



NDC Contact: Lisa Chamberlain
Telephone: 917.691.7020
Email: lisacchamberlain@gmail.com

The National Development Council and Scranton Finalize \$32M Parking System Transaction

Deal puts the City of Scranton on Path to Economic Recovery

Scranton, PA (September 1, 2016)- The National Development Council (NDC), the oldest and most comprehensive economic development nonprofit in the country, announces today the closing of a parking system transaction with the City of Scranton, effective August 30, 2016. This is one of the largest and most important financial transactions in the City's history, and serves as a model for how municipalities can monetize assets while maintaining control and ownership.

NDC, through its public private partnership affiliate the Housing and Economic Development Corporation (HEDC), completed negotiations on this complicated transaction that involves six parking structures and all on-street parking meters in downtown Scranton. The negotiated price—which will be paid with the proceeds of 40-year tax-exempt bonds issued on behalf of NDC by The Scranton-Lackawanna Health and Welfare Authority and sold by Citibank—is \$32 million. This amount will be paid upfront to the City by HEDC, and all proceeds in excess of operating expenses, debt service, and capital repairs and replacement will be returned to the City in the form of grants.

“When we invest in communities the top priority is to the community itself,” said Executive Vice President Daniel Marsh. “NDC is not obligated to far-flung investors seeking a return. Through a partnership we form with the municipality, the City of Scranton will retain ownership of its assets and participate in key decisions affecting the operation of the system. That is the NDC difference.”

NDC was chosen in an RFP process initiated by the City in 2015 seeking a private entity to restructure its parking assets. The resulting transaction stipulates that NDC is entering into a lease concession agreement on six parking structures, four leased from city and two from a private owner, Steamtown 300. NDC has hired ABM Parking to manage all six structures, which includes 2,659 parking spaces, as well as 1,479 on-street meters. When all the debt has been retired, ownership of the parking system will be returned to the City.

Closing this transaction is the biggest step yet on the road to budget stability and economic recovery for the City of Scranton. In 2012, the City's finances suffered a blow when City Council declined to fulfill its obligation to cover debt obligations that the Scranton Parking Authority could no longer meet. The resolution of the Parking Authority's default will signal to the financial markets that Scranton is on the road to recovery. Meanwhile, the parking garages, two of which are in dire need of repairs, will be greatly improved through better management and upgrades. Modern on-street parking meters will be installed over time.

"We chose NDC because we knew they saw the same incredible potential in this City as I do," said Mayor William Courtright, who made it a central theme of his mayoralty to straighten out the city's finances. "With NDC as our partner, I am sure we can build on what we've already accomplished and really supercharge the downtown's revitalization."

From Seattle, Washington to Ithaca, New York, NDC has been pioneering public-private partnerships since the 1980s, using its innovative American Model™ to revitalize struggling neighborhoods. As distressed communities still struggle in the aftermath of the 2008 economic crisis, NDC has stepped up its efforts to provide cities with an alternative to privatizing assets.

National Development Council

NDC's work focuses on HOMES, JOBS and COMMUNITY. Founded as a national nonprofit in 1969, NDC has worked for over 45 years fulfilling its mission to increase the flow of capital for investment in low-income communities. NDC directs capital to support the preservation and creation of affordable housing, the creation of jobs through training and small business lending and the promotion of livable communities through investment in social infrastructure. NDC's products and services are deployed for the benefit of our municipal and nonprofit partners in both urban and rural low-income communities throughout the United States. NDC is headquartered in New York City with offices in Washington, DC, Seattle, WA, Cleveland, OH and Edgewood, KY. For more information about NDC, please visit <http://www.ndconline.org>

###