

Opponents close to defeating Community Benefit District proposal in south Bethlehem

Community Benefit District proposal under fire, but supporters say it would attract visitors, customers.

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Developer Dennis Benner has been circling south Bethlehem for the better part of a decade, waiting for the right opportunity to launch office, retail and residential projects that he says will turn that neighborhood near Lehigh University into a true college town.

He said he's found that opportunity with the City Revitalization and Improvement Zone, a new tax incentive similar to the one Allentown used to lure a hockey arena.

So, as he prepares to get started on his \$47 million development as early as this year, Benner is not pleased with the proposed South Bethlehem Community Benefit District. The district would tack on an additional fee — 6.8 mills — to property owners of businesses to pay for services such as sidewalk improvements.

"The whole purpose of creating economic development incentives, like the CRIZ, is to improve things and not to put up barriers and assess additional cost if you improve things," Benner said. "This [district] would cost some of my buildings over \$100,000. My projects can't support that."

That's why Benner is among a vocal group of property owners fighting a proposal that supporters argue would attract visitors to the South Side like similar districts have for Manayunk and Lancaster.

As of Friday, 79 business owners have sent letters opposing the district to the city clerk's office. Forty percent of the property owners are needed to defeat the proposal. Based on the 216 properties included by the steering committee, 86 business owners would have to be opposed. If that benchmark is not reached by the March 24 deadline, City Council will set a date to vote on whether to form the district.

Benner, who owns 13 properties, has already sent in his letters of opposition.

More opposition is being rallied by a flier, identified only as "Taxpayers Against the Southside Community Benefit District." The flier urges property owners to send a card, with pre-paid postage, to the city clerk's office to formally oppose the plan.

The Community Benefit District steering committee, which has been working on the district for 11/2 years, is trying to beat back the opposition with its own literature. It sent out fliers last week, labeling the opposition literature as "not accurate."

The committee is encouraging business owners to sign a petition in support of the district or send a letter nullifying their previous opposition because it was based on poor information. According to the city clerk's office, no one has taken up that call yet.

Cleo Smith, who owns Cleo's Silversmith Studio and Gallery, 21 E. Third St., said the Community Benefit District is needed if the downtown is to compete with suburban malls.

Smith, who would pay \$539 a year under the proposed fees, said the neighborhood has to be clean and pedestrian-friendly. Programs need to be in place to slow traffic and beautify the sidewalks with flower pots and clear curb ramps. The district is a vehicle to make that happen, she said.

The improvements wouldn't duplicate or relieve the city's responsibility for services, but would augment those services with things for which the city isn't responsible, such as sidewalks, according to the steering committee.

The district aims to create an environment attractive for new and current businesses and investors. The financial benefits, supporters argue, would exceed what businesses' fees would be.

"If the district doesn't pass, we as a group who feel strongly about the improvements and neighborhood, will probably band together and come up with a Plan B," Smith said. "We're an enthusiastic group, and we're not going to say: 'We're done.' "

The proposed boundaries include the commercial corridors along Third and Fourth streets, from Wyandotte to Fillmore streets as well as the Hill-to-Hill Bridge area, Five Points and Lehigh's Campus Square.

The fee would be levied on business owners; homeowners would not be assessed. The average property, assessed at \$58,500, would pay about \$398 a year or \$33 a month toward the district.

If implemented, Lehigh University would pay \$100,000 a year for five years — 20 percent of the projected costs. Lehigh University is financing the planning efforts.

District officials could also seek funding from outside sources such as grants and gifts.

The first \$275,000 raised would cover costs of basic services. Additional money would pay for capital projects to attract visitors, according to the steering committee.

Mayor Robert Donchez said he would support the district only if the property owners do and will let the process play out.

Councilman Michael Recchiuti said he wants to wait until the votes shake out but said the opposition so far would make it hard for him to vote for the district — even if they don't make that 40 percent vote threshold.

Council President J. William Reynolds noted that the issue has driven impassioned people for and against the proposal and he has questions about it.

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