

Bethlehem RDA helps ArtsQuest refinance debt



The ArtsQuest Center opened in 2011 with both a contemporary and industrial feel, with a ground to ceiling glass front and walls of rough concrete. It had been financed, in part, with New Market Tax Credits. (Jane Therese/The Morning Call)



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Why the Bethlehem RDA approved a \$7.5 million refinancing at SteelStacks

JANUARY 20, 2017, 7:16 PM

BETHLEHEM — The Bethlehem Redevelopment Authority approved this week up to a \$7.5 million bond that will help a nonprofit refinance debt it owes on the ArtsQuest Center at SteelStacks, a performing arts venue that anchors the entertainment complex at the former Bethlehem Steel plant.

The debt stems from financing that ArtsQuest obtained in 2009 through the federal New Market Tax Credit program, which aimed to draw private investment to low-income areas.

ArtsQuest will make the payments on the tax-exempt, 25-year bond through PNC Bank and the redevelopment authority will not be responsible for the payments.

ArtsQuest is also borrowing money from Lafayette Ambassador Bank to cover the portion of the debt that is not eligible for tax-exempt financing.

When the refinancing is completed, ArtsQuest will have reduced its entire long-term debt to about \$8 million, ArtsQuest spokesman Mark Demko said.

"This is a more manageable figure that will allow us to maintain day-to-day operations and current programs, while investing strategically in new programming for our community, as well as build our endowment and giving opportunities," Demko said in a statement.

ArtsQuest was the first in the Lehigh Valley to use the New Market Tax Credit, a complex financing structure that was created in 2000. ArtsQuest raised \$7 million from an investor of the tax credit program, US Bancorp. Community Development Corp. ArtsQuest raised another \$19 million from individual donors and banks for the project.

ArtsQuest Center is just one feature of a \$98 million arts and cultural campus that wraps around the former Steel blast furnaces. It also includes an outdoor stage, PBS39 studios, the Hoover Mason Trestle walkway, public plazas, a visitors' center and the National Museum of Industrial History.

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