

New Communities

Program Guidelines | July 2006

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Table of Contents

- Section I – Introduction 1**

- Section II – The Main Street Program 2**
 - A. The Main Street Program 2
 - B. The Main Street Program Designation 2
 - C. Benefits of the Main Street Program 5
 - D. Re-designation of Main Street Communities 5
 - E. Main Street Program Planning Grants 6
 - F. Main Street Program Operational/Basic Grants 7
 - G. Contracting 7
 - H. Contract Closeouts 8
 - I. Main Street Program Design/Facade Challenge Grant 8
 - J. Main Street Development Grants 9

- Section III – The Enterprise Zone Program 12**
 - A. Goals 12
 - B. Planning Grants - Enterprise Zone Program 12
 - C. Enterprise Zone Program Designation 13
 - D. Benefits of the Enterprise Zone Program 14
 - E. Enterprise Zone Designation - Impact Projects 14
 - F. Enterprise Zone Program - Re-designation, Time Extensions and Boundary Extensions 15
 - G. Enterprise Zone Program - Basic Grants 16
 - H. Enterprise Zone Program - Competitive Grants 18
 - I. Reporting Requirements and Program Closeout 20

- Section IV – The Elm Street Program 21**
 - A. Introduction 21
 - B. Elm Street Program Goals 22
 - C. Elm Street Program - Eligible Applicants 22
 - D. Elm Street Program - Local Match Requirement and Waivers 22
 - E. Elm Street Program - Planning Grants 22
 - F. Elm Street Program - Designation 24
 - G. Elm Street Program - Designation Benefits 25
 - H. Elm Street Program - Operational Grants 25
 - I. Elm Street Program - Residential Reinvestment Grants 26
 - J. Elm Street Program - Prohibitions 27
 - K. Contract Closeouts 27

- Section V – The Application Process 28**
 - A. General 28
 - B. Other 28

Appendices

A. Main Street Program - Supplementary Information 29

B. Main Street Program - National Main Street Communities Certification Criteria . . . 32

C. Main Street Program - Four Point Approach 33

D. Enterprise Zone Program - Planning Application 34

E. Enterprise Zone Program - Designation & Basic Grant Funding 36

F. Enterprise Zone Program - Competitive Grant 40

G. Elm Street Program - Elm Street Approach 42

H. Elm Street Program - Supplementary Information 45

I. Elm Street Program - The Elm Street Plan 48

Exhibits

I. Main Street & Enterprise Zone Programs Sample Resolution 52

II. Elm Street Program Sample Resolution 53

III. Guidelines for the Administration of Local Business Loan
and Investment Programs 54

Regional Offices 56

Section I – Introduction

The New Communities Program supports three separate programs under one appropriation: the Enterprise Zone Program, the Main Street Program, and the Elm Street Program. These programs provide communities with the tools to integrate the revitalization of downtowns, surrounding neighborhoods and industrial/manufacturing areas. Complementary elements of each program have been developed to assist communities in undertaking a comprehensive approach to promote both sound land use and revitalization.

All three programs encourage development in core areas, thus helping to preserve open space and farmland. While the Main Street, Elm Street and Enterprise Zone Programs address different sectors of local economies, their goals are complementary and their approach to these goals consistent. Communities utilizing these programs are strongly encouraged to form partnerships among the organizations and the municipalities administering these programs. For instance, the Elm Street Program requires a programmatic connection with the Main Street Program. If an Enterprise Zone is designated within the same community, all three organizations should be cognizant of each other in relation to the goals and objectives developed and outlined in that particular community's comprehensive plan. Such partnerships should seek to maximize the benefits of the programs and to encourage sound community development practices.

The New Communities Program provides local officials and communities the needed flexibility in determining the nature of their revitalization efforts. The New Communities Program promotes efforts to develop a technology focus for community development and assists communities to become aware of a broad range of New Economy companies. Commercial, residential and industrial areas can be sustained and expanded through opportunities created by improved technology infrastructure that the New Communities Program will seek to assist and encourage.

Finally, the New Communities Program will assist communities to incorporate sound land use policies by addressing their development needs on a community-wide basis that will manage growth, promote urban renewal, preserve local historic properties, and conserve open space and natural resources. Planning and cooperation on a regional basis is strongly encouraged by the New Communities Program.

The revitalization of our communities can create more attractive places to live and will encourage business and job expansion and business and job retention in Pennsylvania. In a state as large and diverse as Pennsylvania, the Department understands that no single approach or model can be optimal at all times for all communities. Therefore, the Department encourages communities to view these Guidelines as suggesting an approach to structuring revitalization efforts that has been generally successful over time. However, where communities have compelling reason for adopting alternative approaches, the Department will carefully evaluate these proposals and work with applicants to fashion a set of activities that meet the Program's objectives. Communities pursuing alternative approaches are encouraged to contact Department staff in advance to discuss their proposed alternative approaches and obtain guidance through the application phase of their projects.

The Department will adhere to the Commonwealth's Keystone Principles for Growth, Investment & Resource Conservation when selecting projects and awarding contracts. Project selection will support either redevelopment or concentrated development, or both. Greater consideration will be given to projects that make efficient use of infrastructure, increase job opportunities, and/or foster sustainable businesses. Every attempt will be made to make selections in a fair manner among geographic areas.

Section II – The Main Street Program

A. The Main Street Program

1. Goals

- a. To preserve and strengthen the existing retail, local government, and business centers of Pennsylvania's communities.
- b. To improve residents quality of life by making the traditional downtown more attractive as a place to live and work.
- c. To act as a catalyst for small business development, thereby increasing employment and tax revenues in traditional downtown locations.
- d. To assist local governments and small businesses in developing e-business technology to provide cost-effective solutions for business and community development opportunities.
- e. To utilize the National Main Street Centers Four Point Approach of organization, economic restructuring, promotion, and design to structure a local incremental, comprehensive strategy.
- f. To develop and maintain continuous contact with Main Street businesses regarding opportunities and impediments to business growth.
- g. To utilize a well thought out planning process to ensure bricks and mortar projects funded with public funds are those that will make a difference in the economy of the downtown area.
- h. To ensure that the importance of reinvestment in traditional downtowns is considered in the overall economic development strategy at all levels of the private and public sectors.

In a state as large and diverse as Pennsylvania, the Department understands that no single approach or model can be optimal at all times for all communities. Therefore, the Department encourages communities to view these Guidelines as suggesting an approach to structuring revitalization efforts that has been generally successful over time. However, where communities have compelling reason for adopting alternative approaches, the Department will carefully evaluate these proposals and work with applicants to fashion a set of activities that meet the Program's objectives. Communities pursuing alternative approaches are encouraged to contact Department staff in advance to discuss their proposed alternative approaches and obtain guidance through the application phase of their projects.

B. The Main Street Program Designation

Main Street activities must be directed by a local organization consisting of community and economic stakeholders. This organization's role is both to ensure that a five-year strategy and all its related elements are developed, adopted and implemented and is used to direct the activities of a Main Street Manager.

1. Eligible Applicants

Eligible applicants include local governments, redevelopment authorities, non-profit economic development organizations, and other non-profit organizations and business district authorities. Non-profit economic development organizations, other non-profit organizations and business district authorities must have at least two years of satisfactory operational experience relevant to the experience required for this program and at funding levels greater than or equal to the amount of funding requested, as evidenced by satisfactory audits and evidence of municipal support through an executed cooperation agreement in order to apply directly for funds. Preference may be given to local

governments and redevelopment authorities, depending on the activity. Given the many neighborhood commercial districts within Pennsylvania's larger Cities, DCED will work with each local government as well as various citywide technical assistance groups to allow them to determine priority areas where Main Street Program activities should be funded. Assessing Business Improvement districts will not receive priority for operational/basic grant funding, but are encouraged to apply for Downtown Reinvestment funding and Anchor Building funding.

2. **Main Street Designation**

The basis for Main Street designation is a favorable community appraisal prepared by the Pennsylvania Downtown Center, in conjunction with the DCED Regional office, and approval of the application by DCED. This appraisal summarizes factors such as local organizational capacity, the existence of a downtown vision and the availability of the human and financial resources necessary to successfully implement a downtown revitalization effort.

Main Street designation may be awarded for one of the following categories:

a. **Main Street Community**

- 1.) This category is for communities with a critical mass of business establishments within a single business district; an appropriate population size; and a pedestrian-oriented business district with traditional older commercial buildings that may be eligible for a local or National Registered historic district. The employment of a full-time professional downtown manager is required for these communities as is the raising of the local matching funds of at least \$90,000 over five years. (Note: The Department has generally considered at least 65 businesses a critical mass and 3,000 to 50,000 an appropriate population size.)
- 2.) Assigning responsibility for Main Street activities/functions to a new or existing local organization must have already been achieved. This group is to oversee the implementation and ongoing evaluation of the five-year strategy, as well as the activities of a downtown manager. A brief mission statement, as well as a vision for downtown and priority goals which are accepted by the general public, must already have been developed or recently updated. Organizational by-laws must have been developed, and official incorporation and non-profit tax status approval (in most cases) also must be in place.
- 3.) All communities that are selected to be a Main Street Community must adequately complete the provisional phase during year one. The selected communities will not immediately receive funds to hire a full-time manager until all of the following requirements are completed and approved by DCED:
 - Completion of a five-year strategy.
 - Completion of a market assessment and image development report.
 - Completion of a long-term fund-raising plan.
 - Completion of design guidelines.
 - Office and computer readiness.
- 4.) Up to \$25,000 in Planning grant funds as described below will be made available to Main Street Communities during the 5 year program period, as deemed necessary by DCED, in addition to the \$5,000 Year 1 grant.

b. **Main Street Affiliate:**

- 1.) This category is for communities with most of the necessary components to operate a successful program, but lacking one or more critical elements, e.g., municipal population under 3,000 and/or fewer than a critical mass of businesses and/or lack of sufficient financial and/or

human resources required to sustain a five-year Main Street Community Program. An affiliate must work to fulfill all of the designation requirements outlined above in Section B. during the five year period.

- 2.) An Affiliate is not eligible for funds to employ a full time Main Street Manager.
- 3.) An Affiliate is required to attend training from DCED/PDC for a period of five years. PDC will provide technical assistance as deemed necessary by DCED. Expectations are that the Affiliate will conform to the Main Street Four Point Approach in its planning and implementation activities.
- 4.) Planning grants are available if deemed necessary by DCED.
- 5.) Upon completion of their design guidelines, Affiliates will be eligible to receive four years of design/facade improvement grant funding not to exceed \$120,000. Affiliates are also eligible to apply for Anchor Building and Downtown Reinvestment Grants.

c. Main Street Achiever:

- 1.) This category is for communities that are successfully implementing the Main Street Four Point Approach without DCED administrative assistance. These communities could be a formerly designated Main Street Community or a community that never received DCED Main Street funding to support the creation of its Main Street program. However, a Main Street Achiever must be carrying out a downtown program that currently meets the National Main Street Communities Certification Criteria (see Appendix B). The Department reviews the Criteria to determine if the community warrants Achiever status.
- 2.) A Main Street Achiever is not eligible for grant funds to hire a full time Main Street Manager.
- 3.) A Main Street Achiever is required to attend various training and technical assistance sessions from DCED/PDC. PDC will provide technical assistance as needed and directed by DCED.
- 4.) A Main Street Achiever will be given priority for planning grants, Downtown Reinvestment Grants and Anchor Building Grants. A community can apply for Achiever status and funding at the same time.

d. Regional Coordination Grant:

DCED encourages regional collaboration whenever possible. These approaches will differ across the Commonwealth, but DCED will work with each community to offer technical assistance.

These regional efforts are eligible for designation and administration funding if all of the following criteria are met:

- 1.) Projects must be multi-municipal (or multi-neighborhoods in the case of large municipalities) and be designed to assist downtown revitalization efforts in traditional business districts using the Four Point Main Street Approach.
- 2.) Commitment of other funds, especially local private sector dollars, at a minimum of \$1 to \$1, at local to state basis; priority will be given to those showing a \$3 local match for each \$1 of state funds. In-kind contributions are not an eligible match. Priority will also be given to applicants that pledge a five year monetary commitment (usually a per capita amount) from each participating community.
- 3.) Commitment to the Main Street revitalization methodology must be the fundamental organizational framework of the program, with historic preservation as a key principle and practice.

- 4.) Development of a regional strategy that focuses on the core communities, that defines their common activities and that demonstrates a strong connection or relationship among the participating communities.
 - 5.) Grantees are eligible for administrative funding over a multi-year period similar to Main Street Communities. Design assistance is eligible if façade guidelines are developed and committees are organized in the core communities.
 - 6.) Funding priority for Planning, Downtown Reinvestment and Anchor Building grant funds is available to Regional Coordination grantees.
- e. **Main Street Term of Designation:**
Main Street Communities are designated for a term of five years; Main Street Affiliates are designated for a term of five years; and Main Street Achiever designations are assessed with each grant request. Main Street Regional Coordinators may be designated for up to five years.

C. Benefits of the Main Street Program

1. Technical assistance and training for the Manager, Board and Committee members in all areas of planning and implementation using the Four Point Approach as a structure.
2. Fifth Year Main Street Communities that undertake a realistic strategy for sustainability through a successful long-term fund-raising campaign may be eligible for an additional, one-time program exit allocation based on the following criteria:
 - a. A minimum of \$20,000 (non-state) must be raised and a special account must be set aside specifically earmarked for sustaining the Main Street Program upon the termination of the initial planning year and four-year Main Street implementation period.
 - b. DCED may match the amount in this account on a dollar-for-dollar basis up to an amount not to exceed \$60,000.
 - c. The designated Main Street Community must show that these dollars are above and beyond the required local match of the previous five years of the program.
 - d. Continue to meet the National Main Street Certification Criteria (see Appendix B).
 - e. Show how the recommendations of annual assessments have been addressed.
 - f. Submit all required quarterly reports on a timely basis.
 - g. Attendance at all quarterly Main Street Manager meetings.

D. Re-designation of Main Street Communities

1. DCED may consider re-designation of previously designated Main Street Communities if the following circumstances exist:
 - An unusual opportunity is occurring in the community that would have significant positive impact in the downtown.
 - Economic deterioration may also be considered if local organizational capacity presents a compelling strategy that supports and sustains the creation of a Main Street.
2. If approved for re-designation, DCED generally will re-start a previously designated Main Street at the year one, planning phase.

3. Previously designated Main Street communities may apply for assistance for Planning, Downtown Reinvestment and Anchor Building grants without restrictions. See the criteria outlined in Planning Grants, Downtown Reinvestment and Anchor Building, for further information.

E. Main Street Program Planning Grants

1. Eligible Activities

A Main Street Program five-year strategy is required for all designated Main Street Communities, Affiliates, Achievers and Regional Coordination Programs. This strategy must be based on the Four Point Main Street approach utilized for improving the traditional business district. Its development is to be based on input from residents, community-based organizations, businesses, property owners, and municipal officials, as well as other downtown stakeholders. The strategy must contain detailed implementation timelines, as well as budget estimates and revenue projections. (For the strategy outline, see pages 27-35 of the document, *Getting Ready for Downtown Revitalization* published by the Pennsylvania Downtown Center and found on their website, www.padowntown.org. Click on About PDC (left side), click on Program and Services tab, scroll down and click on *Getting ready for Downtown Revitalization* manual.) Only designated Main Street Communities, Affiliates, Achievers and Regional Coordination Communities are eligible to apply for planning grants to assist in the completion of the following required components of the strategy:

- a long-term fundraising plan that is revised annually,
- an assessment of the local market trade area and development of an image position,
- a design element that includes guidelines and procedures to oversee a local facade grant approval process (Design Challenge/Facade Grant);
- a downtown parking study.

2. Additional Eligible Planning Grant Activities

Available to all eligible applicants are listed below:

- Planning for the establishment of a Neighborhood Improvement District, as identified in the Neighborhood Improvement Act (PL949, No.130).
- The development of an e-commerce element, within the context of a Geographic Information System (GIS) where appropriate, that includes buyer-seller transactional capabilities, and the provision for features such as retail business internet marketing, business inventory management, area available building inventory, anchor building identification, area electronic infrastructure inventory, available financial assistance, and links to appropriate public sector and non-profit agency activities.
- The development of zoning/comprehensive plan revisions that will foster viability of the Main Street downtown area.
- The development of a Downtown Parking Analysis and Management Plan.
- The development of a Balanced Circulation Plan to address downtown circulation issues.

3. Amount

Grants up to \$25,000 will be made available to eligible applicants for the completion of any or all of the above planning activities. Applicants will enhance their competitiveness if they provide dollar-for-dollar matching funds for these activities.

F. Main Street Program Operational/Basic Grants

Applicants must be a DCED designated Main Street Community or a designated Main Street Regional Coordination Program in order to receive operational/basic funding.

1. Eligible Activities

The cost of hiring a full time manager to oversee the program and to administer a design challenge/façade program is the only eligible expense. Administrative grants totaling up to \$175,000 over a five-year period are available as follows:

<u>Year</u>	<u>Grant Amount</u>	<u>Required Cash Match</u>
1	up to \$5,000	no local cash match required
2	up to \$50,000	\$15,000 local cash match required
3	up to \$45,000	\$20,000 local cash match required
4	up to \$40,000	\$25,000 local cash match required
5	up to \$35,000	\$30,000 local cash match required

Upon completion of design guidelines, Main Street communities will be eligible to receive four (4) years of design/improvement grant funding not to exceed \$120,000. Design improvement grant funding must be matched dollar-for-dollar by the individual owner of the property. See the Pennsylvania Downtown Center document *Getting Ready for Downtown Revitalization* for more design guideline details.

Fifth Year Main Street Communities that undertake a realistic strategy for sustainability through a successful long-term fund-raising campaign may be eligible for an additional, one-time program exit allocation grant of up to \$60,000 as described under Benefits of the Main Street Program.

Generally, the Year 1 grant amount is used for computer and recruitment related expenses.

Managers must be offered health benefits with employment. Health benefits may be charged to the DCED award or financed from the local share. Adequate administrative assistance must be included in the local Main Street budget.

Pennsylvania Downtown Center Membership over the life of the program is required, and may be charged to the DCED award or financed from the local share.

G. Contracting

Upon successful completion of the first year and the receipt of the additional basic grant information outlined in Appendix A, on pages 29 – 31 of this document, the Department will amend the current basic grant contract to include basic/operational funding for years two and three (up to \$95,000 for basic and \$60,000 for façade challenge). After the successful completion of year three, the Department will offer a new contract to fund years four and five (up to \$75,000 for basic and \$60,000 for façade challenge). If appropriate, façade challenge grants may be included with the basic grant contract. The funding for the contracts will be released as the required activities for the appropriate years are satisfactorily completed and if the General Assembly has appropriated funding for the corresponding year. These multi-year funded contracts will eliminate the requirement to file a separate application for basic grant and design challenge funding each year. However, the grantee will be required to submit all required information as outlined in Appendix A of the grant contract prior to the drawdown of funds. It is the grantee's responsibility to monitor its contract and to keep in touch with the Department to determine if and when a new single application is required or if the current contract can be amended. All information regarding the drawdown of funds from an executed contract should be submitted directly to:

PA Department of Community & Economic Development
Office of Community Development
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225

If the Department determines that a new application is required, the Single Application form must be completed and submitted to:

PA Department of Community & Economic Development
Customer Service Center
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225

A copy of the application should be sent to the appropriate Regional Office and to:

Pennsylvania Downtown Center
130 Locust Street, Suite 101
Harrisburg, PA 17101

H. Contract Closeouts

The Department has published closeout requirements. These requirements are mailed to the grantee with the contract. Grantees are required to follow these procedures upon the expiration of the grant contract.

I. Main Street Program Design/Facade Challenge Grant

Main Street participants (Community, Regional and Affiliate) that are designated by the DCED may apply for a maximum grant of \$30,000 for design assistance in each of the second, third, fourth, and fifth years of their designation. The Design Challenge Grant is designed to:

- stimulate private investment in downtown properties,
- foster an attractive shopping environment, and
- preserve the architectural heritage of downtown properties.

Applicants must develop a local design program that matches the DCED Design Challenge Grant, at a minimum, dollar-for-dollar with locally-generated funds. Investments by individual property owners may be considered the local match. Most programs are operated on a reimbursement basis for improvements that have been pre-approved to ensure that this matching requirement is met.

The total recommended maximum Design Challenge Grant per property owner should not exceed \$5,000 per application. Applications for Design Challenge Grants should include the following activities as eligible costs for reimbursement:

- Sign programs;
- Paint programs;
- Design assistance; and
- Storefront facades.

All Design Challenge Grant programs must include the following considerations:

1. **Establishing program boundaries.** Consideration must be given to the number of properties that can be assisted. All properties must be within the Downtown/Main Street target area. For maximum impact, these boundaries can be reduced to include a portion of the Main Street target area.
2. **Setting design standards.** Promoting sensitive and quality rehabilitation is usually done by creating design guidelines that are approved by a local design review committee and distributed to local property owners. These guidelines should follow the United States' Department of the Interior's "Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings."
3. **Defining eligible applicants and activities.** Generally only commercial properties are eligible. However, if single family owner occupied units within the target area are deemed important to the overall Main Street Program, the local board can decide to include them as eligible for grants. Only external improvements are eligible. Arrangements can be made for merchants who lease buildings and for residential properties located within the target area if these buildings are addressed in the local design guidelines. Work items eligible for assistance must be specified in the design guidelines. For example, landscaping and site improvements such as sidewalks and paving, though important aspects of a revitalization program, are ineligible expenditures for Main Street Design Challenge grant assistance.
4. **Developing Policy and Procedures.** A written document with local program guidelines should be prepared by the design committee and should encourage the use of the local design grant program through clear and easy instructions. It assists the program by having written policies to rely on if disputes arise. All of the necessary forms and the contract document should be included as appendices. This is important for the local organization and business/property owners and should clearly outline the step-by-step procedures a person must follow – from initial inquiry to final inspection and payment.

J. Main Street Development Grants

1. Downtown Reinvestment Grants

State financial assistance is available to all Pennsylvania municipalities for a variety of development projects to help eliminate decline and act as a financial gap filler for projects proposed within the community's traditional downtown or neighborhood commercial district. Methods to achieve reinvestment vary greatly. DCED will review each proposal on its own merit and determine whether it clearly serves the public purpose; has a strong local financial commitment; is part of a cooperative partnership; and is ready to go. An applicant does not have to be a designated Main Street Community in order to apply for a Downtown Reinvestment Grant. Grants up to 50% of the total development costs are available for projects only if they are identified in and supported by an up-to-date, locally adopted five-year Downtown Strategy.

Eligible applicants include local governments, redevelopment authorities, non-profit economic development organizations, and other non-profit organizations and business district authorities. Non-profit economic development organizations, other non-profit organizations and business district authorities must have at least two years of satisfactory operational experience relevant to the experience required for this program and at funding levels greater than or equal to the amount of funding requested, as evidenced by satisfactory audits and evidence of municipal support through an executed cooperation agreement in order to apply directly for funds. Preference may be given to local governments and redevelopment authorities, depending on the activity. Given the many neighborhood commercial districts within Pennsylvania's larger Cities, DCED will work with each local government as well as various citywide technical assistance groups to allow them to determine priority areas where these activities should be funded.

Examples of eligible activities include substantial rehabilitation of second story commercial structures for use as moderate income housing, restoring commercial building facades and correcting code deficiencies; acquiring properties in historic districts or central business districts through a subsidized loan program in conjunction with local financial institutions; improving public sites in the commercial target area; and creating local collateral items and other soft costs determined to be part of a larger project and necessary for the marketing and development of the downtown business district (business district authorities/neighborhood improvement districts only).

Community Development Financial Institutions should be considered as management partners for revolving loan fund operation as should local financial institutions.

Pre-development costs may be considered in selected cases applying for the Anchor Building Grants described below.

Grant Amounts: Up to 50% of the total development cost. Average grant is \$250,000 although there is no minimum or maximum.

2. **Anchor Building Grants**

Generally, these grants-to-loans are grants to a local, public or private non-profit entity that are borrowed by the developer from the grantee and repaid to a local revolving loan fund. The municipality where the Anchor Building project is located must be a participant in the revolving loan fund that receives the loan repayments. Anchor Building projects in the municipality located within or close by the traditional business district that supports the downtown must be given first priority consideration in subsequent loans of these repayments. Local loans must be collateralized with a reasonable security position. At its discretion in exceptional cases, DCED may consider approval of an Anchor Building Grant as a grant or equity in an Anchor Building project. A Phase I environmental assessment and an appraisal are required for projects which involve real estate acquisition and/or site improvements.

Eligible applicants include local governments, redevelopment authorities, non-profit economic development organizations, and other non-profit organizations and business district authorities. Non-profit economic development organizations, other non-profit organizations and business district authorities must have at least two years of satisfactory operational experience relevant to the experience required for this program and at funding levels greater than or equal to the amount of funding requested, as evidenced by satisfactory audits and evidence of municipal support through an executed cooperation agreement in order to apply directly for funds. Preference may be given to local governments and redevelopment authorities, depending on the activity. Given the many neighborhood commercial districts within Pennsylvania's larger Cities, DCED will work with each local government as well as various citywide technical assistance groups to allow them to determine priority areas where these activities should be funded.

DCED will give priority consideration to an Anchor Building project application where the building project is:

- a. Greater than 10,000 square feet.
- b. Vacant or underutilized.
- c. Considered by the community to be an important downtown building that is vital to the downtowns health as evidenced by its key part in the downtown strategy.
- d. Coordinated between local and county government so there is an integration and strategic linkage between economic and community development. At a minimum, any Main Street staff should participate with any Enterprise Zone, Industrial Development Corporation authority or countywide

development corporation in decisions concerning development opportunities and resource allocations. Additional progress in this direction could include area vocational/technical school staff and staff from any area college or university departments of continuing education.

- e. A structurally sound building that is eligible for or already listed on the National Historic Register.
- f. A renovated building that will house indigenous local business expansion or creation.
- g. A renovated building that will create new or improved tax rates for the municipality.
- h. A renovated building that will likely create full-time jobs paying substantially above minimum wage and providing fringe benefits.

Eligible activities for Anchor Building grants-to-loans can be used for up to 30% of the total project investment required to acquire and renovate the building, including installation of fiber-optic wiring in the building.

Existing configurations of interior space should be carefully examined and redesigned if necessary to ensure that they will fully accommodate space needs of small firms with Internet components of their businesses.

Architects with previous successful experience in this area should be retained for this purpose.

Costs of public infrastructure development and of hazardous waste testing may be considered if the lack of conventional funding sources for such costs is documented.

Generally Anchor Building grants will not exceed \$500,000 or 30% of total project investment.

Please refer to Exhibit III Guidelines for the Administration of Local Business Loan and Investment Programs on page 54 of this document, for information concerning the administration of local revolving loan funds.

All grants are awarded on a competitive basis and are contingent upon General Assembly approval of an annual appropriation.

Section III – The Enterprise Zone Program

A. Goals

1. To increase local communities competitiveness through improvement of their business technology capabilities.
2. To increase the capabilities of local governments to respond effectively to local business expansion opportunities and constraints in financially disadvantaged municipalities.
3. To assist local governments and local business communities in the formation of public/private partnerships that will develop and sustain increased rates of business investment and job creation in financially disadvantaged municipalities.
4. To encourage multi-municipal participation for better economic planning and development.
5. To assist local governments and small businesses in developing e-business technology to provide cost-effective solutions for business and community development opportunities.
6. To increase the access of local firms to financing by lending institutions on mutually advantageous terms.

In a state as large and diverse as Pennsylvania, the Department understands that no single approach or model can be optimal at all times for all communities. Therefore, the Department encourages communities to view these Guidelines as suggesting an approach to structuring revitalization efforts that has been generally successful over time. However, where communities have compelling reason for adopting alternative approaches, the Department will carefully evaluate these proposals and work with applicants to fashion a set of activities that meet the Program's objectives. Communities pursuing alternative approaches are encouraged to contact Department staff in advance to discuss their proposed alternative approaches and obtain guidance through the application phase of their projects.

B. Planning Grants - Enterprise Zone Program

1. Eligible Applicants

Include local governments or redevelopment authorities, non-profit economic development organizations, and economic development agencies such as Industrial Development Corporations and Industrial Development Authorities. Non-profit economic development organizations, and economic development agencies such as Industrial Development Corporations and Industrial Development Authorities must have at least two years of satisfactory operational experience relevant to the experience required for this program and at funding levels greater than or equal to the amount of funding requested, as evidenced by satisfactory audits and evidence of municipal support through an executed cooperation agreement in order to apply directly for funds. Preference may be given to local governments and redevelopment authorities, depending on the activity and the amount of requested funding.

2. Eligible Activities

Include those necessary for the preparation of a five-year strategy that can be updated annually. The purpose of the strategy is to identify opportunities for and obstacles to business growth and retention as well as ways to upgrade the existing built environment including existing building stock. The strategy must be based on surveys of property-owners and business owners and executives located within the boundaries of the proposed zone area with opportunity for input from residents, community-based organizations, and municipal officials.

Enterprise Zone business park and industrial strategies must focus on manufacturing, business-to-business services, and Internet business development. Cluster analyses and/or an e-commerce element, where appropriate, must be incorporated in this strategy for a business park and an industrial or a traditional business district by the end of the fourth year in the program.

Applications are expected to be multi-municipal and the municipalities must be contiguous in each proposed enterprise zone. The enterprise zone areas in each municipality must be identified. DCED will review single municipality requests for EZ designation on a case by case basis. DCED will review non-contiguous multi-municipal requests on a case by case basis. Criteria for enterprise zone designation may include severe job loss or other economic crises in the proposed Enterprise Zone area.

3. **Amount**

A one-time planning grant of up to \$50,000 will be made available to applicants seeking designation as an Enterprise Zone. Applicants will enhance their competitiveness if they provide dollar-for-dollar matching funds for these activities.

C. Enterprise Zone Program Designation

1. **Introduction**

Enterprise Zone activities must be directed by a local organization made up of community and economic stakeholders. This organization's role is both to ensure that the five-year strategy and all its related elements are developed, adopted and implemented and it also directs the activities of the Enterprise Zone professional coordinator.

2. **Enterprise Zone Designation**

Enterprise Zones should be multi-municipal and the municipalities participating in the program should be contiguous. The areas within the zone itself do not have to be contiguous, but they must be programmatically connected.

In addition, the majority of the municipalities forming the zone should be deemed distressed, both financially and physically. The applicant for designation must describe in detail the distressed nature of the area and must also provide evidence that supports the distressed description. Some examples of the factors used to describe or contribute to distressed are as follows: population statistics contributing to the workforce such as disabled, skilled versus unskilled employment needs, educational levels of the population, migrant/seasonal farm workers or other workforce group; unemployment rate in comparison to the state; number of blighted properties in the selected area; crime rate; income levels; poverty rate; availability of public transportation; business growth; market value of properties; per capita income; percentage of the population over 65; financial stability of the participating municipalities; etc.

In instances where a rural county is seeking designation, the county may include several core areas that are considered disadvantaged as described in the previous paragraph. These core areas are not required to be contiguous, but they must be programmatically connected in relation to the county's economic development strategy and the business strategy that will be developed.

Residential areas may not be included with the zone. Manufacturing and industrial areas are encouraged to be included within the zone. In some instances, downtown commercial areas may be included.

The basis for designation of an Enterprise Zone is based on DCEDs approval of the five-year strategy document, as described under Planning Grants, eligible activities. The strategy is based on a structured survey of firms in eligible sectors located within the boundaries of the proposed enterprise zone. The purpose of the survey is to learn from business owners and managers what their best opportunities are

for growth, their most significant barriers to growth, and the most effective ways in which local and state government can assist them to grow.

The applicant is required to submit a map that details the boundaries of the zone. The map must name the streets that boarder the zone. The total acreage should also be included.

The applicant is required to identify, by name, the local organization that will direct the activities of the enterprise zone, name all members currently serving, and to provide guidelines/by-laws of the organization.

Enterprise Zones are designated for a term of seven years.

D. Benefits of the Enterprise Zone Program

1. Priority consideration for other DCED grant and loan funds.
2. Eligible to apply for Competitive low interest grants-to-loans for enterprise zone firms up to \$500,000 per project up to seven years, or as long as the zone has not exited the program. The repayments from these loans are used to create the Revolving Loan Fund (RLF). As payments are received, they are deposited into the RLF and can be loaned over and over again to eligible businesses located within the boundaries of the enterprise zone.
3. Lowest statewide prevailing interest rates on other DCED business development loan programs, including Pennsylvania Industrial Development Authority (PIDA), Machinery and Equipment Loan Fund (MELF), and Small Business First for 2 years after the zone exits the program.
4. Eligible to apply for 20% tax credits against the State Corporate Net Income Tax for the value of improvements made to business properties located within Enterprise Zones for 2 years after the zone exits the program.
5. Designation of Enterprise Zone firms as Socially and Economically Restricted Businesses to confer advantage in bidding on state government contracts for 5 years after the zone exits the program.
6. Availability of assistance for clean-up of contaminated sites under Act II. This benefit is active up to 5 years after the zone has exited the program.
7. Priority consideration for any resource administered by state government that would assist in leveraging imminent business investment and job creation in an enterprise zone.
8. Availability of State Liquor License in an enterprise zone.
9. Basic grant funding up to \$50,000 annually for seven years during the EZ designation period.
10. Basic grant funding up to \$75,000 per year for 2 years during the EZ designation period.
11. The boundaries of the Enterprise Zone remain in tact as long as the revolving loan fund is operating.

E. Enterprise Zone Designation – Impact Projects

DCED can designate an Enterprise Zone for Impact Communities that will provide a more narrow scope of benefits. This component of the program will be for those communities that are undertaking a comprehensive redevelopment or revitalization plan. That plan should combine several project components that are scaled to the size of that community but will have a long-term, community-changing impact on that community. The scope of these plans should encompass such diverse elements as housing, community facilities/infrastructure improvements, and business development opportunities. Ideally, these projects will create direct and spin-off business expansions that create jobs leading to lasting community improvements.

The basis for designation of an Enterprise Zone is based on DCED's approval of a strategy document that outlines the set of activities that will be included in the comprehensive redevelopment or revitalization plan. That document should outline opportunities for business growth and the effective ways in which local government can assist them in their activities for revitalization.

The applicant is required to submit a map that details the boundaries of the zone. The map must name the streets that border the zone. The total acreage should also be included.

The applicant is required to identify, by name, the local organization that will direct the activities of the Impact Enterprise Zone. If the applicant is not a municipality, name all members currently serving, and provide guidelines/by-laws of the organization.

Enterprise Zones for Impact Communities are designated for a term of seven years. The only benefit will be eligibility to apply for tax credits against the applicable state business tax for the value of improvements made to business properties located within the Enterprise Zone.

F. Enterprise Zone Program - Re-designation, Time Extensions and Boundary Extensions

1. Re-designation

Previously designated Enterprise Zone communities may be considered for re-designation if at least one of the following criteria applies:

- An unusual investment opportunity is occurring in the community that will have a significant positive impact on the local economy.
- Sudden and severe dislocation occurred such as the closing of a major employer, or a series of significant closures and employment cutbacks happened in a short period of time.
- Chronic and severe economic deterioration over a long period of time may also be considered if local organizational capacity presents a threshold of opportunity that defines what will be different in the Enterprise Zone efforts to promote economic recovery.

If approved for re-designation, DCED will re-start the Enterprise Zone with the planning phase of the program. In special instances, the planning phase may not be required and re-start of the program could occur immediately.

1. Time Extensions

- a. Communities may request a 2-year time extension to their Enterprise Zone Designation. The basis of this request must identify one or all of the following circumstances:
 - An unusual investment opportunity is occurring in the community that will have a significant positive impact on the local economy.
 - Sudden and severe dislocation occurred such as the closing of a major employer, or a series of significant closures and employment cutbacks happened in a short period of time.
 - Chronic and severe economic deterioration over a long period of time may also be considered if local organizational capacity presents a threshold of opportunity that defines what will be different in the Enterprise Zone efforts to promote economic recovery.
- b. In requesting an extension, the EZ must describe the status of the Revolving Loan Fund in terms of available balance, outstanding loans and how the Revolving Loan Fund is used to spur economic development within the zone.

- c. If approved for a time extension, all benefits of the program remain intact for the extended period.
- d. DCED reserves the right to extend a zone exit date beyond 2 years in cases where a community is experiencing severe economic hardship.

2. **Boundary Extensions**

- a. Applicants should take great care to ensure that all of the appropriate parcels have been included in the boundaries initially requested for designation.
- b. Boundary extension requests should be discussed with appropriate Departmental personnel prior to the submission of a formal request.
- c. In cases of exceptional opportunity that could not reasonably have been foreseen, consideration will be given to amend enterprise zone boundaries.
- d. Documentation of exceptional opportunity and an explanation of why the parcel(s) in question were not included with the original application will be required.
- e. In some instances, the enterprise zone entity may be required to reduce the size of the zone by the same amount of property that will be added.
- f. At a minimum, the following is required:
 - A detailed narrative describing the nature of the boundary extension,
 - A statement explaining why the area was not included in the original designation application,
 - A statement explaining how the inclusion of this area will benefit the zone and how it relates to the overall five year strategy, and
 - A map of the zone that includes the new location.
- g. Exited zones are not permitted to request boundary changes.

G. Enterprise Zone Program – Basic Grants

1. **Eligible applicants**

Basic grants are available to the same eligible applicants listed under planning grants, but these applicants must first receive Enterprise Zone Designation.

2. **Eligible Activities**

The most important eligible activity is also a required activity; namely, the annual update of the business development survey. The surveys are designed to identify the type of service or merchandise sold/produced in the area, the number of employees (jobs) of each business, types of occupations resulting from the businesses, salaries, benefits offered by the companies, locations of the businesses, is the business satisfied in that location, type of neighborhood where the business is located, how well the business is doing (able to expand, not doing so well, etc.), services available to the businesses in the area, cost of doing business in the area, etc.

Other eligible activities should be based on the findings of the survey update. These other eligible activities include direct provision of technical assistance, consultant contracts for technical assistance and other professional services, and related administrative costs.

Set-up and administration of the Revolving Loan Fund (RLF). Initially, someone must establish and maintain the RLF until enough activity has occurred to produce enough income to sustain the RLF.

Marketing and Promotion of the Enterprise Zone which is usually done through advertisements in local papers, outreach to surrounding areas and businesses, advertising of available space, etc.

Development of a five year strategy. This strategy is updated yearly and provides direction to the zone in regard to the types and numbers of jobs that will be created/retained and the amount of tax revenues generated from the business activity.

The EZ Coordinator acts as a consultant to businesses, both in the area and perspective, to educate them about the Departments programs and to assist them when they apply for assistance.

Salary and administrative costs of the enterprise zone coordinator.

The grantee is required to prepare an exit strategy in the seventh year. This strategy should outline, in detail, how the zone will be maintained and managed without the assistance of basic grant funds. Funds in the revolving loan fund must be documented and a strategy for its continued use must be outlined. The grantee is required to document how it will continue to attract businesses, create jobs within the zone, and maintain the Revolving Loan Fund.

3. **Amounts**

Designated EZs are eligible for basic grants up to \$50,000 per year during the designation period.

Designation as an Enterprise Zone does not guarantee the maximum grant amount of \$50,000 per year for the administration of the program. In order to receive basic grant funding, the Enterprise Zone must address the following in detail:

- a. Financial Need for the Basic Grant – Explain how the funds are necessary to administer the EZ, including how other sources are either inadequate or not available to support the administrative cost of the zone.
- b. Provision of Technical Assistance services to EZ Firms – Describe progress in providing technical assistance services to businesses located in the EZ or moving into the EZ.
- c. Status of Revolving Loan Fund – Outline how the EZ is developing and using their local revolving loan fund.
- d. Other Benefits to Business in the Zone – Describe any other benefits or assistance provided to business located within the zone beyond technical assistance, revolving loan fund, and the state provided benefits.

4. **Contracting**

The Department may amend a basic grant contract each year, as basic funds are awarded over a five year period. It is the EZ coordinator's responsibility to contact the Department prior to submitting an application for basic grant funding to determine if a new single application is required or if the current contract can be amended. If it is determined that the current contract can be amended without the submission of a new single application, all of the information outlined above along with detailed information outlining the goals and activities for the Zone in the upcoming contract year must be submitted to DCED. The information should be submitted directly to the address below with a copy sent to the appropriate Regional Office:

PA Department of Community & Economic Development
Office of Community Development
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225

If a new application is required, the Single Application form must be completed along with the above required information and submitted to:

PA Department of Community & Economic Development
Customer Service Center
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225

A copy of the application should be sent to the appropriate Regional Office when it is sent to the Customer Service Center.

5. **Targeted Analysis**

Enterprise Zones that propose one or more of the following activities will be eligible for up to an additional \$25,000 grant twice during the 7 year designation. (Thus, it is possible for a zone to receive a basic grant of up to \$75,000 on two separate occasions during the designation period.) The activities that qualify for the additional grant award are:

- Undertaking cluster analysis activities.
- Undertaking activities that require the use of analytical tools to enhance the development plans of the zone.

H. Enterprise Zone Program – Competitive Grants

1. **Introduction**

Enterprise Zone (EZ) organizations are encouraged to apply for competitive grants. The EZ funds are granted to the EZ entities which in turn lend the funds to eligible businesses. Eligible businesses include industrial, manufacturing and technology oriented businesses which are located within the boundaries of the designated EZ. When the funds are repaid to the EZ entities, the funds must be deposited back into the EZ's revolving loan fund so they are available to other eligible businesses located within the boundaries of the zone. EZ entities are eligible to apply for these grants as long as the zone has not exited the program. The intent of the program is to award competitive grants to EZs in order to establish a financially viable revolving loan fund that will continue to carry out the purposes of the program after the EZ has exited the program. After the zone exits the program, funds from the EZ revolving loan fund can only be used for loans to eligible businesses located within the designated boundaries of the zone.

The Enterprise Zone Revolving Loan Fund must be collateralized with a reasonable security position.

2. **Eligible Applicants**

Competitive grants are available to the same eligible applicants listed under planning grants, but these applicants must first receive Enterprise Zone Designation.

3. **Competitive Grant Criteria**

- a. Eligible uses for competitive grant to loan funding include business firms that serve market areas which are approximately statewide or larger. Jobs created/retained as a result of Competitive funding must provide full-time employment at substantially above federal minimum wage levels, with some fringe benefits.
- b. Competitive grants-to-loans can be used for up to 30% of the total project costs and may be used to: acquire machinery and equipment, new business construction, building improvements, site improvements, infrastructure and in some special cases for up to 40% of inventory or working capital needs. A phase one environmental assessment is required for projects that involve the acquisition of real property.

- c. Competitive funds also can be used toward the cost of prepared business lease space, especially for facilities with fiber optic wiring as a location incentive for firms that have or wish to add an e-commerce component to their businesses.
- d. Competitive financing for public infrastructure development and hazardous waste testing may be considered if financing is not available from conventional sources. The lack of conventional financing must be documented.
- e. The EZ entity is responsible for insuring that the EZ revolving loan recipient creates or retains the appropriate number of jobs. Generally, companies employing less than 100 people should create the jobs within a five year period. Companies that employ more than 100 people should create the jobs within three years. If the required jobs are not created within a reasonable period of time, sanctions such as an increase in the loan interest rate or an accelerated loan payment schedule up to and including immediate repayment at a higher interest rate, may be enacted against the recipient. The EZ entity is responsible for determining when the required jobs should be created and what sanctions should be enacted if the recipient does not create the required jobs.

4. Amounts

Competitive grants-to-loans are available in amounts not to exceed \$500,000 per project, provided the requested EZ funding amount does not exceed 30% of total project cost and one full-time job is created or retained for each \$30,000 increment of the competitive grant request.

5. Eligible Activities

Eligible activities include: machinery and equipment purchases, manufacturing/industrial plant modernization, new building construction, inventory and in some cases working capital.

6. Revolving Loan Fund

Upon the receipt of a competitive grant, the EZ entity is required to establish a Revolving Loan Fund (RLF). All competitive grant funds upon receipt must first be deposited into the RLF and remain invested until such funds are disbursed to the DCED approved business. All interest, income and loan payments accumulated in the RLF must remain in the fund and should be loaned to eligible businesses within the Zone or used to offset the cost of administering the fund. The terms and conditions of the resulting loans to the businesses should be structured to benefit the business, but should also be structured to earn enough income to make the RLF self sustaining. The following applies to the use of the RLF during EZ designation and after the exit date:

- a. The EZ entity may withdraw interest income from the RLF to pay for the cost of administering the fund
- b. Earned income and interest that are not needed to administer the RLF must remain in the fund and may be loaned to eligible EZ businesses
- c. The EZ entity may not withdraw principal from the RLF to pay for administrative costs or other program costs that can be paid for from other funding sources
- d. The EZ entity may not withdraw principal from the fund without Departmental approval, and
- e. The EZ entity is required to submit bi-annual Revolving Loan Fund reports to the Department when the first Competitive Grant funds are received and deposited into the account. These reports are due every January 31 and July 31.

I. Reporting Requirements and Program Closeout

The Department has published closeout requirements. These requirements are mailed to the grantee with the DCED contract. Grantees are required to follow the closeout procedures upon the expiration of the grant contract.

Competitive contract recipients must submit the following information when the competitive loan funds have been disbursed:

1. Grant Closeout Report
2. Copy of EZ Revolving Loan recipient's final cancelled check (front and back)
3. Copy of Revolving Loan Fund agreement
4. Completed Active Grant Report
5. Copy of EZ entity's bank statement evidencing all payments to the loan recipient.

Competitive Grant Grantees are required to submit a bi-annual Enterprise Zone Revolving Loan Fund Report upon the receipt of the first Competitive Grant award. These Reports must be submitted every January 31 and July 31 until the revolving loan fund no longer exists.

All grants are awarded on a competitive basis and are contingent upon General Assembly approval of an annual appropriation.

Section IV– The Elm Street Program

A. Introduction

The Elm Street Component of the New Communities Program will allow communities to integrate a Main Street or downtown revitalization program with a neighborhood renewal strategy. The Elm Street program is designed to provide assistance and resources to those mixed use and residential areas in proximity to central business districts, to further enhance the downtown area and to improve the viability of older neighborhoods.

The Elm Street Program incorporates volunteer support, leveraging of private dollars, strategic planning, rehabilitation/reuse of existing buildings and streetscape improvements. Neighborhood involvement and a visible programmatic connection to an existing Downtown revitalization program are required and must be demonstrated. Appendix G – The Elm Street Approach should be used as a guide in developing an Elm Street Program. DCED will use this matrix in the designation and assessment of Elm Street Programs.

In a state as large and diverse as Pennsylvania, the Department understands that no single approach or model can be optimal at all times for all communities. Therefore, the Department encourages communities to view these Guidelines as suggesting an approach to structuring revitalization efforts that has been generally successful over time. However, where communities have compelling reason for adopting alternative approaches, the Department will carefully evaluate these proposals and work with applicants to fashion a set of activities that meet the Program’s objectives. Communities pursuing alternative approaches are encouraged to contact Department staff in advance to discuss their proposed alternative approaches and obtain guidance through the application phase of their projects.

Three types of grants are available through the Elm Street Program:

1. **Planning grants** are available to assist a community to develop an Elm Street program, preferably a five-year strategic plan. In order to be considered for an Elm Street Planning Grant and designation, the applicant must identify a neighborhood that is within ½ mile from a commercial district, has existed as a residential neighborhood since 1961 and is in need of revitalization. There must be an organization in place or one that is in the process of forming to become the Elm Street organization. It is possible to receive an Elm Street Planning Grant without designation. Refer to Section E - Elm Street Planning Grants for additional information.
2. **Operational Grants** are available to designated Elm Street communities after the planning phase has been satisfactorily completed. A designated Elm Street may receive funding in this category to administer the Elm Street Program for up to five consecutive years to pay for the employment of an Elm Street Manager who will implement the five year strategy. Elm Street Operational funds are only available to Elm Street designated communities.
3. **Residential Reinvestment Grants** may be used to carry out physical improvements within an established residential neighborhood that is within ½ mile from a commercial district, has existed as a residential neighborhood since 1961, and is in need of revitalization. A programmatic connection with the commercial district must be demonstrated and the community must have an Elm Street Plan or an acceptable comprehensive strategic plan in place that identifies the need for the proposed project.

An Elm Street designation is not required to receive Residential Reinvestment funding.

B. Elm Street Program Goals

1. To revitalize neighborhoods in proximity to the existing downtown by improving the exterior appearance of the buildings and streetscapes.
2. To formalize a connection between established residential neighborhood areas with downtown revitalization activities.
3. To prevent neighborhood decline by developing a plan that includes the establishment of a sustainable community organization that will implement the five year strategy.
4. To assist municipalities in preparing and implementing a revitalization strategy for established residential neighborhoods either in the vicinity of a Main Street Program project or in proximity to an existing commercial district.

C. Elm Street Program – Eligible Applicants

Eligible applicants include local governments, redevelopment authorities, housing authorities, non-profit economic development organizations, and other non-profit organizations and business district authorities. Non-profit economic development organizations, other non-profit organizations and business district authorities must have at least two years of satisfactory operational experience relevant to the experience required for this program and at funding levels greater than or equal to the amount of funding requested, as evidenced by satisfactory audits and evidence of municipal support through an executed cooperation agreement in order to apply directly for funds. Preference may be given to local governments and redevelopment authorities, depending on the activity. Given the many neighborhood commercial districts within Pennsylvania's larger Cities, DCED will work with each local government as well as various citywide technical assistance groups to allow them to determine priority areas where Elm Street Program activities should be funded.

D. Elm Street Program – Local Match Requirement and Waivers

A 10% match from local, private or public sources is required. The required local match is 10% of the DCED grant award. Matching funds can be cash and/or documented in-kind sources.

The match requirement may be waived or reduced if it is determined that the requirement would constitute a hardship upon the municipality or an agency designated by the municipality. A hardship exists if the municipality meets one of the following criteria:

1. The municipality is declared financially distressed under the Act of July 10, 1987 (P.L.246, No. 47), known as the Municipalities Financial Recovery Act.
2. The matching requirements for the application would exceed 5% of the Municipality's annual operating budget.
3. Part, or all, of the established residential neighborhood identified in the application is participating in the Pennsylvania Weed and Seed Program as administered by the Pennsylvania Commission on Crime and Delinquency.
4. A minimum of 20% of the municipality's population falls below 150% of the Federal poverty Level.

E. Elm Street Program – Planning Grants

1. Planning grants are available to the same eligible applicants listed in Section IV. C. above, but these applicants must first receive Enterprise Zone Designation.
2. The preparation of a five-year Elm Street Plan for Elm Street designation is the primary eligible planning activity. An outline of such a plan is included in Appendix I.

3. Other eligible planning activities are listed below:
 - a. Establishment of a neighborhood improvement district as defined in the act of December 20, 2000 (P.L. 949, No. 130) known as the Neighborhood Improvements District Act. (In the course of developing its Elm Street Plan, the Elm Street Community may determine that it is both prudent and viable to plan for and to implement a Neighborhood Improvement District (NID) program under existing Pennsylvania State law. A Neighborhood Improvement District is a structured, formal group of neighborhood residents and/or property owners, which could buy/sell/rehabilitate properties within that prescribed area, and provide a funding stream for these activities through membership fees. Such an organization would greatly enhance the community's efforts to sustain an Elm Street organization in the neighborhood.)
 - b. The review of local comprehensive plans and zoning and other land use ordinances to foster the viability of established residential neighborhoods, with a balanced mix of commercial, civic, employment and residential uses, with particular attention to diversity of housing options.
 - c. The review of educational and recreational opportunities and facilities.
 - d. The marketing and promoting of urban residential living.
 - e. Leveraging additional private and public investment.
 - f. Promoting home ownership and other housing options.
 - g. Addressing social and economic concerns including, but not limited to, crime, blight, employment opportunities and public services and amenities.
 - h. Achieving consistency, whenever appropriate, with existing commercial and residential revitalization efforts.
 - i. The establishment of a deliberate connection to the Main Street/Downtown Revitalization effort.
 - j. Preparation of a map that clearly identifies the established residential neighborhood and demonstrates its proximity to a commercial district.
4. Priority in funding these activities will be given to Elm Street designated communities.

5. **Amount**

A one-time planning grant to develop a five-year strategy of up to \$25,000 will be available to eligible applicants who demonstrate the initiative to implement an Elm Street Program as outlined in the Designation Section below. The Elm Street plan must contain 1.) a mission statement, 2.) a vision for the area, 3.) an action plan and 4.) evidence of public input. The Elm Street Approach as outlined in Appendix G must also be incorporated into the Plan. The Pennsylvania Downtown Center will provide technical assistance to communities who are undergoing the planning process.

Note: Award of a planning grant does not guarantee Elm Street Designation.

A one time planning grant is also available to communities wishing to undertake any of the other eligible planning activities listed directly above in Section E. A 10% match from local private or public sources is required. Matching funds can be cash and/or documented in-kind services. (Example: The Planning Grant of \$25,000 must show a match of \$2,500.) In-Kind services must be documented when the funding is requested. The In-Kind service must be provided and documented during the contract period.

6. Designated Elm Street communities may apply for one additional planning grant up to \$25,000 for any of the additional planning activities mentioned directly above in Section E.
7. All planning grant recipients must submit a completed plan to the Department prior to the grant contract expiration date.

F. Elm Street Program - Designation

1. Elm Street Designation will enable a community to employ an Elm Street Manager for up to five years. The Elm Street applicant must complete the planning process before DCED will consider designation. If a suitable plan equivalent to an Elm Street Plan already exists, the planning phase may be waived. The applicant should submit the Elm Street Plan, a request for designation, and an application for operational funding (\$150,000) for the first three years of the Program to the DCED Customer Service Center, with a copy to the appropriate Regional Office, and the Pennsylvania Downtown Center. The Pennsylvania Downtown Center will assist DCED with the designation process by completing a Community Appraisal. Elm Street designations are awarded by DCED. The Department must approve the Elm Street Plan and designation before the community can hire an Elm Street Manager and before operational funding is awarded.

A community desiring Elm Street designation must submit an application that addresses the following criteria:

- a. **Traditional Neighborhood.** A target residential district must be identified that is pedestrian-oriented and dominated by traditional older buildings, preferably within a local historic district or National Registered Historic District which has existed as a residential neighborhood since before 1961. The selected area may be comprised of mixed-use areas, but must be primarily residential.
- b. **Geographic Location.** This target area must be generally within 1/2 mile from the edge of a downtown commercial district or a Main Street that is undergoing downtown revitalization. A programmatic connection must be shown to exist between this area and the current Main Street or downtown revitalization program.
- c. **Need.** Demonstrate that this defined residential neighborhood is in need of revitalization. The level of revitalization need must be evident through the reporting of rates of crime, poverty, unemployment, deteriorated/dilapidated housing stock, blighted buildings, reduced homeownership rates, or similar criteria. A blight declaration in accordance with the Housing and Redevelopment Assistance Law and the Urban Renewal Law would clearly indicate deterioration in the neighborhood.
- d. **Organizational Support.** Show that there is a strong functioning organization in place (most commonly through a private, non-profit 501 (c) 3 corporation) whose mission statement incorporates the Elm Street purpose; that will oversee the implementation and ongoing evaluation of the Elm Street Plan as well as the activities of the Elm Street Manager. Two years of satisfactory audits may help to demonstrate the strength and sustainability of the organization along with experience in administering other relevant grants at funding levels greater than or equal to the amount of funding requested for this program. The organization must be neighborhood oriented and should be comprised of Elm Street neighborhood residents, community-based organizations, property owners, institutions, churches, businesses, social service agencies, and municipal officials. This support may be evidenced by signed petitions, meeting notes, service organizations, etc. If the organization is an extension of the Main Street organization, it must be a separate arm of that organization. If a formal organization does not exist or is not likely to be developed and there are no other agencies in the neighborhood, the local government can request Elm Street designation. The following activities will be required the local government intends to administer the Elm Street Program:
 - 1.) Support from the prospective neighborhood as evidenced by petitions and meetings.
 - 2.) The local government must hold frequent neighborhood meetings and must perform all of the duties required by the program.

3.) The Elm Street Manager would be an employee of the municipality.

DCED funded Main Streets generally cannot become the Elm Street organization while receiving DCED Main Street funds during years 1, 2 and 3. A Main Street organization may begin planning for an Elm Street designation in Year 4 of the DCED Main Street program. An existing Main Street organization and/or Neighborhood Improvement District are encouraged to incorporate an Elm Street program through appropriate by-law changes. An existing neighborhood non-profit may also serve as the organization in charge of the Elm Street effort if a separate committee/task force etc. has been established for this purpose. The involvement of the Board through service on an Elm Street committee must be shown. A Main Street Manager cannot be the Elm Street Manager, however, the Elm Street Manager can report to the Main Street Manger.

- e. **Match.** The ability to provide at least a 10% match through evidence of past and current fund-raising and/or public/private contribution and commitments through the life of the effort must be demonstrated.
 - f. **Leveraging other funds.** Priority will be given to organizations that can demonstrate a significant degree in the leveraging of other funds during the Elm Street designation period.
2. Upon receipt of the designation application, the Department will review it, and if warranted, the Pennsylvania Downtown Center will be asked to complete an appraisal. If the Department designates an Elm Street community, the applicant will receive operational grant funding to begin the Elm Street Program.

In some instances, the community may be instructed to revise the Elm Street Plan or to supplement a portion of it in order to better meet the Elm Street requirements before designation is awarded.

The term of designation for an Elm Street is up to five years.

G. Elm Street Program – Designation Benefits

- 1. Technical assistance and training for a Manager, and Board and Committee members in all areas of planning and implementation using the Elm Street Approach.
- 2. Networking opportunities with other Pennsylvania Elm Street grantees.
- 3. Administrative funding for up to five years.
- 4. Priority consideration for Elm Street Residential Reinvestment grant funding.

H. Elm Street Program – Operational Grants

- 1. Operational grants are available to the same eligible applicants listed in Section IV. C. above, but these applicants must first receive Elm Street Designation.

2. Eligible Activities

Only designated Elm Street communities are eligible to apply for Operational Grants. If there is an existing Main Street program in the applicant's community, the Elm Street Manager could be an assistant to the Main Street Manager. Operational Grants will pay for the cost to employ a full time or part time professional Elm Street Manager. Health insurance benefits must be offered to the Elm Street Manager at the time of employment and must be available to the Elm Street Manager during the designation period. Health benefits may be charged to the DCED award or financed from the local share. Administrative assistance to support the Elm Street Manager must be included in the Elm Street budget and available to the Elm Street Manager during the designation period. Recipients of Operational Grants are required, throughout the term of the program, to provide an accounting of

administrative services (clerical and bookkeeping support) and hard costs for the program, such as office overhead, copier machines, computer and computer hook ups. The availability of computer equipment that is e-mail capable is also required. Pennsylvania Downtown Center membership during the designation period is required and considered an eligible expense.

3. Amounts

Up to \$50,000 per year for up to five consecutive years is available to designated Elm Street communities for the hiring of a full time manager. The required local match is 10% of the DCED award. Matching funds can be cash and/or documented in-kind services.

I. Elm Street Program – Residential Reinvestment Grants

1. Residential Reinvestment Grants are available to the same eligible applicants listed in Section IV. C. above. Elm Street Designation is not required in order to be eligible to receive Residential Reinvestment funding. However, the applicant must demonstrate that there is a programmatic connection between the planned activity and the downtown or the Main Street revitalization effort and have a plan in place that includes the proposed project as a priority. Funding preference will be given to designated Elm Street communities.
2. Normal grant size under this component generally ranges from \$50,000 to \$250,000.
3. A match of at least 10 % of the grant amount is required.
4. Leveraging with other funds will make the project more competitive.
5. If the applicant is not an Elm Street designated community, the following additional information must be included in the project narrative or as an Appendix to the application:
 - a. A community plan that is comparable to the required Elm Street Plan.
 - b. A programmatic connection between the proposed project area and the downtown/Main Street Program.
 - c. The targeted area must be pedestrian-oriented and dominated by traditional older buildings, preferably within a local historic district or National Registered Historic District which has existed as a residential neighborhood since before 1961. The selected area may be comprised of mixed-use areas, but must be primarily residential. This target area must be generally within 1/2 mile from the edge of a downtown commercial district or a Main Street that is undergoing downtown revitalization. The applicant must demonstrate that this defined residential neighborhood is in need of revitalization. The level of revitalization need must be evident through the reporting of rates of crime, poverty, unemployment, deteriorated/dilapidated housing stock, blighted buildings, reduced homeownership rates, or similar criteria.

6. Eligible Activities

Development projects that help eliminate decline within the community's traditional residential district are eligible. The DCED will review each proposal on its own merit and will determine whether it clearly serves the public purpose. Proposed activities must be tied to a strategic plan.

Examples of eligible activities include but are not limited to:

- a. Infrastructure and structural improvements including but not limited to streets, street lights, trees, exteriors of buildings and sidewalks or other pedestrian oriented features.
- b. Structural improvements of buildings for mixed use;

- c. Acquisition of properties that could have historical significance through a subsidized loan program in conjunction with local financial institutions to encourage increased home ownership and/or centralized management of rental units in the project area.
- d. Façade improvement grants for exteriors, such as painting, siding, coverings, etc., design assistance, and historically accurate improvements. These improvements are limited to \$5,000 per property. Façade improvements for non-residential buildings and rental properties must be matched dollar for dollar. A match waiver will not be granted for non-residential and rental properties. Façade improvements for homeowners must be matched dollar for dollar for owners whose income is above 115% of the median income for the community. At least a 10% match (cash or in-kind) is required for home owners whose income is less than 115% of the median. Other grant programs such as HOME, CDBG or local funds may be used to match façade improvements for homeowners whose income is less than 115% of the median income. In-kind match must be documented per property. Façade Program Guidelines are required, must contain in-kind match eligible criteria, and must be approved by the Department prior to implementation. An Elm Street community is eligible to apply for façade improvements under the Residential Reinvestment component of the Program.
- e. Examples of other activities that are eligible are as follows: acquisition, demolition, code violation corrections and improvements, emergency housing repairs, ADA ramps, home security items such as motion lights, bars on windows, etc., passive pocket parks, water and sewer connection fees, home ownership programs, housing rehab for resale programs, etc. All activities must be approved by DCED. Individuals receiving assistance must qualify to receive benefits as described in number 4 above.

J. Elm Street Program - Prohibitions

- 1. No funds from this program shall be expended to develop or convert farmland to residential, commercial or industrial uses. Farmland is any land that supports, or land with a recent history of supporting, the commercial production of agricultural crops, livestock or livestock products, poultry products, milk or dairy products, fruit or other horticultural products.
- 2. No more than 20% of the funds appropriated or allocated to the program in any fiscal year may be granted to any one county, including the municipalities within the county.

K. Contract Closeouts

The Department has published closeout requirements. These requirements are mailed to the grantee with the contract. Grantees are required to follow these procedures upon the expiration of the grant contract. All grants available through the Elm Street Program are awarded on a competitive basis and are contingent upon General Assembly approval of an annual appropriation.

Section V – The Application Process

A. General

All grants are awarded on a competitive basis and are contingent upon General Assembly approval of an annual appropriation.

1. Applicants ready to apply for funding must utilize the DCED Single Application.
 - a. The Single Application can be completed online or printed out by accessing www.newPA.com. Type Single Application into the search mechanism.
 - b. Paper copies of the Single Application may be obtained by contacting DCEDs Customer Service Center at 1-800-379-7448 or 717-787-3405 or e-mailing: ra-dcedcs@state.pa.us.
 - c. Applications may be submitted at any time.
2. While not a requirement, the potential applicant is strongly encouraged to communicate with the applicable DCED Regional Office (refer to the inside back cover) about a proposed project prior to application submission. The applicant is also encouraged to submit a copy of the application to the appropriate regional office.
 - a. This can be accomplished by sending a letter or concept paper that provides basic information about the proposed project to the DCED Regional Office or the Office of Community Development, 400 North Street, 4th Floor, Commonwealth Keystone Building, Harrisburg, Pennsylvania 17120-0225.
 - b. Potential applicants may call either office to discuss the same information.
 - c. The purpose of this preliminary step is twofold; it permits DCED staff to offer technical assistance and it alerts staff to pending Single Application submissions.
3. Applicants should carefully review the instructions contained in the Single Application kit and submit documentation that addresses the objectives identified in this Request for Proposal.
 - a. The narrative section in the Single Application should be detailed.
 - b. The narrative should describe the project to the extent that DCED can understand and evaluate it.

B. Other

1. The application form allows applicants to identify specific program preference. If you choose to do so, indicate New Communities Program and specify if it is Elm Street, Main Street or Enterprise Zone. DCED reserves the right to explore alternative funding sources, either singly or in combination.
2. Please remember that the single application form is for all programs and assistance offered by DCED. Accordingly, some information on the form will not be applicable to your specific proposal. Please address only line items relevant to your proposal.

Appendix A – Main Street Program

Supplementary Information Main Street/Downtown Reinvestment/Anchor Building Grants

Supplementary Information that is required to be submitted with the Single Application for Main Street/Downtown Reinvestment/Anchor Building Grants is as follows:

In order to receive funding under New Communities for Main Street, Downtown Reinvestment, or Anchor Building Grants the following additional information will be required. This information should be appended to the single application at the time of submission.

1. **Resolution.** A resolution is required from all applicants and must contain reference to the amount requested, provision of the local share, and reimbursement of ineligible expenditures. An example is provided in Exhibit I for municipalities and redevelopment authorities.
2. **Commitment(s) of Other/Matching Funds.** Evidence of matching/other funds necessary to carry out the project should be included, such as letters from federal or state agencies, private fund commitments, financial institutions and local government commitments.
3. **Project maps.** Map(s) of sufficient size and quality to describe the project location should be included.
4. **Statement of Community Participation.** A copy, as evidence that the required public meeting was advertised, in the non-legal section of a newspaper of general circulation, related news stories and a meeting summary should be included. This meeting gives affected residents an opportunity to discuss the project and its effects. While this meeting must be separately advertised and conducted, it may be held either before or after a regularly scheduled municipal meeting.
5. **Project Budget.** A narrative description by line item is also required, breaking down each line by funding source. Only costs associated with this project should be included in the budget. All DCED budgets over \$100,000 must contain an amount for a separate program closeout audit. All DCED budgets over \$100,000 allow audit costs as an eligible administrative expense. While a contingency line item is provided, it should only be used where project activities are of a nature that costs cannot be appropriately anticipated. Include only those local matching funds that are required since the budget form is attached to and becomes part of the contract.

The following supplemental narrative items must be submitted with applications requesting First Year Preliminary Main Street and Affiliates funding:

1. The completion of the Downtown Profile contained in the Pennsylvania Downtown Centers *Getting Ready for Downtown Revitalization* (edition two).
2. Discussion of the strength of the downtown organization. Board names and titles, committee chairs, copies of regular board and committee meetings (minutes) must be attached for review. A vision/mission statement for the Main Street must have been developed that is relevant to community conditions and endorsed by the organization.
3. Discussion of the strength of private and public sector financial and conceptual commitment to the Main Street effort through proof of actual dollars raised through a pledge drive and/or a realistic five year fund-raising plan. No one local source should be more than 33% of the total dollars raised.

4. Discussion of local interest and commitment to historic preservation as evidenced by the existence or planned creation of a local historic district; the involvement of local historic groups on the organizations Board; or qualification as a Local Certified Government;
5. Discussion of local commitment to community and economic development as evidenced by the existence or planned passage and operation of a business district authority, a business improvement district, and/or Local Economic Revitalization Tax Abatement (LERTA); and/or other documented strategies to support ongoing economic development.
6. Clearly defined local program goals and objectives.

The following additional narrative items must be submitted with the application for Main Street Year Two and Achievers Continuation Grant:

1. A five-year Revitalization Strategy that defines specific goals and objectives for the project, and will be used throughout the program as a work plan. This strategy must be based on current conditions in the downtown and be tied to the purpose of the Main Street organization.
2. A long term fund raising plan that is in place (please attach a copy).
3. The market assessment that has been completed (please attach a copy).
4. The design guidelines that have been completed (please attach a copy).
5. Computerization of the Main Street Office has taken place (attach a brief description).
6. An explanation of how adequate administrative services (clerical and bookkeeping) and office space will be provided by the applicant.

The following narrative items must be submitted with the application for Main Street Year Three through Five Continuation grants:

1. An evaluation/summary of the prior years program (maximum of three pages).
2. An updated five-year strategy for the future years if appropriate.
3. A status of the fund-raising and organizational strategies for continuing the program beyond the five year.
4. A summary of the design/facade challenge grant program's history to date (guidelines, grants awarded, obligations, etc.).

Design/Facade Challenge Grant funding requests must be included in the annual application for funding to be considered for approval.

The following narrative items must be submitted with the application for Downtown Reinvestment and Anchor Building Program funds:

1. If a redevelopment authority is the applicant, it must enter into a cooperation agreement with the local municipality that obligates the redevelopment authority to its share of project costs from sources identified in the application, and obligates the municipality to pay its share of project costs and to reimburse the Commonwealth for any expenditures found by DCED to be ineligible.
2. Five Year Strategy. All applicants for the Downtown Reinvestment and Anchor Building component must submit their locally adopted Five Year Business District Strategy as part of the application package.

Completed applications with original signatures should be mailed to the following:

PA Department of Community and Economic Development
Customer Service Center
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225

A copy of the application should be sent to your DCED regional office and to:

Pennsylvania Downtown Center
211 Locust Street
Harrisburg, PA 17101

Appendix B – Main Street Program

National Main Street Communities Certification Criteria for Main Street Achievers

1. Has broad based community support for the commercial district revitalization process, with strong support from both the public and private sectors.
2. Has developed vision and mission statements relevant to community conditions and to the local Main Street programs organizational stage.
3. Has a comprehensive Main Street-type work plan
4. Possesses an historic preservation ethic
5. Has an active board of directors and committees
6. Has an adequate operating budget
7. Has a paid professional program manager
8. Conducts a program of ongoing training for staff and volunteer
9. Reports key statistics
10. Has current membership in the Pennsylvania Downtown Center, the National Trust Main Street Center, and the International Downtown Association.

Appendix C – Main Street Program

The Four Point Approach

Downtown Action Plan Elements are based on The Four Point Approach of the National Main Street Center.

Downtown Action Plan Elements Based on The Four Point Approach of the National Main Street Center			
DESIGN	PROMOTION	ORGANIZATION	ECONOMIC RESTRUCTURING
Enhancing the physical appearance of the central business district	Marketing the unique characteristics to shoppers, investors, new businesses, tourists, youth, and others	Building consensus and cooperation among the groups that play a role in downtown and providing the necessary resources	Strengthening and diversifying the economic base of the central business district
Buildings Physical Improvements <ul style="list-style-type: none"> • Streetscape • Banners • Signage • Seasonal Decorations • Public Amenities Planning / Zoning Parking / Transportation Visual Merchandising Graphic Elements	General Image <ul style="list-style-type: none"> • “Top-Of Mind” Ads • Image Events • Media Relations • Collateral Materials Special Events <ul style="list-style-type: none"> • Fairs, Festivals • Parades • Craft Shows • Heritage Events • Holiday Events Retail Promotions <ul style="list-style-type: none"> • Cooperative Ads • Sidewalks Sales • Cross-Retail Promo • Niche Retail Ads • Coupon Programs 	Partnerships Volunteer Development Communications <ul style="list-style-type: none"> • Newsletters • Web-Sites • Annual Reports Funding <ul style="list-style-type: none"> • Government Grant-Writing • Fundraising Events • Membership • Improvement Districts • Corporate Contributions • Foundation Contributions 	Business Retention Business Recruitment New Economic Uses Trade Area Information <ul style="list-style-type: none"> • Trade Area Studies • Business Inventory • Property Inventory Financial Incentive <ul style="list-style-type: none"> • Grant Programs • Loan Programs • Tax Incentives

Appendix D – Enterprise Zone Program

The following supplemental information should be submitted with the ENTERPRISE ZONE PLANNING APPLICATION:

A. Background

Briefly describe the general characteristics of the proposed Enterprise Planning Zone area by including the following in your application:

1. A detailed narrative description of the proposed EZ Planning area that names the municipalities expressing interest in the program and identifies the areas within each municipality that will be targeted.
2. A legible map that clearly delineates the boundaries of the proposed zone.
3. Dominant land uses and zoning classification(s) within the proposed zone area.
4. Approximate size of the proposed zone in acres or square miles.
5. Most recent available statistics for population, percentage of unemployment, and percentage of population below the poverty level for the proposed zone. Please indicate the year to which each figure applies.

B. Business Development Characteristics

Briefly summarize what is generally known about each of the following in the proposed Enterprise Zone Planning Area:

1. Describe the current business environment in the proposed enterprise zone in terms of business expansion, employment opportunities, the ability to attract new business investment, and the availability for internet access to businesses in the proposed area.
2. Identify area characteristics which either facilitate or impede business and employment growth.

C. Performance of Enterprise Planning Zone Work Program

The application must specify who will perform the work program, e.g., present staff, a specific agency, or a consultant firm. The names of individuals expected to perform the task outlined in the application should be provided, with a brief history of previous successful local business development projects undertaken by these individuals.

D. Municipal Resolution

An executed resolution by the applicant requesting funding, stating the amount requested, insuring the provision of the local share and guaranteeing the reimbursement of costs found to be ineligible by DCED is required.

E. Business Development Survey and Strategy Preparation

The primary task of an EZ Planning grant is the preparation of a local business development strategy for the proposed EZ. The most important source of information for preparation of the strategy is the local business people who own and/or manage the firms located within the prospective EZ.

The application should contain a commitment to undertake a business development interview survey of eligible firms located within the proposed zone, and the budget for the application should either reserve a portion of the anticipated grant or indicate other resources which are available for this task. The budget should show how costs anticipated for the survey, the analysis of survey results, and the preparation of the local business development strategy will be met.

The application should also contain a commitment to prepare a local business development strategy for the proposed planning zone. The business development recommendations of the strategy are to be based on the business development opportunities and needs identified during the interview survey process by owners and managers of firms located within the proposed zone.

F. Enterprise Zone Organization

Successful applicants for EZ Planning grants are expected to develop an Enterprise Zone organization with membership which reflects the business development focus of the Enterprise Zone, but which also includes representation from community interest groups and labor organizations. The application should briefly describe local firms, groups, agencies, etc. from which membership will be requested.

When making these selections, applicants should keep in mind that the members of this organization will be expected to provide expertise in the allocation of resources to improve the effectiveness of business development within the zone. Special efforts should be made to recruit women and minority business people as members of the Enterprise Zone organization.

Appendix E – Enterprise Zone Program

The following information should be submitted when applying for ENTERPRISE ZONE DESIGNATION and BASIC GRANT FUNDING.

A. Background

1. Provide a complete narrative description of the proposed EZ area.
2. Provide a detailed map of the proposed EZ area. The boundaries of the map should name the perimeter streets and any intersecting highways, bridges, streams, creeks, rivers, municipal boundaries, etc. that clearly identify the proposed area.
3. Summarize briefly the most important business development opportunities and needs of the area in which your zone is located.

B. Business Development Strategy

1. Summarize the most important business development findings from your business survey in the following categories, adding any additional appropriate categories:
 - a. summarize the competitive advantage of the enterprise zone as a location for specific sectors of business investment, incorporating insights gained from the business survey. Explain why certain business sectors would locate within the proposed EZ rather than in another location. Please address the following variables in your response:
 - 1) The availability of options for high speed internet access for business purposes.
 - 2) Accessibility of technology, e-commerce, and other New Economy education and training courses from business locations in the proposed zone.
 - 3) Accessibility of corporate or university research and development laboratories, nearby.
 - 4) Labor cost, labor pool composition, reliability and availability.
 - 5) Convenience of transportation access to customers, suppliers, key markets, etc.
 - 6) Capital availability in terms of commercial loans from local firms, seed and venture capital, and any government financing programs available to firms within the proposed zone.
 - 7) Current availability of business sites and structures at competitive prices with adequate infrastructure and energy availability.
 - 8) Describe the collaboration efforts between businesses in the community and the local government. Be as specific as possible.
 - 9) Describe the quality of life in terms of the environment, cost of living, and availability of cultural amenities and recreational facilities.
 - 10) Availability and adequacy of public transportation or mass transit for work force accessibility to zone businesses.
 - 11) Use of capital budgets and capital improvement programs by zone local governments.

- b. Name and briefly describe the business development opportunities that are currently available. Include the business name, type of project that business wants to undertake, and the number of jobs to be created.
- c. Identify the business constraints that exist in the enterprise zone and indicate if they are applicable to all businesses or to isolated businesses.

C. Basic Grant Work Program

- 1. Summarize in a paragraph all the activities that may occur in the upcoming year. Provide information related to any new direction that may be planned including major projects completed. Summarize any cluster analysis work completed or proposed to be completed.
- 2. List your quantified five – year objectives in the following chart.

INDICATOR	5-YEAR ESTIMATE	MOST RECENT YEAR'S PROGRESS	TOTAL PROGRESS TO DATE
Business Investment			
Non-EZP Public Investment			
Taxable Property Increase			
Jobs Created			

D. Budget Narrative

Identify by budget line item how the Enterprise Zone Basic Grant funds will be spent.

Provide a brief description for each line item identified. Applications that leverage matching funds will receive priority funding consideration. The following information must be included in your narrative:

- 1. **Financial Need for the Basic Grant** – Explain how the funds are necessary to administer the EZ, including how other sources are either inadequate or not available to support the administrative cost of the zone.
- 2. **Provision of Technical Assistance services to EZ Firms** – Describe progress in providing technical assistance services to businesses located in the EZ or moving into the EZ.
- 3. **Status of Revolving Loan Fund** – Outline how the EZ is developing and using their local revolving loan fund.
- 4. **Other Benefits to Business in the Zone** – Describe any other benefits or assistance provided to business located within the zone beyond technical assistance, revolving loan fund, and the state provided benefits.

E. Enterprise Zone Organization

Applicants seeking EZ Designation and Basic Grant funding are expected to utilize an existing business development organization, or where none is available, to develop an EZ organization, with membership which reflects the business development focus of the EZ. Please identify the organization by name,

identify the members and indicate which agency, local firm, or group they represent. The goals and objectives of the organization should also be included. The organization will become essential in the administration of the Revolving Loan Fund.

If the enterprise zone organization is already an incorporated entity with substantial and successful business development experience, the organization may be the operating entity and grantee for the grant funds. If the grantee is a local government or a redevelopment authority, the EZ organization should be advisory in nature. In either case, the EZ organization should include representation from community interest groups and labor organizations.

Special efforts should be made to ensure that women and minority business people will be included in the membership of the EZ organization.

Members of this organization are expected to provide expertise in the allocation of resources to improve the effectiveness of business development within the zone, as contrasted with broad community or economic development objectives.

F. Administration of the Enterprise Zone Basic Grant

Please provide a description of all the positions funded in whole or in part with basic grant funds. The name, job title, specific duties and responsibilities for administering services to the businesses in the enterprise zone must be included.

G. Municipal Resolution

Two types of resolutions are required:

1. An executed resolution by the applicant requesting funding, stating the amount requested, insuring the provision of the local share and guaranteeing the reimbursement of costs found to be ineligible by DCED must accompany all applications for basic grant funding.
2. An executed resolution from each participating municipality stating that the municipality wishes to participate in the program must be included in the Designation request.

H. Revolving Loan Fund (RLF) Administration

1. Applicants should have ample documentation from their business surveys to justify the need to create a RLF. Basic grant funding should be used for the provision of counseling and technical assistance to businesses located within the zone who are seeking funding to ensure that conventional bank financing, PIDA, and other sources can be utilized to the maximum extent and on the most advantageous terms possible.
2. A local inter-bank commitment of pooled resources should be negotiated to supplement New Communities Enterprise Zone funding contributions to the business revolving loan fund. Local bank commercial loan officers and local business people should comprise the bulk of the EZ loan review committee.
3. The application should list the name and affiliation relevant to the EZ of each member of the loan review committee for the EZ RLF. Procedures must be implemented to avoid conflicts and/or appearances of conflicts of interests on the part of loan review committee members. A description of these procedures should be included with the application.
4. Applicants without at least two years of successful experience in the administration of business loan funds must name a cooperative business development agency with appropriate experience to administer

the revolving loan fund. Documentation should be provided describing the nature and length of the agency's experience, a copy of the agency's loan policies, and a general but quantitative review of performance of outstanding loans in terms of payment regularity and any non-performing loans or defaults.

I. Requirements for Basic Grant Funding Years 2, 3, 4, 5, 6, and 7.

The following must be submitted to the Department:

1. Describe any changes to the Business Development Strategy that have occurred or will occur and how these changes will benefit the zone.
2. Update the basic grant work program for the upcoming year, Section C - Basic Grant Work Program above.
3. Provide the information requested in Section D – Budget Narrative above.
4. Describe any changes to the EZ organization.
5. Submit a new resolution by the applicant as described in Section G, number 1 above.

Appendix F – Enterprise Zone Program

The following information must be submitted when applying for a COMPETITIVE GRANT. Failure to supply this information or to provide adequate detail will likely result in delays in the review and financial analysis of the application.

A. Enterprise Zone Applicant Location

Identify the business by name, address of the business and provide evidence documenting that the business is located within the boundaries of the currently approved EZ.

B. Enterprise Zone site description

Describe the physical and economic impact the EZ business will have on the project site (e.g. 100,000 square feet industrial building will increase the property values of other buildings in the project area.).

C. Enterprise Zone Business Development Strategy

Explain how the funding of this competitive application is related to and supports the EZ Strategy. How will the funding of this project support your business strategy?

D. Proposed Enterprise Zone Revolving Loan Fund Terms should include the following:

1. annual interest rate
2. amortization period
3. RLF application fees and/or administrative fees
4. description and value of collateral
5. position of real estate encumbrance or equipment/machinery lien

E. Competitive Grant Recipient's Financial Statements should include the following:

1. The loan applicant's financial statements (e.g. balance sheets and income statements) for the last two operating years of the business.
2. Year to date (or most current) financial statements.
3. If the loan applicant is a "start up" business, three years projected income statements (with the proposed debt included) and one year projected balance sheet.
4. Two years projected income statements (with the proposed and existing debt included) for existing businesses
5. If the EZ loan guidelines require personal loan guarantees, then a current financial statement(s) of the guarantor(s) must be provided.
6. All financial statements should be prepared according to Generally Accepted Accounting Principles.
7. If possible all financial statements (except personal financial statements) should be prepared by an accountant.

F. Competitive Grant Loan Documents should include the following when applicable:

1. Copies of matching loan and/or grant approvals must be provided.
2. Copies of loan terms for approved matching loan funds must be provided.
3. Copies of the relevant lease(s) or rental agreement(s) must be provided.
4. If the Competitive Grant funds are to be used to acquire machinery and/or equipment, copies of purchase orders or invoices must be provided for single items costing \$10,000 or more.

G. Real Estate Documents should include the following:

A current (less than 1 year old) real estate appraisal must be submitted if Competitive Grant funds will be used to acquire real property. Also required is a current (e.g. less than 1 year old) Phase I and/or Phase II Environmental Assessment report, unless a specific waiver is obtained in writing from the DCED Deputy Secretary for Community Affairs and Development or from the Executive Director of the Pennsylvania Industrial Development Authority (where PIDA financing is involved).

H. Construction Documents should include the following:

A construction budget and schedule must be submitted when the Competitive Grant funds are used for new building construction or major building renovations (e.g. in excess of \$25,000).

I. The following additional information should be provided:

1. Description of Competitive Grant recipient's target market, product, services, market area, etc.
2. Description of Competitive Grant recipient's ownership status (e.g. corporation, LLP and the proportional equity of the principals).
3. Business history of the Competitive Grant applicant. If the applicant is a "startup" business, then resumes of the principals of the business must be submitted.

J. Municipal Resolution

An executed resolution by the applicant requesting funding, stating the amount requested, insuring the provision of local share funding and guarantees for the reimbursement of costs found to be ineligible by DCED must accompany all applications for competitive grant funding.

K. Jobs

Evidence attesting to the fact that the jobs created as a result of the Competitive Grant funding are full time (a majority of the jobs to be created) jobs with salaries and wages substantially above the federal minimum level and that such new jobs provide company benefits such as health insurance, retirement, vacation, etc.

Appendix G – Elm Street Program

The Elm Street Approach

Each neighborhood is different, and coming out of its Elm Street Planning effort, each is likely to identify its own priorities. However, all Elm Street neighborhoods are expected to address all of the focus areas.



Five Year Revitalization Strategy Outline

1. Program Area: Organization

Goal: Build consensus and cooperation among the groups that play roles in the district through the designation of an Elm Street organization.

Objectives:

- A. Create a viable organization to carry out the Elm Street Program that has a solid legal base; a mission; a vision; and appropriate board and committee structure to do the job.
- B. Create partnerships between Main Street, Elm Street, Community Based Organizations, the Municipality, property owners, and other stakeholders through board and committee representation.
- C. Develop a volunteer base to staff various committees using local stakeholders-- matching skills with needs.
- D. Ensure communication among and between all volunteers and partners through the creation of regular newsletters and email updates.
- E. Find regular ongoing funding support to ensure operational security through such tools as the Neighborhood Improvement District assessment, public assistance programs and private donors.

II. Program Area: Promotion

Goal: Market the unique characteristics of the Elm Street District to potential residents, investors, new businesses, tourists, and others.

Objectives:

- A. Organize special district events such as house tours, holiday/heritage celebrations and welcome visits to encourage social interaction.
- B. Improve the general image of the district through the development of printed materials; improved media relations; and image building events.
- C. Undertake residential marketing through local real estate agencies, use of on-line property listings and personal contacts.
- D. Undertake various commercial related promotions using the downtown/Main Street techniques as examples.

III. Program Area: Design

Goal: Enhance the physical appearance of the Elm Street district by capitalizing on its unique assets and traditional layout.

Objectives:

- A. Undertake property inventories to establish a baseline database as well as understand the makeup of the area;
- B. Survey the private residential and commercial building stock needs of the district in terms of exterior appearance and interior code compliance . Methods to address these needs could include exterior rehabilitation programs, facade work and complementary site improvements.

- C. Survey the public improvement needs of the district and prioritize their importance. These public improvements can be categorized into the following: streetscape enhancements (lighting, sidewalks, curbs, signs, street furniture, trees). Service contracts with public and private sectors for improved maintenance and Adopt A Block program are examples of possible tasks.
- D. Review and revise relevant planning and zoning ordinances to improve development and reinvestment potential. Local historic district designation is an example of a possible change.
- E. Review and revise various parking and traffic calming methods to improve pedestrian safety and quality of life in the district.

IV. Program Area: Neighborhood Restructuring

Goal: Strengthen the quality of existing residential housing stock of the Elm Street district while diversifying the type and income mix to ensure a balanced environment.

Objectives:

- A. Identify neighborhood demographic and market information.
- B. Identify housing and commercial building stock condition.
- C. Develop a strategy to foster the viability of the district with a mix of commercial, civic, employment and residential uses. This strategy should include such activities as vacant property removal, concentrated code enforcement, increasing homeownership and housing value through targeted assistance programs, reuse of existing vacant or underutilized buildings, etc.

V. Program Area: Clean, Safe & Green Activities

Goal: Enhance the real and perceived level of safety, cleanliness and quality of passive and active recreational opportunities in the Elm Street district.

Objectives:

- A. Assess the level of maintenance of important public spaces such as sidewalks, front yards, vacant lots etc for the existence of such items as graffiti, trash, etc.
- B. Inventory open space and recreational areas within the district.
- C. Assess the perceived and real crime situation.
- D. Develop specific tasks to deal with the above identified issues. These tasks could include community policing, community gardens, neighborhood parks, tool banks, graffiti removal, block watch efforts, etc.

Appendix H – Elm Street Program

Elm Street Program Supplementary Information

In order to receive funding under New Communities for the Elm Street Program the following additional information will be required. This information should be appended to the single application at the time of submission if the Elm Street Program is identified as a program preference.

1. **Resolution.** A resolution is required from all applicants and must contain reference to provision of the local share, provision of the 10% local match, if applicable, and reimbursement of ineligible expenditures. An example is provided in Exhibit I for municipalities and redevelopment authorities.
2. **Commitment(s) of Other/Matching Funds.** Evidence of matching/other funds necessary to carry out the project should be included, such as letters from federal or state agencies, private fund commitments, financial institutions and local government commitments. The dollar value of in-kind services should be included in the budget. Documentation supporting the value should be included with the application.
3. **Project maps.** Map(s) of sufficient size and quality to describe the Elm Street project location and the commercial district should be included.
4. **Statement of Community Participation.** A copy of evidence of public meeting advertised in the non-legal section of a newspaper of general circulation, related news stories and a meeting summary should be included. This meeting gives affected residents an opportunity to discuss the project and its effects. While this meeting must be separately advertised and conducted, it may be held either before or after a regularly scheduled municipal meeting.
5. **Project Budget.** A narrative description by line item is also required, breaking down each line by funding source. Only costs associated with this project should be included in the budget. All DCED budgets over \$100,000 must contain an amount for a separate program closeout audit. All DCED budgets under \$100,000 allow audit costs as an eligible administrative expense. While a contingency line item is provided, it should only be used where project activities are of a nature that costs cannot be appropriately anticipated. Include only those local matching funds that are required since this form is attached to and becomes part of the contract.

If Elm Street designation and/or Operational Funding are requested the following items, in addition to the above items, must be submitted with the application.

1. Discussion of the strength of the Elm Street organization. Board names and titles, committee chairs, copies of regular board and committee meetings (minutes) must be attached for review. A vision/mission statement for the Elm Street neighborhood should be developed that is relevant to community conditions and endorsed by the organization. If a local organization is not available, the applicant must describe how it will involve the community in the administration of an Elm Street Program.

2. Discussion of local commitment to community and economic development as evidenced by the existence or planned passage and operation of a business district authority, a business improvement district, and/or Local Economic Revitalization Tax Abatement (LERTA); and/or other documented strategies to support ongoing economic development.
3. Clearly defined local program goals and objectives.

If Elm Street designation is requested the following items, in addition to the above items, must be submitted:

1. A five-year Revitalization Strategy that defines specific goals and objectives for the project, and will be used throughout the program as a work plan. This strategy must be based on current conditions in the Elm Street area and connected to the purpose of the Main Street organization.
2. Documentation that the local share is available, or that it has been waived.
3. The façade guidelines that have been completed (please attach a copy). Any Design/Facade Grant funding requests should be included in the annual application for funding to be considered for approval.
4. Computerization of the Elm Street Office has taken place (attach a brief description).
5. An explanation of how adequate administrative services (clerical and bookkeeping) and office space will be provided by the applicant.

Applicants seeking Operational grants for years two, three, four or five, must submit the following items annually:

1. An evaluation/summary of the prior years program (maximum of three pages).
2. An updated five-year strategy for the future years if appropriate.
3. Documentation that the local share is available or that it has been waived.
4. A summary of the facade grant program's history to date (guidelines, grants awarded, obligations, etc.). Design/Facade Grant funding requests must be included in the annual application for funding to be considered for approval.

Applicants seeking Residential Reinvestment funding must submit the following items:

1. If a redevelopment authority is the applicant, it must have a cooperation agreement with the local municipality that obligates the redevelopment authority to its share of project costs from sources identified in the application, and obligates the municipality to pay its share of project costs and to reimburse the Commonwealth for any expenditures found by DCED to be ineligible.
2. Five Year Strategy. All applicants for the Residential Reinvestment component must submit their locally adopted Five Year Revitalization Strategy as part of the application package.
3. A copy of the façade guidelines.
4. A detailed narrative describing the project; it's location in the Elm Street Neighborhood, purpose, benefit to the neighborhood, etc.
5. A detailed budget with a narrative explaining how the funds will be spent. Include the local share and required match. (i. e. cost estimates, contractor estimates, proposals, etc.)

Completed applications with original signatures should be mailed to the following address:

Commonwealth of Pennsylvania
Department of Community and Economic Development
Customer Service Center
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225

A copy of the application should be sent to your DCED regional office and to the PA Downtown Center, 130 Locust Street, Harrisburg, PA 17101.

Appendix I – Elm Street Program

The Elm Street Plan

The following is an outline of what should be included in the Elm Street Plan.

Executive Summary

- Brief summary of primary plan elements
- Neighborhood’s key assets, challenges, and strategies, distinguishing this Elm Street neighborhood from others

Description of Neighborhood: Yesterday & Today

- Neighborhood location in relationship to the commercial district/Main Street, other neighborhoods, and key features

Yesterday

- Brief history of neighborhood
- Resident population history (who was here originally, who came after)
- Key events and notable people (if any) who have lived here Today

Character of the neighborhood

- Neighborhood’s basic identity
- Housing Types: Are they predominantly 2-to 3-story attached? 2-story detached? Apartment buildings? Brick? Frame?
- Lot sizes
- Are there industrial or commercial facilities in the neighborhood?

Public safety

- Neighborhood safety
- Perception of safety

General condition of Buildings

- Occupied? Vacant?
- Owner occupied? Absentee owners?
- Well-maintained? Updates like vinyl siding and replacement windows? Historic preservation-friendly rehabilitations? Neglect?

Open Space

- Vacant lots
- Yards
- Parks
- Public spaces
- Sidewalks, streets & alleys
- Lighting

Residents

- Demographics: Who lives here now?
- Age, employment, family size, education and income levels
- Community survey results

Institutions

- Churches
- Schools
- Community/service organizations
- Business/private organizations with major presence

Maps

- Map showing in detail the proposed boundaries for your Elm Street neighborhood
- Map showing the defined Elm Street neighborhood in proximity to the revitalization area of the nearby downtown or commercial corridor

Neighborhood Connection to the Commercial District

- Proximity to everyday goods and services useful to residents
- Employment opportunities suitable for neighborhood residents

Planning Process

- Describe how the plan was prepared and how work was accomplished (volunteer committees, task groups, etc.). Were consultants involved?
- Describe outreach activities. How were residents of the neighborhood involved? Property owners? Businesses?
- Keep notes or minutes from your meetings.
- How does the plan reflect input from public meetings? How many people came to meetings or participated in creating it?

Assets & Challenges

- Physical structures & spaces
- People
- Organizations

Readiness Assessment

Summarize the neighborhood's status in each of the categories of the Elm Street Approach. Does this neighborhood have a fairly strong economy but have trouble with clean and green? Is the neighborhood clean, green, and doing well in design issues but struggling with issues of economy and image/identity.

Goals & Objectives

Goals and objectives will be based in an assessment of the neighborhood's standing in relation to the elements of the Elm Street Approach, guided by the analysis of its readiness as described above. Those areas in which it is currently least successful will have more ambitious goals that face more difficult challenges than those where the neighborhood ranks higher. Present the goals and objectives for each element:

- Clean, Safe, & Green
- Design
- Neighbors & Economy
- Image & Identity
- Sustainable Organization

Strategies

For each goal / objective, describe how the plan's action items will be accomplished over the next five years and how connections (physical, organizational, and programmatic) to the downtown or commercial corridor revitalization area will be enhanced. This section is where assessment (who we are) and visioning (what we'd like to be) meet action—the strategies are the “how to get there” of your plan, a set of concrete actions or programs for achieving the vision and goals identified in the planning process to date.

Measures

For each goal / objective, how will you track progress? Identify which measures you will be using.

Action Plan

Typically, the horizon for a neighborhood plan is about 10 years as goals, objectives and strategies are developed. The action plan component has a shorter 5-year horizon and is very specific with a focus on accountability. It encompasses the actions felt to be first in line or most essential to accomplish if the goals are to be met. The action plan element needs to answer:

- What will get done?
- Who will be primarily responsible for each item? Who will collaborate? Who will consult?
- When will each item be completed?

- What is the estimated cost to accomplish the plan?
- What is the funding strategy (proposed sources of funds for capital projects, programmatic initiatives, staffing, consultants, etc)?

Credits

Be generous and recognize everyone who contributed: sponsors, committees, donors, and those who gave space, materials, services, etc., as well as consultants.

Make it Your Neighborhood's Plan with Your Strategies and Measures

Your plan document should not be seen as a grant application, for this is not just a grant program.

Your organization will likely excerpt from the plan for grant applications, but its real audience is those who will be executing its strategies for the next five or more years. It needs to work in your particular community and for your neighborhood.

The Elm Street Approach calls for integrated action in all five program areas, and your planning will have addressed them all.

In the process, however, it is likely that clear priorities will emerge that call for particular focus in your neighborhood in one or two of these areas. This does not mean ignoring the rest of the components of the Elm Street Approach. Attention needs to go to them, too.

Leveraging effort and money to produce positive change is what implementation is all about.

Exhibit I

Main Street & Enterprise Zone Programs Sample Resolution

Resolution of the _____ authorizing the filing of a proposal for funds with the Department of Community and Economic Development, Commonwealth of Pennsylvania.

WHEREAS, the _____ is desirous of obtaining funds from the

Department in the amount of \$ _____

for _____

BE IT FURTHER RESOLVED, that the _____ will assume the provision of the full local share of project costs.

BE IT FURTHER RESOLVED, that the _____ will reimburse the Commonwealth for the State's share of any expenditures found by DCED to be ineligible.

BE IT FURTHER RESOLVED, that the Secretary of _____ is directed to execute a certificate attesting to the adoption of this resolution and to furnish a copy of the Resolution to the Department of Community and Economic Development.

(Attest)

(Seal)

Exhibit II

Elm Street Program Sample Resolution

Resolution of the _____ authorizing the filing of a proposal for funds with the Department of Community and Economic Development, Commonwealth of Pennsylvania.

WHEREAS, the _____ is desirous of obtaining funds from the

Department in the amount of \$ _____

for _____

BE IT FURTHER RESOLVED, that the _____ will assume the provision of the full local share of project costs.

BE IT FURTHER RESOLVED, that the _____ will reimburse the Commonwealth for the State's share of any expenditures found by DCED to be ineligible.

BE IT FURTHER RESOLVED, that the _____ has adopted the visioning and Mission Statement of the _____ (name the Elm Street Organization)

BE IT FURTHER RESOLVED, that the Secretary of _____ is directed to execute a certificate attesting to the adoption of this resolution and to furnish a copy of the Resolution to the Department of Community and Economic Development.

(Attest)

(Seal)

Exhibit III

Guidelines for the Administration of Local Business Loan and Investment Programs

These Guidelines are applicable to programs funded with New Communities Program Grants

1. Grantee's Responsibility to the Department of Community and Economic Development (DCED)

The Grantee is responsible for ensuring that funds expended from the New Communities Program grants are used for legitimate purposes, in accordance with the applicable laws, regulations, rules, guidelines and other orders issued by DCED, and the provisions of the New Communities program contract. The Grantee is responsible for ensuring that loans or investments made to private businesses from New Communities Program funds meet those purposes and adheres to these and other guidelines or orders issued by the DCED.

2. Delegation of Authority

The Grantee may delegate, by written agreement, the authority to administer the New Communities Program loan or investment program to an eligible agency. In such cases, the delegated agency shall be required to adhere to these guidelines, and any additional requirements imposed by the Grantee. However, such delegation does not reduce or otherwise affect the Grantee's responsibilities to the Department of Community and Economic Development as set forth in the above Paragraph.

3. Approval of Loans or Investments

Loans and investments must be reviewed by a loan/investment committee appointed or approved by the Grantee or delegated agency for the purpose of providing informed recommendations on loan or investment applications to the governing body which approves the loan or investment. The loan/investment committee shall be comprised of members competent to judge the feasibility of the financing proposal, the ability of the proposed activity to meet DCED's contract and program requirements (e.g. Enterprise Zone requires job creation), and the ability of the recipient (borrower) to meet stated repayment obligations. Members of the committee shall have no interest in the business, the loan, or the investment.

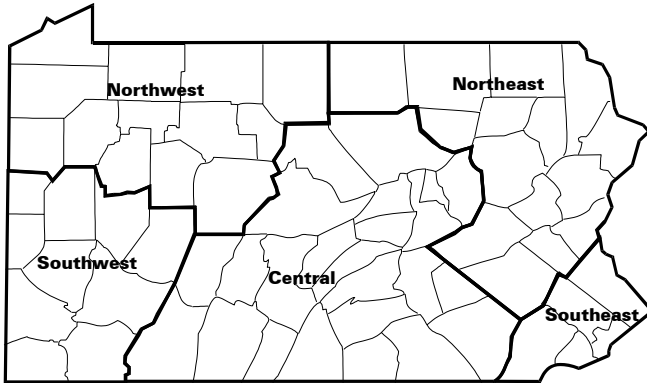
4. Minimum Requirements for Loan or Investment

- a. Loans to, or investments in businesses must serve a "public purpose." They must primarily promote the health, safety or welfare of the public at large, and provide overall benefit to the citizens of the community. In addition, the primary objective of the loan or investment must be fully consistent with the objectives of the New Communities Program.
- b. The recipient shall prove that the loan or investment is necessary to complete a feasible financing plan: other financing options were considered but were not feasible, and the current financing plan will not be feasible without the amount of the loan or investment and repayment conditions stipulated by the Grantee. At a minimum, the amount of the loan or investment must be matched with an equal amount of private loans or investments in the project for which the loan is sought. The Grantee or delegated agency may make a commitment of the loan or investment only upon receipt of notice of the commitment of the other sources of financing.

- c. All loans shall be secured by lien positions on collateral at the highest level of priority, which can accommodate the borrower's ability to raise sufficient debt and equity capital.
- d. For Enterprise Zone loans, the businesses must benefit the enterprise zone. There shall be a provision in the loan or investment agreement that the recipient will create a reasonable number of jobs within a reasonable time, will provide employment for enterprise zone residents where feasible, and/or otherwise provide tangible benefits to the zone in such matters as increased overall economic activity and/or enhanced economic environment of the zone. The agreement between the grantee or delegated agency and the recipient shall contain a provision that, if the business relocates outside the enterprise zone within two years of the agreement in the case of an equity investment or before a loan is paid, the par value of the investment or the outstanding balance of the loan shall become payable within sixty (60) days. The grantee or delegated agency shall also require a premium on the stipulated interest rate on the balance of a loan in the event of relocation.
- e. The activity financed by the loan or investment shall commence and be completed within a reasonable time. Provision shall be made for immediate or accelerated repayment or penalty if the activity is not started or completed within a reasonable and agreed-upon time, unless there are mitigating reasons accepted by the Grantee or delegated agency.
- f. The loan or investment agreement shall include requirements, which the recipient must meet in satisfaction of the loan or investment, shall provide for monitoring of the progress of the recipient's activity, and provide means for enforcing compliance with the terms of the agreement. Additionally, the loan agreement shall provide for the return to Grantee of loan repayment funds to be used for additional loans or investments, or other activities in accordance with the provisions and purposes of the New Communities Program.
- g. All loans processed from repayment funds in the Enterprise Zone must be made to businesses located in the Enterprise Zone area. Other loans processed from repayments funds must be made in the community where the loan originated and must be in accordance with the reuse plan outlined in the New Communities contract.
- h. Departmental approval must be received prior to converting a loan to a grant or utilizing the funds for purposes other than a loan.
- i. Bi-annual reports must be submitted to DCED on January 31 and July 31.

Regional Offices

Pennsylvania Department of Community and Economic Development



Southeast

Bucks, Chester, Delaware, Montgomery and Philadelphia counties

Department of Community and Economic Development
Toni Crawford-Major, Director
Philadelphia State Office Building
1400 Spring Garden Street, Room 1800
Philadelphia, PA 19130
(215) 560-2256
Fax: (215) 560-6722

Northeast

Berks, Bradford, Carbon, Lackawanna, Lehigh, Luzerne, Monroe, Northampton, Pike, Schuylkill, Sullivan, Susquehanna, Tioga, Wayne and Wyoming counties

Department of Community and Economic Development
Michael Morin, Director
409 Lackawanna Avenue
3rd Floor, Oppenheim Building
Scranton, PA 18503
(570) 963-4571
Fax: (570) 963-3439

Central

Adams, Bedford, Blair, Cambria, Centre, Clinton, Columbia, Cumberland, Dauphin, Franklin, Fulton, Huntingdon, Juniata, Lancaster, Lebanon, Lycoming, Mifflin, Montour, Northumberland, Perry, Snyder, Somerset, Union, and York counties

Department of Community and Economic Development
Ted Robinson, Director
400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, PA 17120-0225
(717) 787-7347
Fax (717) 234-4560

Southwest

Allegheny, Armstrong, Beaver, Butler, Fayette, Greene, Indiana, Lawrence, Washington, and Westmoreland counties

Department of Community and Economic Development
Ellen G. Kight, Director
1405 State Office Building
300 Liberty Avenue
Pittsburgh, PA 15222
(412) 565-5002
Fax: (412) 565-2635

Northwest

Cameron, Clarion, Clearfield, Crawford, Elk, Erie, Forest, Jefferson, McKean, Mercer, Potter, Venango, and Warren counties

Department of Community and Economic Development
Christopher Mong, Director
100 State Street, Suite 205
Erie, PA 16507
(814) 871-4241
Fax: (814) 454-7494