



MAYOR LAUNCHES LOAN FUND TO CREATE JOBS AND ENCOURAGE ENTREPRENEURSHIP

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(PITTSBURGH) April 16, 2009 - Mayor Luke Ravenstahl today announced the creation of a new low-interest loan program geared toward small business expansion and creation. Focusing on high-tech companies, The Pittsburgh Entrepreneur Fund will provide up to \$200,000 for growing businesses and young entrepreneurs who are eager to turn an idea into profitability.

"This fund will help to create at least 100 new jobs and leverage more than \$3 million in private investment," Ravenstahl said. "By nurturing our young talent and promoting entrepreneurship, we are poised to experience our next Renaissance."

The fund, administered by the City's Urban Redevelopment Authority (URA), will be a revolving loan fund for start-up and growing businesses including emerging technology based firms, such as Information Technology, Life Sciences and Green / Energy and other start up enterprises. It will provide low interest loans for working capital and related start-up costs, as well as couple clients with a technical assistance consultant to provide guidance and expertise during the initial loan term.

A key difference with this loan versus most business loans is that intellectual capital – the idea of a product – may result in funding.

"This fund isn't just for existing small businesses. We want to encourage the young talent emerging from our universities who may not have the capital to grow their ideas here," Ravenstahl said. "If you have a creative idea, a strong business plan, and are willing to work hard, we want you to build your business in Pittsburgh."

This fund will also build upon the work of the technology incubators that encourage the expansion of innovative, high growth potential companies by helping to finance a portion of their capital needs.

"An often critical financing need for emerging technology companies is at the nexus between commercialization and fast growth where the company needs to finance things like a new sales force, and new contract fulfillment," URA executive director Rob Stephany said. "Many

companies spinning from our universities and high-tech centers are often at this crossroad, and seeking financing to move from formation and commercialization to growth and profitability."

The fund is being seeded by a \$1 million commitment from the City of Pittsburgh. Half will be reauthorized from existing Community Development Block Grant funds and half is anticipated from the City's allotment of Economic Stimulus funding.

"This new fund will be an important tool in the City's efforts to support a vibrant entrepreneurial community in the region." Audrey Russo, President, Pittsburgh Technology Council, said. "The initiative and nature of the funds could not have been better timed, considering the changes occurring in today's financial markets. We applaud the City's progress toward supporting the success of home-grown technology firms".

The new loan fund joins the Metropolitan Loan Fund of Pittsburgh (MLFP), which is administered by Landmarks Community Capital Corporation, and is designed to help increase the number of minority firms in the region. The MLFP places a significant amount of emphasis on women-owned businesses, which are growing faster by nearly 57% than those businesses owned by men or non-minority women. The City and URA have capitalized the program with a commitment of \$250,000. At present, the fund has \$1.75 million in committed capital.

"It is important to provide financial resources to entrepreneurs who help revitalize communities," Dr. Howard B. Slaughter, Jr., Chief Executive Officer of Landmarks Community Capital Corporation said. "Today, entrepreneurs are the economic engines of our society and the majority of workers in America are employed by small businesses. I am pleased that the Pittsburgh Entrepreneurship Growth Fund will join the Metropolitan Loan Fund as yet another resource in providing entrepreneurs opportunity for growth and stability for urban metropolitan markets."