

# Pennsylvania Industrial Development Authority

## RIDC and Loan Program Overview



RIDC is a state certified industrial development corporation who can assist your business in applying for Pennsylvania Industrial Development Authority (PIDA) low-interest loans. The Pennsylvania Industrial Development Authority (PIDA) is a job creation and job retention agency of the Commonwealth of Pennsylvania. It is administered through the Department of Community and Economic Development, Center for Business Financing Loans Division. PIDA was established in 1956 to provide low-interest loans to local non-profit industrial development corporations (IDCs) for eligible businesses that commit to creating or retaining jobs.

### Loan Uses

- 1) Acquisition of Land and Construction of New Facilities
- 2) Acquisition of Existing Buildings
- 3) Expansion or renovation of Existing Buildings
- 4) Soft Costs, A&E, legal, closing, financing fees, PIDA does not finance machinery and equipment, working capital, or participate in refinancing projects. No construction or property acquisition can commence until the project is approved by PIDA's Board.

### Eligible Businesses

Manufacturing Operations, Research and Development, Agricultural Operations and Industrial Operations

### Financing

- 1) **Loan Amount:** Maximum loan amount is \$2 mil. For projects on brownfield sites, KOZ's Enterprise Zones or Act 47 Communities, the maximum is \$2.25 mil. One job must be created for every \$35,000 loaned.
- 2) **Term:** PIDA's term matches the conventional lender's term up to a maximum 15 year term.

### 3) Interest Rate/Participation Rates:

County	Maximum PIDA Participation		Current Interest Rates
	Small Businesses (% Under 50 Employees)	Large Businesses (% Over 50 Employees)	October 2011
Allegheny	50	40*	3.00
McKeesport City	60	50	2.00
Penn Hills Twp	60	50	3.00
West Mifflin	60	50	2.00
Armstrong	60	50	2.00
Beaver	50	40*	3.00
Butler	60	50	2.00
Fayette	60	50	2.00
Greene	60	50	2.00
Lawrence	60	50	2.00
New Castle City	70	60	2.00
Washington	50	40*	3.00
Westmoreland	60	50	2.00

\*10% Equity Required

- 4) **Collateral:** All PIDA loans are secured with fixed assets (shared first or second mortgage) and other collateral which may be required upon review of company and personal financial statements.

### Process and Timing

The transaction cycle will take 90 - 120 days and typically includes the following steps:

- 1) RIDC assists the client in completing and submitting the Single Application for Assistance.
- 2) RIDC staff evaluates the loan request and presents to its Board of Directors.
- 3) Following consideration and approval by the PIDA Board of Directors and RIDC Board of Directors, PIDA issues a Commitment Letter to the applicant
- 4) Since PIDA funds are disbursed throughout construction, it is recommended that interim funding be obtained

### Fees\*

#### RIDC Fees:

- a) 2% of the loan amount, payable at closing (can be financed as part of project cost)
- b) Servicing Fee: \$250 per year payable January 1 of each year
- c) Legal Fees: Client to pay all RIDC's legal fees which are approximately \$5,000

#### PIDA Fee:

Commitment Fee: 1% of loan amount - minimum of \$500, payable upon acceptance of PIDA's commitment

\*All fees are subject to change. Please contact the RIDC before submitting an application to confirm fees.

### Application Submission Schedule

If you are aiming for this month's meeting agenda	The application must be in Harrisburg by .	The application materials must be received in RIDC office by
January	December 1	November 15
February	January 1	December 15
March	February 1	January 15
April	March 1	February 15
May	April 1	March 15
June	May 1	April 15
July	June 1	May 15
August	July 1	June 15
September	August 1	July 15
October	September 1	August 15
November	October 1	September 15
December	November 1	October 15

### PIDA/RIDC Success Stories



In partnership with Carnegie Mellon University, RIDC developed and completed the 136,000 SF Collaborative Innovation Center (CIC) in 2005 with PIDA's assistance.



RIDC assisted American Bridge in obtaining the two loans from PIDA.

### For More Information, Contact:

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**RIDC**  
Regional Industrial Development Corporation