

PITTSBURGH BUSINESS GROWTH FUND

Program Summary

Use of Funds:

Gap financing for:

- Machinery and equipment
- Leasehold improvements, including facade renovations
- Working Capital

Eligible Businesses:

- Manufacturing
- Commercial and Industrial
- Advanced Technology
- Service
- Retail

Ineligible:

- Bars, Adult Entertainment, Beer Distributors
- Non-Profit organizations, Banks, Savings and Loan Associations
- Non-independently owned gas stations, used car lots
- Check cashing outlets, furniture and appliance rental shops
- Refinancing

Amount of Loan:

- Up to 40% of total project cost - maximum loan \$150,000
- Minimum loan amount \$10,000

Maturity:

- Up to 5 years for working capital, up to 7 years for equipment and up to 15 years for leasehold improvements; term not to exceed that of the private lender.

Costs to Borrower:

- Interest rate fixed at market rate (may be reduced in "Target" areas)
- Minimum cash equity requirement: 10% of total project cost
- Application fee: \$250 (non-refundable)
- Due diligence fee: 2% of URA loan amount
- Loan servicing fee paid at closing and annually thereafter of one-half of one percent (0.5%) of the outstanding loan balance
- Construction inspection fee of one-half of one percent (0.5%) may be required for leasehold improvements
- Filing fees due at closing

General Conditions:

- One job created and/or retained for every \$30,000 borrowed
- 51% of jobs created must be filled by low/moderate income persons
- Borrower is encouraged to use the PA CareerLinks
- May be combined with other public financing programs
- Business must be located in the City of Pittsburgh
- Must demonstrate sufficient cash flow in order to repay the loan
- Loan must be secured by adequate collateral and personal guarantees
- Federal prevailing wage laws may apply to leasehold improvements
- A project with a total cost greater than \$250,000 must develop and comply with a Minority- and Woman-owned Business Enterprise Plan
- The project must meet applicable environmental/historic guidelines

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