

Business Financing Programs



Re
Discover
the city
Allentown

Department of Community &
Economic Development

City of Allentown
435 Hamilton Street
Allentown PA 18101-1699

Business Financing Programs

Section 1 - Allentown Financing Programs

For more information or to apply for any of these programs please call 610.437.5976

Program	Eligibility	Amount
1a) Neighborhood Business Revitalization (NBR) Loan	Commercial building owners or commercial tenants. Boundaries: Union St. to Tilghman St.; Front St. to 12th Street.	Min.: \$5,000/ Max.: \$30,000
1b) Hamilton Street Facade Loan	All building owners or tenants of properties located on Hamilton Street between 5th and 12th Streets, including corner properties.	Min.: \$3,000 / Max.: \$30,000
1c) Enterprise Zone Loan	Businesses located within the Enterprise Zone. Recipients must create and / or retain jobs that will provide employment for enterprise zone residents and / or otherwise provide tangible benefits to the zone to increase overall economic activity and / or enhance economic environment within the zone.	Min.: \$10,000 / Max.: \$100,000
1d) Rising Tide Community Development Loan Fund	"Micro-business" loans to low-moderate income individuals who want to start or expand a business or to businesses located in low income census tracts in Allentown.	Max.: \$25,000
1e) Restaurant Row Grant	Full service dining facilities serving lunch and dinner in downtown business district between 5th and 12th Streets, Linden to Walnut Streets. Priority given to restaurant clusters within the target area.	\$10,000 to \$50,000 / project
1f) Retail Incentive Grant	New retail stores in the downtown business district.	\$5,000 to \$20,000 / project.
1g) EPA Brownfields Clean up Revolving Loan Fund	Property owners and potential developers (who did not cause contamination at site).	Limited by total available.
1h) Allentown Development Company (ADCO) Loan	Entrepreneurs who start-up or expand neighborhood-based businesses that provide goods and services to low and moderate income census tracts.	Min: \$10,000 / Max: \$100,000
1i) Enterprise Zone Tax Credits	Businesses located within the Enterprise Zone. Project eligibility will be determined by State.	Determined by State.

Section 2 - Regional and State Financing Programs

Program	Eligibility	Amount
2a) Industrial Sites Reuse Programs	Public and private non-profit economic development entities and private companies involved in reuse of former industrial land.	Grants and loans up to \$200,000 for environmental assessments. Grants and loans up to \$1 million for remediation.
2b) Business in Our Sites	Construction loans are available to private developers.	Planning grants: up to \$250,000. Construction loans: Maximum not to exceed 15% of funds available for program. Combined loans and grants: Up to \$5 million or 50% of total combined award, whichever is less.

Uses	Terms / Conditions
Exterior facade improvements. Structural, mechanical and electrical repairs. Landscaping. Interior renovations. Sign repair or replacement. Equipment purchases. Energy improvements. Project soft costs.	3% interest up to 10 years. Financing based on 50-80% of project costs; 70% of equipment purchased. Collateral required.
Facade improvements. Sign repair or replacement.	3% interest up to 10 years. Financing based on 50-80% of project costs. First or second mortgage required.
Improvements to the real estate including leasehold improvements. Equipment purchases. Working capital.	3 - 10 years, depending on asset life or lease term. Rate: 5.25% - 8% depending on creditworthiness. Collateral required.
Working capital, equipment, marketing, leasehold improvements and inventory.	Competitive rates and terms. Managed by Community Action Development of Allentown.
Fit out costs such as interior construction, facade and signage, and fixtures. Does not include furniture and equipment. Option to use as a rental rebate of up to 80% of the first two years of rent up to \$50,000 (minimum 5-year lease required for eligibility).	Business must remain open and operate during the term of the grant. Applicant will be required to reimburse grant proceeds in the event of default.
Fit out costs such as interior construction, facade and signage, and fixtures. Does not include furniture and equipment. Option to use as a rent rebate of up to 80% of the first three years of rent up to \$20,000 (minimum 5-year lease required for eligibility).	Business must remain open and operate during the term of the grant. Applicant will be required to reimburse grant proceeds in the event of default.
Remediation of hazardous substances. Underutilized commercial, industrial or residential sites where contamination is hindering redevelopment.	Low interest loans for clean up.
Land and building acquisition, building construction and renovation, machinery and equipment, inventory and working capital.	ADCO Board determines rate and conditions of financing on individual basis.
Improvements to real estate located within the Enterprise Zone boundaries.	Determined by State.

Uses	Terms / Conditions
Phase I, II and III environmental assessments. Remediation of hazardous substances.	Interest rate of 2%. 5 years for assessments and 15 years for remediation projects. 25% match required.
Planning engineering, environmental assessments and other pre-development activities needed to reuse site.	Interest rate determined at time of approval. Repayment not to exceed 20 years. Term renegotiated upon sale or lease of property.

Section 2 - Regional and State Financing Programs (Cont'd)

Program	Eligibility	Amount
2c) EPA Brownfields Assessment Grant	Property owners and potential developers (who did not cause contamination at site).	Limited by total available. \$300,000 for Lehigh and Northampton counties.
2d) EPA Brownfields Clean up Revolving Loan Fund	Property owners and potential developers (who did not cause contamination at site).	Lehigh County: \$400,000; Northampton County: \$400,000; Allentown: \$1 million.
2e) EPA Site Specific Clean up Program	Public and non-profit entities who own a brownfield and will conduct clean up work.	Capped at \$200,000 per project.
2f) Underground Storage Tank Upgrade Loan	Business owners of regulated underground storage tanks.	Capped at \$500,000 per project.
2g) Regional Loan Pool	Firms looking to locate or expand exclusively within the cities of Easton, Bethlehem and Allentown. Emerging growth companies. Commercial / industrial real estate. Business expansion and retention. Entrepreneurial.	Loan pool minimum loan is \$100,000 with a ceiling of \$2 million.
2h) Pennsylvania Industrial Development Authority (PIDA)	Manufacturing. Industrial. Research and development. Agricultural processors. Firms establishing a national or regional headquarters. Computer / clerical operation centers.	Loans up to \$2 million (within Enterprise Zones, Act 47 Industrial Communities brownfield sites and KOZ, \$2.25 million).
2i) Machinery & Equipment Loan Fund (MELF)	Manufacturing. Industrial. Agricultural processors. Direct mining operations. Hospitals.	Loans up to \$500,000 or 50% of the total eligible project costs, whichever is less.
2j) Small Business First (SBF)	Small business (100 employees or less which are): manufacturing and industrial, construction, agricultural processors, mining enterprises, export-related, advanced technology and computer-related services, hotels, motels or restaurants, child day care.	Loans up to \$200,000 or 40% of total eligible project costs, whichever is less. Maximum loan amount for working capital is \$100,000 or 50% of total eligible project costs, whichever is less.
2k) Export Finance Program (EFP)	Small businesses (250 employees or less) exporting goods or services internationally.	Working capital loans: up to \$350,000 or 50% of total eligible project costs, whichever is less. Accounts receivable loans: up to \$350,000 of 85% of eligible accounts receivable.
2l) Pennsylvania Minority Business Development Authority (PMBDA)	Business owned and operated by ethnic minorities.	Manufacturing. Industrial. High-tech. International Trade or Franchise Companies: Loans up to \$500,000 (within Enterprise Zone, \$750,000) or 75% of total eligible project costs, whichever is less. Retail or Commercial Firms: loans up to \$250,000 (within Enterprise Zone, \$350,000) or 75% of total eligible project costs, whichever is less.

Uses	Terms / Conditions
Phase I and II environmental assessments. Underutilized commercial and industrial sites potentially contaminated with hazardous substances or petroleum products.	Program funded through Lehigh Valley Land Recycling Initiative (LVLRI) and LVEDC.
Remediation of hazardous substances. Underutilized commercial, industrial or residential sites where contamination is hindering redevelopment.	Low or no-interest loans for clean up. Up to 40% of capitalization funding for clean up subgrants at sites owned by subgrantees. 20% non-federal costs share required.
Remediation of hazardous substances. Underutilized commercial, industrial or residential sites where contamination is hindering redevelopment.	Availability depends on Federal appropriations. Annual applications due in late fall each year. 20% match required.
Tank removal or closure if replacing tanks, including upgrade of existing tanks, leak detection devices, cost of new tanks, piping engineering design and permitting costs associated with upgrading and all construction and installation costs directly associated with upgrading.	Rate pegged to 5-yr US Treasury Note: Up to 10-yr term. 25% match required.
Land and building acquisition. Building renovation or rehabilitation. Machinery and equipment.	Finances up to 40% of project costs. Minimum 20% equity investment required. Interest rate is flexible. Loan terms not designed to provide permanent long-term financing.
Land and building acquisition. Building construction and renovation. Industrial park development. Multi-tenant speculative building construction, acquisition and renovation.	4% interest rate, depending upon local unemployment rate and location. Up to 15-yr term on land and buildings. No less than 2nd mortgage on financed assets. \$35,000 cost per job created or retained.
Machinery and equipment acquisition and upgrading. Engineering and installation costs directly related to operations or processes. Hospitals to purchase and install FDA-required pharmaceutical management equipment.	Interest rates as low as 4%. Up to 7-yr term depending upon the useful life of machinery financed. Private-sector match required. \$25,000 cost per job retained or created. Project must be directly related to the manufacturing process.
Land and building acquisition and construction. Machinery and equipment purchases and upgrades. Working capital. Environmental compliance. Municipal or commercial recycling. Defense conversion.	4% interest rate. \$25,000 cost per job retained or created. 15-yr land and building. 10-yr machinery and equipment. 3-yr working capital.
Working capital financing. Accounts receivable financing.	Working capital loans: up to 12-month term. Interest rate is prime rate plus 1% per annum. Accounts Receivable loans: up to 6-month. Interest rate is 1.5% per month.
Land and building acquisition. Building, construction and renovation. Machinery and equipment acquisition and installation. Working capital.	50% of prime rate, but not less than 4%. Up to 15-yr term for land and buildings. Up to 10-yr term for machinery and equipment. Up to 3-yr term for working capital. 25% private-sector match required. May subordinate lien position. Disbursement at closing. \$15,000 cost per job created.

Section 2 - Regional and State Financing Programs (Cont'd)

Program	Eligibility	Amount
2m) Pennsylvania Economic Development Financing Authority (PEDFA) (IOA) Tax Exempt Bond Program	Manufacturing. Non-profit. Energy. Solid Waste disposal. Transportation facilities. Assisted living / housing.	Loans no less than \$400,000 and no more than \$10 million for manufacturers. No upper limit for other projects. Up to 100% of project costs.
2n) Pennsylvania Economic Development Financing Authority (PEDFA) (IDA) Taxable Bond Program	All types of businesses needing access to low-cost capital.	Loans no less than \$400,000. Up to 100% of project costs.
2o) WedNet Guaranteed Training	Manufacturing or technology-based other than point of sale / retail.	IT Grants: Up to \$700 / employee and \$50,000 / company. Basic level grants: Up to \$450 / employee and \$100,000 / company.
2p) Customized Job Training (CJT)	Manufacturing. Industrial. Agricultural enterprises. Research and development. Advanced technology. Business service firms (no point of sale / retail).	Grants up to 75% of eligible costs for new job creation, retention and upgrade training.
2q) Opportunity Grant Program	Firms, or IDC's and municipalities on behalf of firms, that will create or preserve a significant number of jobs within the Commonwealth. Manufacturing. Industrial. R&D. Agricultural processors. Export services. Firms establishing a national or regional headquarters.	No minimum or maximum amounts.
2r) Infrastructure Development Program (IDP)	Municipalities, industrial development authorities and corporations, municipal authorities, redevelopment authorities and local development districts may apply for IDP assistance for themselves or on behalf of eligible private companies and developers engaged in: agriculture, industrial, manufacturing, R&D, export.	Loans and grants up to \$1.25 million. No more than 20% of the annual appropriation will be loaned or granted to applicant for speculative greenfield projects not involving private companies.
2s) SBA 504 Certified Business Development Company	For profit owner occupied industrial, manufacturing, commercial, or retail businesses.	40% of project cost up to \$1.5 million (manufacturing up to \$4 million) 35% of project cost for start-ups.

PROGRAMS BY TYPE / USE																			
	see																		
INDUSTRIAL	1a	1b	1c	1d	1h	1i	2b	2g	2h	2i	2j	2k	2m	2n	2o	2p	2q	2r	2s
RETAIL	1a	1b	1d	1f	2b	2g	2n	2s											
SERVICE	1a	1b	1d	1e	2b	2g	2i	2j	2m	2n	2p								
OFFICE	1a	1b	1d	2b	2g	2h	2n	2p	2q	2r	2s								
SMALL BUSINESS	1a	1b	1c	1d	1h	2j	2k	2l	2n	2s									
BROWNFIELDS	1g	2a	2b	2c	2d	2e	2f	2j	2q										

Uses	Terms / Conditions
Land and building acquisition. Building renovation and new construction. Machinery and equipment acquisition and installation. Designed infrastructure. Tax-exempt bond financing refunding.	85% of prime interest rate. Weekly variable interest rate tied to market for tax-exempt bonds. Up to 30-yr term.
Land and building acquisition. Building renovation and new construction. Machinery and equipment acquisition and installation. Designated infrastructure. Refinancing. Working capital.	95%-100% of prime interest rate. Weekly variable interest rate tied to market for taxable bonds. Term is based upon negotiated letter of credit. Borrower generally must secure letter of credit from bank.
Basic and entry level training. Information technology.	Company is based in PA or has a significant presence in state. Offers participating employees at least 150% of current minimum wage, excluding benefits. Must be a PA resident.
Instructional costs. Supplies. Consumable materials. Contracted services. Relevant travel costs for local education agency project coordinators.	Must be for actual training. Trainees must be PA residents and be employed in PA. Participating employees must earn more than 150% of minimum wage.
Machinery and equipment. Working capital. Job training. Infrastructure. Land and building improvements. Environmental assessment and remediation. Acquisition of land, buildings and right-of-ways. Site preparation, demolition and clearance.	Project must offer substantial economic impact either for the Commonwealth as a whole or for the locality or region in which the company will locate or expand its current operations. 4:1 private match required. Job creation / preservation requirements.
Transportation facilities, airports, clearing and preparation of land and environmental remediation, water and sewer systems, energy facilities, parking facilities, storm sewers, bridges, waterways, rail facilities, port facilities. At former industrial sites ONLY: land and building acquisition, construction and renovation by private developers.	Grants for public infrastructure. Loans to private businesses at 3% interest rate. Up to 15-yr term. 2:1 private match required. \$25,000 cost per job to be created within 5 years or 10 new full-time equivalent jobs (whichever is greater).
Land and building acquisition. Construction or renovation. Major machinery and equipment.	Interest rate: negotiated basis points above 5-yr and 10-yr US Treasury Bonds fixed at date of debenture sale for the term of the loan. Job creation: 1 job created for every \$50,000 of SBA amount (\$100,000 for manufacturing). 20 years - land and equipment. 10-years - machinery and equipment.

**For any questions please call our Business Development Office:
610.437.7610**

Applications considered on a first-come, first-served basis. The City of Allentown reserves the right to change or discontinue any programs at any time. The City is not responsible for changes made to programs managed by other agencies or financial entities. Applicants must be current on all Property Taxes of the City, County and School District, City Earned Income Tax, Business Privilege Tax, Business License, Per Capita Tax, Water and Sewer bills, Garbage fees, Municipal liens, and any miscellaneous invoices.

OTHER INFORMATION

For questions regarding licensing and permitting requirements and general pre-opening process concerns contact:

**Development Liaison/Permits Specialist
610.437.7534**

**Bureau of Zoning
610.437.7630**

**Bureau of Building Standards and Safety
610.437.7591**

**Bureau of Health
610.437.7759**

**Fire Department (Code & Inspections)
610-437-7758**

**Bureau of Planning (Historic Districts)
610.437.7613**



**Ed Pawlowski, Mayor
City of Allentown
Department of Community and Economic Development
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