



LUZERNE COUNTY'S BUSINESS DEVELOPMENT LOAN PROGRAM

OBJECTIVE: The goal of the Luzerne County Business Development Loan Program is to attract new business to the area, as well as strengthen existing businesses, thereby creating new employment opportunities, generating additional tax revenues and stimulating the overall area economy. The Business Development Loan Program addresses these goals by providing low interest loans to eligible businesses.

ELIGIBILITY: In order to receive a loan under this program, the business/IDC must demonstrate a positive direct impact on the community in which it is located, on residents of that community, or on the local and/or regional economy. The applicant must demonstrate a need for assistance through the program, and commit to creating 1 permanent, full time equivalent job for every \$35,000 borrowed from the County. A majority (51% or more) of the jobs must be taken by or made available to persons from low/moderate income families. Should the Recipient fail to meet job creation requirements within a three year period following preliminary approval, a penalty may be imposed.

ELIGIBLE ACTIVITIES: Funding will be provided for land and/or building acquisition; construction/renovation activities; purchase of machinery and equipment which is an integral structural fixture of the business; and professional and financial fees. Funding may also be obtained for working capital by manufacturing firms.

PROGRAM FINANCING: Loan funds are available for eligible businesses at an interest rate of 1½% for terms of 7 or 15 years. The County may finance up to 50% of the eligible project costs, with a minimum loan amount of \$50,000 and a maximum loan amount of \$1,000,000.00. Loans under \$100,000 will be for a maximum 7 year term. Monthly repayments of principal and interest will be required for the term of the loan. County funds must be secured by a letter of credit from a financial institution.

FINANCING FOR IDC'S/NON-PROFITS: Non-profit organizations, including Industrial Development Corporation's are eligible to participate under the County's loan program. Funding requests will be considered for eligible projects that have a funding gap. For land acquisition deals, the County will consider financing up to 75% of the eligible project costs. Loan packaging must be utilized on all projects and County funds should serve as the final source of funds to complete a project. Loan funds are available for eligible projects at an interest rate of 1½% for a term of 20 years.

PROGRAM MECHANICS: The applicant submits the completed application to the County and all supporting documentation. **Evidence of the ability to secure a letter of credit from a lending institution in the amount requested must be submitted with the loan application.** There will be a minimum of 30 days for the Office of Community Development to determine if the project is eligible, to ensure availability of funds, and to hold a public meeting. The loan will then be submitted to the Luzerne County Council for consideration. Contingent upon approval at a public meeting, a preliminary

approval letter will be issued to the applicant, which must be executed and returned to the County. A loan agreement will then be prepared; however, **a loan closing will not be scheduled until the environmental review process is completed. Prior to the release of funds evidence of actual expenses incurred for eligible activities (i.e. invoices, bills of sale, cancelled checks, payroll registers, etc.) must be submitted to this Office. All expenses submitted must be incurred after the date of preliminary approval.** County funds will not be made available until a loan closing has been held.

All projects utilizing County funds for construction activities must comply with Federal Labor Standards, including the Davis-Bacon Act. Projects utilizing County funds for acquisition activities will require compliance with County acquisition procedures. Specifics of these requirements will be made available by the County's BDLP Loan Counselor.

FEES: A processing fee of 0.5% of the total County funding (not to exceed \$1,000) will be required from the applicant. Of this amount, \$150 is due at the time of execution of the preliminary approval letter, with the balance due at the loan closing. This fee will be waived for non-profit applicants, upon request.

MBE/WBE: It is the policy of the Luzerne County Office of Community Development to encourage applications from minority and women owned businesses. All businesses receiving funding through the Luzerne County Office of Community Development are encouraged to utilize the services of minority and/or women owned businesses.

EQUAL EMPLOYMENT OPPORTUNITY: No business receiving funding through the Luzerne County Office of Community Development shall discriminate against any individual because of race, color, religion, sex, national origin, age, disability, or familial status.

FOR FURTHER INFORMATION CONTACT:

Luzerne County Office of Community Development
54 W Union St., Wilkes-Barre, PA 18701
Wilkes-Barre – (570) 824-7214