



CITY OF BETHLEHEM
OFFICE OF THE CITY SOLICITOR

INTEROFFICE MEMORANDUM

To: Tad J. Miller, City Clerk

From: John F. Spirk, Jr., Esq., City Solicitor

Re: Intergovernmental Cooperation Agreement with Bethlehem Township, Bethlehem Township Municipal Authority, Borough of Freemansburg, and 1600 Freemansburg Ave LLC
Northeast Interceptor Capital Improvements

Date: May 12, 2026

Attached for Council's consideration is a proposed Resolution and associated Intergovernmental Cooperation Agreement titled Northeast Interceptor Capital Improvements with Bethlehem Township, Bethlehem Township Municipal Authority, Borough of Freemansburg, and 1600 Freemansburg Ave LLC.

Please place this matter on City Council's agenda for review and appropriate action.

John F. Spirk, Jr.
John F. Spirk, Jr., Esq., Solicitor

Cc: J. William Reynolds, Mayor
Edward Boscola, Director of Water & Sewer Resources

RESOLUTION 2026-_____

AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL COOPERATION AGREEMENT PURSUANT TO 53 Pa. C.S.A. §2307, SAID AGREEMENT TITLED “INTERGOVERNMENTAL COOPERATION AGREEMENT NORTHEAST INTERCEPTOR CAPITAL IMPROVEMENTS” BETWEEN BETHLEHEM TOWNSHIP MUNICIPAL AUTHORITY, BOROUGH OF FREEMANSBURG, BETHLEHEM TOWNSHIP, 1600 FREEMANSBURG AVE LLC, AND CITY OF BETHLEHEM.

WHEREAS, the CITY OF BETHLEHEM, is a municipal corporation being a City of the Third-Class, subject to the Optional Third-Class City Charter Law, organized and existing under the laws of the Commonwealth of Pennsylvania, its constituent parts being split by law between Northampton County and Lehigh County, Pennsylvania with principal administrative offices at City Hall, 10 E. Church Street, Bethlehem, PA 18018 (hereinafter referred to as “City”); and

WHEREAS, City owns, operates and maintains certain sanitary sewer interceptor facilities, including the North-East Interceptor, which convey sanitary sewage from the City, Bethlehem Township (hereinafter referred to as “Township) and the Borough of Freemansburg (hereinafter referred to as “Borough”) pursuant to prior intergovernmental cooperation agreements, including without limitation, an Agreement between and among the Bethlehem Township Municipal Authority (hereinafter referred to as “BTMA”), the Township, the City and the Bethlehem Authority dated July 1, 1975, and an Agreement between and among the Borough, the City and the Bethlehem Authority dated July 1, 1975; and

WHEREAS, 1600 Freemansburg Ave LLC (hereinafter referred to as “Developer”) is a Pennsylvania limited liability company that intends to develop property at 1600 Freemansburg Avenue, which is located in the Borough (hereinafter referred to as the “Development”); and

WHEREAS, the Bethlehem Township Municipal Authority, the City of Bethlehem, Bethlehem Township, the Borough of Freemansburg, and 1600 Freemansburg Ave LLC desire to enter into an intergovernmental cooperation agreement titled “Intergovernmental Cooperation Agreement Northeast Interceptor Capital Improvements” (the “Agreement”) to undertake a capital improvement project consisting of replacement of the Interceptor Segment with 21-inch SDR-35 PVC pipe, construction of a new meter vault and installation of meter equipment, construction of two PVC lined or other protective interior coated manholes and installation of temporary bypass pumping facilities (hereinafter referred to as the “Project”), which will also accommodate future sanitary sewer service associated with the Development; and

WHEREAS, the Agreement sets forth the various rights, obligations and duties of the parties, including but not limited to the term of the Agreement and the costs associated therewith; and

WHEREAS, the Agreement's term is coterminous with the duration of the Project; and

WHEREAS, the Agreement delineates the Developer's financial contribution to the Project, as well the cost sharing allocations applicable to the City, Township and Borough; and

WHEREAS, as set forth in the Agreement, the City's financial obligations under the Agreement will be twenty-six and six-tenths percent (26.6%) of the net Project cost, which will be satisfied with funds appropriated in the City's budget for the Project.

NOW THEREFORE BE IT RESOLVED, on this ____ day of _____, 2026, that the City Council of the City of Bethlehem, approves and ratifies the Intergovernmental Cooperation Agreement titled "Intergovernmental Cooperation Agreement Northeast Interceptor Capital Improvements" attached hereto and that the Mayor and the Controller and/or such other City officials as deemed appropriate by the City Solicitor, are hereby authorized to execute the same on behalf of the City of Bethlehem.

Sponsored by /s/ _____

/s/ _____

ADOPTED by Council this ____ day of _____, 2026.

/s/ _____
President of Council

ATTEST:

/s/ _____
City Clerk

INTERGOVERNMENTAL COOPERATION AGREEMENT

**NORTHEAST INTERCEPTOR
CAPITAL IMPROVEMENTS**

This Intergovernmental Cooperation Agreement (this "Agreement") is made this _____ day of _____, 2026, by and among:

BETHLEHEM TOWNSHIP MUNICIPAL AUTHORITY, a municipal authority created under the laws of the Commonwealth of Pennsylvania, having offices at 3535 Orth Street, Bethlehem, Pennsylvania 18020 ("BTMA");

CITY OF BETHLEHEM, a city of the third class of the Commonwealth of Pennsylvania having offices at 10 East Church Street, Bethlehem, Pennsylvania 18018 (the "City");

BOROUGH OF FREEMANSBURG, a borough of the Commonwealth of Pennsylvania, having offices at 600 Monroe Street, Freemansburg, Pennsylvania 18017 (the "Borough");

BETHLEHEM TOWNSHIP, a township of the first class of the Commonwealth of Pennsylvania, having offices at 4225 Easton Avenue, Bethlehem, Pennsylvania 18020 (the "Township"); and

1600 FREEMANSBURG AVE LLC, a Pennsylvania limited liability company, having an address of c/o Trammell Crow Company, 300 Conshohocken State Road, Suite 250, West Conshohocken, Pennsylvania 19428 (the "Developer").

BTMA, City, Borough, Township and Developer are sometimes hereinafter referred to individually as a "Party" and collectively as the "Parties".

RECITALS

A. The City owns, operates and maintains certain sanitary sewer interceptor facilities, including the North-East Interceptor, which conveys sanitary sewage from the City, the Township and the Borough pursuant to prior intergovernmental cooperation agreements, including, without limitation, an Agreement between and among BTMA, the Township, the City and the Bethlehem Authority dated July 1, 1975, and an Agreement between and among the Borough, the City, and the Bethlehem Authority dated July 1, 1975 (in which the North-East Interceptor is referred to as the "Trunk Sewer"); and

B. A portion of the North-East Interceptor currently serving the City and the Township located in the Borough includes approximately 130 linear feet of deteriorated 21-inch reinforced concrete pipe (the "Interceptor Segment") together with related appurtenances, which requires replacement in order to maintain system integrity, accurate open channel flow metering, and service reliability; and

C. The Parties desire to undertake a capital improvement project consisting of replacement of the Interceptor Segment with 21-inch SDR-35 PVC pipe, construction of a new meter vault and installation of meter equipment, construction of two PVC lined or other protective interior coated manholes and installation of temporary bypass pumping facilities (the "Project"); and

D. The Developer intends to develop the property at 1600 Freemansburg Avenue, which is located in the Borough (the "Development"); and

E. The Project will also accommodate future sanitary sewer service associated with the Development; and

F. The Borough currently has no existing measurable sanitary sewer flow through the Project area; and

G. The Pennsylvania Department of Environmental Protection (“PADEP”) has approved an Act 537 land use flow of 16,164 gallons per day for the Development, by letter dated October 18, 2024; and

H. The Parties desire to allocate the capital cost of the Project among the Township, the City and the Borough based upon proportional sanitary sewer flow, using a twenty-four (24) month monitored average daily flow for the City and the Township and PADEP-approved Act 537 flow for the Borough; and

I. Certain wastewater flows generated within the Borough will be conveyed through the North-East Interceptor and measured at Township Meter No. 3; and

J. Such flows will originate from the Development located within the Borough and be served as customers of the Borough; and

K. The wastewater flow generated by the Freemansburg development will enter the North-East Interceptor upstream of Township Meter No. 3 solely for conveyance purposes; and

L. Such flows originate within the Borough and enter the North-East Interceptor only for transmission prior to metering at Township Meter No. 3; and

M. The Parties desire to enter into this Agreement pursuant to the Pennsylvania Intergovernmental Cooperation Act to set forth their various rights, obligations and duties concerning the Project.

NOW, THEREFORE, in consideration of the recitals, which are incorporated herein by reference and in further consideration of the mutual promises herein contained, and intending to be legally bound, the Parties agree as follows:

1. PROJECT CONSTRUCTION

BTMA shall design, publicly bid and construct the Project in accordance with all applicable laws of the Commonwealth of Pennsylvania. BTMA shall serve as the primary contracting entity for the Project.

2. PERMITTING

The Borough will waive any permitting and/or inspection related cost that would be associated with construction within the Borough's jurisdiction related to the Project.

3. FLOW DETERMINATION

A. Historic average daily sanitary sewer flows for the City and Township were determined using a twenty-four (24) month monitoring period from January 1, 2024 through December 31, 2025, as set forth in Exhibit "A".

B. Based upon said monitoring period, the following average daily flows were established:

Bethlehem Township: 1,515,470 gallons per day
City of Bethlehem: 555,708 gallons per day

C. Because the Borough has no measurable existing flow through the Project area, the Borough's flow is established using the PADEP-approved Act 537 planning flow of 16,164 gallons per day, as documented in Exhibit "C".

D. The flow values and percentage allocations set forth above and in Exhibit "A" shall be final and binding for purposes of this Agreement.

4. COST ESTIMATE

The Engineer's Probable Cost Estimate for the Project is attached hereto as Exhibit "B". The estimate is provided for planning purposes only. Final cost sharing allocation shall be based on actual construction costs, inclusive of all approved change orders, if any.

5. DEVELOPER'S CONTRIBUTION

A. The Developer shall make a cash contribution of Seventy Five Thousand and 00/100 (\$75,000.00) Dollars toward the costs of the Project. Payment shall be due within thirty (30) days of invoice from BTMA.

B. BTMA shall design and construct a new manhole or designated connection structure to serve the Development at a location and elevation reasonably determined by the Developer, subject to review and approval by BTMA and the Borough, which shall not be unreasonably withheld or delayed. This structure shall include a receiving inlet sized to accommodate the Developer's collector sewer line, equal in diameter to the Developer's proposed collection system and shall serve as the official point of connection.

C. As a result of the revised point of connection pursuant to subsection B above, the Borough shall not require the Developer to construct a separate or parallel collection or interceptor extension in order to bypass Township Meter #3.

D. The parties acknowledge that 16,164 gallons per day ("GPD") of projected flow attributable to Freemansburg Borough has been reviewed and deemed approved pursuant to the applicable Act 537 planning process. Nothing herein shall be construed as limiting or capping the Borough's future wastewater flows. Any additional flows generated beyond the identified 16,164 GPD shall be governed by and subject to the terms and allocated capacity provisions set forth in the 1975 Intermunicipal Agreement between the City and the Borough, as amended.

6. COST SHARING

A. The Developer's contribution as required by Section 5.A. hereof shall be deducted from the total Project cost prior to the allocation of costs among the City, the Township and the Borough.

B. The remaining net Project cost shall be allocated among the City, the Township and the Borough based upon the following percentage allocations derived from Exhibit "A":

Bethlehem Township: 72.6%
City of Bethlehem: 26.6%
Freemansburg Borough: 0.8%

C. The Township's share of the net Project cost shall be borne by BTMA and the Township shall not be directly responsible for any portion of the Project cost.

7. BILLING AND PAYMENT OF PROJECT COST ALLOCATION

A. BTMA shall invoice the City and the Borough for their respective proportional shares of actual Project costs within thirty (30) days following substantial completion of the Project and issuance of final payment, less any retainage, to the contractor. Payment in full by the City and the Borough shall be due to BTMA within thirty (30) days from the postmark date of the invoice.

B. BTMA may withhold from the general contractor for the Project up to ten percent (10%) of each party's proportional share pending final completion of punch list items, resolution of claims and receipt of all required releases. Upon final release of retained funds, BTMA shall issue a final reconciliation invoice reflecting the adjusted Project cost.

8. WASTEWATER TREATMENT BILLING

A. Wastewater treatment billing for the wastewater flows generated within the Borough which will be conveyed through the North-East Interceptor and measured at Township Meter No. 3 shall occur directly between the City and the Borough in accordance with the then current treatment payment agreement.

B. In order to prevent duplicate billing or allocation of such flows to the Township for treatment cost purposes, the Parties agree that the volume of wastewater generated by such development shall be deducted from the total metered flow at Township Meter No. 3.

C. Due to site and hydraulic constraints, open-channel flow metering of the Development is not feasible, and therefore wastewater flow from such

Development shall be determined based upon potable water usage records for the Development provided by the City.

D. Such flow is not attributable to customers of the Township and wastewater treatment billing for such flow shall occur directly between the City and the Borough.

9. NO THIRD PARTY BENEFICIARIES

This Agreement is intended to benefit the Parties, only, and there are no intended third party beneficiaries. This Agreement may not be relied upon by any person or entity other than the Parties hereto.

10. ALTERNATIVE DISPUTE RESOLUTION

A. Good Faith Discussion. If a dispute arises under this Agreement, the Parties shall first try to resolve it through good faith discussions between their designated representatives. Any Party may start this process by written notice. The Parties shall meet within thirty (30) days unless they agree otherwise.

B. Mediation. If the dispute is not resolved within sixty (60) days after notice, any Party may submit the dispute to non-binding mediation with a mediator experienced in Pennsylvania municipal matters. The mediator shall be selected by agreement between/among the Parties. If the Parties cannot agree on a mediator, the mediator shall be appointed by a judge of the Court of Common Pleas of Northampton County.

C. Court Action. If mediation does not resolve the dispute, any Party may pursue available legal remedies. Unless required otherwise by law, venue shall lie in the Court of Common Pleas of Northampton County.

D. No Waiver of Immunities. Nothing in this Section waives any governmental or sovereign immunity or other protections available under Pennsylvania law.

11. **RECORDS**

Each Party shall provide reasonable access to records necessary to implement and administer this Agreement.

12. **MODIFICATION**

This Agreement may be modified only by written agreement executed by all Parties.

13. **SEVERABILITY**

If any provision of this Agreement is held invalid, the remaining provisions shall remain in full force and effect.

14. **GOVERNING LAW**

This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

15. **COUNTERPARTS**

This Agreement may be executed in counterparts, each of which shall be deemed an original.

SIGNATURES APPEAR ON NEXT PAGE

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year first above written.

Attest:

BETHLEHEM TOWNSHIP
MUNICIPAL AUTHORITY

By: _____
Name: _____
Title: _____

Attest:

CITY OF BETHLEHEM

By: _____
Name: _____
Title: _____

Attest:

BOROUGH OF FREEMANSBURG

By: _____
Name: _____
Title: _____

Attest:

BETHLEHEM TOWNSHIP

By: _____
Name: _____
Title: _____

Witness:

1600 FREEMANSBURG AVE LLC

By: _____
Name: _____
Title: _____

Quarter	Year	Average Daily Flow over a two (2) Year Span									
		Meter #3 Main St	Meter #1 - Johnston Dr	Meter #2 Easton Ave	COB Deduct meter #3	TWP Deduct meter #2	City Interceptor Flow	TWP Interceptor Flow	COB %	TWP %	
1	2024	186,612,000	50,832,000	1,820,000	26,000	184,450	52,493,550	134,118,450	28%	72%	
2	2024	182,840,000	47,453,000	1,820,000	22,000	213,410	49,081,590	133,758,410	27%	73%	
3	2024	178,620,000	42,852,000	1,840,000	18,000	215,060	44,494,940	134,125,060	25%	75%	
4	2024	184,883,000	47,339,000	1,840,000	19,000	209,860	48,988,140	135,894,860	26%	74%	
1	2025	185,480,000	47,121,000	1,800,000	19,000	213,110	48,726,890	136,753,110	26%	74%	
2	2025	196,974,000	49,076,000	1,820,000	18,000	256,180	50,657,820	146,316,180	26%	74%	
3	2025	185,901,500	48,686,000	1,840,000	15,000	298,260	50,242,740	135,658,260	27%	73%	
4	2025	210,649,500	59,355,000	1,840,000	14,000	227,560	60,951,440	149,668,060	29%	71%	
Total	2 YR	1,511,960,000	392,714,000	14,620,000	151,000	1,817,890	405,667,110	1,406,292,890	27%	73%	
Daily GPD		2,071,178	537,964	20,027	207	2,490	555,708	1,515,470	27%	73%	
Freemansburg Flow:		2,087,342					555,708	1,515,470	26.6%	72.6%	
		16,164							0.8%		

Source: City of Bethlehem/Bethlehem Township Quarterly Treatment Billing Worksheets - Quarter 1 2024 through Quarter 4 2025
 Freemansburg Industrial GPD - PADEP Act 537 Planning approval letter, dated 10/18/2024 DEP Code No. 2-48912152-3E

EXHIBIT "A"



EXHIBIT B

Meter Flume Preliminary Opinion of Probable Cost

Client: BTMA Prepared By: WLB
 Description: New Meter Vault w-Flume Checked By: LAD

Key to Units: AC = Acre EA = Each SF = Square Foot VF = Vertical Foot
 CF = Cubic Foot LF = Linear Foot SY = Square Yard
 CY = Cubic Yard LS = Lump Sum TN = Ton

Item No.	Description	Qty.	Unit	Unit Cost	Total Cost
	E&S Controls	1	EA	\$2,000.00	\$2,000.00
	21-inch PVC Gravity Sewer	141	LF	\$260.00	\$36,660.00
	Removal of Existing 21-inch Gravity Sewer	141	LF	\$50.00	\$7,050.00
	Manhole Walls (PVC Lined)	27	VF	\$750.00	\$20,250.00
	Manhole Bases (Spray Roq)	2	EA	\$4,000.00	\$8,000.00
	3-Way MH (Spray Roq)	1	EA	\$5,000.00	\$5,000.00
	MH Frames and Covers	2	EA	\$800.00	\$1,600.00
	Parshall Flume	1	LS	\$12,000.00	\$12,000.00
	Parshall Flume Vault	1	LS	\$50,000.00	\$50,000.00
	Flow Meter (Ultrasonic Type)	1	LS	\$10,000.00	\$10,000.00
	Remove Existing Meter MH	1	LS	\$2,000.00	\$2,000.00
	Traffic Control	1	LS	\$5,000.00	\$5,000.00
	Bypass Pumping	2	Weeks	\$10,000.00	\$20,000.00
	Subtotal				\$179,560.00
	Electrical and Controls (10% of subtotal)	1	LS		\$17,956.00
	Subtotal				\$197,516.00
	Mobilization/Demobilization (3%)				\$5,930.00
	Bonds and Insurance (2%)				\$3,960.00
	Engineering, Legal, Administrative (10%)				\$19,760.00
	<i>Subtotal</i>				<i>\$227,166.00</i>
	Construction Contingency (10%)				\$22,720.00
	TOTAL				\$249,886.00

Disclaimer: This opinion of probable cost prepared by ARRO represents its judgment as a design professional and is supplied for the general guidance of the Client. Since ARRO has no control over cost of labor, materials, equipment or services furnished by others, over contractors' methods of determining prices, over costs of financing, acquisition of land or rights-of-way or over competitive bidding, market or negotiating conditions, ARRO does not guarantee that this opinion of probable cost will not vary from actual costs or contractors' bids to the Client. This opinion of probable cost is valid for sixty (60) days from the most recent of the Preparation Date or Date Last Revised, unless there is a known substantive market shift or alteration in project scope affecting cost (in which case ARRO will advise the Client of such in writing), after which time the opinion of probable cost should be reviewed and revised as necessary prior to any financial decisions being made by the Client.

Assumptions. This opinion of probable cost assumes the following:

- a. Project will be publicly bid (through PennBid) and PA Prevailing Minimum Wage Rates will apply.
- b. Opinion includes soft costs (engineering and permitting, legal, and administrative) as a percentage of anticipated construction cost.

Exclusions. This cost opinion does not include the following:

- a. Rock removal
- b. Easement acquisition costs and land purchases.
- c. Permitting, Erosion and Sediment plans, and Resident Project Representative/Inspection.

"EXHIBIT C"



Pennsylvania
Department of
Environmental Protection

October 18, 2024

VIA ELECTRONIC MAIL

Doug Bruce, Manager
Bethlehem Township
4225 Easton Ave.
Bethlehem, PA 18020
dbruce@bethlehemtownship.org

Justine Rossi, Secretary
Freemansburg Borough
600 Monroe St.
Freemansburg, PA 18017
jrossi@boroughoffreemansburg.org

Re: Approval Letter - Exemption
Act 537 Planning
Freemansburg Industrial
16,164 GPD
DEP Code No: 2-48912152-3E
APS # 1121773; AUTH ID # 1499701
Bethlehem Township and Freemansburg Borough, Northampton County

Dear Doug Bruce:

The Department of Environmental Protection (DEP) has reviewed the above referenced sub-division plan. This confirms DEP's determination that the above-referenced project is exempt from the requirement to revise the Official Plan for new land development. This determination is based in part on municipal and other sign-offs.

The proposed project consists of the construction of an 866,350 square foot warehouse building on a 115.81-acre parcel located at 1600 Freemansburg Avenue in Bethlehem Township and Freemansburg Borough, Northampton County. The building will connect to the Freemansburg Borough's collection system and will generate approximately 16,164 GPD of sewage flows to be treated at the City of Bethlehem's wastewater treatment plant.

The proposed project is located in the vicinity of northern long-eared bat spring staging / fall swarming habitat. To ensure take is not reasonably certain to occur, do not conduct tree removal from May 15 to August 15.

Any person aggrieved by this action may appeal the action to the Environmental Hearing Board (Board), pursuant to Section 4 of the Environmental Hearing Board Act, 35 P.S. § 7514, and the Administrative Agency Law, 2 Pa.C.S. Chapter 5A. The Board's address is:

Environmental Hearing Board
Rachel Carson State Office Building, Second Floor
400 Market Street
P.O. Box 8457
Harrisburg, PA 17105-8457

Doug Bruce, Manager
Justine Rossi, Secretary

- 2 -

September 18, 2024

TDD users may contact the Environmental Hearing Board through the Pennsylvania Relay Service, 800-654-5984.

Appeals must be filed with the Board within 30 days of receipt of notice of this action unless the appropriate statute provides a different time. This paragraph does not, in and of itself, create any right of appeal beyond that permitted by applicable statutes and decisional law.

A Notice of Appeal form and the Board's rules of practice and procedure may be obtained online at <http://ehb.courtapps.com> or by contacting the Secretary to the Board at 717-787-3483. The Notice of Appeal form and the Board's rules are also available in braille and on audiotape from the Secretary to the Board.

IMPORTANT LEGAL RIGHTS ARE AT STAKE. YOU SHOULD SHOW THIS DOCUMENT TO A LAWYER AT ONCE. IF YOU CANNOT AFFORD A LAWYER, YOU MAY QUALIFY FOR FREE PRO BONO REPRESENTATION. CALL THE SECRETARY TO THE BOARD AT 717-787-3483 FOR MORE INFORMATION. YOU DO NOT NEED A LAWYER TO FILE A NOTICE OF APPEAL WITH THE BOARD.

IF YOU WANT TO CHALLENGE THIS ACTION, YOUR APPEAL MUST BE FILED WITH AND RECEIVED BY THE BOARD WITHIN 30 DAYS OF RECEIPT OF NOTICE OF THIS ACTION.

If you have any questions or concerns, please contact Robert Corby, Sewage Planning Specialist, at 610.861.2157 and reference DEP Code No. 2-48912152-3E, APS ID #1121773; AUTH# 1499701.

Sincerely,

Tewoldemedhin Rustu

Tewoldemedhin Rustu
Sewage Planning Supervisor
Clean Water Program

cc: Michael Wilson\1600 Freemansburg Associates, LLC
William Schaefer, P.E., Senior Project Engineer\Langan
Jim Daley, Secretary\Bethlehem Township Planning Commission
Cheryl Simons, Secretary, Freemansburg Borough Planning Commission
William Bohner\Arro Consulting for Bethlehem Township Municipal Authority
William Reese, WWTP Superintendent\City of Bethlehem
Corinne Ruggiero, Environmental Planner\Lehigh Valley Planning Commission
Becky Bradley, AICP, Executive Director\Lehigh Valley Planning Commission