statements

**Narratives Related to Specific
Economic Development Incentive Programs**

2026 Economic Development Incentive Impact Statements

LERTA

“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 [REDACTED] and we export all over the world. Our employees [are] skilled, our pay rate is very good, and we will continue to grow thanks to this move and the assistance the city of Bethlehem.”

“This incentive has been helpful in the successful completion of the [REDACTED] center build-out. It will help to increase employment in the City.”

“LERTA has been essential to project feasibility by reducing early-year tax burden and supporting financing. Without it, the project would likely not have proceeded. The development adds housing, creates jobs, stimulates local spending, and ultimately increases the City's long-term tax base once the abatement period expires.”

“LERTA was essential in helping to bridge an operating gap with reduced taxes during the early years following completion.”

“Critical to launching the renovation and curing long-term tenants.”

“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 [REDACTED] to be constructed. Being able to utilize the LERTA Program was a key economic factor in this project.”

“[T]he 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.”

“The LERTA tax abatement was a powerful incentive for [tenant] to locate their expanded operations... Having a gradual increase in the property taxes helped offset start up costs for the facility....In fact, had the building not had the LERTA tax incentive, the tenant would've most likely located their operations in New Jersey...”

“[Tenant] expanded its Bethlehem facility with a [REDACTED] warehouse addition...This investment is expected to create jobs, boost local spending, and increase future property tax contributions, supporting the local economy. The expansion also improves the company's supply chain efficiency and positions it for continued growth.”

“[Tenant] plans to grow its workforce as it expands into a state-of-the-art facility [REDACTED], chosen for its quick-to-market, first-class industrial space, with LERTA playing a key role in the decision.

The expansion supports Bethlehem's economic growth through job creation, advanced manufacturing, and sustainable practices, further strengthening the local economy and positioning the area as a manufacturing hub."

"The LERTA tax abatement is a powerful incentive for [tenant] as they expanded operations...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 [tenant] establish their operations...so they can gain a larger footprint on the east coast."

"[Tenant] expanded in 2021 and now leases the entire [REDACTED] building, chosen for its ready-to-use, rail-served facility and tax incentives (LERTA). The move combined operations into one location, improving efficiency in packaging and distribution to meet growing demand. It also strengthens [tenant's] U.S. presence and long-term commitment to the Lehigh Valley..."

"The program supported [tenant's] move to Bethlehem with funding for its facility...while [2nd tenant] chose the city for its market access and LERTA incentives..."

"The City of Bethlehem's LERTA allows [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. 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."

"LERTA helped make the project financially viable."

CRIZ

"CRIZ allowed the reuse and restoration of a significant property."

"Enterprise Credit helped mitigate cost overruns, CRIZ assisted with bank financing, and LERTA helped keep operating costs lower on the front end to induce tenancy."

"CRIZ incentive was crucial to attract restaurant tenants which make up the entirety of the retail portion of the building."

"CRIZ is expected to return approximately \$1 million to the project."

2026

Tax Expenditure Spreadsheets & Reports

**CITY OF BETHLEHEM
TAX EXPENDITURE SPREADSHEET**

LERTA

	REAL ESTATE TAX OWED IF NOT IN LERTA	REAL ESTATE TAX PAID IN LERTA	BUSINESS PRIVILEGE TAX PAID	EARNED INCOME TAX PAID	LOCAL SERVICES TAX PAID
2025	\$ 3,587,724	\$ 2,541,696	\$ 978,861	\$ 914,348	\$ 301,849
2024	3,916,575	2,596,875	1,047,677	951,275	306,881
2023	4,077,997	2,448,377	942,192	761,555	313,838
2022	3,989,023	2,015,122	628,638	784,173	361,529
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

TIF

	TOTAL REAL ESTATE TAXES PAID	AMOUNT RETAINED BY CITY	AMOUNT SENT TO RDA
2020	\$ 2,795,577	\$ 1,363,655	\$ (1,431,922)
2019	2,813,957	1,398,297	(1,415,660)
2018	2,658,223	1,202,903	(1,455,320)
2017	2,594,471	1,137,826	(1,456,645)
2016	2,584,875	1,128,875	(1,456,000)
2015	2,528,106	1,070,961	(1,457,145)
2014	2,387,285	960,050	(1,427,235)
2013	2,502,874	1,081,616	(1,421,258)
2012	2,442,836	893,104	(1,549,732)
2011	1,357,387	451,827	(905,560)
2010	692,788	206,787	(486,001)

CRIZ

	REAL ESTATE TAXES PAID BY CRIZ PROPERTY	INCREMENTAL ACT 511 SENT TO THE STATE
2025	\$ 258,434	\$ (92,689)
2024	401,816	(144,459)
2023	170,988	(139,610)
2022	179,251	(50,994)
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**

	REAL ESTATE TAX OWED IF NOT IN LERTA	REAL ESTATE TAX PAID IN LERTA	BUSINESS PRIVILEGE TAX PAID	EARNED INCOME TAX PAID	LOCAL SERVICES TAX PAID
2025	\$ 3,587,724	\$ 2,541,696	\$ 978,861	\$ 914,348	\$ 301,849
2024	3,916,575	2,596,875	1,047,677	951,275	306,881
2023	4,077,997	2,443,151	942,192	761,555	313,838
2022	3,989,023	2,015,122	628,638	784,173	361,529
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
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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) **TIF**

	TOTAL REAL ESTATE TAXES PAID	AMOUNT RETAINED BY CITY	AMOUNT SENT TO RDA
2020	\$ 2,795,577	\$ 1,363,655	\$ (1,431,922)
2019	2,813,957	1,398,297	(1,415,660)
2018	2,658,223	1,202,903	(1,455,320)
2017	2,594,471	1,137,826	(1,456,645)
2016	2,584,875	1,128,875	(1,456,000)
2015	2,528,106	1,070,961	(1,457,145)
2014	2,387,285	960,050	(1,427,235)
2013	2,502,874	1,081,616	(1,421,258)
2012	2,442,836	893,104	(1,549,732)
2011	1,357,387	451,827	(905,560)
2010	692,788	206,787	(486,001)

(2) Tax Increment Financing Act of July 11, 1990, as amended, 53 P.S. 6930.1 et seq.; City of Bethlehem Article 345.

(3) Enacted in 2000. **TIF expired in 2020 so no further activity will be shown.**

**CITY OF BETHLEHEM
TAX EXPENDITURE REPORT**

(1) **CRIZ**

	REAL ESTATE TAXES PAID BY CRIZ PROPERTY	INCREMENTAL ACT 511 SENT TO THE STATE
2025	\$ 258,434	\$ (92,689)
2024	401,816	(144,459)
2023	170,988	(139,610)
2022	179,251	(50,994)
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

2026

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: City Council – Community Development Committee
FROM: Sean Ziller, Deputy Director of Economic Development
DATE: April 24, 2026
SUBJECT: Change List

Below are Material Changes for our 2025 FAIR submission based on the requirement in Ordinance No. 2018-01, Article 349 Section 349.06:

- There are no Material Changes for this current reporting period.