

Technology Zone History

In 2000, the URA and three coalition organizations (East Liberty Development Inc., Lawrenceville Corporation, and Northside Community Development Fund) and many other partner groups, created the TZ Program in response to the Pennsylvania Department of Community and Economic Development's (DCED) introduction of the New Communities Program (NCP). In 2003, DCED granted the TZ planning grant status. In 2004, DCED granted the TZ full Enterprise Zone (EZ) status. This designation runs through July 1, 2011.

The Technology Zone seeks to make Pittsburgh's diverse, economically distressed, inner-ring neighborhoods technology-ready, technology-savvy and prepared to attract, accommodate and accelerate new-economy businesses. Specifically, the program's goals are to:

- Facilitate business investment
- Increase employment/quality jobs
- Increase public revenue
- Keep industries competitive (including education and infrastructure)
- Focus delivery of resources
- Promote competitive advantages
- Improve linkages to communities (quality of life issues)

Background

The Urban Redevelopment Authority of Pittsburgh (URA) along with three coalition organizations and many partner groups, created the Technology Zone Program in response to DCED's development of the New Communities Program (NCP). In late 2000, the URA and these three neighborhood community development corporations began meeting to discuss proposal ideas. The number of organizations involved continues to grow, with about 24 organizations participating in what is now called the Technology Zone Working Group. DCED gave the Technology Zone planning grant status in 2003. This planning grant was used to fund several initiatives that were proposed and carried out by local assistance provider including: site selection assistance from Cool Space Locator, access to high-speed internet access and technology in the East Liberty & Garfield neighborhoods through Wireless Neighborhoods, entrepreneurial assistance at the Riverside Center for Innovation, a technology seeding project to assist businesses in Bloomfield and the Strip District adopt new technology, and a supplier network website for businesses on the Northside through the Northside Community Development Fund.

Areas of Focus

The Technology Zone seeks to build linkages between traditional Enterprise Zone functions and the Mainstreets Pittsburgh program. The program involves three key areas of focus: 1) planning, market studies & technical assistance, (which were mostly completed through the planning activities); 2) direct business assistance; and 3) linkages/collaboration.

◇ Planning, Market Studies & Technical Assistance

- Economic & Demographic Analysis
- Base-line data collection
- Industry Cluster Analysis
- Available property inventory database

◇ **Direct Business Assistance**

- Access to capital, including incentives
- Technical Assistance, including e-literacy
- Site Issues (ADA, parking, brownfield, etc.)
- Communication, Outreach & Advocacy
- Infrastructure (including wiring)
- In general, facilitate business development at the local level

◇ **Linkages/Collaboration with:**

- Mainstreets Pittsburgh
- Local Industry Clusters
- Universities/Research institutions
- The local network of ED providers
- Technology education & advocacy groups
- Workforce development providers

Project Organization

The Technology Zone is structured as a client based model, with the goal of providing one-on-one, personalized service to businesses within the Zone. Services will be administered by the URA and its coalition and partner organizations. A request for proposals was sent to partner organizations providing the opportunity to catalogue services they can provide and fees for services. Contracts for services are performance based. For example, if an organization contracts to provide site selection services, they will receive payment once such services have been rendered to the businesses.

Technology Zone Financial Benefits

Note: Please consult the state Department of Community and Economic Development (DCED) website www.newpa.com (search under funding and program finder) and the [Technology Zone Business Financing Tools](#) offered at this site for more specific details.

Within the TZ, there are several direct financing incentives available to business locating in the TZ. They include competitive loan funds from DCED for up to \$500,000 per project and EZ tax credits. In addition, TZ located businesses have access to the lowest interest rates on many other DCED loan programs, including the Pennsylvania Industrial Development Authority, Machinery and Equipment Loan Fund, Small Business First (PIDA/MELF/SBF) loan programs, tax credits for real property improvements and Disadvantaged Business Program (DPB) status for an advantage when bidding on state contracts and priority consideration for any resource administered by DCED that would assist in leveraging imminent business investment and job creation in an EZ.

More specifics on TZ/EZ financial benefits:

- EZ Tax Credits: *Enterprise Zone Tax Credits- Community Investment*. Tax credits to businesses for construction-related improvements, or purchase and/or rehabilitation of a facility within EZs. Credits equal to 20% of amount invested up to \$250,000.
- EZ Competitive Grants: *Enterprise Zone Competitive Grants to Loans*. Grants to loans to TZ/EZ located businesses can be used for up to 30% of the total project investment (up to \$500,000) required to acquire machinery and equipment, new business construction or building, site improvements, infrastructure, and in some special cases, for up to 40% of inventory or working capital needs. Eligible local loan applicants are businesses with market areas which are approximately statewide or larger, and which provide full-time employment at substantially above minimum wage. These applications are competitive and made at a state level. With the awarding of a competitive grant, a new EZ RLF will be established to help fund future EZ located businesses in the most recently designated Pittsburgh EZ.
- NAP: *Neighborhood Assistance Program*. An incentive program that provides tax credits to businesses investing in or making physical improvements to properties located within designated EZs. Up to \$250,000/year.
<http://www.inventpa.com/default.aspx?id=350>
- PIDA: *Pennsylvania Industrial Development Authority*. Low-interest loan financing through Industrial Development Corporations for land and building acquisition, construction and renovation, resulting in the creation or retention of jobs. Up to \$1.75 million. <http://www.inventpa.com/default.aspx?id=273>
- MELF: *Machinery and Equipment Loan Fund*. Low-interest loan financing to acquire and install new or used machinery and equipment or to upgrade existing machinery and equipment. Up to \$500,000 or 50% which ever is less.
<http://www.inventpa.com/default.aspx?id=272>
- SBF: *Small Business First*. Funding for small businesses, including: low-interest loan financing for land and building acquisition and construction; machinery and equipment purchases and working capital. Up to \$200,000 or 50% which ever is less; \$100,000 for working capital. <http://www.inventpa.com/default.aspx?id=277>
- Existing EZ Revolving Loan Funds (RLF): Businesses located in previously designated Pittsburgh EZs and the newly designated EZ are eligible to apply for low interest, subordinate EZ RLF loans up to \$250,000. The previously designated Pittsburgh EZs include the Northside, Lawrenceville and East Liberty. These loans are directly administered by the URA.
- EZ located businesses receive priority consideration for any resource administered by DCED that would assist in leveraging imminent business investment and job creation in an EZ.