



## CITY OF BETHLEHEM

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Robert J. Donchez  
Mayor

From: Robert J. Donchez, Mayor  
To: President Waldron  
Date: November 25, 2019  
Re: Polk Street Garage Project

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Attached please find a memo addressing the Polk Street RFP.

I understand that Mr. Callahan will be holding a press conference this afternoon. With respect to any additional matters he may raise during that press conference, I will respond in due course.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Donchez", written over the printed name and title.

Robert J. Donchez  
Mayor

Cc: City Council  
J. Spirk  
E. Evans  
W. Leeson



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At the November 6th City Council meeting, Councilman Callahan used the word 'unethical' to describe the actions of Ms. Karner, my Director of Community Development. He used the term 3 times, and claimed people in Allentown went to jail for similar actions. He has used the words "bid" and "RFP" interchangeably.

During my response at the last Council meeting on November 19th, I described that personal attack on a member of my administration as unprovoked, out of order, without cause, and completely out of line. Near the end of that meeting on the 19th, Councilman Reynolds asked for an explanation of the actions in question. Other members of City Council and the public are asking for clarification. In the spirit of full transparency, and for the record, allow me to outline the referenced actions.

On May 9<sup>th</sup>, 2019, The Bethlehem Parking Authority issued an RFP for the "Purchase and Development of Certain Condominium Unit 1 located at E. 2<sup>nd</sup> Street and E. 3<sup>rd</sup> Streets" referred to as "Polk Street Retail Unit 1." It is the property in front of the proposed Polk Street parking deck.

It is very important to understand the difference between a bid and an RFP. With a bid, the agency is obligated to choose the lowest responsible bid. With an RFP, the agency is evaluating the value offered from many perspectives.

Since an RFP requires much more evaluation than just the initial offering price (or bid), I created a committee to perform that evaluation. The Parking Authority does not employ experts in design and planning, and I felt that was an important element for a critical development on 3rd Street.

The BPA received 2 proposals. One from Peron-Petrucci and a second from Nova Development.

After speaking to Solicitor Leeson and in the spirit of full transparency, my son is a member of the law firm Florio-Perrucci, it was decided that I would recuse myself from the entire process and Mr. Evans would serve on the committee as my replacement. I also appointed Ms. Karner, and Darlene Heller, the Director of Planning to the committee. I then asked President Waldron if he would consider joining the committee for Council representation, and he initially accepted the role.

Prior to the Council meeting on July 2<sup>nd</sup>, the committee reviewed the 2 proposals. It was decided at that meeting that the committee would invite each group to present their proposal. Between the first committee meeting and developer proposals, Councilman Waldron excused himself and Councilwoman Van Wirt replaced him.

At 4pm on August 13<sup>th</sup>, the committee met with the first team, Peron Development and Petrucci Development acting as partners for the project, with Factory as the secured tenant and Alloy 5 as the architect. Mike Perrucci, Rob De Beer, John Callahan (all for Peron), Peter Polk (for Petrucci), and Mike Metzger (for Alloy 5) presented and answered questions from the committee.

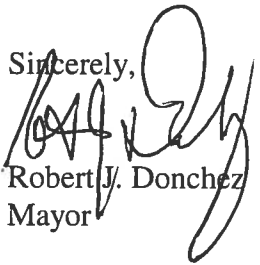
At 4pm the next day (August 14<sup>th</sup>) the committee met with the second group, Nova Development, along with architects from BDA. Nova's Managing Partner Anthony Scarcia led the presentation. He was joined by Lawrence Bell from Allied Building Corporation and Tim Laboranti from BDA Architects. The committee deliberated and discussed the proposals, and delivered a memo to the Bethlehem Parking Authority on August 23<sup>rd</sup>, in time to distribute to their board prior to the meeting August 28.<sup>th</sup>

On August 28<sup>th</sup> the Bethlehem Parking Authority voted on the RFP. They chose Peron-Petrucci. Mr. Callahan claims Ms. Karner called members of the BPA board right before the vote in order to offer suggestions, and that was unethical. Given it was an RFP (not a bid), Ms. Karner, or any member of the committee, would be absolutely within their rights to offer their opinion on the proposals to members of the board. It was not unethical, it was their role.

There were many variables beyond the initial property price that were under evaluation with this project; building design, compatibility with neighborhood character, usage of retail space, number of leased parking spaces, consistency with City plans, zoning ordinances and development codes, projected assessed value, among others.

I consider it inappropriate that rather than taking the time to understand the process, Mr. Callahan chose to make such accusations in a public forum.

Sincerely,



Robert J. Donchez  
Mayor

Cc: City Council  
J. Spirk  
E. Evans  
W. Leeson  
W. A. Karras