

BUSINESS FINANCING SOLUTIONS

LVEDC.

Helping Lehigh Valley businesses with the resources they need to succeed.



Lehigh Valley
ECONOMIC
DEVELOPMENT CORPORATION

*Helping business arrive.
Helping business thrive.*

www.lehighvalley.org/Financing

ELIGIBILITY	ELIGIBLE USES	AMOUNTS	TERMS/CONDITIONS
-------------	---------------	---------	------------------

General Economic Development Finance Programs

● SBA 504 CERTIFIED BUSINESS DEVELOPMENT COMPANY

The SBA 504 Certified Development Company program provides growing businesses with long-term, fixed-rate subordinate mortgage financing for acquisition and/or renovation of capital assets including land, buildings and equipment. Virtually all types of businesses are eligible for this program.

<ul style="list-style-type: none"> For-profit owner occupied manufacturing, industrial, commercial or retail businesses 	<ul style="list-style-type: none"> Land and building acquisition Construction or renovation Major machinery and equipment 	<ul style="list-style-type: none"> 40% of project cost up to \$1.5 million Up to \$2,000,000 for projects meeting a specific public policy Up to \$4,000,000 for manufacturing projects or projects increasing energy efficiency by 10% or more 	<ul style="list-style-type: none"> Interest rate — spread above the 10-year U.S. Treasury bond fixed at date of debenture sale for the term of the loan Job creation — one job created for every \$65,000 of SBA amount 20 years — land and building 10 years — machinery and equipment Costs associated with acquisition and site preparation
--	--	--	---

● PENNSYLVANIA INDUSTRIAL DEVELOPMENT AUTHORITY [PIDA]

PIDA offers low-interest loans through Industrial Development Corporations for land and building acquisition, construction and renovation resulting in the creation or retention of jobs.

<ul style="list-style-type: none"> Manufacturing Industrial Computer/Clerical Operations Centers Research and development Agricultural processors Firms establishing a national or regional headquarters 	<ul style="list-style-type: none"> Land and building acquisition Construction or renovation 	<ul style="list-style-type: none"> Loans up to \$2 million (within Enterprise Zones, Act 47 Industrial Communities, Brownfield Sites and Keystone Opportunity Zones, \$2.25 million) No more than 60%–70% of total eligible project costs, depending upon firm size and unemployment rate 	<ul style="list-style-type: none"> 3.75% interest rate; subject to change Up to 15-year term on land and buildings No less than a second mortgage on financed assets Disbursement to applicant based upon reimbursable expenses Create/Retain one (1) job per \$35,000 borrowed
--	---	---	--

● SMALL BUSINESS FIRST [SBF]

SBF provides funding for small businesses including: low-interest loan financing for land and building acquisition and construction; machinery and equipment purchases and working capital; to comply with environmental regulation; for businesses involved in municipal or commercial recycling; and for those impacted by defense conversion.

<p>Small business (100 employees or less) which are:</p> <ul style="list-style-type: none"> Manufacturing and industrial Agricultural processors Mining enterprises Child daycare Municipal or commercial recyclers Defense related Construction enterprise Computer-related services Hotels, motels or restaurants 	<ul style="list-style-type: none"> Land and building acquisition and construction Machinery and equipment purchases and upgrades Working capital 	<ul style="list-style-type: none"> Loans up to \$200,000 or 50% of total eligible project costs, whichever is less Maximum loan amount for working capital is \$100,000 or 50% of total eligible project costs, whichever is less 	<ul style="list-style-type: none"> 4.75% interest rate; subject to change \$25,000 for every job created or retained Up to 15-year term for land and building Up to 10-year term for machinery and equipment Up to 3-year term for working capital
--	---	---	---

● MACHINERY AND EQUIPMENT LOAN FUND [MELF]

MELF provides low-interest loans to install new or used machinery and equipment or to upgrade existing machinery or equipment. Program is selective and may be oversubscribed.

<ul style="list-style-type: none"> Manufacturing Industrial Agricultural processors Direct mining operations Hospitals Information Technology Biotechnology 	<ul style="list-style-type: none"> Machinery and equipment acquisitions and upgrading, related engineering and installation costs directly related to the operations or processes Hospitals to purchase or install FDA required pharmaceutical management equipment 	<ul style="list-style-type: none"> Loans up to \$5,000,000 or 50% of the total eligible project costs, whichever is less 	<ul style="list-style-type: none"> 4.75% interest rate; subject to change Up to ten year term, depending upon the useful life of the machinery being financed Private-sector match required 10% equity required \$25,000 for every job created or retained Project must be directly related to the core business activity, support equipment is not eligible
--	---	---	--

● PENNSYLVANIA ECONOMIC DEVELOPMENT FINANCING AUTHORITY [PEDFA] IDA TAXABLE BOND PROGRAM

PEDFA serves as an issuer of tax-exempt and taxable bonds, both in pooled transactions and stand-alone transactions. Bond funds are loaned to businesses and can be used to finance land, buildings and equipment.

<ul style="list-style-type: none"> All types of businesses needing access to low-cost capital 	<ul style="list-style-type: none"> Land and building acquisition Building renovation and new construction Machinery and equipment acquisition and installation Designated infrastructure Refinancing Working capital 	<ul style="list-style-type: none"> Loans no less than \$400,000 Up to 100% of project costs 	<ul style="list-style-type: none"> Interest rate priced at or below market rate Weekly variable interest rate tied to market for taxable bonds Term is based upon negotiated letter of credit Borrower must secure letter of credit from bank
--	--	---	---

● PENNSYLVANIA ECONOMIC DEVELOPMENT FINANCING AUTHORITY [PEDFA] TAX-EXEMPT BOND PROGRAM

<ul style="list-style-type: none"> Manufacturing Nonprofit Energy Solid waste disposal and installation Transportation facilities 	<ul style="list-style-type: none"> Land and building acquisition Building renovation and new construction Machinery and equipment acquisition and installation Designated infrastructure Refunding of tax-exempt debt 	<ul style="list-style-type: none"> Loans no less than \$400,000 and no more than \$10 million for manufacturers No upper limit for other projects Up to 100% of project costs 	<ul style="list-style-type: none"> Interest rate priced below market rate Weekly variable interest rate tied to market for tax-exempt bonds Up to 30-year term Borrower generally must secure letter of credit from bank
--	--	--	--

● COMMUNITY ECONOMIC DEVELOPMENT LOAN PROGRAM

Low-interest loans for projects in distressed communities, stimulating self-help initiatives and helping people build assets at the individual, family and community levels

<ul style="list-style-type: none"> For-profit small businesses (100 employees or less) that are located in a DCED designated distressed community, Keystone Opportunity Zone 	<ul style="list-style-type: none"> Land and building acquisition Building, construction and renovation Machinery and equipment acquisition and installation Working Capital 	<ul style="list-style-type: none"> Loans up to \$100,000 or 50% of total eligible project cost, whichever is less 	<ul style="list-style-type: none"> 2% interest rate Flexible terms
---	---	--	--

ELIGIBILITY	ELIGIBLE USES	AMOUNTS	TERMS/CONDITIONS
<p>● PENNSYLVANIA MINORITY BUSINESS DEVELOPMENT AUTHORITY (PMBDA)</p> <ul style="list-style-type: none"> • Businesses owned & operated by ethnic minorities 	<ul style="list-style-type: none"> • Land & building acquisition • Building, construction & renovation • Machinery and equipment acquisition and installation • Working capital 	<ul style="list-style-type: none"> • Manufacturing, Industrial, High-tech, International Trade or Franchise Companies: Loans up to \$500,000 (within Enterprise Zone, \$750,000) or 75% of total eligible project costs, whichever is less • Retail or Commercial Firms: Loans up to \$250,000 (within Enterprise Zone, \$350,000) or 75% of total eligible project costs, whichever is less 	<ul style="list-style-type: none"> • 50% of prime rate, but no less than 4% • Up to 15-year term for land and buildings • Up to 10-year term for machinery and equipment • Up to three-year term for working capital • 25% private-sector match required • May subordinate lien position • Disbursement at closing • \$15,000 for every job created or retained
<p>● REGIONAL LOAN POOL</p>			
<p>The Lehigh Valley Regional Loan Pool assists and fosters the development and improvement of businesses in the Cities of Easton, Bethlehem and Allentown, PA. The program enables job creation and retention by providing an incentive for economically viable businesses to locate, expand or remain in the Lehigh Valley.</p>			
<ul style="list-style-type: none"> • Firms looking to locate or expand exclusively within the Lehigh Valley • Applications for funding should fall into one of the four following categories: Emerging Growth Companies, Commercial/Industrial Real Estate, Business Expansion and Retention, and Entrepreneurial 	<ul style="list-style-type: none"> • Land and building acquisition • Building renovation or rehabilitation • Machinery and equipment 	<ul style="list-style-type: none"> • 40% of a total project cost with a minimum of \$250,000 and a maximum of \$2,000,000 	<ul style="list-style-type: none"> • Typical loan packages require a minimum of 20% equity investment in project by the applicant • Interest rate is flexible and set on a case by case basis • Loan terms are not designed to provide permanent long-term financing • Priority is given to projects located in the cities of Allentown, Bethlehem, and Easton

Workforce Development Finance Programs

<p>● JOB CREATION TAX CREDITS [JCTC]</p>			
<p>Job Creation Tax Credits provide a \$1,000-per-job tax credit to approved businesses that agree to create jobs in the Commonwealth within three years.</p>			
<ul style="list-style-type: none"> • Approved businesses that agree to create new jobs in the Commonwealth within three years 	<ul style="list-style-type: none"> • Tax credits used to offset various business tax liabilities 	<ul style="list-style-type: none"> • \$1,000-per-job tax credit to approved businesses that agree to create jobs within three years • 25% of the tax credits allocated each year must go to businesses with less than 100 employees 	<ul style="list-style-type: none"> • Tax credits may not be utilized by a business until the jobs are actually created • Eligible positions must be paid at least 150% of the Federal Minimum Wage to qualify
<p>● WEDNET GUARANTEED TRAINING</p>			
<ul style="list-style-type: none"> • Manufacturing or technology-based business other than point of sale/retail 	<ul style="list-style-type: none"> • Basic and entry-level training • Information technology 	<ul style="list-style-type: none"> • IT Grants: Up to \$850/employee and \$50,000/company • Basic level grants: Up to \$450/employee and \$75,000/company 	<ul style="list-style-type: none"> • Company is based in PA or has significant presence in the state • Offers the employees who will partake in the program at least 150% of current minimum wage, excluding benefits • Must be a resident and employee of PA
<p>● CUSTOMIZED JOB TRAINING [CJT]</p>			
<ul style="list-style-type: none"> • Manufacturing • Industrial • Agricultural enterprises • Research and development • Advanced technology • Business services firms (no point of sale/retail) 	<ul style="list-style-type: none"> • Instructional costs • Supplies • Consumable materials • Contracted services • Relevant travel costs for local education agency project coordinators 	<ul style="list-style-type: none"> • Grants up to 75% of the eligible costs for new job creation, for job retention and upgrade training 	<ul style="list-style-type: none"> • Must be for actual training • Trainees must be PA residents and be employed in PA • Participating employees must earn more than 150% of minimum wage

Infrastructure Development Finance Programs

<p>● INFRASTRUCTURE DEVELOPMENT PROGRAM [IDP]</p>			
<p>IDP provides grant and/or loan funds to create or preserve jobs within the Commonwealth.</p>			
<ul style="list-style-type: none"> • Municipalities, industrial development authorities and corporations, municipal authorities, redevelopment authorities and local development districts may apply for IDP assistance for themselves or on behalf of eligible private companies and developers engaged in the following enterprises: agriculture, industrial, manufacturing, research and development and export 	<ul style="list-style-type: none"> • Transportation facilities, airports • Clearing and preparation of land and environmental remediation • Water and sewer systems • Energy facilities • Parking facilities • Storm sewers • Bridges, waterways • Rail facilities • Port facilities 	<ul style="list-style-type: none"> • At former industrial sites only: land and building acquisition, construction and renovation by private developers • Loans and grants up to \$1.25 million • No more than 20% of the annual appropriation for a single municipality • No more than 10% of the annual appropriation will be loaned or granted to applicant for speculative Greenfield projects not involving private companies 	<ul style="list-style-type: none"> • Grants for public infrastructure • Loans to private businesses at 3.00% interest rate • Up to 15-year term • 2:1 private to public match required • \$25,000 cost per job to be created within five years or 10 new full-time equivalent jobs (whichever is greater)
<p>● RAIL FREIGHT ASSISTANCE</p>			
<ul style="list-style-type: none"> • Railroads • Rail freight users 	<ul style="list-style-type: none"> • Rail freight: Maintenance and construction 	<ul style="list-style-type: none"> • Grants up to \$750,000 or no greater than 75% of total maintenance cost • Grants up to \$100,000 for construction or no greater than 50% 	<p>Local Match:</p> <ul style="list-style-type: none"> • 25% for maintenance, 50% for construction • Agreement to maintain active rail operators for five years

ELIGIBILITY	ELIGIBLE USES	AMOUNTS	TERMS/CONDITIONS
-------------	---------------	---------	------------------

Sustainable Development Finance Programs

● INDUSTRIAL SITES REUSE PROGRAM (ISRP)

ISRP provides grants and low-interest loans for environmental assessment and cleanup work at underutilized commercial and industrial sites.

<ul style="list-style-type: none"> Public and private nonprofit economic development entities and private companies involved in reuse of former industrial land Entities that did not cause or contribute to environmental contamination 	<ul style="list-style-type: none"> Phase I, II and III environmental assessments Remediation of hazardous substances 	<ul style="list-style-type: none"> Grants and Loans up to \$200,000 for environmental assessments Grants and loans up to \$1 million for remediation 	<ul style="list-style-type: none"> Interest rates of 2% Terms up to five years for assessments and 15 years for remediation projects A 25% match is required to grant and loan projects
--	--	--	--

● BUSINESS IN OUR SITES PROGRAM

<ul style="list-style-type: none"> Planning Grants/Construction Grants and Loans: Municipalities, Redevelopment authorities, Municipal authorities, Industrial development agencies, Private developers (construction loans only) 	<ul style="list-style-type: none"> Planning, engineering, environmental assessments and other pre-development activities necessary for making previously utilized or underdeveloped sites shovel-ready for reuse Acquisition of real estate and site preparation 	<ul style="list-style-type: none"> Planning Grant: Up to \$250,000 Construction Loan: Maximum funding within a single entity not to exceed 15% of funds available for the program Combined Loan and Grant: No upper limit. The grant may not exceed \$5,000,000 or 50% of total combined award, whichever is less 	<ul style="list-style-type: none"> Interest rate determined at time of loan approval Repayment term not to exceed 20 years Terms are re-negotiated upon sale or lease of the property
--	--	--	--

● HUD BROWNFIELDS ECONOMIC DEVELOPMENT INITIATIVE (BEDI)

<ul style="list-style-type: none"> Government entities 	<ul style="list-style-type: none"> Commercial, industrial or residential projects benefiting low-income people or removing blight. Must be used in conjunction with Section 108 Loan 	<ul style="list-style-type: none"> Site Acquisition and Development Grants capped at \$2 million per project 	<ul style="list-style-type: none"> Availability depends on Federal appropriations Applications due in July each year
---	---	---	--

● UNDERGROUND STORAGE TANK UPGRADE LOAN PROGRAM

<ul style="list-style-type: none"> Business owners of regulated underground storage tanks 	<ul style="list-style-type: none"> Tank removal or closure if replacing tanks, including upgrade of existing tanks, leak detection devices, cost of new tanks, piping, engineering design and permitting costs associated with upgrading and all construction and installation costs directly associated with upgrading 	<ul style="list-style-type: none"> Capped at \$500,000 per project 	<ul style="list-style-type: none"> Rate pegged to five-year U.S. Treasury Note Up to 10-year term 25% match required
--	--	---	---

● EPA BROWNFIELDS ASSESSMENT GRANT PROGRAM

<ul style="list-style-type: none"> Municipalities or non-profit property owners and potential developers who did not cause contamination at the project site 	<ul style="list-style-type: none"> Phase I and II environmental assessments Underutilized commercial, industrial or residential sites that may be contaminated with hazardous substances 	<ul style="list-style-type: none"> \$200,000 per applicant 	<ul style="list-style-type: none"> LVEDC currently administers one of these assessment grants for Lehigh and Northampton County. Technical assistance is provided using grant funds by LVEDC contractor
---	--	---	--

● EPA BROWNFIELDS CLEANUP REVOLVING LOAN FUND

<ul style="list-style-type: none"> Loans to for-profit property owners and potential developers who did not cause contamination at the project site. Subgrant may be available to non-profit or municipal land owners who did not cause contamination at the project site 	<ul style="list-style-type: none"> Remediation of hazardous substances Underutilized commercial, industrial or residential sites where contamination is hindering redevelopment 	<ul style="list-style-type: none"> Limited only by total available 	<ul style="list-style-type: none"> Low- or no-interest loans for cleanup National Cleanup Plan standard Davis Bacon Wages (prevailing wage)
--	---	---	--

● EPA SITE SPECIFIC CLEANUP PROGRAM

<ul style="list-style-type: none"> Public and non-profit entities who own a brownfield and will conduct cleanup work 	<ul style="list-style-type: none"> Remediation of hazardous substances Underutilized commercial, industrial or residential sites where contamination is hindering redevelopment 	<ul style="list-style-type: none"> Capped at \$200,000 per project 	<ul style="list-style-type: none"> Availability depends on Federal appropriations Annual applications due in late fall each year 20% match required
---	---	---	--

● RENEWABLE ENERGY PROGRAM — GEOTHERMAL AND WIND PROJECTS

The Renewable Energy Program provides financial assistance in the forms of grants and loan funds to promote the use of alternative energy in the Commonwealth. The program is administered jointly by the Department of Community and Economic Development (DCED) and the Department of Environmental Protection (DEP) under the direction of CFA.

<ul style="list-style-type: none"> A business; an economic development organization; or a political subdivision, includes municipalities, counties and school districts 	<ul style="list-style-type: none"> Activities to assist with geothermal technologies and wind energy projects Loan guarantees available 	<ul style="list-style-type: none"> Loans: Loans for manufacturers equipment capped at \$35,000/job. Loans for geothermal/wind energy generation capped at \$5 million Grants: Grants for manufacturers equipment capped at \$5,000/job. Grants for geothermal/wind energy generation capped at \$1 million. Grants for planning/feasibility capped at \$175,000 	<ul style="list-style-type: none"> There is a matching investment requirement of at least \$1 for every \$1 of program funds awarded. There is a \$100 non-refundable application fee due at the time of submission made payable to the CFA. There is a 1% commitment fee on all approved loans
--	---	---	--

● SOLAR ENERGY PROGRAM

The Solar Energy Program provides financial assistance in the forms of grants and loan funds to promote the use of alternative energy in the Commonwealth. The program is administered jointly by the Department of Community and Economic Development (DCED) and the Department of Environmental Protection (DEP) under the direction of CFA.

<ul style="list-style-type: none"> A business; an economic development organization; or a political subdivision, includes municipalities, counties and school districts 	<ul style="list-style-type: none"> Activities to promote the generation and use of solar energy and the manufacture or assembly of solar equipment Loan guarantees available 	<ul style="list-style-type: none"> Loans: Loans for manufacturers equipment capped at \$35,000/job. Loans for solar energy generation capped at \$5 million/or \$2.25 per watt Grants: Grants for manufacturers equipment capped at \$5,000/job. Grants for solar generation, solar research, and solar thermal capped at \$1 million/or \$2.25 per watt. Grants for planning/feasibility capped at \$175,000 	<ul style="list-style-type: none"> There is a matching investment requirement of at least \$1 for every \$1 of program funds awarded. There is a \$100 non-refundable application fee due at the time of submission made payable to the CFA. There is a 1% commitment fee on all approved loans
--	--	---	--

For more information on the programs listed above, please contact John Kingsley, VP Economic Development Finance at 610-266-0887. Rates, terms and conditions are subject to change.

BUSINESS FINANCING PROGRAMS

Financing is available from so many sources these days that you need a scorecard to keep track of them all. Because financial assistance structures and requirements vary from program to program, finding the best package may seem like an overwhelming challenge. With just one call to Lehigh Valley Economic Development Corporation (LVEDC), you can launch a portfolio of incentives that's right for your business.

Choose from a comprehensive array of financing options including:

- General Economic Development Finance Programs
- Workforce Development Finance Programs
- Infrastructure Development Finance Programs
- Sustainable Development Finance Programs

HOW IT WORKS:

LVEDC will work closely with your company to provide information on industrial site reuse funds, workforce incentives, economic development incentive financing programs, development grants and more. LVEDC can help you determine which programs are right for your business and offer application support services.

Review the charts in this brochure — these LVEDC programs can help your company grow and succeed.

Now, make your move. After reviewing our programs, you'll begin to understand why the Lehigh Valley is the right move for your business. LVEDC invites you to discover the advantages of business investment in eastern Pennsylvania's Lehigh Valley, where we combine our superior location with a business-friendly, can-do attitude.

Give us a call today.

1-800-LV-1-SITE (1-800-581-7483)

Discover the advantages of business investment in Eastern Pennsylvania's Lehigh Valley. A superior location with a business-friendly, can-do attitude.

LVEDC is ready to help you make your move with numerous financial programs.



Paul Mazzucco
President
Cobalt Computers
Whitehall, PA
PIDA Loan Recipient



Nebiyou Getahoun Ph.D.
President
Pharma-Med Inc.
Bethlehem, PA
PMBDA Loan Recipient



George Reitz
Owner
American Millwork & Cabinetry
Emmaus, PA
PIDA and SBF Loan Recipient



2158 Avenue C, Suite 200
Bethlehem, PA 18017

800.LV.1.SITE
lvedc@lehighvalley.org
www.lehighvalley.org



Funded in part through a grant from the Pennsylvania Department of Community & Economic Development.