



Financing Options for Resource Recovery Projects

August 25, 2006



Overview of Financing Options

- Development of New Technologies
 - Ben Franklin
 - R&D Tax Credits
- Capital Investment
 - Machinery & Equipment Loan Fund
 - Small Business First
- Small Business Ombudsman's Program
 - Pollution Prevention Assistance Account
 - Advantage Grant Program



Ben Franklin

- Established in recognition of the fact that traditional Commonwealth financing programs lacked the flexibility needed to foster the growth of the technology sector
- Includes regional partners and some state-wide funding



Ben Franklin Regional Partners

- Four regional partners: Each managed independently
 - Central & Northern PA, www.cnp.benfranklin.org
 - Northeastern PA, www.nep.benfranklin.org
 - Southeastern PA, www.sep.benfranklin.org
 - Southwestern PA, www.innovationworks.org



CNP Challenge Investment

- Goal: Loans and equity investments to enable companies to develop technologically innovative products or processes
- Eligible applicants: Early stage and mature private companies focused on technology
- Eligible projects: Includes R&D



R&D Tax Credit Assignment Program

- Goal: Encourage R&D among companies that do not have sufficient profits to advantage of the tax credits themselves
- Amount: Cap of \$15 million annually, with \$3 million exclusively reserved for small business



Machinery & Equipment Loan Fund

- Amount: 50% loans up to \$5 million
- Goals: To provide low interest loan financing for purchase or upgrade of machinery or equipment



Machinery & Equipment Loan Fund

- Eligible applicants:
 - Manufacturers
 - Industrial processors
 - Mining concerns
 - Production agriculture concerns
 - Information technology
 - Biotech



Machinery & Equipment Loan Fund

- Eligible projects: New or used machinery or equipment directly related to the industrial, manufacturing agricultural or mining operations of the applicant
- Job creation requirement



Small Business First

- Goals: Loan funding for small businesses (100 employees or less). Must be a for-profit enterprise.
- Amount: Up to \$200,000 or 50% of eligible project costs, whichever is less. Max is \$100,000 for working capital. Planning Grants up to \$250,000



Small Business First

- Eligible applicants: Small businesses engaged in
 - Manufacturing
 - Mining
 - Industrial
 - R&D
 - Others



Small Business First

- Eligible uses:
 - Land & building acquisition & construction
 - Machinery & equipment purchase or upgrade
 - Working capital
 - Environmental compliance/pollution prevention
- Job creation requirement



Other Financing Programs

DCED: Venture Guarantee and Venture Capital Programs, Industrial Sites Reuse Program (performance-based loans) and PEDFA, among others

Other: U.S. Small Business Administration



PADEP Small Business Ombudsman's Office

- Advantage Grant Program-Small Business Advantage is a grant program providing 50% matching grants, up to a maximum of \$7,500.00, to enable a Pennsylvania small business to adopt or acquire energy efficient or pollution prevention equipment or processes.



PADEP Small Business Ombudsman's Office

- **Pollution Prevention Assistance Account**-To provide low interest loans to small PA businesses undertaking projects in the Commonwealth that reduce waste, pollution or energy use. Loans will be used to fund 75 percent of the total eligible project cost, up to a maximum of \$100,000-Terms: 2% over 10 years.



For More Information

- DCED, (800) 379-7448, www.inventpa.com
- Ben Franklin, www.benfranklin.org
- Revenue, (888) 728-2937, business taxpayers
(717) 787-1064, www.revenue.state.pa.us
- Small Business Ombudsman's Office
(717) 783-8411, www.dep.state.pa.us