


Would you like to save thousands of dollars on your major capital project? The Lehigh County General Purpose Authority can help!

For more information, contact:
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This communication is sponsored by the County of Lehigh and the Lehigh County General Purpose Authority.

Restrictions:

- Term of loan cannot exceed 120% of useful life of project.
- Soft costs (e.g. Bond Counsel, FA, etc.) cannot exceed 2% of amount financed.
- Three-year period to expend borrowed money before applying funds for repayment of loan.
- 95% of facilities must be used for non-profit, 501(c)3 activities.
- No religious functions can be conducted in facilities or on premises financed by tax exempt proceeds.

Lehigh County General Purpose Authority

For Lehigh County 501(c)3 Major Capital Projects

Tax Exempt Financing Option and Procedure

The Lehigh County General

Purpose Authority

(LCGPA) can offer your

501(c)3 a way to save

1-1/2 to 2 points on interest

*payments for your major**

capital project.

Why get conventional

financing when

you can save

thousands with

LCGPA?



*\$2,000,000 or more

**Lehigh County
General Purpose Authority
Tax Exempt Financing Option and Procedure for
Lehigh County 501(c)3 Organization**

Procedure:

1. Your non-profit organization's Bond Counsel performs due diligence and issues a legal opinion that the organization is a 501(c)3 entity and meets the criteria for tax exempt financing.
2. Your Chief Financial Officer solicits proposals from Banks for tax exempt financing, evaluates proposals and prepares a report with a recommendation for finance decision by your non-profit's Board.
3. Your Bond Counsel and Financial Officer contact LCGPA to seek tax exempt financing approval.
4. The LCGPA holds a public meeting for approval of tax exempt funding status.
5. Your Bond Counsel presents a Resolution to be acted on by the Lehigh County Board of Commissioners, which declares that the project benefits the Health, Safety and Welfare of the citizens of Lehigh County and meets the criteria for tax exempt financing.
6. A Tax Equity and Fiscal Responsibility Act (TEFRA) hearing is held by the highest elected official in Lehigh County. This is an advertised public meeting that allows public input on the project.

**COMPARE AND SAVE
Conventional vs. Tax Exempt Financing**

- Assume:**
- \$3,000,000 borrowed
 - 20 year Term
 - Prime = 4.25%
 - Conventional = 6%
 - Tax Exempt (80% of Prime) = 3.4%

	Conventional Interest Rate 6%	Tax Exempt Interest Rate 3.4%
Annual Payment	\$171,943.00	\$148,616.00
Annual Savings	\$0	\$23,327.00
20-Year Savings	\$0	\$466,543.00

**Estimated fees related to
LCGPA Financing:**

- LCGPA @ 0.2% \$6,000
- LCGPA Counsel \$5,000-\$7,000
- Bond and Bank Counsel \$10,000-\$15,000

TOTAL ONE-TIME COST:*
\$21,000-\$28,000

LCGPA Timeframe:
45 to 60 days

*Illustration purposes only; rates vary.
Other costs and fees may be incurred,
in addition to those reflected above.