

Program Guidelines

I. Statement of Purpose

The Technology Seeding (TZP) Program is designed to stimulate the growth of existing small and medium sized businesses located in the City of Pittsburgh's Technology Zone. The TZP provides matching grants for tangible technological improvements that will allow the business to operate more effectively and efficiently with a goal of creating employment opportunities, competing more effectively in a regional and/or national marketplace, and by assisting a business critical to the economic vitality of the community and the City of Pittsburgh.

Investment awards of up to \$10,000 will be distributed and require the business applicant to match, at a minimum, 100% of the total award.

The TZP is part of the Urban Redevelopment Authority's (URA) strategy to promote opportunities for those groups who have not had ready access to business financing in the City of Pittsburgh, including minority- and woman-owned businesses.

II. Program Funding

The TZP may be funded in part through the City of Pittsburgh, the Commonwealth of Pennsylvania Department of Community and Economic Development, and the U.S. Department of Housing and Urban Development's Community Development Block Grant (CDBG) sources.

III. Eligibility

The following criteria will be used to determine whether an applicant is eligible for a TZP investment:

A. Area Eligibility

TZP projects must be located within the City of Pittsburgh's Technology Zone. A map of the Technology Zone boundaries can be found at <http://www.ura.org/pdfs/techZoneMap2005.pdf>

B. Types of Businesses

Eligible businesses are defined to include commercial and industrial businesses, advanced technology concerns, and manufacturing firms.

General retail and neighborhood related services are not eligible.

In addition, banks, savings and loan associations, non-independently owned gas stations, used car lots, bars, adult entertainment establishments, beer distributors, non-profit organizations, check cashing outlets, and furniture and appliance rental shops are not eligible for TZP investments.

Business already having participated in the Northside Community Development Fund's and/or the Technology Seeding Project's pilot programs 1 and 2 within 5 years of TZP application are not eligible to receive TZP funds.

C. Other Eligibility Requirements

1. Applicants must satisfy the conflict of interest and any other requirements established by the funder regulations.
2. The applicant must not be delinquent or in default on federal, state or local taxes or any existing private or publicly financed loan and will be required to sign an affidavit to that effect.
3. The proprietor, partner, director or any shareholder of the business must not have been convicted of a felony.

IV. Eligible Activities

- A. Technology hardware, software and equipment, including acquisition, delivery, and installation, limited to items directly related to the operation of the business.

TZP proceeds may not be used for: refinancing existing debts (including leveraged buy-outs); acquiring real estate; or distribution or payment to the owners, partners, shareholders, or beneficiaries of the applicant or members of their families.

V. Parameters of Investment

- A. Investment Size: The maximum TZP investment amount shall be \$10,000. The minimum amount is \$5,000.
- B. Private Sector Investment: The business must match, at a minimum, 100% of the total award.
- C. Reimbursement: All TZP proceeds will be reimbursed with evidence satisfactory to the URA of purchase of technology hardware, software and equipment, including acquisition, delivery and installation, limited to items directly related to the operation of the business (i.e. paid invoices).
- D. Fees:
1. Application Fee: The Application Fee of \$200 is required. This fee counts towards the applicant's equity requirement. One half (1/2) of the Application fee (\$100) may be refunded if, for any reason, the application is denied.
- F. Monitoring: The URA reserves the right to monitor the progress of the applicant's progress toward new revenues, jobs and efficiencies by requiring financial statements, business impact statements, and job creation information annually for 5 years.

VI. Conditions of the Investment

- A. The applicant must demonstrate satisfactory to the URA the need for TZP investment, a strategic business plan that demonstrates how the business will grow its revenues, gain efficiencies, compete better in its industry marketplace and add employees as a result of the TZP investment.
- B. The applicant must demonstrate satisfactory to the URA capacity to operate and utilize the new technology to grow their business.
- C. The applicant must demonstrate satisfactory to the URA the generation of new jobs and new revenues and efficiencies as a result of the technology investment.

- D. The applicant must match, at a minimum, 100% of the TZP funding with private investment.
- E. The applicant must be willing to provide information regarding the technology investment to the URA for public relations and marketing purposes.
- F. Fifty-one percent (51%) or more of the new non-supervisory full-time equivalent jobs created by the project shall be made available to low- and moderate-income persons.
- G. Depending on the nature and size of the project, these conditions may also apply:
 - a. Any project over \$250,000 in total cost must comply with the URA's requirements for a Minority- and Woman-owned Business Enterprise (MWBE) Plan. The MWBE Plan will document the applicant's strategy to purchase materials and services from minority- and woman-owned businesses. The MWBE Plan must be approved prior to TZP reimbursement.
 - b. URA reserves the right to require applicants to find and use technical assistance in such areas as business planning, marketing, accounting, cash management, and inventory control. When determined appropriate, the URA will contract with a third-party provider for this technical assistance.
 - c. Business Evaluation: At its discretion, the URA may require the historical performance of the business, if applicable, and the proposed owners will be evaluated to assess the ability to carry out the project and grow their business. Specifically, this evaluation will include:
 - i. Financial Performance of the Business: If applicable, this involves an evaluation of prior year's financial performance, including an examination of tax returns, balance sheets, income statements and cash flow statements.
 - ii. Financial Performance of the Owners: This involves an evaluation of the personal tax returns of the prior three years, a personal financial statement, and a credit bureau check.
 - iii. Market Performance: This involves an evaluation of the relevant local and national markets and a demonstration of the expectation for a strong potential market for the product or service.
 - iv. Management Ability: This involves an evaluation of the experience and skills of the proprietor, partners, or directors. This includes general business experience as well as specialized experience in the particular industry.
 - v. A complete business plan: A complete business plan may be required to demonstrate how proposed TSP investment will help advance the goals and strategies of the applicant.

H. Public Benefit Evaluation

TZP applications will be evaluated based on additional criteria measuring public benefits.

1. The degree to which the feasibility of the project depends on the TZP investment. The URA reserves the right to reject any application at the URA's sole discretion, including but not limited to rejection based on the corporate or personal net worth of the applicant.
2. The nature of jobs created and/or retained per URA dollar invested.

3. The percentage of jobs going to low- to moderate-income persons and the quality of those jobs in terms of skill levels, salary, stability, etc.
4. The total number of jobs created.
5. The percentage of sales or receipts generated outside of Pittsburgh.
6. The projected tax revenues to the City.
7. The impact on the neighborhood and quality of life.
8. The support of minority- or woman-owned business enterprises.
9. The nature of the business' marketplace and the degree to which the TZP investment may negatively impact other local competitors and create an unfair competitive advantage for the applicant.
10. The degree to which the TZP investment is assisting a business critical to the economic vitality of the community and the City.

URA investments are made for the purpose of certain public benefits. Failure to meet requirements set forth herein may result in an assessment by the URA of liquidated damages.

VIII. Waiver of Provisions

The Executive Director or the Board of Directors of the URA may waive certain provisions of these guidelines based on a determination of the private and public benefits of the project.

IX. Notification

URA reserves the right to:

- A. Notify the appropriate community-based organization of applications received from businesses in their neighborhoods.
- B. Announce all TZP commitments publicly.

X. Additional Information

For additional information, please contact the Urban Redevelopment Authority, Business Development Center at (412) 255-6669 or via our Web site at www.ura.org. Our TDD number for the hearing impaired is (412) 255-6644.

The Urban Redevelopment Authority of Pittsburgh does not discriminate on the basis of race, color, sex, religion, marital status, disability, age, sexual orientation or national origin. No person, solely on the basis of any of the above factors, shall be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under the loan and grant programs operated by the Business Development Center of the Urban Redevelopment Authority of Pittsburgh.

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