

## Bethlehem South Side business district to get major retail, office, student housing complex



Dennis Developer Dennis Benner speaks as architectural renderings are displayed with plans for a seven-story building on the corner of New and Third streets and another on Fourth Street announced during a press conference at the site of New and Third streets on Nov. 4, 2013.)

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A \$56.5 million redevelopment project including significant retail, office and student housing space is planned for [Bethlehem](#)'s South Side

business district.

Developer [Dennis Benner](#) today revealed plans for a 13-story student housing and retail complex on the first block of West Fourth Street and a seven-story office and retail complex a block north at West Third and South New streets.

Construction on the project, which includes a 507-space parking garage, is scheduled to start in the second quarter of next year and take 24 months.

Benner, a [Lehigh University](#) graduate, said he's long heard complaints about how there isn't enough for college students and young professionals to do in the city and that his complex aims to remedy that. His retail plans include high-end restaurants and lounges, likely including a wine bar, he said.

"We want really sophisticated kind of stuff here," said Benner, who also is a Bethlehem-based attorney. "We're trying to create a real destination location."

The 13-story building on West Fourth Street would include housing for 335 students. Benner said he expects interest from Lehigh University and [Penn State Lehigh Valley](#) students and possibly from [Moravian College](#) and [Northampton Community College](#), as well.

“This is very secure, very safe, very modern kind of housing,” he said. “We look forward to making this a very exciting, very dynamic college town.”

The housing would surround the former First United Church of Christ, which dates to 1896 at 15-19 W. Fourth St. and [where Benner still plans to locate a restaurant he first announced in 2008](#). The building would be across the street from businesses, including Homebase Skateshop and Blue Sky Cafe.

The seven-story building at New and Third is proposed to include 75,000 square feet of office space that would host about 400 employees, said Bethlehem Mayor John Callahan, who joined Benner at the announcement. The exact number of employees would depend on which tenants are obtained, they said.

Benner has been talking to several potential office tenants and has particularly strong interest from restaurants, he said. Considering how major he sees the complex, Benner said he plans to be very choosy in selecting tenants.

The New and Third site is best known for being the former location of Third Street Chicken and Ribs; [the corner has sat vacant since an August 2009 fire](#).

## State aid sought

Bethlehem plans to include the project sites within [its proposed Pennsylvania City Revitalization and Improvement Zone application](#), Callahan said. The state plans to designate two zones statewide within the next couple months, and any new construction within the zone is allowed to use new state and local non-property taxes toward its financing.

Benner plans to build the complex with or without the zone, though without it, the complex may be smaller and take longer to build, he said.

Benner’s complex — it doesn’t yet have a name — meets many of Bethlehem’s goals, including increasing downtown retail, office and housing, Callahan said.

“This is a project that’s going to put a lot of people in South Bethlehem,” the mayor said. “You can’t rely solely on visitors.”

The Bethlehem Parking Authority is planning to build at least a 507-spot parking garage in part to support Benner’s complex. The proposed five-story garage, which may be built to seven stories if needed, also will help with current parking needs in the business district, Callahan said.

## **Grants for garage**

The garage is expected to cost \$9.5 million, **with \$5.23 million of the cost coming from state grants.** A state revitalization zone designation would greatly help the parking garage’s financing, Callahan said.

**Bethlehem proposes to sell its Maze Garden pocket park on West Third Street** to Benner for \$70,000 to allow for the building at New and Third. Bethlehem City Council will likely consider the garden’s sale at its Nov. 19 meeting.

Maze Garden members, who did not know of the site’s proposed sale, said they were disappointed to hear the news. The garden is used to raise produce for New Bethany Ministries and for Boys & Girls Club of Bethlehem gardening activities, in addition to regular community gardening efforts, they said.

“This will be an unwelcome shock to many,” Breena Holland, a Lehigh associate professor involved in the garden, said in an email.

Bethlehem plans to build new community gardens within the nearby **South Bethlehem Greenway** that should help fill the need created by the Maze Garden’s sale, Callahan said.