



Office of the Commissioners

• Michael J. Washo • Corey D. O'Brien • A.J. Munchak •

Lackawanna County Recovery Zone Economic Development Bonds

I. GOALS

- a. To improve/expand public infrastructure;
- b. To improve and/or expand public facilities;
- c. To reutilize vacant and underutilized properties;
- d. To expand and/or improve job training and educational opportunities.

II. THRESHOLD CRITERIA

Must meet the following criteria to be considered for ARRA taxable bonds:

- a. Capital expenditures paid or incurred for property in Recovery Zones.
- b. Expenditures for public infrastructure and construction of public facilities.
- c. Expenditures for job training and educational programs

Recovery Zone Economic Development Bonds are a new type of bond created by the American Recovery and Reinvestment Act (ARRA) passed by Congress in February 2009. They may be used to finance government projects with economic development outcomes.

Frequently Asked Questions

Q. Who is eligible to issue Recovery Zone Economic Development Bonds (RZ-EDBs), and what can they be used for?

A. Under this program, counties and large municipalities with more than 100,000 in population (Originally Awarded Localities) are eligible to receive Original Allocations by formula of authority to issue a new type of tax credit bond called a "Recovery Zone Economic Development Bond" to finance economic activities in a Recovery Zone.

The Lackawanna County Commissioners designated the entire county as a Recovery Zone on June 23, 2010.

Economic development bond activities qualified under this program include:

1. Capital expenditures paid or incurred for property in Recovery Zones.
2. Expenditures for public infrastructure and construction of public facilities.
3. Expenditures for job training and educational programs.

Private activities, defined as those in which a substantial portion of the bond or tax credit proceeds benefit a private business or individual, may not be financed with this program.

Important Note: This program allocates the authority to issue bonds and sell tax credits to bond and tax credit investors in order to finance economic development activities; it is not a direct funding program that allocates public dollars.

Q. How much bond issuing authority is available?

A. Lackawanna County has an allocation of \$4,109,000 in Recovery Zone Economic Development Bond issuing authority.

Q. Where, how and when do I apply for RZ-EDB authority?

A. If you have a qualifying project, you will need to apply to the Lackawanna County Department of Planning and Economic Development. Contact William Coleman, Deputy Director at (570) 963-6830, or by email: colemanb@lackawannacounty.org

Q. Are there any other rules or obligations I need to know about?

A. Specific federal tax regulations apply to projects financed under this program. Bond issuers will need the advice of qualified bond counsel and tax counsel in order to ensure the project and the bond issuance are in compliance with all applicable federal bond and tax regulations.

Federal Davis-Bacon prevailing wage rules apply to projects financed with RZ-EDBs.

Expenditures made prior to the designation of the Recovery Zone are not eligible for inclusion for Recovery Zone Economic Development Bond Financing.

SOURCE AND USE OF FUNDS

Identify sources of funds and funding amounts for the project:

RZEDB Allocation Requested: \$ _____

Source 1 _____ \$ _____

Source 2 _____ \$ _____

Source 3 _____ \$ _____

Source 4 _____ \$ _____

Total Investment: \$ _____

Proposed Use of RZEDB funds:

_____ \$ _____

_____ \$ _____

_____ \$ _____

_____ \$ _____

_____ \$ _____

_____ \$ _____

Total: \$ _____

Est. Start Date: _____ Est. Completion Date: _____

1. Describe the project details to include the use and size of the facility. Attach a map and site plan. If plans and specifications of the project are available submit 1 copy with engineer/architect cost estimate.

2. Does the applicant have a written commitment from a lender to make a loan, to underwrite or to purchase bonds? _____

Form Completed By:

Print Name

Title

Signature

Date

SEND 3 ORIGINAL COPIES TO by July 12, 2010 to:

**William J. Coleman, Deputy Director
Lackawanna County Dept, of Planning and Economic Development
507 Linden Street, 5th floor
Scranton, PA 18503
(570) 963-6830 x 1376
colemanb@lackawannacounty.org**