

Pennsylvania Department
of Community and
Economic Development

Business Financing Programs

Commonwealth of Pennsylvania
Edward G. Rendell, Governor
www.state.pa.us

Department of Community and Economic Development
Dennis Yablonsky, Secretary
www.newPA.com

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Introduction

Business Financing Programs

The Department of Community and Economic Development's (DCED) mission is to make Pennsylvania more attractive to existing companies and more competitive with other states in attracting new jobs. To help you create a comprehensive solution to your financing needs, Pennsylvania is changing the way it does business. We have a dedicated, professional staff who will work with you in seeking financial or technical assistance for your project.

This packet contains a brief summary of each of our financing programs, which are designed to assist businesses in their efforts to grow and thrive within the Commonwealth.

For a more detailed explanation of DCED's financing programs and guidelines, please contact: DCED Customer Service at (800) 379-7448; they will direct your call to the appropriate program representative.

Or, visit our website at: www.newPA.com and click on "Funding and Program Finder".

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First Industries Program for Agriculture and Tourism

Purpose

The First Industries Agriculture and First Industries Tourism Programs provide grants, loans, and loan guarantees to non-profit organizations and for-profit business enterprises to undertake projects relating to the promotion and development of agriculture and tourism within Pennsylvania. The programs are administered by the Commonwealth Financing Authority (“CFA”) through the Department of Community & Economic Development (“DCED”).

Eligible Activities

Agriculture and agriculture-related projects include all of the following:

- Production agriculture, which is the production of farm commodities or farming. Farm commodities include: agricultural, horticultural, aqua cultural, vegetable, fruit and floricultural products; livestock and meats; wools; hides; furs; poultry and eggs; dairy products; nuts; mushrooms; honey products; and forest products.
- Agribusiness (for example, food processing).
- The sale of farm commodities at wholesale.
- The sale of farm commodities at retail by urban and rural supermarkets located in underserved areas. Supermarkets are retail stores operated on a self-service basis, primarily selling groceries, produce, meat, baked goods and dairy products. Convenience stores do not qualify as supermarkets. Underserved areas is defined as a low or moderate income census tract, an area of below average supermarket density or an area having a supermarket customer base with more than 50% living in a low income census tract or other area demonstrated to have significant access limitations due to travel distance as determined by the CFA.
- Farmers’ markets.
- Energy-related activities impacting production agriculture or agribusiness.
- Activities which implement best management practices related to agricultural waste, waste products and byproducts, or fertilizer.

Tourism is defined as an activity which promotes or encourages individuals to travel to a location within the Commonwealth for pleasure. For purposes of the program, tourism-related projects include all of, but not limited to, the following:

- Destination sites located in Pennsylvania, including but not limited to historic, heritage, cultural, sporting, amusement, nature, outdoor recreational, or retail venues.
- Hospitality establishments, including lodging and restaurants, retail establishments, and outdoor activity-based businesses in close geographic proximity to a Pennsylvania destination site or part of the marketing effort that targets a Pennsylvania destination site.
- Businesses that develop and market travel packages, for the purpose of bringing out of state visitors into Pennsylvania to enjoy attractions and stay in overnight, paid accommodations.
- Public/private partnerships formed to enhance or optimize the use of Commonwealth owned resources such as state-owned parks and state game lands.

- Tourism related activities or events that promote overnight visits in Pennsylvania.
- Other projects or activities as determined by the CFA.

Types of Funding

- **Grants:** Grants are available through both First Industries Agriculture and First Industries Tourism for predevelopment activities and feasibility studies associated with agriculture or tourism related projects. Maximum grant amount is \$250,000. Eligible applicants are for-profit business enterprises or nonprofit organizations. (See program guidelines for eligible activities.)
- **Loans:** First Industries Agriculture and Tourism offers loans through the Small Business First Program (SBF) for for-profit businesses engaged in eligible activities up to \$200,000 and/or the Machinery & Equipment Loan Fund (MELF) for for-profit businesses engaged in eligible activities up to \$500,000. (See guidelines for SBF and MELF for further information regarding eligible activities and program details)
- **Loan Guarantees:** Loan Guarantees are offered to guarantee lending institution loans made to for-profit business enterprises or nonprofit organizations for land and building, machinery and equipment, or working capital purposes. Eligible applicants are lending institutions on behalf of a borrower or borrowers obtaining a loan from a lending institution. Maximum guarantee is 50% of outstanding loan principal, not to exceed \$2.5 million. (See program guidelines for further information regarding eligible activities and program details.)

Application Process

Applicants for grants, loans or loans or loan guarantees will use the DCED Single Application for Assistance. Fifteen copies of the application must be submitted to DCED or the application may be submitted online by accessing www.esa.dced.pa.us. For further application process information, call DCED Customer Service at 800-379-7448.

For more program information and guidelines, visit www.newPA.com.

Opportunity Grant Program (OGP)

Purpose

The Opportunity Grant Program (OGP) provides flexible and effective economic development financing to preserve and expand existing industry and attract other economic development prospects to the Commonwealth.

Eligible Applicants

Private companies that are involved in agricultural, industrial, manufacturing, research and development, export service activities, firms establishing a national or regional headquarters, or any other enterprise that offers a significant economic impact to the Commonwealth, as determined solely by the Department, are eligible for Opportunity Grants. Municipalities (boroughs, townships, towns, counties, cities, home rule), industrial development authorities and corporations, municipal authorities, redevelopment authorities and private developers may receive OGP assistance to conduct eligible activities on behalf of an eligible private company.

Eligible Uses of Funds

All costs financed through the OGP must be necessary for the operation of eligible private companies at specific sites in Pennsylvania. Funds may be used for job training, construction or rehabilitation of infrastructure, acquisition of land, buildings, and rights-of-way, construction or rehabilitation of buildings, purchase or upgrading of machinery and equipment, working capital, site preparation including demolition and clearance, environmental assessments, remediation of hazardous materials and architectural and engineering fees up to 10% of the OGP award.

Limitations

Applicants may not receive OGP assistance more than two consecutive fiscal years for the same company expansion or location project.

Conditions

Eligible private companies must meet all of the following conditions:

- They must locate, expand or maintain operations at a Pennsylvania site.
- They must contribute at least \$4 private investment for every \$1 of the OGP assistance.
- Within three years, they must create or preserve a minimum of 100 full-time jobs at the OGP assisted site, or increase their Pennsylvania employment by at least 20%, or provide a substantial number of new employment opportunities within a high-growth industry.
- Projects that will result in the creation or preservation of less than 100 jobs must be located in counties or communities suffering from severe economic distress.
- Employees hired or retained by the private company must receive a base pay of at least 150% of the minimum wage in order to be counted towards the employment requirement.

Rates and Terms

N/A

Fees

N/A

Collateral

In order to ensure compliance with the grant agreement terms, DCED may require the private company to secure the OGP assistance with a mortgage lien, a letter of credit, or other collateral for a period of five years following the final disbursement of OGP funds. Should a company not comply, it will be liable for a penalty of up to the full amount of the assistance plus an additional penalty of up to 10% of the grant amount awarded by DCED.

Application Process

The private company must submit to DCED a detailed Letter of Intent on the company's letterhead that is signed by the chief executive officer or other officer capable of making commitments for the company. DCED will determine eligibility for Opportunity Grant financing by evaluating each request according to established criteria, such as the number and quality of jobs being preserved or created, the economic conditions of the region where the project is located, and the potential impact on other Commonwealth businesses. Every attempt will be made to have an equitable distribution of projects throughout the Commonwealth.

Inquiries about the Opportunity Grant Program may be directed to:

PA Department of Community & Economic Development
Center for Business Financing
Grants Division
400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, PA 17120-0225
Telephone: 717-787-7120
Fax: 717-772-3581

Pennsylvania Economic Development Financing Authority (PEDFA Tax-Exempt Bond Financing)

Purpose

The Pennsylvania Economic Development Financing Authority (PEDFA) is the state-wide conduit (pass through) issuer of taxable and tax-exempt Revenue Bonds, both in pooled and stand-alone transactions, to be used to finance land, building, equipment, working capital and refinancings of tax-exempt debt.

Eligible Applicants

Tax-Exempt Bonds – manufacturing, non-profit 501c(3) entities, energy, solid waste disposal, wastewater treatment, transportation facilities, assisted living/housing.

Eligible Uses of Funds

Tax-Exempt Bonds – land and building acquisition, building renovation and new construction, machinery and equipment acquisition and installation, designated infrastructure and tax-exempt bond refinancing.

Limitations

Tax-Exempt Bonds – minimum PEDFA loan amount is \$400,000 and no more than \$10 million for manufacturing projects; no maximum limit for other projects.

Conditions

Tax-Exempt Bonds – manufacturing businesses receiving tax-exempt bond financing may be required to create and/or retain one full-time job for each \$50,000 borrowed.

Rates & Terms

Taxable Bonds – since 1989, rates have averaged 46% of prime interest rate. Weekly variable interest rate is tied to the market rate for tax-exempt bonds; the term is up to 30 years. Current rates are available upon request.

Fees

PEDFA charges a one-time .2% fee to process an application. A borrower may also be charged a processing fee by the local Industrial Development Corporation (IDC) or Industrial Development Authority (IDA) that submits an application to PEDFA on their behalf. In addition PEDFA requires a non-refundable fee of \$500.00 at the time of the project application. This fee is used to pay PEDFA's expenses associated with each project. The fee is credited against the issuance fee charged at the time of closing.

Collateral

All businesses seeking PEDFA bond financing, whether tax-exempt or taxable, must be supported by some form of investment grade credit enhancement such as a Bank Letter of Credit.

Application Process

Businesses generally must apply through an IDC or IDA.

Applications must be submitted to the Department of Community and Economic Development (DCED), by an IDC or IDA using the DCED Single Application for Assistance. The Single Application can be accessed online at www.newPA.com and click on “Funding and Program Finder”.

Inquiries about the PEDFA Tax-Exempt Bond Financing may be directed to:

PA Department of Community & Economic Development
Center for Private Financing
400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, PA 17120-0225
Telephone: 717-783-1109
Fax: 717-787-0879

Pennsylvania Economic Development Financing Authority (PEDFA Taxable Bond Financing)

Purpose

The Pennsylvania Economic Development Financing Authority (PEDFA) is the state-wide conduit (pass through) issuer of taxable and tax-exempt Revenue Bonds, both in pooled and stand-alone transactions, to be used to finance land, building, equipment, working capital and refinancings.

Eligible Applicants

Taxable Bonds – all types of businesses needing access to capital with the exception of owner-occupied residential real estate.

Eligible Uses of Funds

Taxable Bonds – land and building acquisition, building renovation and new construction, machinery and equipment acquisition and installation, infrastructure, refinancing and working capital.

Limitations

Taxable Bonds – minimum PEDFA loan amount is \$400,000, up to 100% of the project costs with no maximum limit on the amount to be financed.

Conditions

Taxable Bonds – 10 jobs created and/or retained regardless of the amount borrowed.

Rates & Terms

Taxable Bonds – since 1989, rates have averaged approximately 61% of prime interest rate. Weekly variable interest rate is tied to the market rate for taxable bonds; the term is based upon a negotiated letter of credit with a participating bank. Current rates are available upon request.

Fees

PEDFA charges a one-time .2% fee for the processing of an application. A borrower may also be charged a processing fee by the local Industrial Development Authority (IDA) or an Industrial Development Corporation (IDC) that submits an application to PEDFA on their behalf. In addition PEDFA requires a non-refundable fee of \$500 at the time of the project application. This fee is used to pay PEDFA's expenses associated with each project. The fee is credited against the issuance fee charged at the time of closing.

Collateral

All businesses seeking PEDFA bond financing, whether taxable or tax-exempt, must be supported by some form of investment grade credit enhancement such as a Bank Letter of Credit.

Application Process

Generally, applications must be submitted to the Department of Community and Economic Development (DCED) by an IDC or IDA. All applicants must use the DCED Single Application for Assistance. The Single Application can be accessed online at www.newPA.com and click on “Funding and Program Finder”.

Inquiries about the PEDFA Taxable Bond Financing may be directed to:

PA Department of Community & Economic Development
Center for Private Financing
400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, PA 17120-0225
Telephone: 717-783-1109
Fax: 717-787-0879

Pennsylvania Capital Access Program (PennCAP)

Purpose

PennCAP is a small business loan guarantee program based upon a portfolio concept.

It is designed to help borrowers that don't quite meet a bank's normal small business lending requirements. The Pennsylvania Economic Development Financing Authority (PEDFA) bond financing program provides part of the capital to guarantee the loan from the bank.

Eligible Applicants

Most Pennsylvania businesses may qualify for a PennCAP loan. Even start-up businesses may qualify for a PennCAP loan.

Eligible Uses of Funds

PennCAP loan proceeds may be used for the purchase of land, building, equipment and working capital.

PennCAP loan proceeds may not be used for the following: passive real estate ownership; manufacture or sale of products used in illegal activities; operations which derive more than 40% of its gross revenues from the manufacture, sale or distribution of alcoholic beverages; operations which derive more than 25% of its gross revenues from services related to the termination of pregnancy; materials, products or services; operations established for the manufacture, sale or distribution of sexually-oriented materials; operations of primarily religious oriented services or activities; operations of private clubs; operations of sky boxes or other private luxury boxes; operations of gambling facilities; operations of racetracks; operations of hot tub facilities or massage parlors; and manufacture, distribution or sale of products or services which violate the clearly expressed public policies of the Commonwealth of Pennsylvania.

Limitations

The minimum amount for a PennCAP loan is determined by each participating lending institution and may vary depending upon that institution's guidelines.

The maximum amount of a PennCAP loan is \$500,000.

Conditions

Only two state forms are required to file for a loan under PennCAP. Participating lending institutions have and will complete these forms on behalf of the borrower. All other documentation is provided by the participating lending institution.

All PennCAP borrowers should have copies of the following information available for participating lending institutions to review: business plan; personal or business financial statements; tax returns; and resumés. Individual lending institutions may have their own requirements and should be contacted directly.

Rates & Terms

All PennCAP loan rates, terms, conditions and use of proceeds are negotiated directly with a participating PennCAP lending institution. The loan may be a term loan or line of credit.

Fees

A one-time PennCAP reserve enrollment fee is charged to borrowers at the close of the loan. This fee can be paid for with loan proceeds and can range anywhere from ½ of 1% - 3% of the loan amount.

Collateral

Individual lending institutions will provide the borrower with a specific list of the documentation necessary to process the loan.

Application Process

Borrowers must apply for PennCAP loans directly through a participating lending institution.

A borrower must have a branch of a participating lending institution in their local area in order to receive a PennCAP loan through that bank.

Contacts

Borrowers should contact the following primary contacts at participating lending institutions to discuss their eligibility for a PennCAP loan:

Doreen Santorsa, Commercial Loan Officer 570-504-2211
Fidelity Deposit & Discount Bank

Marie Hansen 215-749-6578
PNC Bank, N.A.

John Kubinsky, V.P. CRA/Compliance Officer 814-533-5205
AmeriServ Financial

Susan M. Corkery, Assistant Vice President 610-526-6306
Sovereign Bank

Small Business First (SBF)

Purpose

Small Business First (SBF) provides low-interest financing for land and building acquisition and construction, machinery and equipment purchases, and working capital to businesses unable to fully finance these projects with equity, bank financing, or other private and public sources.

Eligible Applicants

Eligible Projects:

Agriculture Enterprise, Industrial Enterprise, Manufacturing Enterprise, Research and Development Enterprise, Export, Computer Related Services, Construction Enterprise, Child Day-Care.

Defense-Related – project having a relationship with the U.S. Department of Defense.

Recyclers – municipal or commercial waste materials.

Hospitality Industry Project:

Hotel, Motel or Lodging Facility – employers of at least five full-time employees at time of application.

Restaurant or Food Service Operators open to the public for at least five years, not necessarily under the same management, and who employ at least five full-time employees at the time of application.

Eligible Uses of Funds

Land and building acquisition and construction, machinery and equipment purchases and upgrades, and working capital needs.

Limitations

The maximum loan amount for land and building acquisition and construction, and machinery and equipment purchases and upgrades is \$200,000 or 40% of the total project cost, whichever is less.

The maximum loan amount for working capital is \$100,000 or 40% of the total project cost, whichever is less.

At least one full-time job must be created or preserved within three years from the completion of the project for each \$25,000 borrowed.

Conditions

All loan applications must be approved by a designated Area Loan Organization.

Rates & Terms

Commonwealth–funded loans:	5%*
Real Estate Term:	15 years
Machinery and Equipment Term:	10 years
Working Capital Term:	3 years

(Where two or more uses of SBF funds are planned, loan terms may be blended.)

Interest Rates - An annual fixed rate of 5% for loans to agricultural producers. Interest rates may be reduced to 2% under certain circumstances if the area where the project is located has been included within a natural disaster declaration issued by the Governor.

Fees

Fees are established by the Area Loan Organizations.

Collateral

Loans must be secured at the highest lien position available on one or more assets.

SBF may require personal guarantees of principals.

Application Process

The applicant must submit a completed DCED Single Application for Assistance to a certified Area Loan Organization for review and consideration. Please contact the DCED Customer Service Center at 1-800-379-7448 to request a Single Application for Assistance or contact your local Area Loan Organization. The Single Application can be accessed online at www.newPA.com and click on “Funding and Program Finder”.

Inquiries about the Small Business First Program may be directed to:

PA Department of Community & Economic Development
Center for Business Financing
Loans Division
400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, PA 17120-0225
Telephone: 717-783-5046
Fax: 717-787-9154

Industrial Sites Reuse Program (ISRP)

Purpose

The Industrial Sites Reuse Program (ISRP) encourages the cleanup of environmental contamination at industrial sites by providing grants and low-interest loans for environmental assessments and remediation, allowing the sites to again become productive.

Eligible Applicants

ISRP funds may be used only by eligible applicants who did not cause or contribute to environmental contamination at sites where industrial activity was conducted prior to July 18, 1995.

Municipalities, municipal authorities, redevelopment authorities and economic development agencies that are applying for projects located in: (a) targeted communities as designated by the Secretary of the Department of Community and Economic Development (DCED); and (b) cities of the first class, second class, second class A, and third class may apply on their own behalf or on behalf of a private company or private developer for grants to conduct environmental assessments.

Municipalities, counties, municipal authorities, redevelopment authorities and economic development agencies that own the former industrial site and will oversee the cleanup of the site may apply for grants for environmental assessments and for remediation of hazardous substances.

All eligible applicants mentioned above, as well as private companies and investor/developers, can apply for loans for environmental assessments and remediation.

Eligible Uses of Funds

The funds may be used for Phase I, II, and III Environmental Assessments and Removal/Remediation of Hazardous Substances.

A **Phase I Environmental Assessment** is defined as a qualitative review of the site, using readily available information, field observations and sometimes limited screening of samples of soils and water. It includes pre-audit, on-site and post-audit activities.

Phase II and III Environmental Assessments are defined as in-depth field investigation, site characterization, sampling, testing and analysis to determine the source, nature and extent of the problem, the risks involved, and the identification of the cost of remediation and possible cleanup alternatives.

Funds may be used for the **Removal/Remediation of Hazardous Substances** and contaminants in accordance with the remediation standards established under Act 2 of 1995, the Land Recycling and Environmental Remediation Standards Act.

Limitations

The amount of grant funds available for projects each fiscal year is limited by statute.

After all available grant funds are committed, applicants may request loan funds or reapply the following fiscal year for a grant.

The maximum amount to be awarded for any assessment project will not exceed 75% of the total cost of the assessment, or \$200,000, in a single fiscal year, whichever is less.

The maximum amount to be awarded for any remediation project will not exceed 75% of the total cost of remediation, or \$1 million, in a single fiscal year, whichever is less.

Conditions

The proposed project must comply with local land use, zoning and subdivision ordinances.

Funds for remediation projects will not be disbursed until the applicant takes title to the land. Any costs incurred prior to the grant or loan offer being made will be ineligible for reimbursement.

DCED reserves the right to approve or reject contracts between the applicant and consultants for work that will be paid for with ISRP funds. No substantial changes can be made in an approved project without prior written consent by DCED.

The Departments of Community and Economic Development and Environmental Protection shall have free access to full and accurate project records and the right to inspect all project work and other relevant data and records. Before final payment of the grant or loan is made, the applicant must submit a copy of the completed site assessment report to DCED.

Rates & Terms

The interest rate on all ISRP loans will be 2% with the term for loans used for assessment not exceeding five years. The term for loans used for remediation will depend on the nature and duration of remediation measures, but will not exceed 15 years. All loans must be sufficiently secured.

Fees

N/A

Collateral

Negotiated on a project-by-project basis.

Application Process

Applicants must submit a Letter of Intent (LOI) to DCED outlining a general description of the project and its anticipated public benefits. The Departments of Community and Economic Development and Environmental Protection will review the LOI. If the proposed project meets the program eligibility requirements, an application is forwarded to the applicant for completion and submission to DCED.

Inquiries about the Industrial Sites Reuse Program may be directed to:

PA Department of Community & Economic Development
Center for Business Financing
Site Development Division
400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, PA 17120-0225
Telephone: 717-787-7120
Fax: 717-772-3581

Infrastructure Development Program (IDP)

Purpose

The Infrastructure Development Program (IDP) provides grants and loans for infrastructure construction and rehabilitation which is necessary to complement capital investment by private companies and private developers.

Eligible Applicants

Municipalities (boroughs, townships, towns, counties, cities, home rule), industrial development authorities and corporations, municipal authorities, redevelopment authorities and local development districts may apply for IDP assistance on behalf of eligible private companies and private developers. Private companies and developers may not apply directly for IDP funds.

Private companies engaged in agricultural, industrial, manufacturing, research and development and export service enterprises are eligible to leverage IDP assistance provided: they locate or expand at a Pennsylvania site, they invest private capital at the site of at least \$2 for every \$1 of assistance, and they create one new full-time job for each \$25,000 of assistance received or 10 new full-time jobs (whichever is greater) at the site within five years after the assistance is awarded. Private companies seeking IDP loans for private infrastructure improvements must retain their existing number of employees for five years. Private developers may leverage IDP assistance if they are developing real estate for use by more than one eligible company or if they are redeveloping former commercial sites for new commercial uses.

Eligible Uses of Funds

Grants must be used for eligible publicly-owned infrastructure improvements that are accessible to more than one user. Grants also may be awarded to an applicant who in turn may loan them to a private company or private developer for infrastructure improvements on privately-owned property in targeted geographic areas designated by the Department of Community and Economic Development (DCED).

Individual loans may be used for eligible privately-owned infrastructure improvements.

Limitations

Individual grants may not exceed \$1.25 million.

Individual loans may not exceed \$1.25 million.

Conditions

It must be demonstrated that the infrastructure improvements are necessary for the efficient, cost-effective operation of a private company or successful marketing of the facility by a private developer and that the project would not be possible without IDP funds.

The applicant, private company or private developer must be able to repay the loan and provide adequate security to cover the cost of the loan, and the private company or private developer must be financially sound and able to fulfill its commitments to DCED.

Projects must be completed within the timeframe established in the grant or loan agreement and must be consistent with the economic development plans, complying with code enforcement, building inspection and all other local requirements.

Rates and Terms

Interest rates and terms will be set by DCED, but no term will exceed 15 years. Interest rates in counties where the lowest interest under the Pennsylvania Industrial Development Authority (PIDA) program is applicable will receive a lower IDP interest rate than projects located in other counties of the Commonwealth.

Principal and interest payments for loans made by public entity applicants to a private developer or private company may be retained by the applicants who service targeted communities and who demonstrate their capability to successfully administer a DCED-approved revolving loan fund.

Fees

N/A

Collateral

Negotiated for loans on a project-by-project basis.

Application Process

An eligible applicant should submit a Single Application for Assistance on behalf of an eligible private company or private developer to DCED. Application materials are contained in the IDP Guidelines. The Single Application can be accessed online at www.newPA.com and click on “Funding and Program Finder”.

Inquiries about the Infrastructure Development Program may be directed to:

PA Department of Community & Economic Development
Center for Business Financing
Site Development Division
400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, PA 17120-0225
Telephone: 717-787-7120
Fax: 717-772-3581

Community Economic Development Loan Program (CED)

Purpose

The program provides assistance to startup and fledgling businesses to be successful in providing products or services to communities previously unserved or underserved.

Eligible Applicants

An eligible small business enterprise is a for-profit corporation, limited liability company, partnership, proprietorship, or other business entity having one hundred (100) or fewer total full-time employees that is involved in the business-to-public service, mercantile, commercial, or point of sale retail sectors that are located in a targeted area of Pennsylvania.

In order to receive a loan under this program, a small business enterprise 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 criteria found in Section II (D) of the guidelines are established to assist small business enterprises in making this demonstration.

Eligible Uses of Funds

Most legitimate business costs are eligible for funding.

Limitations

\$100,000 or 50% of eligible costs, whichever is less.

Conditions

Commenced projects will not be funded. However, DCED recognizes the long lead times involved in acquiring, constructing, or renovating land and building and acquiring machinery and equipment. Therefore, the applicant may request a “non-prejudicial approval” from DCED that allows the applicant to continue the project without jeopardizing the status of the application. However, the applicant is cautioned that he/she is proceeding at his/her own risk.

Businesses receiving loans must agree to retain jobs in existence at the date of the application.

Rates & Terms

2% per annum; flexible terms.

Personal guarantees will generally be required. Other loan terms and conditions will vary as the project dictates.

Fees

N/A

Collateral

Negotiable.

Application Process

Eligible businesses may apply directly or an Area Loan Organization (ALO) or state-accredited Community Development Financial Institution (CDFI) may apply for funds from the CED loan pool on behalf of eligible small business enterprises. All loan applicants must submit the DCED Single Application for Assistance form which can be accessed online at www.newPA.com and click on “Funding and Program Finder”.

Inquiries about the Community Economic Development Loan Program may be directed to:

PA Department of Community & Economic Development
Center for Business Financing
Loans Division
400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, PA 17120-0225
Telephone: 717-783-5046
Fax: 717-787-9154

Pennsylvania Community Development Bank Loan Program (PCD Bank)

Purpose

The PCD Bank provides grant funding and liquidity financing for State Accredited Community Development Financial Institutions.

Eligible Applicants

State Accredited Community Development Financial Institutions (CDFIs) are local, non-governmental organizations that meet certain requirements under the Federal Community Development Banking and Financial Institutions Act of 1994. The CDFIs must meet state accreditation standards and program underwriting guidelines and have a minimum of two years lending experience. Projects must focus on economic development and job retention.

Eligible Uses of Funds

Projects that support community economic development in disadvantaged communities.

Projects that promote new business starts and/or expansion of very small-scale businesses that provide opportunities for the empowerment of disadvantaged communities and residents.

Projects that advance comprehensive community development plans that link housing along with access to local and regional employment opportunities, quality educational opportunities and community service facilities, including day care facilities.

Limitations

The maximum loan amount is \$5 million.

Minimum usage of \$250,000.

Conditions

- 3-, 5-, and 7-year loans
- Principal and interest repaid quarterly
- Interest rate is a blend between public rate of 50 basis points and private rate of U.S. Treasury rate plus 100 basis points

Rates & Terms

The rates are fixed at the time of borrowing. Principal and interest are to be repaid on a quarterly basis. Monitoring covenants are established for each borrower.

Loans will be advanced for a period of three, five or seven years depending on the term of the loans secured as collateral.

Fees

- Collateral required
- Monitoring covenants established for each borrower

Collateral

Collateral will be determined on a case-by-case basis.

Application Process

Only applications for grants must be submitted to DCED. The Single Application for Assistance form (not for loans) can be accessed online at www.newPA.com and click on “Funding and Program Finder”.

Inquiries about the PCD Bank program may be directed to:

PA Department of Community & Economic Development
Center for Private Financing
400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, PA 17120-0225
Telephone: 717-783-1109
Fax: 717-787-0879

Pennsylvania Minority Business Development Authority (PMBDA)

Purpose

The Pennsylvania Minority Business Development Authority (PMBDA) offers low-interest financing to businesses owned and operated by ethnic minorities.

Eligible Applicants

Applicants must be ethnic minorities, as defined under the program guidelines, who have 51% ownership and are current residents of the Commonwealth of Pennsylvania. Eligible businesses are retail, service, manufacturing, industrial, advanced technology and franchise restaurants.

Eligible Uses of Funds

Loans may be used for the purpose of providing working capital, purchasing and installing machinery and equipment, building renovation and for the acquisition of land and/or building.

Limitations

The Authority provides funding up to 75% of the eligible costs with 25% participation by the borrower.

The minimum amount of a loan is \$25,000.

The maximum amount of a loan is \$250,000. The maximum can be up to \$750,000 if the project is in an Enterprise Zone, or is an industrial, manufacturing or an advanced technology enterprise, franchise, international trade or business acquisition.

Restaurants are eligible if they are a franchise.

Bars and taverns are ineligible.

Conditions

One full-time job or equivalent must be created or retained for every \$15,000 loaned.

Rates and Terms

The interest rate on loans is currently 4% and subject to change. Typical terms are real estate - 10 years; machinery and equipment - 7 years; and working capital - 3 years.

Collateral

Such collateral, as prudent lending practices dictate, will be required and may include, but is not limited to: real estate; accounts receivable; inventory; equipment; and personal guarantees.

Fees

Commitment fee of 1% of the loan amount due when the commitment letter is accepted by the Department of Community and Economic Development (DCED).

Application Process

The applicant must submit a completed DCED Single Application for Assistance and all supplementary material to DCED for review and consideration. Please contact the Small Business Finance Office at 717-783-5046 to request a Single Application for Assistance and program information. The Single Application can be accessed online at www.newPA.com and click on “Funding and Program Finder”.

Inquiries about the Pennsylvania Minority Business Development Authority Program may be directed to:

PA Department of Community & Economic Development
Loans Division
400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, PA 17120-0225
Telephone: 717-783-5046
Fax: 717-787-4088

Educational Improvement Tax Credit (EITC)

Purpose

The Public School Code was amended by Act 4 of 2001 to provide for the establishment of the Educational Improvement Tax Credit to be administered by the Department of Community and Economic Development. The Act was further amended by Act 48 of 2003 to increase the award from \$30 million to \$45 million in tax credits to businesses that make contributions to Scholarship Organizations or Educational Improvement Organizations that meet the following requirements and are included on the list of organizations published by the Department:

- Organizations must be nonprofits and exempt from taxation under section 501 (c)(3) of the Internal Revenue Code.
- Scholarship Organizations must contribute 80% of annual receipts to a scholarship program.
- The term “annual receipts” is defined as the total amount or value of contributions received by an organization from businesses awarded tax credits during the organization’s fiscal year.
- Educational Improvement Organizations must contribute 80% of annual receipts as grants to public schools for Innovative Educational Programs. Grants for Innovative Educational Programs include costs incurred by Educational Improvement Organizations in providing Innovative Educational Programs to, or in conjunction with, public schools.
- Both types of organizations are required to provide a statement prepared by an independent CPA certifying the amount of the annual receipts and that at least 80% of the receipts were contributed to the program operated by the organization.

Scholarship Programs

- Programs operated by Scholarship Organizations must make awards based on income criteria established under the Act. The household income limits are \$50,000 with an income allowance of \$10,000 for each eligible student and dependent member of the household.
- The amount of scholarship may not exceed the actual amount of tuition charged by the school (including fees).
- The program may not limit the availability of scholarship awards to one school.
- Scholarship Organizations establish the parameters for the scholarship program. The scholarships are awarded by the organization. Parents and students work with the organizations to obtain a scholarship.

Innovative Educational Programs

- Innovative Educational Programs are advanced academic or similar programs that enhance the curriculum or academic program of a public school. DCED has provided a list of characteristics that serve as examples of Innovative Educational Programs. Applicants are not limited to the program characteristics provided in the guidelines.
- Educational Improvement Organizations are required to provide a narrative explanation of the program and a letter of support from the public school(s) participating in the innovative program.

Pre-Kindergarten Scholarship Programs

- Programs operated by PKSO operate under similar guidelines as the Scholarship Organizations with the exceptions that they provide tuition assistance for students to attend a Pre-Kindergarten Program.
- In order to be eligible, a Pre-Kindergarten Program must utilize a curriculum that is aligned with the curriculum of a school, provide a minimum of two hours of instructional and developmental activities per day, and operate at least 60 days per school year.

For the list of Scholarship Organizations, Educational Improvement Organizations, Pre-Kindergarten Scholarship Organizations and for specific information and details about the Educational Improvement Tax Credit, visit www.newPA.com or contact the DCED Center for Business Financing, Tax Credit Division at 717-787-7120.

Eligible Applicants for Tax Credits

Businesses authorized to do business in Pennsylvania who are subject to one or more of the following taxes: Corporate Net Income Tax; Capital Stock Franchise Tax, Bank and Trust Company Shares Tax; Title Insurance Companies Shares Tax; Insurance Premiums Tax; or Mutual Thrift Institution Tax.

Limitations

Only contributions by businesses to organizations set forth on a list maintained by the Department may be recognized for awarding tax credits.

Rates and Terms

A business may receive tax credits equal to 75% of its contribution up to a maximum of \$200,000 per taxable year. If a business agrees to make the same contribution for two consecutive tax years, it may receive a tax credit equal to 90% of its contribution, up to a maximum of \$200,000 annually.

Under the newly established Pre-Kindergarten Tax Credit, a business may receive a tax credit equal to 100% of the first \$10,000 contributed and up to 90% of the remaining amount contributed up to a maximum credit of \$100,000 annually.

Tax credits utilized may not exceed the tax liability of a business for the tax year in which the contribution was made.

Applications are processed on a first-come-first-served basis by day submitted.

The business must make its contribution within 60 days of the date of DCED's notification letter approving the award of tax credits.

The business must provide proof that such contribution was made within 90 days of the date of DCED's notification letter approving the award of tax credits.

Tax credits not used in the tax year the contribution was made may not be carried forward or carried back and are not refundable or transferable.

Application Process

Applications from organizations for listing and applications from businesses are being accepted now.

Applications from organizations will be processed as received.

Applications from businesses will be processed until the amount of available tax credits is exhausted.

Organizations and businesses may contact DCED to request a copy of the program guidelines or they can be accessed online at www.newPA.com.

Inquiries regarding the Educational Improvement Tax Credit program may be directed to:

PA Department of Community & Economic Development
Center for Business Financing
Tax Credit Division
400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, PA 17120-0225
Telephone: 717-787-7120
Fax: 717-772-3581

Underground Storage Tank Upgrade Loan Program (USTULP)

Purpose

Assists the owners of regulated underground storage tanks to upgrade or remove their underground storage tank systems to meet federal Environmental Protection Agency (EPA) upgrade requirements. The program is funded by the Pennsylvania Insurance Department and is administered by the Department of Community and Economic Development (DCED).

Eligible Applicants

Owners of registered underground storage tanks (UST). Owners of six or fewer tanks have priority for the first 90 days following July 1st of each fiscal year.

Eligible Uses of Funds

Loan proceeds may be used to finance all or a portion of the following costs:

- Tank removal or closures and/or replacing tanks.
- Cost of new tanks.
- Upgrade of existing tanks.
- Piping.
- Leak detection devices.
- Dispensers.
- Engineering, design and permitting costs associated with upgrading.
- All construction and installation costs directly associated with upgrading.
- Fees (Restrictions Apply).

Limitations

\$500,000 or 75% of the total eligible project cost, whichever is less.

10% of the total eligible project cost must be cash equity. The remaining 15% may be financed.

Conditions

Tanks and piping may be ordered, received and a contract may be executed, but excavation or installation can not take place prior to the Department of Insurance's approval of the loan. Commenced projects are not eligible for funding; however, a non-prejudicial approval can be requested.

Rates & Terms

The interest rate is fixed for the term of the loan and shall equal the current interest rate of a five-year United States Treasury note. The term of the loan is for up to 10 years.

Fees

A 2% loan commitment fee is due upon acceptance of the loan.

Collateral

All loans will be guaranteed by the principals of the borrower. Other collateral will be requested as necessary.

Application Process

All applications are submitted on the DCED Single Application to:

Pennsylvania Insurance Department
Underground Storage Tank Indemnification Fund
Bureau of Special Funds
901 North Street
Harrisburg, PA 17101

Inquiries can be directed to Colleen Henning at 1-800-595-9887.

The Single Application can be accessed online at www.newPA.com and click on “Funding and Program Finder”.

Export Finance Program (EFP)

Purpose

As defined, Export Finance is an activity undertaken by a Small Business Enterprise related to the export of goods and services outside of the United States. The term includes manufacturing, assembling and like operations. The Export Finance Program (EFP) increases the level of exports and number of exporting companies in Pennsylvania. Many creditworthy, small-sized for-profit businesses do not have access to adequate financing because they either lack a relationship with a financial institution with export financing capabilities or the size of the transaction makes it uneconomical for the private sector to participate even when credit risks are insured. EFP fills this financing gap by lending to such companies. Financing can be used for working capital or accounts receivable financing.

Eligible Applicants

Businesses with facilities located in Pennsylvania that are involved in export activities, that need financing for specific or multiple export transactions, that have 250 employees or less, and that have been in operation, though not necessarily exporting, **for at least 12 months**.
No start-ups.

Eligible Use of Funds

Acquire inventory, pay for direct or indirect costs used for the manufacture or purchase of goods, or for the provision of services.

Support Standby Letters of Credit used as bid bonds, performance bonds or payment guarantees.

Finance accounts receivable up to 180 days from the date of arrival at the port of importation.

Limitations

\$350,000 or 50% of eligible project costs, whichever is less.

Conditions

At the discretion of the Department, a loan may be required to contain one or both of the following conditions:

- The company is eligible for an Ex-Im Bank Credit insurance policy;
- The loan is guaranteed by the Ex-Im Bank or by an export credit sales contract insured by a policy

Rates & Terms

3.75% per annum.

The terms for lines of credit are up to 12 months and may be renewed annually. Maximum renewals are two for total line availability of 36 consecutive months. Further renewal will be at the discretion of the Department.

Fees

A non-refundable \$150 application fee is charged.

Commitment fees range from 1% to 1.5 %; line renewals are ½%.

Collateral

For *working capital financing*, collateral will include export inventory, receivables, and may include assignments of contract and letter-of-credit proceeds. Personal guarantees for working capital financing are usually required to support the line of credit.

For *accounts receivable financing*, an assignment of the Export-Import Bank credit insurance policy is required. Personal guarantees and other collateral may also be required.

Application Process

To apply for EFP, contact an Area Loan Organization or the Team Pennsylvania Export Network Region Provider at 1-888-PA EXPORT (723-9678). All applicants must submit to DCED the Single Application for Assistance which can be accessed online at www.newPA.com and click on “Funding and Program Finder”.

Inquiries about the Export Finance Program may be directed to:

PA Department of Community & Economic Development
Center for Business Financing
Loans Division
400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, PA 17120-0225
Telephone: 717-783-5046
Fax: 717-787-9154

Business in Our Sites Planning Grant Program

Purpose

The Business in Our Sites Program is part of a comprehensive economic stimulus package that provides planning and predevelopment grants to carry out the strategic development of key sites for future use by businesses, private developers, and others.

Eligible Applicants

- Municipalities (Boroughs, Townships, Towns, Cities, Home Rule)
- Redevelopment authorities
- Municipal authorities
- Industrial Development Corporations

Eligible Uses of Funds

Planning and predevelopment activities associated with the proposed development/redevelopment of a site including but not limited to:

- Marketing/feasibility study
- Engineering design
- Environmental assessments
- Geo-technical assessments

Limitations

- Maximum grant amount is \$250,000
- Total amount of grant funds that may be awarded is \$10 million

Conditions

Project must be located on previously utilized or previously undeveloped site

Fees

No fees or points.

Application Process

To apply, visit the DCED website at www.newPA.com and click on “Funding and Program Finder”, or call the Department at 800-379-7448.

Program inquiries should be directed to:

PA Department of Community & Economic Development
Center for Business Financing
Site Development Division
400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, PA 17120-0225
Telephone: 717-787-7120

Applications should be mailed to:

PA Department of Community & Economic Development
Commonwealth Financing Authority – Business in Our Sites
400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, PA 17120-0225

Business in Our Sites Project Grants & Loans

Purpose

Business in Our Sites provides loans or combined loan and grants for the acquisition and development of key sites for future use by businesses.

Eligible Applicants

Municipalities, municipal authorities, redevelopment authorities, industrial development agencies and private developers.

Eligible Uses of Funds

For speculative projects only

All site development activities required to make a site “shovel ready” including but not limited to:

- Acquisition
- Demolition
- Site work
- Infrastructure Development

Limitations

- No Maximum or minimum
- Grants may only be awarded in combination with loans
- Grants may not exceed 50% of the total amount of the financing provided, or \$5 million, whichever is less

Conditions

- Loans will be “patient” – no repayment until property is sold or leased
- Site must be previously utilized property or undeveloped property that is planned and zoned for development
- Counties/municipalities must be notified
- Substantial likelihood of site re-use following development.
- Cannot be for primarily projects that are residential or recreational.
- Private developers are not eligible to receive grant funds.
- If the property is neither sold nor leased during the five year period following completion of the site development work, the applicant may be required, at the discretion of the CFA (Commonwealth Financing Authority), to commence amortization and repayment of the loan.

Rates & Terms

The interest rate for the loan will be set by the Commonwealth Financing Authority (CFA).

Fees

No fees or points.

Collateral

All loans are to be secured by a first mortgage lien on the project site. The CFA at their discretion may accept a lesser lien position.

Application Process

To apply, visit the DCED website at www.newPA.com and click on “Funding and Program Finder”, or call the Department at 800-379-7448.

Program inquiries should be directed to:

PA Department of Community & Economic Development
Center for Business Financing
Site Development Division
400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, PA 17120-0225
Telephone: 717-787-7120

Applications should be mailed to:

PA Department of Community & Economic Development
Commonwealth Financing Authority – Business in Our Sites
400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, PA 17120-0225

The Infrastructure and Facilities Improvement Program

Purpose

The Infrastructure and Facilities Improvement Program ("IFIP") provides financial assistance in the form of multiyear grants that will be used by eligible applicants to service debt that was incurred to pay the costs of certain infrastructure and facilities improvement projects which enhance the economic development of the Commonwealth.

Eligible Applicants

Industrial and commercial development authorities, municipal authorities, Pennsylvania Economic Development Financing Authority (PEDFA), Pennsylvania convention center authorities, sports and exhibition authorities, third-class county convention center authorities, Redevelopment authorities

Eligible Projects

Convention centers, hospitals, hotels, industrial enterprises, manufacturing enterprises, retail enterprises, research and development enterprises.

Eligible Uses of Funds

For any project user as defined above the following project costs are eligible: Infrastructure, remediation, financing charges and other costs and expenses incurred in financing and issuing bonds for the project, administrative expenses and professional services, preparation of plans, specifications, studies, and surveys, necessary or incidental to determining the feasibility or practicability of constructing the project.

If the project user is a manufacturer, hospital, convention center, hotel establishment or a research and development enterprise - acquisition, construction, reconstruction, expansion, extension, demolition, improvement, rehabilitation or remodeling of interests in land, buildings, structures, improvements or infrastructure, which are part of the project.

Conditions

Grant funds may only be used to pay debt service on eligible projects, and the annual amount of the grant in any one year may not exceed the annual amount of the debt service on the project for that year.

Limitations

The following limitations apply to projects utilizing IFIP grant funds:

1. If the project user is not a governmental entity, title to the eligible project improvements paid for either in part or in total with IFIP funds must be held by an eligible applicant during the period in which the applicant is receiving IFIP funds.
2. Grants may not be used to pay debt service for projects directly related to gaming.
3. If sufficient funds are not appropriated to cover the anticipated cost of the grants awarded in any given fiscal year, DCED shall prorate payments among the grant recipients.
4. Grants renewed beyond an initial four-year period may not exceed the incremental growth in sales tax, hotel occupancy tax and personal income tax revenues realized by the Commonwealth as a result of the project.

5. If the project user is an industrial enterprise, a retail enterprise, a research and development enterprise or a manufacturer, the grant term may not exceed ten years. If the project user is a hospital, convention center or hotel, the grant term may not exceed twenty years.
6. Projects that were completed prior to July 1, 2004 are not eligible to receive assistance under IFIP except when the project user is a retail enterprise.
7. Financing for projects receiving IFIP funds may not pledge the full faith and credit of the commonwealth as security for the issued debt.

Application Process

To apply for funding, the applicant must submit 3 copies of the Single Application for Assistance (the "application") and all required supplemental information (refer to Appendix I). The application can be submitted to the address stated below, or it can be submitted online by accessing www.esa.dced.pa.us.

If the application is completed online, the supplemental information must be sent to DCED via regular mail. 3 copies of the supplemental information will need to be mailed to DCED if the application is submitted online. Please be sure to reference the identification number for the application submitted online if you are mailing or e-mailing supplemental information.

PennWorks

Purpose

The Water Supply and Wastewater Infrastructure Program (which shall be referred to as “PennWorks”) was established by the General Assembly, subsequent to the overwhelming approval by the electorate of a referendum in May of 2004. The program provides single-year or multiyear grants to municipalities and municipal authorities and loans to municipalities, municipal authorities, industrial development corporations and investor-owned water or wastewater enterprises for projects which construct, expand or improve water and wastewater infrastructure which are related to economic development. The PennWorks Program is administered by the Commonwealth Financing Authority (“CFA”).

Eligible Applicants

Municipalities, industrial development corporations, municipal authorities and "investor-owned water or wastewater enterprises" which includes any nonpublic entity which supplies water or provides wastewater services to the public for a fee.

Eligible Projects

Eligible PennWorks projects are those which involve the acquisition of land, easements or rights-of-way and the construction, improvement, expansion, extension, repair or rehabilitation of either (1) a system for the supply, treatment, storage or distribution of water not used solely for residential purposes, or (2) a system for the collection, treatment or disposal of wastewater (including industrial waste and the separation of sanitary sewers and storm sewers) not used solely for residential purposes. In addition, the project must involve the investment of capital in Pennsylvania enterprises and communities or result in the creation of new or the preservation of existing jobs in this Commonwealth.

Eligible Uses of Funds

PennWorks funds may be used by the applicant to pay for any of the following project costs:

1. Costs of acquisition of interests in land, infrastructure, buildings, structures, equipment, furnishings, fixtures and other tangible property which are necessary to undertake the water or sewer project.
2. Costs of construction, reconstruction, erection, equipping, expansion, improvement, installation, rehabilitation, renovation or repair of on-site or off-site infrastructure, buildings, structures, equipment and fixtures which are necessary to undertake the water or sewer project.
3. Costs of demolishing, removing or relocating buildings or structures on lands acquired or to be acquired which are necessary to undertake the water or sewer project.
4. Costs of preparing land for development of the water or sewer project.
5. Costs of engineering services, financial services, accounting services, legal services, plans, specifications, studies and surveys necessary or incidental to determining the feasibility or practicability of the water or sewer project.

Conditions

If the applicant is requesting a grant, the grant may not exceed 75% of the total cost of the water or sewer project. The 25% cash match may come from any source other than the PennWorks grant except that the match may not be a grant from any Commonwealth agency. The applicant must demonstrate there is a commitment from a responsible source to provide the matching funds prior to approval of the PennWorks funding.

Limitations

Grants

Individual grants may not exceed \$5 million per water or sewer project or 75% of the total eligible project costs, whichever is less. Grants may not be provided directly to an investor-owned water or wastewater enterprise. However, grants may be provided to municipalities in which the water supply or wastewater services are provided in whole or in part by an investor-owned water or wastewater enterprise.

Loans

Individual loans may not exceed \$5 million per water or sewer project.

Rate and Term

The interest rate for loans is 2% and may have a repayment term of up to 20 years. Borrowers must demonstrate the ability to repay PennWorks loans. Loans must be adequately secured by the borrower, as determined by the CFA

Application Process

To apply for funding, the applicant must submit 15 copies of the Single Application for Assistance (the “application”) and all required supplemental information (please see Appendix I of these guidelines). Applications must be received by the 1st Wednesday of the month for CFA board consideration the following month.

A Single Application can be submitted online by accessing www.esa.dced.pa.us 15 copies of the supplemental information to the application will need to be mailed to DCED if the application is submitted online. Please be sure to reference the identification number for the application submitted online when mailing supplemental information

Tax Increment Financing Guarantee Program (TIF)

Purpose

The Tax Increment Financing Guarantee Program, has been created to promote and stimulate the general economic welfare of various regions and communities in the Commonwealth and to assist in the development, redevelopment and revitalization of Brownfield and Greenfield sites in accordance with the Tax Increment Financing Act (TIF). The program provides credit enhancement for TIF projects to improve market access and lower capital costs through the use of guarantees to issuers of bonds or other indebtedness.

Eligible Applicants

Any issuer of TIF bonds for a project located within a municipality, other than a city of the first or second-class, may apply to the Tax Increment Financing Guarantee Program. Issuers include all municipalities and their authorities, including boroughs, townships, towns, counties and home rule municipalities.

Eligible Uses of Funds

- Infrastructure and environmental projects for industrial enterprises and retail establishments.
- Infrastructure, environmental and building projects for manufacturers, hospitals, convention centers and associated hotels.
- Utilization of abandoned or underutilized industrial, commercial, military, previously mined institutional sites or buildings; or undeveloped sites planned and zoned for development in accordance with any existing comprehensive municipal plan.

Limitations

- Maximum guarantee amount per project is \$5 million.
- Unless in circumstances of foreclosure, default, or violation of loan made, the Commonwealth Financing Authority may not approve an application if the Authority would be required to operate, service, or maintain the project under the lease or other agreement.

Conditions

- Project must be located in a blighted area (containing the characteristics of blight as described in the Urban Redevelopment Law).
- Project must be located within a TIF district
- Project must be located on previously utilized property or on undeveloped property that is planned and zoned for development.
- Project must demonstrate its ability to comply with the TIF law prior to the issuance of bonds or other indebtedness.
- Applicants must show that the revenue to be realized as a result of the project will be sufficient to offset the amount of the debt service.
- Business or private developers must agree to create a certain number of permanent full-time jobs within the TIF district.

Application Process

To apply, visit the DCED website at www.newPA.com and click on “Funding and Program Finder”, or call the Department at 800-379-7448.

Program inquiries should be directed to:

PA Department of Community & Economic Development
Center for Private Financing
400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, PA 17120-0225
Telephone: 717-783-1109

Applications should be mailed to:

PA Department of Community & Economic Development
Commonwealth Financing Authority
400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, PA 17120-0225

Pennsylvania Industrial Development Authority (PIDA)

Industrial Park Loans

Purpose

Low-interest loans made directly to Industrial Development Corporations (IDCs) to finance the acquisition and development of land earmarked for industrial use.

Eligible Applicants

Industrial Development Corporations.

Eligible Uses of Funds

Acquisition and development of land (utilities, access road) or development of land already owned by the IDC.

Limitations

Up to 60% of the project cost. Maximum amount is \$2,000,000, with a fixed interest rate of 3.25% or 4.25%. (Subject to change - contact PIDA for current rates).

Example: Project Cost	\$2,000,000	
	\$ 600,000	Bank – (30%) Participating First Mortgage
	\$1,200,000	PIDA – (60%) Security:
		\$1,000,000 - Participating First Mortgage
		\$200,000 - Second Mortgage
	\$ 200,000	Equity (10%)
	\$2,000,000	<hr/> TOTAL PROJECT COST

Conditions

PIDA takes back the mortgage from the IDC which holds the title. As land is sold, PIDA releases its mortgage on the parcel to be sold with the stipulation that a certain portion of the sale proceeds be applied as a prepayment on the PIDA loan (as noted in the PIDA commitment letter).

Example: Using the above \$2 million as the project cost and assuming the IDC is acquiring 200 acres and developing 50: $\$1,200,000 / 50 = \$24,000$. For each acre sold, PIDA will require \$24,000 or 60% of the sale price, whichever is greater, be applied as a prepayment on the PIDA loan.

Rates and Terms

Projects located within state enterprise zones, State Act 47 municipalities, federal empowerment zones, federal enterprise communities, brownfield sites, Keystone Opportunity Zones, Keystone Opportunity Expansion Zones, and Keystone Opportunity Improvement Zones are eligible for up to \$2,250,000 and automatically receive the lowest interest rate.

15 Years:	Interest accrues during the first two years and is due in a lump sum at the end of the two year period.
Years 3 – 5:	Monthly interest is due.
Years 6 – 15:	Monthly principal and interest is due.

Fees

1% non-refundable fee (1% of PIDA loan) with \$500 minimum due upon acceptance of the commitment letter.

Collateral

PIDA can only share a first mortgage with a bank or insurance company. If financing is provided by another source, the PIDA loan must be secured by a sole first mortgage.

Application Process

The Department of Community and Economic Development Single Application for Assistance must be completed. The Single Application must be accompanied by supporting data such as an extensive project description, sales agreements, bank commitment letter, number and types of tenants should be described, number of full-time jobs expected to be created in three years, and an independent feasibility/marketing study reflecting expected sale price per acre upon completion of the project. The Single Application can be accessed online at www.newPA.com and click on "Funding and Program Finder".

A financial review is performed by PIDA.

For inquiries related to this loan program, please contact:

Department of Community and Economic Development
Center for Business Financing
Loans Division
400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, PA 17120-0225
Telephone: 717-787-6245
Fax: 717-772-2890

Pennsylvania Industrial Development Authority (PIDA)

Loans for Job Creation and Retention

Purpose

Creation and/or retention of employment through low-interest loans to local nonprofit Industrial Development Corporations (IDCs) for eligible businesses.

Eligible Applicants

Manufacturing, industrial (including warehouse and distribution centers), agri-business (not farms), computer or clerical operations centers, office buildings used as national or regional headquarters, and research and development facilities.

Service, commercial, and retail operations are NOT eligible.

Eligible Uses of Funds

Land and building costs only: acquisition, renovation, expansion or new construction.

Limitations

The amount PIDA lends is always based on the unemployment rate in the area where the building is located. The higher the unemployment, the more dollars PIDA can lend and the lower the interest rate. Currently, PIDA can lend from 30% to 75% of the land and building costs - - up to \$2,000,000 for any one project - with a fixed interest rate of 3.25% or 4.25%. (Rates subject to change - contact PIDA for current rates).

Conditions

For each \$35,000 loaned, PIDA requires that at least one full-time job be retained and/or created at the project site within three years.

Industrial and agri-business operations must have a total of 25 jobs at the project site within three years and a minimum total project cost of \$200,000.

National/regional headquarters and computer/clerical operation centers must have a total of 125 jobs at the site within three years and a minimum total project cost of \$1.5 million.

Rates and Terms

Projects located within state enterprise zones, State Act 47 municipalities, federal empowerment zones, federal enterprise communities, brownfield sites, Keystone opportunity Zones, and Keystone Opportunity Expansion Zones and Keystone Opportunity Improvement Zones are eligible for up to \$2,250,000 and automatically receive the lowest interest rate. Firms engaged in advanced technology (as determined by PIDA) also receive the lowest interest rate.

The maximum term of the PIDA loan is 15 years and in no instance shall the term of the PIDA loan exceed the bank's first mortgage term.

Fees

1% non-refundable fee (1% of the PIDA loan) with \$500 minimum due upon acceptance of the commitment letter.

Collateral

Loans may be secured by a second mortgage on the property financed; however, PIDA reserves the right to increase its collateral position based on a case-by-case review of the creditworthiness of the project.

Application Process

The Department of Community and Economic Development Single Application for Assistance is completed and submitted by the IDC with the required attachments as outlined in the Application. The Single Application can be accessed at www.newPA.com and click on “Funding and Program Finder”. For inquiries related to the loan program, please contact:

Department of Community and Economic Development
Center for Business Financing
Loans Division
400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, PA 17120-0225
Telephone: 717-787-6245
Fax: 717-772-2890

Pennsylvania Industrial Development Authority (PIDA) Multi-Occupancy Loans

Purpose

Low-interest loans made directly to Industrial Development Corporations (IDCs) to finance facilities that will house two or more unrelated PIDA-eligible tenants, with no one tenant occupying more than 80% of the facility.

Eligible Applicants

Manufacturing, industrial, including warehouse and distribution. Any other PIDA-eligible activity such as research and development.

No more than 15% of the space may be used for ineligible activities such as retail or commercial.

Eligible Uses of Funds

Land and building costs only: acquisition, renovation, expansion or new construction.

Limitations

Either 30% or 40% of the project cost, depending upon PIDA's mortgage position, with a fixed interest rate of 3.25% or 4.25%. (Rates subject to change - contact PIDA for current rates).

Maximum amount is \$2,000,000.

Example:	Project Cost \$2 million	
	\$1,000,000	Bank – (50%) Participating First Mortgage
	\$800,000	PIDA – (40%)
		Security: \$600,000 – Participating First Mortgage
		\$200,000 – 2nd Mortgage
	\$200,000	Equity (10%)
	\$2,000,000	TOTAL PROJECT COST

If the bank is unwilling to share a first mortgage with PIDA, PIDA can still participate in the financing and secure its loan with a sole second mortgage, but its loan is then limited to 30% of the cost (in the above example, \$600,000) and 20% equity is then required.

Conditions

PIDA takes back the mortgage from the IDC.

IDC retains title for life of the PIDA loan and enters into straight lease agreements with tenants with no prior approval of leases required from PIDA.

Rates and Terms

Projects located within state enterprise zones, State Act 47 municipalities, federal empowerment zones, federal enterprise communities, brownfield sites, Keystone Opportunity Zones, Keystone Opportunity Expansion Zones, and Keystone Opportunity Improvement Zones are eligible for up to \$2,250,000 and automatically receive the lowest interest rate.

15 Years: During the first two years, monthly interest is due.
Years 3 – 15, monthly principal and interest is due.

If the bank term is less, PIDA will match the bank term, but the first two years of the PIDA term will still require only monthly interest.

Fees

1% non-refundable fee (1% of the PIDA loan) with \$500 minimum due upon acceptance of the commitment letter.

Collateral

First, participating first and/or second mortgage on property financed (see section on limitations).

Application Process

The Department of Community and Economic Development Single Application for assistance must be completed. Supporting data such as an extensive project description, appraisals and sales agreements, bank commitment letter, number and types of tenants should be described, number of full time jobs expected to be created in three years, and independent feasibility/marketing study reflecting full occupancy data, must accompany the Single Application. The Single Application can be accessed online at www.newPA.com and click on “Funding and Program Finder”.

A financial review is performed by PIDA.

For inquiries related to the loan program, please contact:

Department of Community and Economic Development
Center for Business Financing
Loans Division
400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, PA 17120-0225
Telephone: 717-787-6245
Fax: 717-772-2890

Second Stage Loan Program

Purpose

The Second Stage Loan Program offers guarantees for bank loans to second stage manufacturers, advanced technology and life sciences businesses to support growth in these vital sectors. The SSLP is administered through the Commonwealth Financing Authority. (CFA).

Eligible Applicants

Commercial lending institutions – Federally chartered or state chartered banks, savings banks or savings and loan associations which have a satisfactory rating from their primary regulator and which are engaged in commercial lending activities. The institution must operate at least one full-service branch for deposit gathering and lending located within this Commonwealth and must be enrolled in the Second Stage Loan Program.

Eligible Projects

A commercial lending institution enrolled in the program may submit an application for a guarantee of a loan to life sciences, advanced technology, or manufacturing businesses that have been in existence for at least two years, but no more than seven years at the time of application.

- **Life Sciences Business** – An enterprise involved in the fields of biotechnology, pharmaceutical research and manufacturing, biomedical technologies, life systems technologies, nutraceuticals, cosmoceuticals and medical devices research and development.
- **Advanced Technology Business** – An enterprise focusing on developing and selling technology-related products including: power and energy, specialized materials, engineering, biotechnology/life sciences, robotics, information technology and communications.
- **Manufacturing Business** – An enterprise engaged in giving new shapes, new qualities or new combinations to matter by the application of skill and labor.

Eligible Uses of Funds

Preference will be given to working capital financing provided to eligible businesses. However, financing for land, building, machinery and equipment will also be eligible to receive a guarantee under the program.

Conditions

The commercial lending institution enrolled in the program may submit an application to the CFA for the guarantee of a proposed loan. To apply for a loan guarantee under the SSLP, eligible applicants are required to complete and submit a Single Application for Assistance Form and the supplement form (Appendix I) to the Commonwealth Financing Authority. Upon being satisfied that all requirements have been met, the CFA may approve the guarantee and, if approved, the CFA shall issue a guarantee certificate for the loan to the commercial lending institution stating the terms and amount of the guarantee.

Limitations

During the first two years of the term of a loan for which a guarantee certificate has been issued, the guarantee may not exceed 50% of the outstanding principal amount of the loan.

From the end of year two through either the end of year seven or the end of the term of the loan, whichever occurs first, the guarantee may not exceed 25% of the outstanding principal amount of the loan. The guarantee will terminate at the end of seven years.

At no time may a guarantee exceed \$1,000,000 for any one loan.

Rates & Terms

All SSLP loan rates and terms are negotiated directly with a the participating commercial lending institution.

Application Process

Applicants for SSLP will use the DCED Single Application for Assistance and supplemental form (Appendix 1). Fifteen copies of the application must be submitted to DCED.

Inquiries about the Second Stage Loan Program may be directed to:

The Second Stage Loan Program
Commonwealth Financing Authority
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225
Telephone: (717) 783-1109

Machinery and Equipment Loan Fund (MELF)

Purpose

The Machinery and Equipment Loan Fund (MELF) provides low-interest financing for the acquisition and installation of new or used machinery or equipment, or to upgrade existing machinery and equipment to companies unable to fully finance their projects with equity, bank debt or other public and private sources.

Eligible Applicants

Manufacturing, industrial, agricultural processing, direct mining, agricultural producers, information technology, biotechnology and medical facilities. A medical facility may only use MELF funds for acquisition and installation of equipment and technology necessary to comply with FDA requirements regarding pharmaceutical management.

Service, mercantile, commercial, or retail operations are not eligible.

Eligible Uses of Funds

To acquire and install new or used machinery and equipment which is directly related to the manufacturing or industrial process.

To upgrade existing machinery and equipment which is directly related to the manufacturing or industrial process.

Ineligible costs include repair costs for existing machinery and equipment.

Limitations

\$5,000,000 or 50% of total project cost, whichever is less.

Conditions

Matching lending sources with a first or shared first lien position with MELF must have either equivalent or longer terms than the MELF loan. Equity is defined as any source not requiring either a first or shared first lien with MELF.

Except for loans to agricultural producers, for each \$25,000 loaned, MELF requires that at least one full-time job be retained or created within three years.

Machinery and equipment may be ordered and received, but not installed or operated prior to MELF approval of the loan. Applicant places such orders at his/her own risk.

Rates and Terms

Fixed interest rate of 3.25%.

Loans are for up to ten years.

Fees

MELF will charge a 1% non-refundable fee (up to \$10,000) due upon acceptance of the commitment letter.

Collateral

All loans must be secured with a lien position on the asset being financed. Company guarantee, personal guarantees and other collateral may be required as deemed necessary.

Application Process

Applicants must submit a Letter of Intent form, as found in the MELF Guidelines. If approved, applicant will be invited to submit a full Single Application for Assistance to DCED.

For inquiries about the MELF Program, contact:

PA Department of Community and Economic Development
Center for Business Financing
Loans Division
400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, PA 17120-0225
Telephone: 717-787-6245
Fax: 717-772-2890

Pollution Prevention Assistance Account (PPAA)

Purpose

Assists Pennsylvania small business enterprises in implementing pollution prevention and energy-efficient projects, enabling these businesses to adopt or install equipment or processes that reduce pollution or energy use.

Eligible Applicants

A for-profit business enterprise, excluding mercantile and service related enterprises, that has no more than 100 total employees and acquires or installs pollution or prevention or energy efficient equipment or processes. Eligible types of businesses include: agricultural, industrial manufacturing (research and development), export service, hospitality, defense conversion-related, computer-related services, construction and child care enterprises.

Eligible Uses of Funds

Acquisition or installation of pollution prevention equipment or processes.

Limitations

\$100,000 or 75% of the total project cost, whichever is less. Borrower would finance the remaining 25% of the total eligible project cost with proceeds from a private lender or equity from the owners or investors. Matching lending sources must have equivalent or longer terms.

Conditions

Equipment may be ordered, but not installed or operated prior to the Department's approval of the loan. Applicant takes such actions at his or her own risk. Commenced projects are not eligible.

Rates & Terms

An annual fixed interest rate of 2%. The term of the loan can be up to 10 years or the life of the asset, whichever is less.

Fees

The Department will not charge a fee. Fees charged by the Area Loan Organization may not exceed 2% of the loan amount and may not be included in the project cost.

Collateral

All loans must be secured with a lien position on the asset being financed and the company guarantee. DCED may require personal guarantees of principals.

Application Process

The applicant must submit a completed DCED Single Application for Assistance and a Department of Environmental Protection Determination of Eligibility Application. Please contact the DCED Customer Service Center at 1-800-379-7448 to request a Single Application for Assistance and a copy of the program guidelines, and the names of the Area Loan Agency or Industrial Redevelopment Center. The Single Application can be accessed online at www.newPA.com and click on “Funding and Program Finder”.

Inquiries about the Pollution Prevention Assistance Account Program may be directed to:

PA Department of Community & Economic Development
Center for Business Financing
Loans Division
400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, PA 17120-0225
Telephone: 717-783-5046
Fax: 717-787-9154

Job Creation Tax Credit Program (JCTC)

Purpose

The Job Creation Tax Credit Program (JCTC) provides tax credits to eligible businesses that create 25 or more full-time jobs or increase employment by 20% within three years from the start date. A minimum of 25% of all tax credits awarded each fiscal year will be allocated to businesses that have 100 or fewer employees.

Eligible Applicants

Any business is eligible to apply if they can demonstrate the following: the ability to create the number of jobs specified in the JCTC application; its leadership in the application, development or deployment of leading technologies; financial stability; the project's financial viability; and that the decision to expand or locate in the Commonwealth was due in part to the availability of Job Creation Tax Credits.

Eligible Uses of Funds

A business may apply the tax credit to 100% of the business' state corporate net income tax, capital stock and franchise tax or the capital stock and franchise tax of a shareholder of the business if the business is a Pennsylvania S corporation, gross premiums tax, gross receipts tax, bank and trust business shares tax, mutual thrift institution tax, title insurance business shares tax, personal income tax or the personal income tax of shareholders of a Pennsylvania S corporation, or any combination thereof.

Limitations

A \$1,000 per-job tax credit will be given for jobs created within three years from the determined start date.

Conditions

The business must agree to create at least 25 new full-time equivalent jobs or increase its number of full-time employees at the project site by at least 20% within three years of the start date. The start date will be the first day of the calendar year quarter in which the application is submitted to the Department, unless the applicant requests a later start date.

To be counted as new full-time employees under the JCTC Program, new employees must earn an average hourly wage rate of at least 150% of the federal minimum wage, excluding benefits. The business also must agree to maintain operations at the project site where the jobs will be created for a period of five years from the start date.

New jobs shall be deemed created in year one to the extent that the business's average employment by quarter during year one exceeds the business's base employment. New jobs shall be deemed created in year two to the extent that the business's average employment by quarter during year two exceeds the business's average employment by quarter during year one. New jobs shall be deemed created in year three to the extent that the business's average employment by quarter during year three exceeds the business's average employment by quarter during year two.

Rates and Terms

N/A

Fees

N/A

Collateral

N/A

Application Process

Businesses must contact DCED to request a copy of the program guidelines and a Single Application for Assistance form. All applicants must submit to DCED the Single Application for Assistance form which can be accessed online at www.newPA.com and click on “Funding and Program Finder”. The completed application should be returned to the Department where it will be evaluated for eligibility, completeness and competitiveness with other applications submitted for consideration.

Inquiries regarding the Job Creation Tax Credit program may be directed to:

PA Department of Community & Economic Development
Center for Business Financing
Tax Credit Division
400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, PA 17120-0225
Telephone: 717-787-7120
Fax: 717-772-3581

Keystone Opportunity Zone Program (KOZ)

Purpose

The Keystone Opportunity Zone Program is designed to revive economically-distressed land in communities throughout the Commonwealth with the powerful market-based incentive of tax abatement.

Eligible Applicants

Businesses, property owners and residents are eligible for Keystone Opportunity Zone benefits.

Eligible Uses of Funds

Not Applicable

Limitations

LERTA and TIFs are not applicable under the Keystone Opportunity Zone Program.

Businesses that move out of the Zone within five years of locating in the zone and business that fail to meet the relocation provisions of the Act may be subject to recapture of benefits received and forfeiture of future benefits.

Conditions

- **Residents:** Maintain compliance with all state and local tax laws and reside 184 consecutive days in the Keystone Opportunity Zone.
- **Businesses:** A business must own or lease real property in a Keystone Opportunity Zone and actively conduct a trade, profession or business from the property and remain compliant with state and local tax laws and building codes. Existing Pennsylvania businesses relocating into a KOZ must meet the relocation provisions of the Act. Existing businesses that are expanding, new businesses and out-of-state businesses moving into Pennsylvania need only move into a KOZ, file a one page annual application for benefits and submit the application with a synopsis of the business, which contains a description of the business, job creation potential and the anticipated capital investment.
- **Property Owner:** Maintain compliance with all state and local tax laws and building codes.

Rates and Terms

Not Applicable

Fees

Not Applicable

Collateral

Not Applicable

Application Process

Residents, businesses and property owners must file an annual one page application with the local Keystone Opportunity Zone coordinator by December 31st of the year in which they are applying for benefits. Compliant applications receive an approval letter from the Department of Community and Economic Development which serves as their verification of eligibility to receive Keystone Opportunity Zone benefits. Applications are available online at www.newPA.com, from your local coordinator or from the Department's customer service center by calling 1-800-379-7448.

Customized Job Training Program (CJT)

Purpose

The Customized Job Training Program (CJT) supports the needs of employers to provide advanced-level training to their employees. The program also promotes business and educational partnerships in the development and implementation of industry-specific curricula.

Eligible Applicants

Any business, except point-of-sale retail businesses, may apply for CJT funding on behalf of themselves or through one of the following:

- Area vocational-technical schools.
- Community and junior colleges.
- Intermediate units.
- Private and public schools.
- Colleges and universities.
- Industrial Resource Centers.
- Economic Development Organizations.
- Greenhouses.
- Private Companies.
- Local Workforce Investment Boards.

Eligible Uses of Funds

CJT funds may be used by a Pennsylvania company to train employees for job-specific skills.

Eligible uses of CJT funds include:

- Salaries and fringe benefits for instruction and curriculum development.
- Supplies and consumable materials.
- Reasonable travel expenses.
- Communication costs, such as telephone, postage and printing.
- Tool and equipment rental directly applicable to the training project.
- Administrative costs.
- Instructional software.
- Tuition reimbursement.

Limitations

Trainees must be making 150% of minimum wage, when applicable.

No awards for more than two successive fiscal years or for no more than 3 out of every 5 fiscal years.

Conditions

Eligible private companies must meet the following conditions:

- Must either be a start-up, existing, expanding or relocating their operations at a Pennsylvania site.
- Trainees should be verifiable Pennsylvania residents.

- Trainees who successfully complete the CJT program must fill all entry-level positions and upgraded positions identified in the training plan.
- Reimbursement is at 75% of total project cost with 25% private cash match.

Rates and Terms

N/A

Application Process

Applications may be submitted by eligible applicants to DCED at any time during the fiscal year (subject to the availability of funds).

Applicants must utilize the DCED Single Application. The Single Application can be completed on line by accessing www.esa.dced.state.pa.us or can be printed from the DCED website at www.newPA.com and click on “Funding and Program Finder”. Copies of the Single Application kit may be obtained by contacting the DCED Customer Service Center at 1-800-379-7448 or 717-787-3405.

In addition to the Single Application, applicants must submit the following:

- Detailed Training Plan Narrative containing no more than five pages of the proposed training describing ever module (course) of training to be considered. The Training Plan shall also include:
 - Program Starting and ending dates.
 - Projected number of instructional hours.
 - Total number of trainees per course.
 - Location of training.
 - The skills, competencies and knowledge to be learned by trainees.
 - A discussion of the relationship between the training provider, the applicant, the private company, labor organization or greenhouse, as appropriate.
- Completed Customized Job Training Budget.
- Completed Customized Job Training Summary Form.

Inquiries about the Customized Job Training Program may be directed to:

PA Department of Community & Economic Development
 Center for Business Financing
 Grants Division
 400 North Street, 4th Floor
 Commonwealth Keystone Building
 Harrisburg, PA 17120-0225
 Telephone: 717-787-7120
 Fax: 717-772-3581

Guaranteed Free Training Program

Administered by the Workforce and Economic Development Network of PA (WEDnetPA)

Purpose

The Guaranteed Free Training Program provides workforce development grants for basic skills and information technology training for eligible Pennsylvania businesses and their employees.

Eligible Applicants

For **basic skills training** grants – manufacturing or technology-based businesses may apply.

For **information technology training** grants – front-line employees and supervisors of manufacturing companies are eligible for applied manufacturing technology training. Information technology professionals of any company, except point-of-sale retail businesses, are also eligible.

Eligible Uses of Funds

For **basic skills training** grants – basic or entry-level skills training is eligible according to the type and scope of business being conducted by the employer.

For **information technology training** grants – training must meet recognized industry skill standards, including, but not limited to, training resulting in certification.

Conditions

For both programs – the employer must verify that participating employees earn 150% of minimum wage, work full-time and are Pennsylvania residents.

Reimbursement

Up to \$450 per eligible employee/trainee for the **basic skills training** grant.

Up to \$700 per eligible employee/trainee for the **information technology training** grant.

Application Process

Businesses must submit a Single Application for Assistance to one of 32 WEDnetPA members. Please visit the WEDnetPA website (www.wednetpa.org) for the member in your area or call 1-877-933-6387 for assistance and a copy of the program guidelines.

