

Economic Development Council of NEPA issues
information on region's eligibility for economic aid, 1972 August

NEWS FROM

ECONOMIC DEVELOPMENT COUNCIL OF NORTHEASTERN PENNSYLVANIA

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Serving Carbon, Lackawanna, Luzerne, Monroe, Pike, Schuylkill and Wayne Counties.

FOR IMMEDIATE RELEASE

EDCNP ISSUES INFORMATION ON REGION'S
ELIGIBILITY FOR ECONOMIC AID

Howard J. Grossman, Executive Director of the Economic Development Council of Northeastern Pennsylvania today clarified the implications of recent federal action declaring Luzerne and Schuylkill counties eligible for designation as "redevelopment areas" under Title IV of the Public Works and Economic Development Act of 1965, as amended. This recent action qualifies the two flood-affected counties for public works and development facility grants and loans (including loans to private businesses) under the programs administered by the Economic Development Administration, U.S. Department of Commerce. However, designation of the counties as eligible to apply for aid on individual projects must be preceded by preparation of a county-wide overall economic development program acceptable to EDA. Such a program, listing area priorities, must be developed by a representative committee of citizens and public officials and submitted to EDA before EDA can officially "designate" the counties as eligible to apply for aid on specific projects.

The federal grant rate may vary from 50 to 80 percent for such redevelopment areas, depending on the verified level of unemployment at the time designation was requested. Local governments and private or public nonprofit organizations are eligible to apply for assistance. Projects funded must usually show evidence that they will improve opportunity for industrial and commercial expansion and assist in creating long-term employment. Examples of eligible projects are industrial parks, public utility systems (e.g. sewer and water) necessary for economic expansion, educational facilities used for certain types of vocational training, etc.

The two counties will also be eligible for additional funds for manpower training programs to alleviate unemployment. Another program provides business loans at 6 percent interest for up to 65 percent of cost for periods of up to 25 years. A vitally important indirect benefit of the recent qualifications for aid will include an increase in the federal share in the cost of urban renewal projects to three-fourths from the normal two-thirds. This, alone, can save many millions of dollars of local government revenues in view of the several flood-impacted communities' recent applications to the U.S. Department of Housing and Urban Development for multi-million dollar urban renewal projects.

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Carbon County was notified of its eligibility this week for more limited aid under Title I of the Public Works and Economic Development Act, based on unemployment of more than 6% during 1971. Its eligibility for EDA programs will be limited to 50% grants for public works and development facilities. Lackawanna County was also informed of its eligibility earlier this year under Title I, as had been Luzerne and Schuylkill, before employment from the flood made them eligible for EDA's full program package.

Mr. Grossman states that the area's eligibility for EDA programs can be a substantial aid in upgrading the region's employment opportunities. In his words, "EDA's grant programs are among the most flexible of any agency if long-term economic benefit can be shown for projects. In addition, the act of designation, which raises the federal grant rate for urban renewal projects in Luzerne and Schuylkill, will be a great aid in restoring commercial and residential areas."

EDCNP is the economic development district under the EDA program, for coordination of regional economic development efforts in Carbon, Lackawanna, Luzerne, Monroe, Pike, Schuylkill, and Wayne Counties.

For further information, please contact Robert Shepherd or Thomas Shaughnessy, of EDCNP at P.O. Box 777, Avoca, Pennsylvania 18641, 717-457-7456.

