

# PENNSYLVANIA INDUSTRIAL DEVELOPMENT AUTHORITY (PIDA)

As the state certified development corporation operating solely within the City of Pittsburgh, the PEIDC can obtain low interest PIDA financing from the state on the behalf of eligible businesses. PIDA loans work as follows:

## USE OF FUNDS

- Use of Loan Funds:**
- Purchase of land, buildings and related costs
  - Building construction and renovation
- Eligible Businesses:**
- Manufacturing
  - Industrial
  - Research and Development
  - Firms establishing a national or regional headquarters
  - Agricultural Processors
- Ineligible Businesses:**
- Commercial, Retail, Service
- Type of Loan:**•Permanent mortgage loan.
- Amount of Loan:**
- Up to \$1,000,000 (\$1,500,000 in an Enterprise Zone or Federal Enterprise Community), but not to exceed 40% of total eligible project costs (30% for businesses with more than 50 employees).
- Maturity:**
- Up to 15 years, but not exceeding lease term or bank term.
- Costs to Borrower:**
- Interest Rate Structure -  
Basic rate of 5.25%, 4.25% for advanced technology projects, 3.75% for projects within the North Side, Lawrenceville or East Liberty Enterprise Zones
  - Equity Requirement - Minimum of 10% of total eligible project costs
  - PEIDC Commitment Fee - 2% of PIDA loan amount
- Transaction Structures:**
- Installment Sales Agreement
  - Lease Purchase/Lease with Option Agreement
  - Straight Lease Agreement
  - Deed In-Deed Out
- General Conditions:**
- Creation of one job for every \$15,000 borrowed, \$20,000 for designated quality jobs.
  - Limited loan funds available for job retention projects when the jobs meet certain quality standards and exceed area wage thresholds.
  - Borrowers are encouraged to utilize the City of Pittsburgh's Job Training Programs (JTPA).
  - May be combined with other public or private financing sources.
  - Eligible businesses must be located or plan on locating in the City of Pittsburgh.
  - City of Pittsburgh M/WBE Plan approval may be required.