Major development project of student housing, office, retail space planned for South Side Bethlehem

Dennis Benner, '76, explains the South Side development project at a press conference Monday, Nov. 4. (Brown and White photo | Alex Bloom)

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A $56.5 million development project-- which will include building retail, office and student housing space-- is planned for Bethlehem’s South Side district on the Third, Fourth and New street corridor.

The development project was announced Monday at a press conference. Developer Dennis Benner, ’76, said the project would turn the area into an exciting, dynamic and energetic college town.

If all goes according to plan, construction on the project will start in the second quarter of 2014 and undergo a two-year-construction period. The project is expected to create 1,000 construction jobs.

Accompanied by Bethlehem Mayor John Callahan and Parking Authority Director Tom Hartely, Benner said the $56.5 million project will include $47 million from his firm and $9.5 million from the parking authority.

He said it will give young professionals a reason to live in South Bethlehem by giving them a place to “live, work and play.”

Mayor Callahan said the project is a "real game-changer" for the Bethlehem community.
“This particular lot we stand on today is not at its highest and best use, and not contributing a great deal to a key gateway to the city of Bethlehem,” Callahan said.

One development, anchored on the corner of Third and New Street, is a 90,000 square foot six-story office building. It will cost $14 million and possibly include luxury apartments above the five floors of offices and retail stores on the first floor. Part of the retail development could include lounges and other elements of nightlife such as clubs, lounges and a wine bar. This project is projected to create approximately 400 office jobs.

The other private development structure is a 125,000-square-foot development on West Fourth Street, which will cost $33 million. It is located across from Sotto Santi and Blue Sky Cafe and is envisioned to be a 335-bed student-housing complex with retail stores on the ground floor.

The inside of the building will include a gym, a state-of-the-art study lounge and possibly a coffee shop. The apartments will be available not only to Lehigh students, but also to those of Penn State Lehigh Valley, which has shown a great interest in the structure. It will also be available to other local colleges such as Moravian and Northampton Community College.

In addition, the parking authority intends to build a five-story parking garage on New and Graham streets to address the concern many South Side businesses had about lack of parking in the neighborhood.

For this project, $5.23 million of the $9.5 million cost has been allocated from the Pennsylvania Redevelopment Assistance Capital Program (PRACP). Benner and Callahan said they hope the rest will come from a grant as part of the City Revitalization Improvement Zone (CRIZ). Callahan said the City Council should be voting shortly on approving the application for CRIZ.

Benner said he got the idea from his two sons, Garrett Benner, ’04 and Brandon Benner, 07-- who told him when they were Lehigh students, they did not spend much time on the South Side due to the lack of attractions in the area. The two have been involved in the project, and said Lehigh could be involved in the project in a variety of ways, although they did not specify.

After investigating the matter, Benner said he realized the city needed something to attract students to spend time on the South Side and keep young people from moving away after graduation. Callahan also discussed expanding the tax revenue of the city.

“You can’t rely solely on visitors,” Callahan said.
Some controversy that has arisen over the project is the sale and eventual destruction of the Maze garden, which occupies this block.

Callahan said he made it abundantly clear when it was built that the garden would not last long term and it will be given space on the Greenway.

However, Brenna Holland, associate professor of political science said in an email: “This will be an unwelcome shock to many.”

She did not respond to the Brown and White’s request for comment.

*Story by Brown and White news writer Alex Bloom, ’15.*