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REDEVELOPMENT AUTHORITY OF THE COUNTY OF LACKAWANNA  
RECOVERY ZONE BOND PROGRAMS  
APPLICATION INFORMATION

The Lackawanna County Commissioners have named the Redevelopment Authority of the County of Lackawanna as the Issuing Authority for the Recovery Zone Economic Development Bonds and the Recovery Zone Community Facility Bonds.

Recovery Zone Economic Development Bonds are for municipalities and governmental entities to finance public projects. The borrowings are at a taxable rate, however, the issuer (the Authority) receives a subsidy to reduce the rate to the borrower. Davis-Bacon wage rates apply for projects financed with Recovery Zone Economic Development Bonds.

Recovery Zone Community Facility Bonds are for private developers to finance projects at a tax exempt rate. Excluded projects include golf courses and country clubs, massage parlors, hot tub facilities, suntan facilities, racetrack/gambling facilities or stores whose primary business is the sale of alcohol for consumption off-premise. Rental residential property is also excluded. Davis-Bacon wage rates do not apply to projects financed with Recovery Zone Community Facility Bonds. Because Recovery Zone Community Facility Bonds are tax exempt, a public hearing must be held prior to closing.

The bond closing must be completed by December 31, 2010. If the loan does not close by that date, the funds are gone forever and will not be available. There are no extensions allowed past December 31, 2010. Construction must be completed within two (2) years of closing.

Any costs incurred prior to the establishment of the Recovery Zone by the Lackawanna County Commissioners (June 23, 2010) are not eligible for bond financing.

Applications under these programs will be reviewed and the bonds will be issued by the Redevelopment Authority of the County of Lackawanna.

The Board of Directors of the Redevelopment Authority has instituted the following policies for the application process and bond issuance:

1. For all bond issues under these programs, the authority will charge a 1% issuance fee which can be included in the bond at closing. The applicant is responsible for all fees associated with the issuance of the bonds including, but not limited to bond counsel or other legal fees.

2. All applicants, governmental and private developers, must remit a \$1,000 application fee which is applied towards the 1% issuance fee once the bonds go to closing. This fee is non-refundable. Make checks payable to the Redevelopment Authority of the County of Lackawanna
3. For the Economic Development Bond, the 45% interest subsidy is sent to the issuer (the Redevelopment Authority). The maximum interest subsidy the Authority will pass to the borrower will be 40% of the interest rate rather than 45%. The authority will retain 5% to cover administrative costs associated with administering the rate subsidy.
4. All applicants must have a financial institution ready to purchase the bonds.