

MAYOR'S PROGRAM TO SUPPORT VIBRANT ENTREPRENEURSHIP TAKES SHAPE

Applications for new loan fund available on URA website, www.ura.org

(PITTSBURGH) **June 11** – Mayor Luke Ravenstahl today announced that the City will begin to dole out dollars to help grow the vibrant entrepreneurship and small business environment. Guidelines for the Pittsburgh Entrepreneur Fund were approved by the URA board this afternoon.

“The high-tech and clean energy businesses that are driving our City’s growth is part of the reason why President Obama chose Pittsburgh as the site for one of the world’s most important economic conferences,” Mayor Ravenstahl said. “Last year, 36 high-tech start ups received grants through the Greater Oakland and Pittsburgh Central Keystone Innovation Zones. This new loan program will build off existing momentum, and allow for our City to continue to be the model for other communities who are struggling with economic hardship.”

The URA administered Pittsburgh Entrepreneur Fund 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, equipment purchase, and real estate, as well as couple clients with a technical assistance consultant to provide guidance and expertise during the initial loan term.

Loans will be made available up to \$200,000 or not to exceed 60 percent of the total project cost. Private share of project may include venture capital, stock purchases, investor equity, intellectual property and/or private debt. Interest rates will vary dependant upon loan risk.

“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,” Rob Stephany, Executive Director, URA said. “The companies coming out of the technology incubators are often at this crossroads, and seeking financing to move from formation and commercialization to growth and profitability.”

URA staff is working closely with Pittsburgh’s existing emerging technology experts and partners to identify and structure potential investments. These organizations include Innovation Works, Pittsburgh Technology Council, Idea Foundry, Pittsburgh Central and Greater Oakland Keystone Innovation Zones, university technology transfer offices and others. A third party advisory committee comprised of these organizations is being created.

The Pittsburgh Entrepreneur Growth Fund is being funded by way of 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.

The URA will also submit a \$1 million application to the Federal Economic Development Administration for additional capital. It is anticipated that the initial \$2 million should create, at a minimum, 100 new jobs and leverage at least an additional \$3 million in private investment.

“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”.

Interested applicants should contact the URA’s Business Development Center at 412.255.6669 or visit www.ura.org.

Date: June 11, 2009
Contact: Megan Stearman
412-255-6576
mstearman@ura.org

The Urban Redevelopment Authority of Pittsburgh (URA) is the City of Pittsburgh’s economic development agency, committed to creating jobs, expanding the City’s tax base and improving the vitality of businesses and neighborhoods. The URA achieves this mission by assembling, preparing and conveying sites for major mixed-use developments; and by providing a portfolio of programs that include financing for business location, relocation and expansion, housing construction and rehabilitation, and home purchases and improvements.