

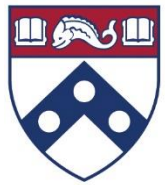
*Welcome!*

# Special Economic Development Financing Briefing

Thursday, March 2, 2023  
115 East King Street



# Thanks to our Legacy Sponsors



Penn Medicine  
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# Thanks to our Visionary Sponsors





# Thanks to our Visionary Sponsors





LANCASTER CITY  
**ALLIANCE**

**We Are a**  
**non-profit**

**that promotes**

**City growth and stability  
so that Lancaster City  
flourishes and everyone  
shares in its success.**

**We are here to listen,  
collaborate, and connect  
your organization to help it succeed.**



# BUILDING ON STRENGTH

---

THE COMMUNITY-OWNED  
ECONOMIC DEVELOPMENT STRATEGIC  
PLAN FOR THE CITY OF LANCASTER

Managed by LANCASTER CITY **ALLIANCE**



# COMMUNITY IMPLEMENTATION PARTNERS





# PLAN ASPIRATIONS

---

- Attract and retain talent to the City of Lancaster.
- Create jobs that provide a livable wage.
- Leverage educational institutions as partners in creating a skilled workforce.
- Provide equitable opportunities for all Lancastrians.
- Cultivate existing Lancaster businesses to grow with continued success.
- Encourage targeted economic development opportunities to strengthen neighborhoods and increase property values.
- Provide an environment where small businesses and entrepreneurs can thrive.
- Be a national model for urban economic development.

# PLAN STRATEGIES

---

1. Expanding Success:  
*Traditional Economic Development Investment*
2. Embracing the Collaborative Economy: *Cultivating Entrepreneurs*
3. Leveraging the Brand: *Marketing Lancaster City*
4. Quality of Life: *Reinforcing Commercial Hubs*



# 2030 OUTCOMES

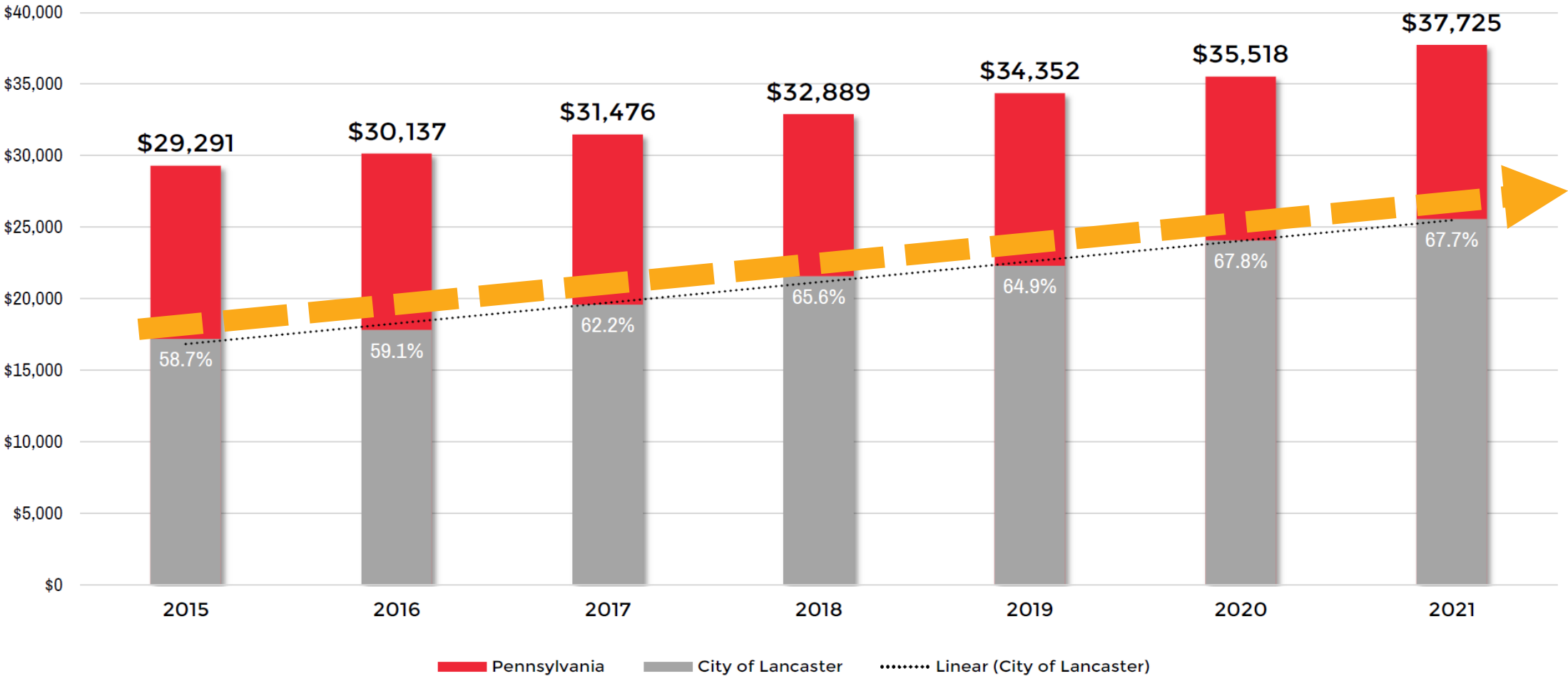
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- Increase in the **per capita income to 70% of that of Pennsylvania**
- Create **300 new hotel rooms** in the Downtown and Commercial Hubs
- See **2,500 new residential units** of all types and price points
- Achieve **100,000 square feet of new and renovated retail/restaurant space** in Downtown and Commercial Hubs
- Fill **300,000 square feet of office and flex space**
- Realize **\$1 billion in privately led investment**
- See ongoing private investment that will outweigh public investment in economic development



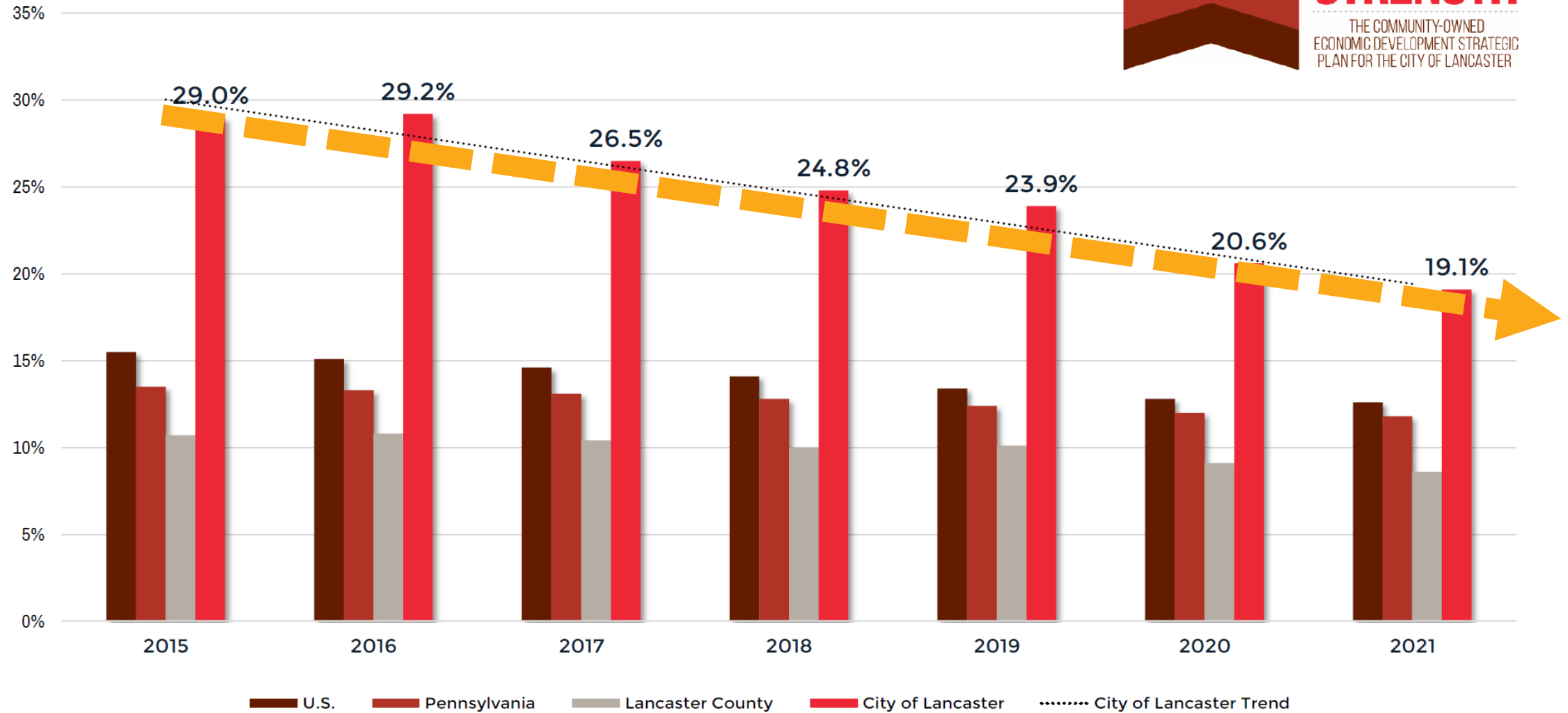
# Per Capita Income in the City of Lancaster Since 2015

and as a Percentage of Pennsylvania's Per Capita Income (as of December 8, 2022 U.S. Census Bureau Data Release)



# Percentage of Population Below Poverty Level Since 2015

in the City of Lancaster (as of December 8, 2022 U.S. Census Bureau Data Release)





# Strategy 1:

## Traditional Economic Development

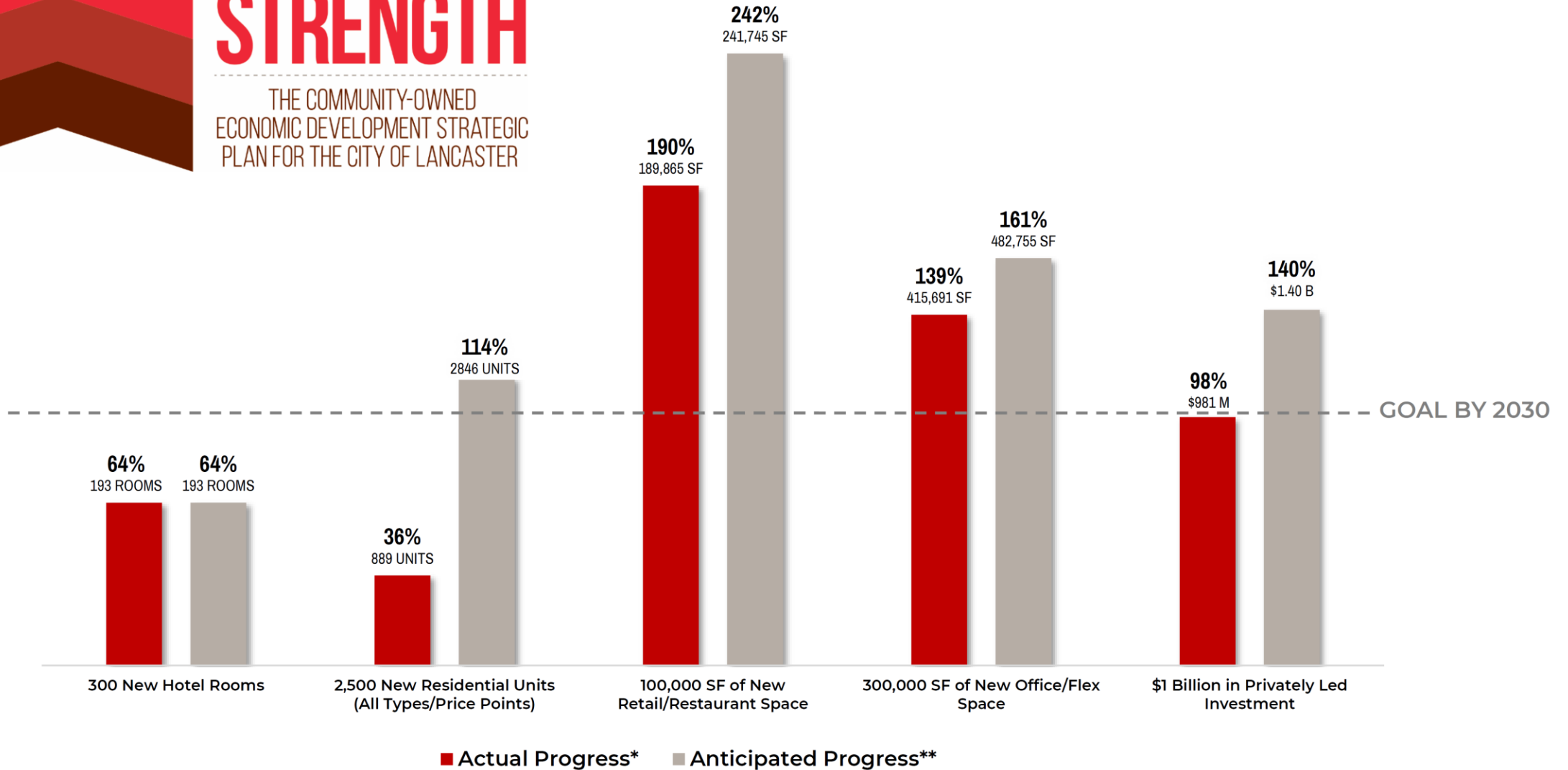


# BUILDING ON STRENGTH

THE COMMUNITY-OWNED  
ECONOMIC DEVELOPMENT STRATEGIC  
PLAN FOR THE CITY OF LANCASTER

## 2030 OUTCOMES DASHBOARD

Bricks-and-Sticks Progress Since July 2015 (as of February 2023)



*\*For development-related outcomes, "actual" reflects only projects recently completed and currently under construction.*

*\*\*For development-related outcomes, "anticipated" reflects projects recently completed and currently under construction, and assumes planned and conceptual development projects will come to fruition.*



## STRATEGY 1—INVESTMENT SITES: KEY TO ILLUSTRATIVE PLAN

### Area 1: Downtown Core—Primary Opportunities

- 1A: Bulova Site †
- 1B: City Crossings Lot
- 1C: Southern Market †
- 1D: Swan Hotel Corner
- 1E: Queen & Vine Site (LNP) †
- 1F: Market District Sites †
- 1G: Upper Floor Redevelopment (Throughout Downtown) †

### Area 2: Downtown Core—Secondary Opportunities

- 2A: HDC Property Infill
- 2B: Prince Street Garage Site
- 2C: Queen & Chestnut Infill (NW Corner) †
- 2D: RRTA Garage Air Rights
- 2E: North Queen Street Retail Commercial †
- 2F: West Vine/West Farnum Site
- 2G: Penn Square Garage Mixed-Use Opportunity
- 2H: Duke Street Garage Mixed-Use Opportunity\*
- 2I: IREX Surface Parking Lots Infill Development\*
- 2J: Prince & Orange Mixed-Use Redevelopment\*
- 2K: Linear Park Warehouses Adaptive Reuse/Infill\*
- 2L: N. Queen Infill Development \* †

### Area 3: Harrisburg Avenue/Train Station Area

- 3A: Northwest Triangle †
- 3B: Train Station North (Keller Avenue Properties) †
- 3C: Train Station West
- 3D: Train Station South (McGovern Avenue Properties)
- 3E: N. Prince Adaptive Reuse/Mixed-Use Infill Development\*
- 3F: Prince & Ross Redevelopment Opportunity\* †
- 3G: Prince & Clay Warehouses Adaptive Reuse/Infill\*

### Area 4: New Holland Avenue

- 4A: Plum and Walnut Anchor †
- 4B: Ross Street Gateway
- 4C: New Holland Avenue Infill †
- 4D: Burle Office Park Infill Development

### Area 5: West King Street/Manor Street

- 5A: Manor Street Infill/Property Enhancements †
- 5B: Consolidated Parking Resources (Typ.)
- 5C: West King Infill Development/Property Enhancements †
- 5D: Upper Floor Redevelopment †
- 5E: Laurel Street Infill\*

### Area 6: East King Street

- 6A: Excelsior Building †
- 6B: East King Infill Development †
- 6C: Façade/Property Enhancements

### Area 7: South Prince/South Queen Streets

- 7A: The Ironworks †
- 7B: South Prince Infill Development
- 7C: Façade/Property Enhancements †
- 7D: Rebman's Redevelopment †
- 7E: Conestoga Street Infill/Redevelopment Opportunity\*

### Area 8: South Duke Street

- 8A: Conestoga Plaza †
- 8B: Conestoga East †
- 8C: Conestoga North †
- 8D: Residential Infill Opportunity †
- 8E: South Duke Square
- 8F: South Duke Infill Development
- 8G: Outdoor Market
- 8H: S. Christian & Juniata Infill/Redevelopment\*
- 8I: S. Christian & Chester Infill/Redevelopment\*
- 8J: Hillrise Residential/Mixed-Use Redevelopment\*

### Area 9: Southwest Neighborhoods\*

- 9A: Union Street Adaptive Reuse/Redevelopment\*
- 9B: Slaymaker Infill/Redevelopment\*
- 9C: Ruby & Prangley Adaptive Reuse/Development\* †

### Area 10: Southeast Neighborhoods\*

- 10A: Juniata & Stevens Residential Infill\*
- 10B: S. Broad Mixed-Use Development\*
- 10C: Sunnyside Gateway Mixed-Use Development\*
- 10D: Sunnyside Residential Development\*
- 10E: Cigar Factory/Tec Centro Infill/Redevelopment\*

### Area 11: Northeast Neighborhoods\*

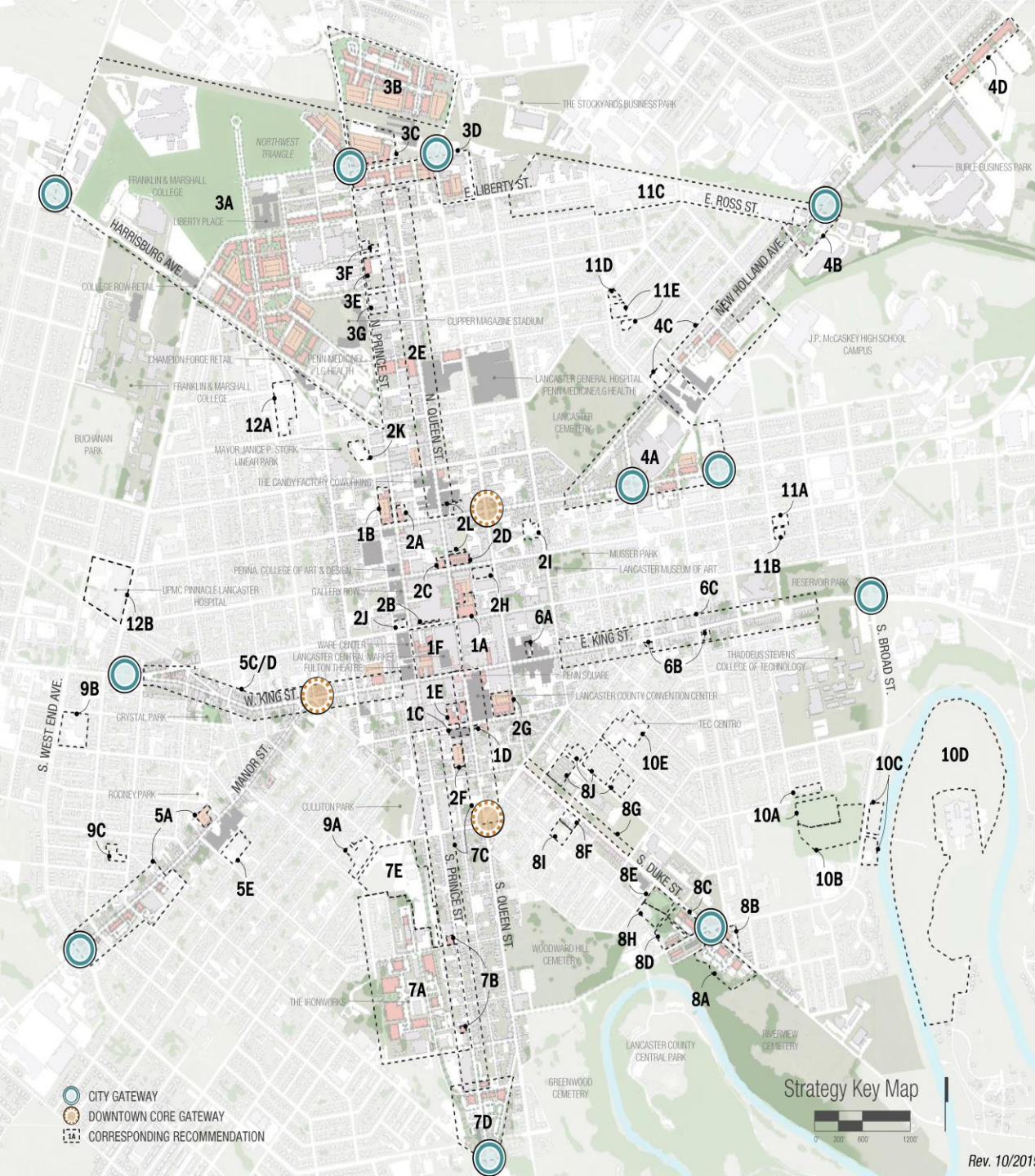
- 11A: Chestnut & Franklin Mixed-Use Infill/Redevelopment\*
- 11B: Franklin & Marion Infill/Redevelopment\*
- 11C: E. Liberty/E. Ross/Ice Industrial Adaptive Reuse\*
- 11D: Hotel Fulton Redevelopment Opportunity\* †
- 11E: Fulton Market Mixed-Use Redevelopment\*

### Area 12: Northwest Neighborhoods\*

- 12A: Charlotte Place Mixed-Use/Residential Opportunity\* †
- 12B: UPMC Lancaster Hospital Redevelopment Opportunity\* †

\* Site added as part of the 2018 plan addendum.

† Site recently developed or under construction as of June 2022.





A sepia-toned photograph of a construction site. In the foreground, there are stacks of concrete blocks. In the background, a building is under construction, heavily encased in a complex network of metal scaffolding. A ladder is leaning against the scaffolding. The sky is overcast.


As of March 2023, **29** (43%) **of** the plan's (amended) **67** designated investment opportunity sites/areas are either developed or under development.





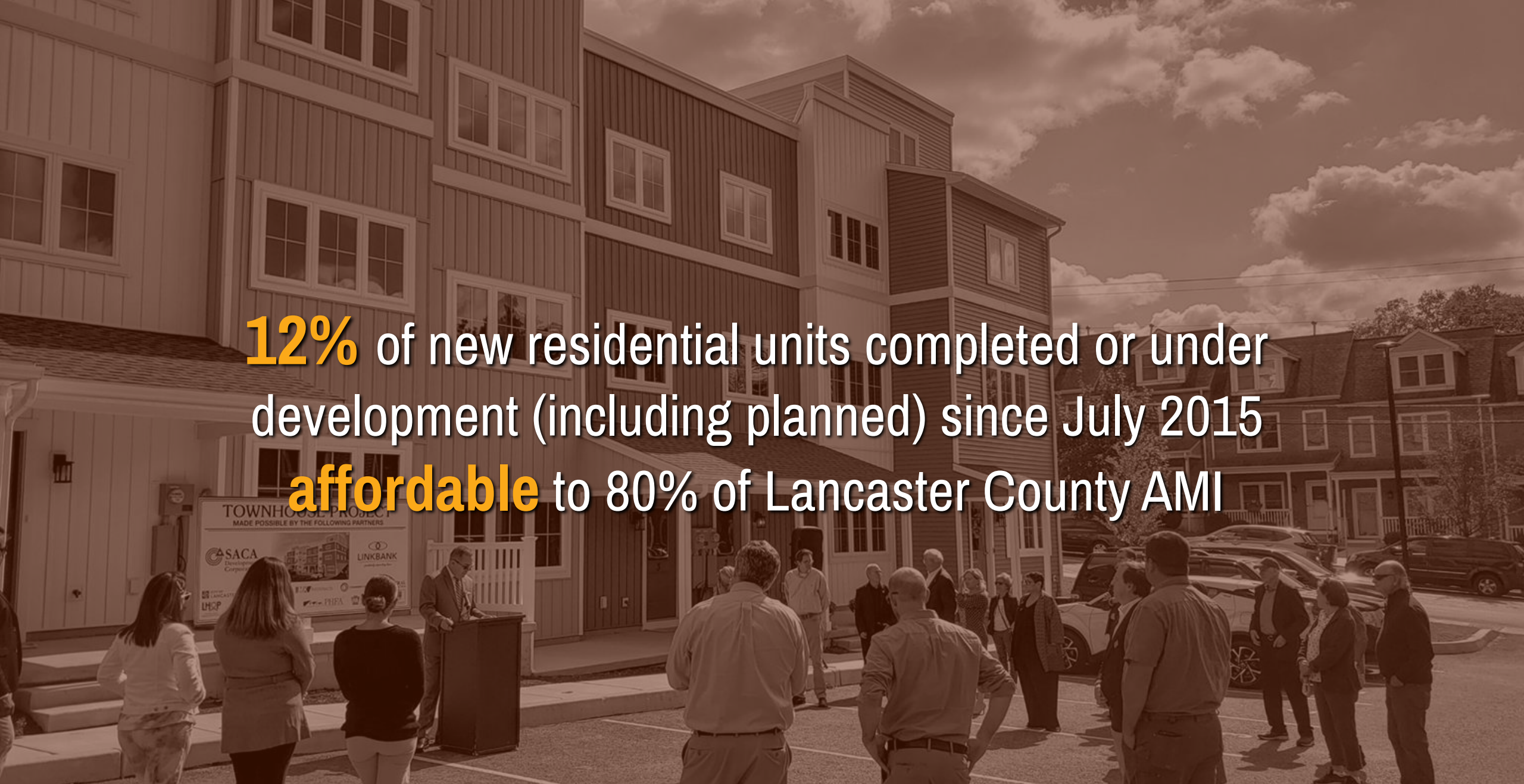
**193** new hotel rooms completed or under construction  
since July 2015





>800 new residential units of all types and price points  
completed or under construction since July 2015;  
~1,900 currently under development





**12%** of new residential units completed or under development (including planned) since July 2015  
**affordable** to 80% of Lancaster County AMI






**>190,000 sq. ft.** of new retail/restaurant space  
completed or under construction since July 2015;  
**>52,000 sq. ft.** currently under development





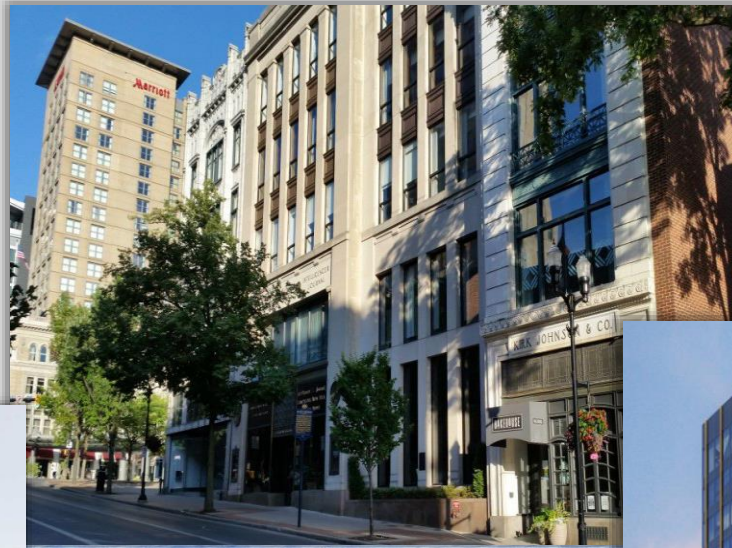
**>415,000 sq. ft.** of new office/flex space  
completed or under construction since July 2015;  
**>67,000 sq. ft.** currently under development



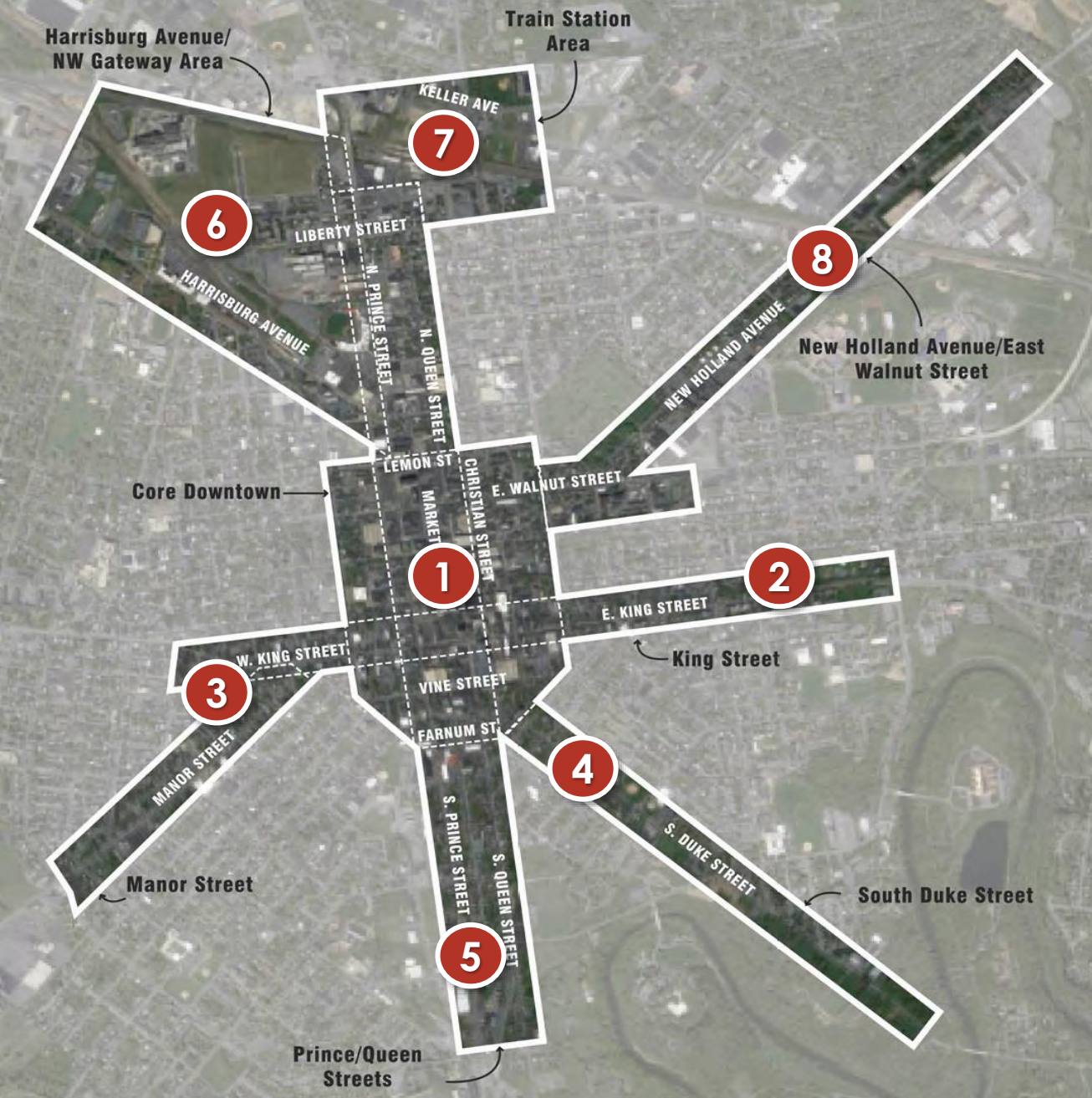
An architectural rendering of a city street scene. In the foreground, there are historic brick buildings with large windows. One building has signs that read "FARMERS", "SOUTHERN", and "MARKET". Behind these are several tall, modern glass skyscrapers. The sky is overcast. The overall tone is sepia or brownish. Overlaid on the image is text in white and yellow.

**>\$981 million** in privately led investment since July 2015;  
**>\$419 million** currently under development,  
totaling **>\$1.4 billion** in all phases









# PLAN FOCUS AREAS

Includes the Downtown Core, in addition to the commercial corridors and gateways (the “**Commercial Hubs**”), that extend outward from the Downtown Core. These *Commercial Hubs* were grouped into eight geographies:

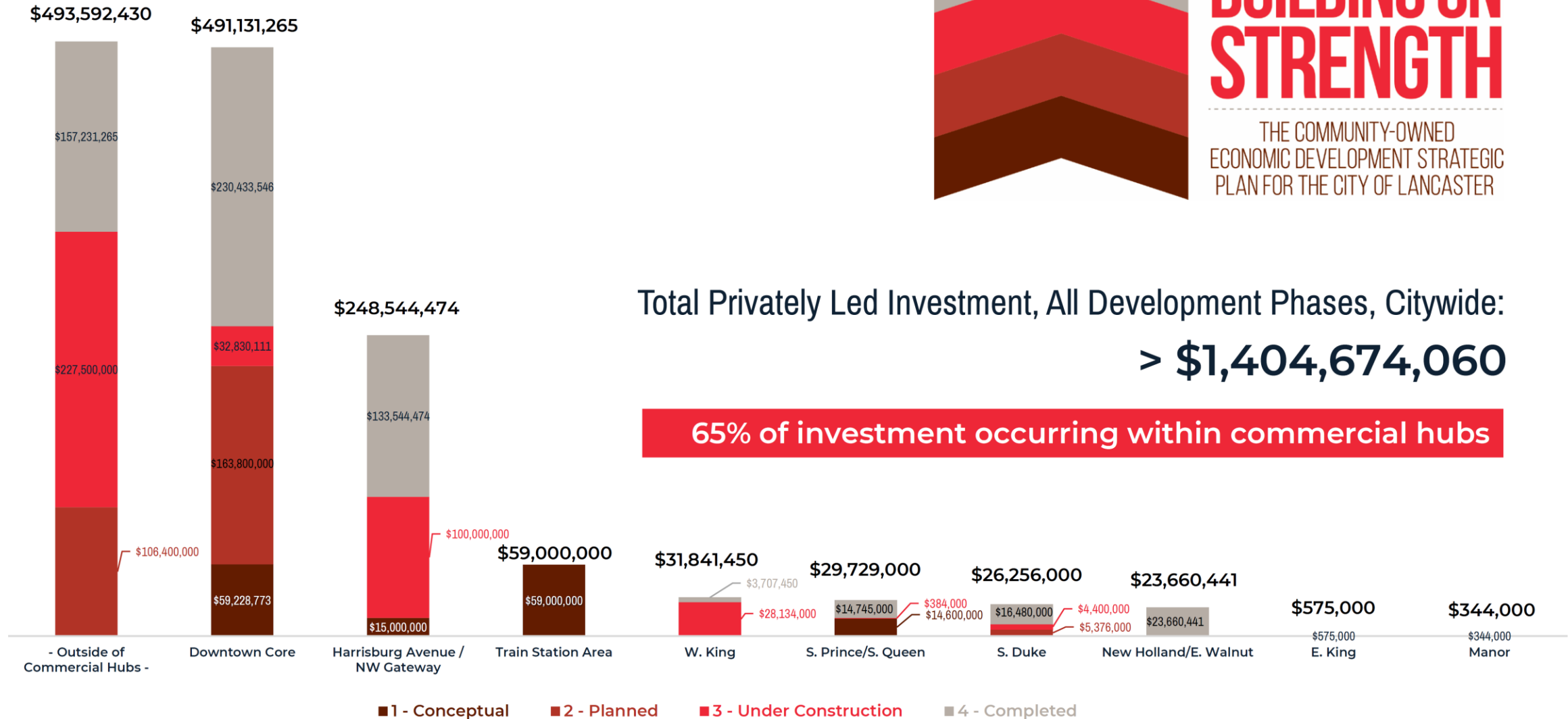
1. Downtown Core
2. East King Street
3. West King and Manor Streets/Columbia Avenue
4. South Duke Street
5. South Prince and Queen Streets
6. Harrisburg Avenue/Northwest Gateway
7. Train Station Area
8. New Holland Avenue/East Walnut Street

These eight areas are important as significant hubs of commercial activity serving the City’s residents and businesses.



# Privately Led Investment Since July 2015

By Commercial Hub and Current Phase of Development (as of February 2023)





# Strategy 2:

## Cultivating Entrepreneurs

## Flow of Goals & Activities




**\$150,000+** strategic planning & implementation funding aims to help the partners of the **Cultivate Lancaster Entrepreneurship Coalition** to realize efficiencies and reduce duplication to better serve Lancaster City small businesses



LANCASTER  
**DOWNTOWN**  
**INVESTMENT**  
DISTRICT





A wide-angle, high-angle photograph of the interior of Southern Market Lancaster. The space is a large, open-plan area with a high ceiling featuring exposed steel trusses and ductwork. In the foreground, there is a central island with a curved counter and a menu board. To the left, there are several tables with chairs and a large, modern light fixture with multiple black shades. In the background, there are more tables, chairs, and a glass-walled office or meeting room. The overall atmosphere is industrial and modern.

**Southern Market** Lancaster opened in 2022,  
serving as a new restaurateur-incubator/food hall,  
entrepreneur resource hub, and coworking space.



# Strategy 3:

## Marketing the City



# DOWNTOWN LANCASTER



Downtown Lancaster is the epicenter of it all, providing the perfect contrast of modern life to the rustic allure of surrounding Amish country.

Collaboration and continued focus on **promoting the City** in regional (Countywide) tourism efforts



## UPCOMING ART EXHIBITS IN LANCASTER, PA

Come see the latest work that



## MURALS OF LANCASTER, PA

Capturing history, heritage and



## INTERNATIONAL DINING IN LANCASTER, PA

Restaurants with international



## 10 REASONS TO VISIT DOWNTOWN LANCASTER, PA

*The Washington Post*

“On the trail of Thaddeus Stevens, PA’s equal rights champion”

**FOOD & WINE**

The Best Wine in Every State

*The New York Times*

“A Global Feast In an Unlikely Spot:  
Lancaster, PA”

**National press recognition of the City**

*VOGUE*

“Pennsylvania”

*The New York Times*

“Where American Politics Can Still Work:  
From the Bottom Up”

**Forbes**

Top 10 Coolest Places to Visit

## City Highlights

### City of Lancaster Highlights

New Lancaster City Alliance website:  
**LancasterCityAlliance.org**



Privately led investment  
completed, under construction, or  
planned for the future.



Lancaster County  
Courthouse  
Penn Square  
\$177 million facility opened in  
June 2012, bringing more than  
200,000 people to the City  
annually.



Pennsylvania's 2nd  
Busiest and the Nation's  
22nd Busiest Amtrak  
Station  
Serving over 560,000 passengers  
annually.



Clipper Magazine  
Stadium  
Enjoys 500,000 in annual  
attendance and is the home of the  
Lancaster Barnstormers.



# Building On Strength: Privately Led Investment

Development Activity in the City of Lancaster, PA (since July 2015)  
More than \$1.27 billion completed, under construction, or in the planning stages to date

Click on the map below to explore the private-sector-driven investment activity throughout the City of Lancaster since mid-2015 when the implementation of the Building On Strength Economic Development Plan began.

Interactive map of development activity highlights investment in the City







# Strategy 4:

Reinforcing Commercial Hubs (Quality of Life)



# PROYECTO EN PROGRESO DE MEJORAS A LA FACHADA DE LA PROPIEDAD

PROYECTOS DE MEJORAS A LA VECINDAD DE *GoWe*

Programa administrado por:



Auspiciado por:



Construcción por:



Gracias a la generosa contribución financier de:



Para más información en español o para solicitar para una contribución para su propiedad, favor de comunicarse con:  
Lancaster Housing Opportunity Partnership • (717) 291-9045



**>\$624K in grants awarded since 2019**

**>\$1.3 million in total neighborhood investment**







Façade Improvement Project



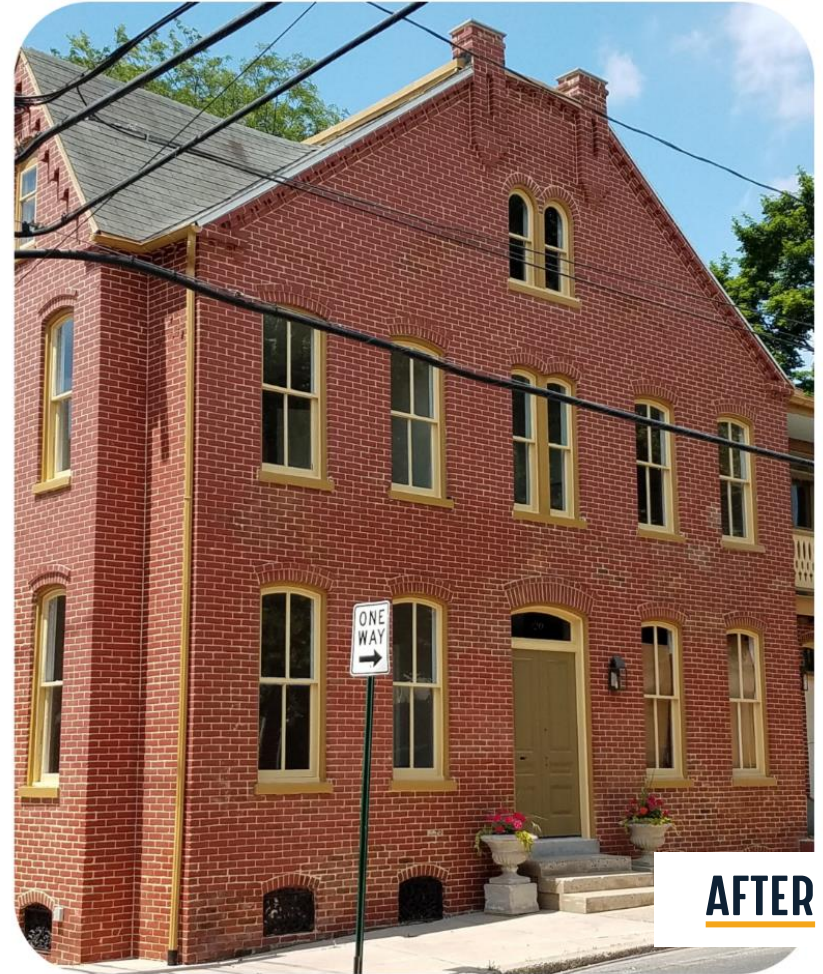
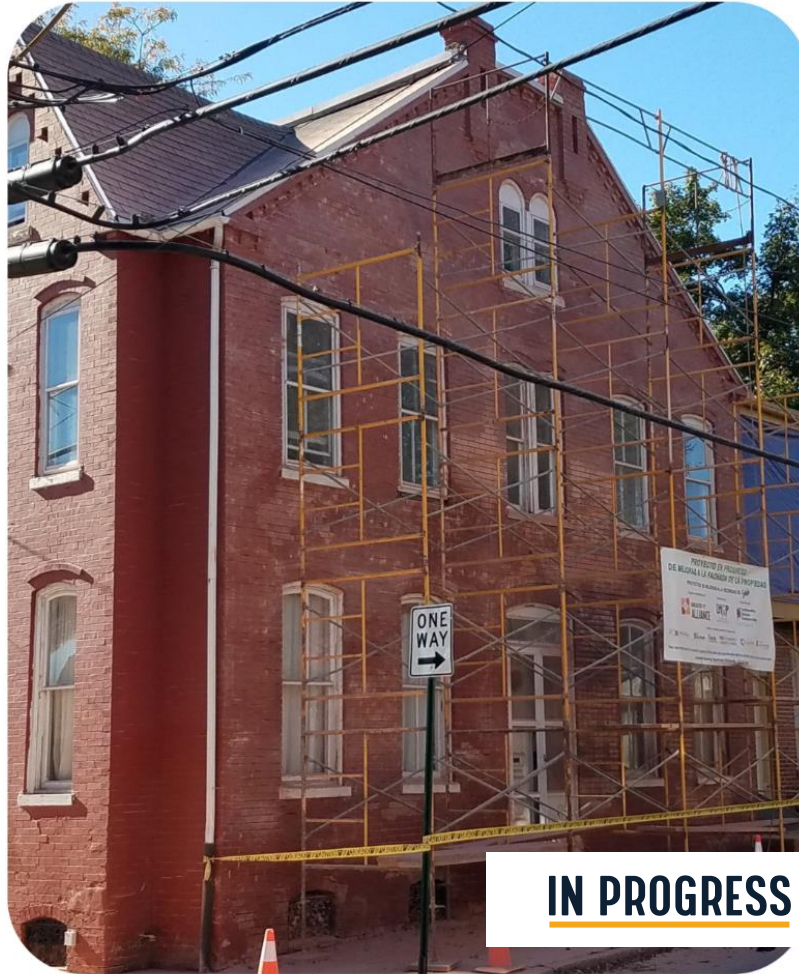
Southwest (SoWe) Neighborhood  
Revitalization Area Boundary

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User





















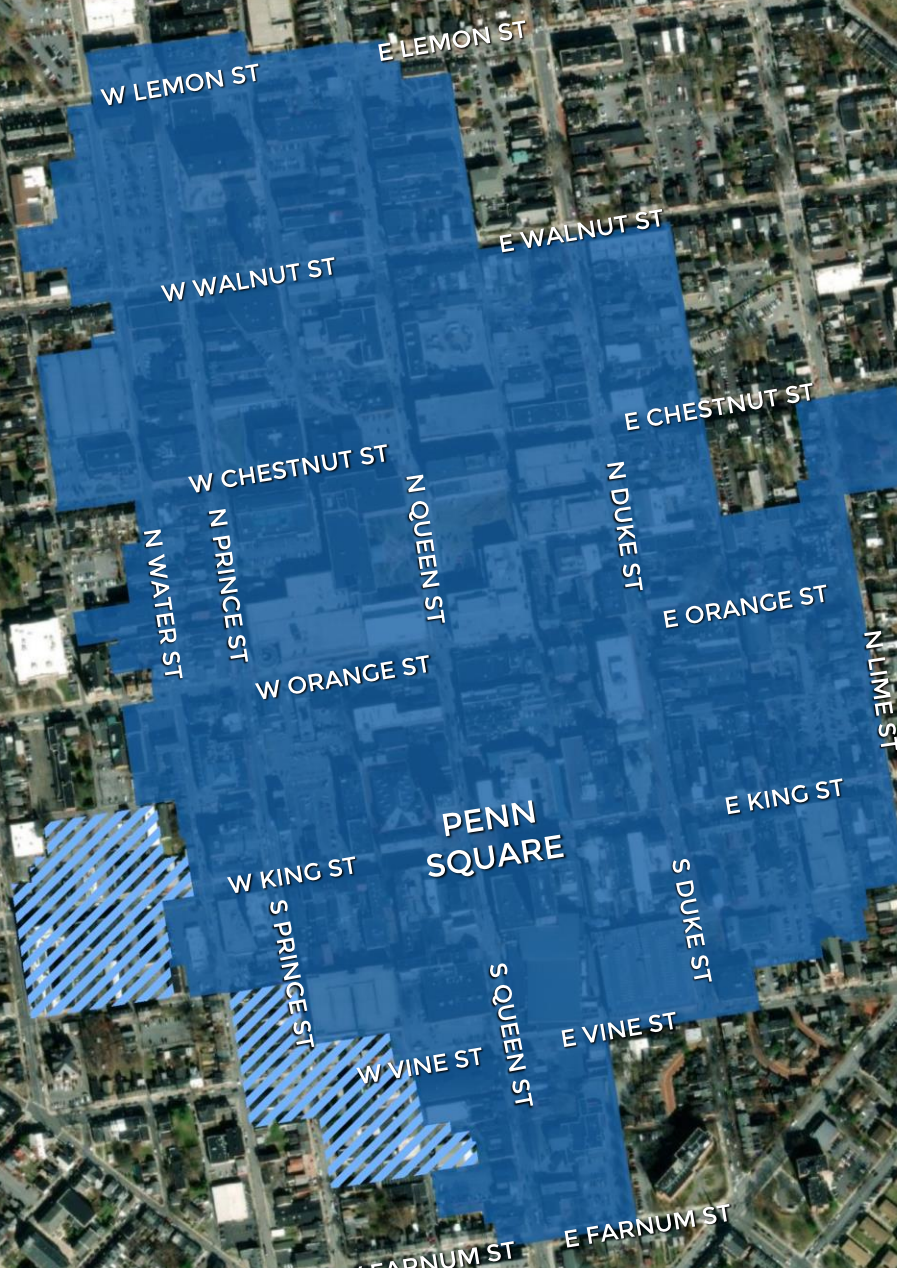






LANCASTER  
**DOWNTOWN  
INVESTMENT**  
DISTRICT

2023





LANCASTER  
**DOWNTOWN  
INVESTMENT**  
DISTRICT





LANCASTER  
**DOWNTOWN  
INVESTMENT**  
DISTRICT





# Keystone Innovation Zone

Managed by LANCASTER CITY **ALLIANCE**

Jeremy Young, Coordinator

# Keystone Innovation Zone Program

## What is a “KIZ”?

- The Keystone Innovation Zone (KIZ) Program is a tax credit program that was established by Pennsylvania law (Act 12 of 2004).
- Intended to foster innovation and create entrepreneurial opportunities by aligning the combined resources of educational institutions and the private sector.
- Administered by the PA Department of Community & Economic Development and managed locally by Lancaster City Alliance, the designated coordinating organization for the Lancaster City Keystone Innovation Zone.





LANCASTER CITY  
KEYSTONE INNOVATION ZONE (KIZ)



*The Stockyards*

*BURLE Industrial Park*

*Liberty Place/Liberty North*

*Train Station Area*

*E. Liberty Industrial Area*

*Ross Street/Ice Avenue Industrial Area*

*Penn Medicine Lancaster General Hospital*

*Urban Place/New Holland Industrial*

*Franklin & Marshall College*

*Prince Street Centre*

*The Candy Factory Coworking*

*Shippen Place, Lancaster Coworking*

*The Keppel Building*

*100-200 BLK N. Duke*

*Wheatland Place*

*Hingework Coworking*

*100-200 BLK E. King/E. Grant*

*Slaymaker Lock Factory*

*The Ironworks Business Park  
(S. Water St.)*



# Keystone Innovation Zone Program

## A catalyst for growth of innovative small businesses

- \$15 million available annually (statewide)
- Eligible companies can apply for up to \$100,000 annually
- Ability to sell tax credits provides crucial capital to young companies
- Revenue is reinvested to hire new employees, purchase critical machinery/technology, and expand operations



# Keystone Innovation Zone Program

## What is a KIZ company?

- For-profit business entity
- Located within the boundaries of a Keystone Innovation Zone
- Less than eight (8) years old
- Creates/develops unique proprietary technology (patent, trade secret, licensable product, etc.)
- In a targeted industry sector:
  - Advanced Materials / Diversified Manufacturing
  - Life Sciences
  - Business Services
  - High Technology

# Keystone Innovation Zone Program

## Targeted Industry Sectors

- Eligible companies must be within the following industry sectors (verified by NAICS code):
- **Advanced Materials/Diversified Manufacturing**
  - Powdered metals, food/beverage manufacturing, confectionary manufacturing from purchased chocolate, food production machine manufacturing, plastics, steel, aluminum, fine chemicals, paint, adhesives, instruments and controls
  - *\*\*\*NOT ALLOWABLE: crop production, coal mining, printing & publishing*
- **High Technology**
  - Next generation electronics: semiconductors, fiber optics, radio and television, electronic controls and components, wireless communications, wind energy, solar panel manufacturing, electric power, biofuels and petrochemicals



# Keystone Innovation Zone Program

## Targeted Industry Sectors

- Eligible companies must be within the following industry sectors (verified by NAICS code):
- **Life Sciences**
  - Pharmaceutical and medicine manufacturing, ophthalmic goods, R&D in social sciences and humanities, biotech, medical equipment and devices, medical diagnostic equipment
- **Business Services**
  - Software publishers, computer system design, computer training, educational support systems, graphic design – creative industries; Financial services, wireless telecommunications, data processing, hosting, internet service providers, web search portals
  - *\*\*\*NOT ALLOWABLE: media buying, agencies & brokers and insurance related activities, pension funds, financial investments, monetary authorities, employment services, banking*

# Keystone Innovation Zone Program

## Requirements

- **Company must physically operate within the KIZ (not virtually/remotely)**
  - Tax credit revenues can be prorated for operations conducted outside of KIZ
  - Local KIZ Coordinator (Lancaster City Alliance) will conduct on-site verification of operations at least once annually
- **Semi-annual reporting**
  - First Half Fiscal Year (July 1 – Dec. 31): Reporting Window Dec. 15 – Jan. 15
  - Second Half Fiscal Year (Jan. 1 – June 30): Reporting Window June 15 – July 15
- **Annual Application**
  - September 15 – December 1



# Keystone Innovation Zone Program

## Terms & Use

- A KIZ company may claim a tax credit equal to 50% of the increase in its gross revenues in the immediately preceding taxable year attributable to KIZ eligible activities in the zone, over the KIZ company's gross revenues in the second preceding taxable year attributable to its activities in the KIZ. A tax credit for a KIZ company shall not exceed \$100,000 annually.

$$(Second\ Year\ Revenue - First\ Year\ Revenue) \times 50\% = Tax\ Credit^*$$

(not to exceed \$100,000)

*\*Please note that other factors may affect the total of tax credits awarded.*

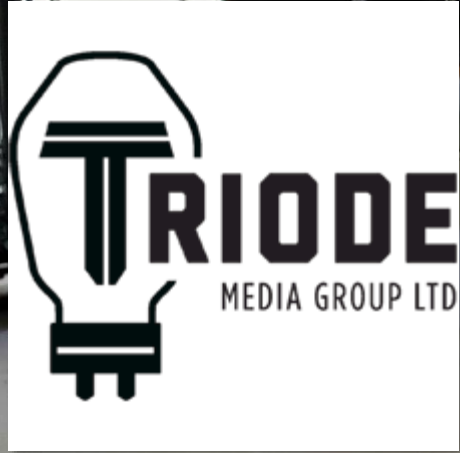
# Keystone Innovation Zone Program

## Using KIZ Tax Credits

- **Tax credits must be applied against your company's tax liability in the taxable year in which the tax credits are approved. If your company's tax liability is less than the amount of the KIZ tax credit, you may do one of the following:**
  - **Carry forward the unused portion of a tax credit for up to four (4) years**
  - **Pass unused tax credits to the owner of the LLC or S-Corp to apply to their personal liability**
  - **Apply for DCED approval to sell all or a portion of the remaining tax credits to an identified buyer (Section F of the KIZ Tax Credit Guidelines)**

*If you sell any or all of your tax credits, you are required to pay taxes on the sale of those credits. Your company may not carry back or obtain a refund of an unused KIZ Tax Credit.*







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# Keystone Innovation Zone Program



## Online Resources

**For additional information, visit:**

<https://dced.pa.gov/programs/keystone-innovation-zone-tax-credit-program/>

[www.LancasterCityAlliance.org/kiz](http://www.LancasterCityAlliance.org/kiz)

# City Revitalization & Improvement Zone

Managed by LANCASTER CITY **ALLIANCE**

Marshall W. Snively, Acting Executive Director





# BUILDING ON STRENGTH

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THE COMMUNITY-OWNED  
ECONOMIC DEVELOPMENT STRATEGIC  
PLAN FOR THE CITY OF LANCASTER

Managed by LANCASTER CITY **ALLIANCE**

**LANCASTER**  
**DOWNTOWN**  
**INVESTMENT**  
**DISTRICT**

Managed by **LANCASTER CITY ALLIANCE**



# CRIZ Program

## What is a “CRIZ”?

- The City Revitalization and Improvement Zone (CRIZ) Program was established by Pennsylvania law (Act 52 of 2013 and amended under Act 84 of 2016). Program horizon is 2045.
- Intended to spur new growth in cities that have struggled to attract development, helping to revive downtowns, and create jobs for the residents in the regions.
- A CRIZ is an area comprised of properties designated by an authority to capture state and local taxes for the purpose of improvement and development within the designated CRIZ District.

# CRIZ Program

## Lancaster CRIZ Authority

- Established in 2013 to oversee Lancaster's CRIZ Program, and approves financial assistance made possible by the annual capture of state and local taxes to support development projects and other capital improvements, small business expansion, and job creation in the City of Lancaster.
- A municipal entity with a bipartisan Board of Directors appointed by the mayor and Lancaster's state senator.
- Board of Directors includes residents, business owners, property owners, nonprofit and local government leaders.





CITY REVITALIZATION &  
IMPROVEMENT ZONE (CRIZ)



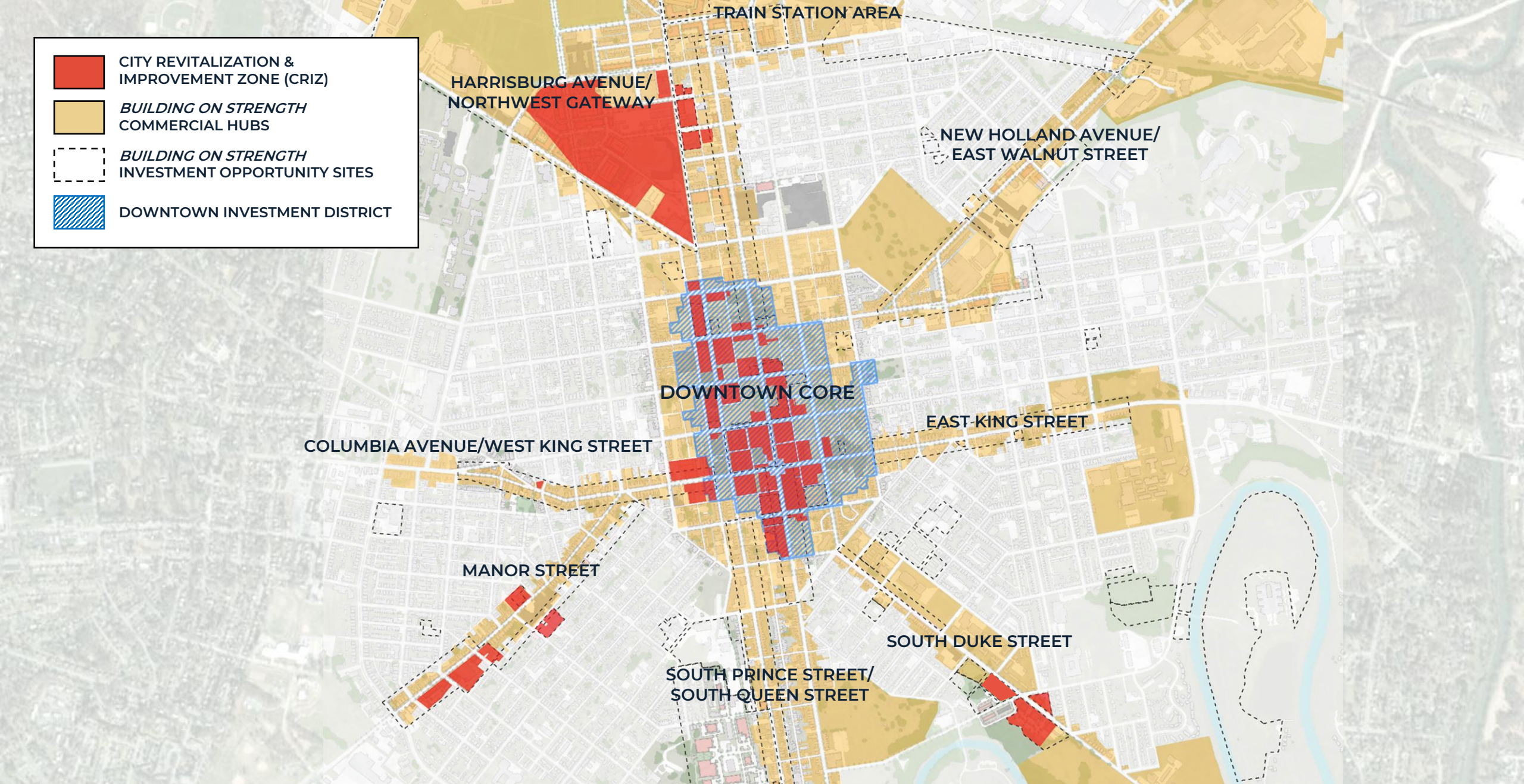


CITY REVITALIZATION & IMPROVEMENT ZONE (CRIZ)

*BUILDING ON STRENGTH*  
COMMERCIAL HUBS

*BUILDING ON STRENGTH*  
INVESTMENT OPPORTUNITY SITES

DOWNTOWN INVESTMENT DISTRICT





# CRIZ Program



## > 500 Businesses

- Businesses, property owners, and contractors constructing CRIZ-approved projects located in the CRIZ district are required by State law to file annual, confidential reports between April 1 and June 15 to the PA Department of Revenue and the City of Lancaster on the amount of qualified taxes generated by their business during the previous tax year.
- The CRIZ Program's success and the amount of funding generated for the program is dependent on businesses fulfilling this reporting responsibility annually.

# CRIZ Program



## Key CRIZ-Applicable Taxes

- ✓ Corporate Net Income tax
- ✓ Capital Stock and Franchise Tax
- ✓ Bank Shares Tax
- ✓ Sales and Use Tax
- ✓ State Hotel Tax
- ✓ Personal Income Tax
- ✓ Malt or Brewed Beverage Tax and Liquor Taxes
- ✓ Local Services and Local Earned Income Tax



# CRIZ Program



## Certified “Increment”

- The Commonwealth of Pennsylvania and City of Lancaster certify the qualified taxes reported by businesses and property owners in the CRIZ districts and returns those tax dollars (“increment”) to the Lancaster CRIZ Authority in October or November each year.

# CRIZ Program



## Financial Assistance

- Qualified state and local tax revenues (“increment”) returned to the Lancaster CRIZ Authority may be used for payment of debt service on loans issued for the acquisition of real estate and/or qualified capital improvements within the CRIZ district in support of development projects and other capital improvements, and business growth.
- Funds are distributed by the Authority to CRIZ-approved projects in December or in the following year, or used to issue bonds to fund special programs.

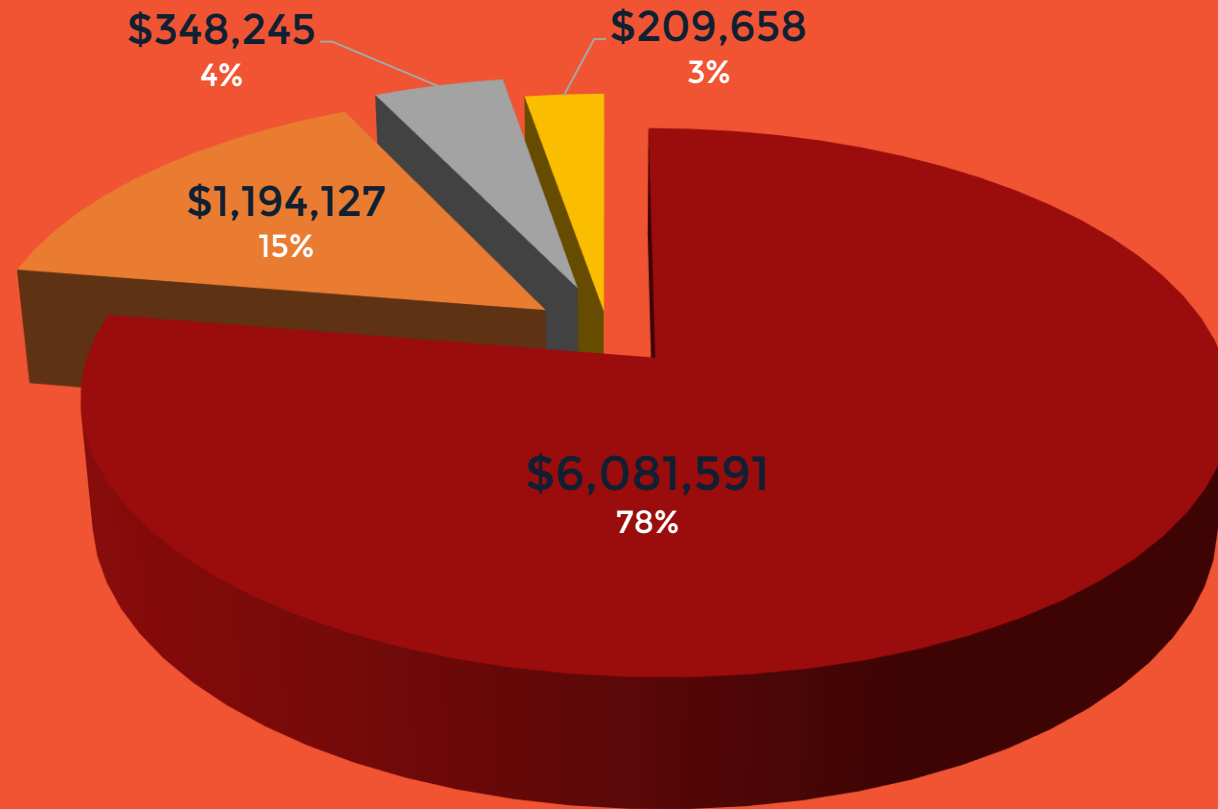


# CRIZ Program

**>\$7.8 million**

**in 2020 State and local tax revenues returned to the CRIZ Authority in 2021 to support economic development, allocated and distributed by Lancaster City Alliance in its first year managing the CRIZ program**

## ALLOCATION/DISTRIBUTION OF 2020 CRIZ INCREMENT BY THE LANCASTER CRIZ AUTHORITY IN 2021



- FINANCIAL ASSISTANCE TO CRIZ AUTHORITY/STATE-APPROVED PROJECTS
- DEBT SERVICE ON CRIZ AUTHORITY-ISSUED BONDS
- ADMINISTRATIVE EXPENSES (PROGRAM MANAGEMENT, FINANCIAL, LEGAL SERVICES, ETC.)
- COMPLIANCE SERVICES

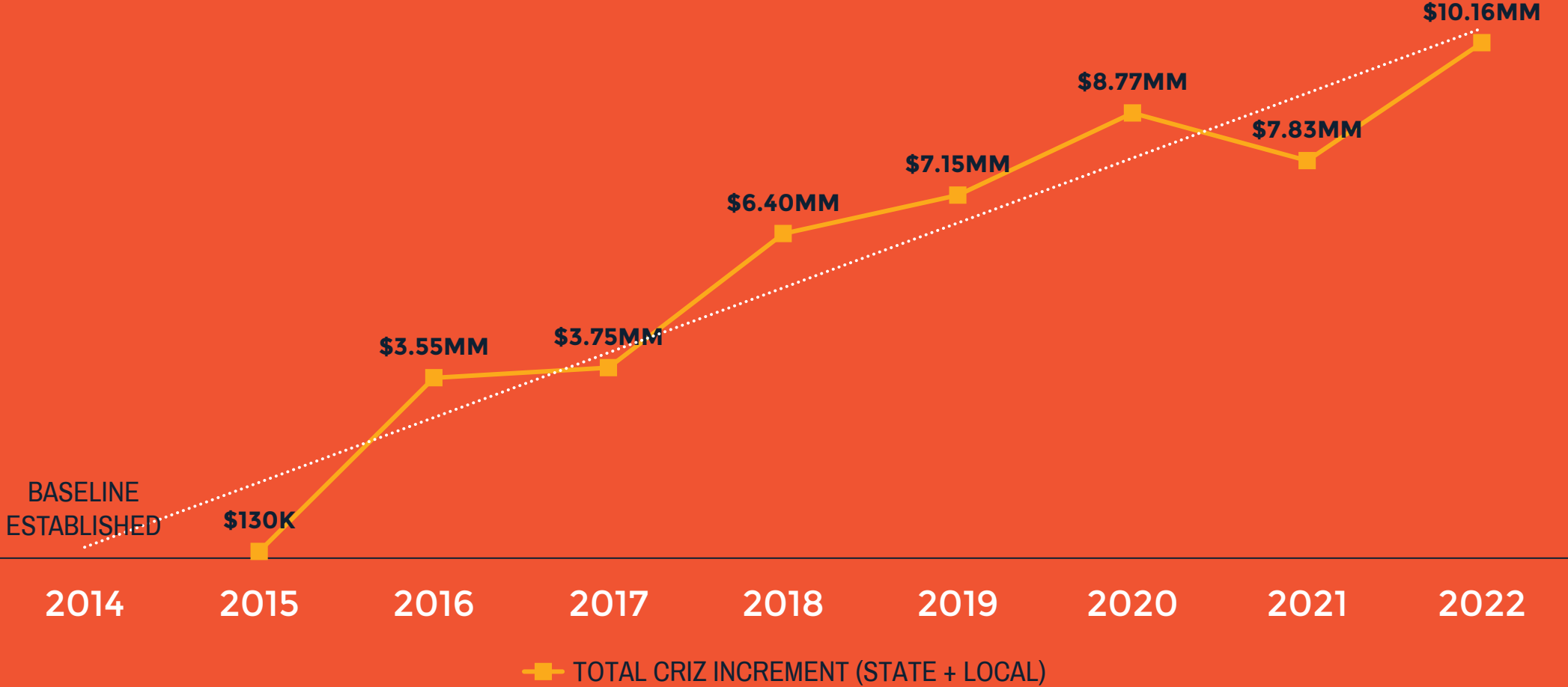


# CRIZ Program

>\$10.1 million

in 2021 State and local tax revenues returned to the  
CRIZ Authority in 2022 to support economic development

CERTIFIED CRIZ INCREMENTAL TAX REVENUES  
RECEIVED BY CRIZ AUTHORITY ANNUALLY FROM PREVIOUS TAX YEAR





# CRIZ Program

**\$47.7 million**

in State & local tax revenues returned and distributed since 2015,  
leveraging **>\$129.1 million** in private matching funds invested  
to support more than **>\$167 million** in economic development

# CRIZ Program

## Core Priorities

- ❑ **Redevelopment of underutilized and/or vacant properties**
- ❑ **Catalytic/high economic impact projects**
- ❑ **Supporting entrepreneurs/small business growth**
- ❑ **Sustaining key public facilities as vital economic drivers**



# Lancaster County Convention Center





# Clipper Magazine Stadium





# CRIZ Program

## Helping Projects Overcome Financial Hurdles

- **“But for”** – Projects that wouldn’t have happened but for some level of financial assistance
  - Commercial banks unwilling to finance the amount required after equity
- **Removing Impediments** – i.e., environmental hazards
- **Accelerating** – Development is able to proceed more quickly as a result of the financial assistance provided

# Lancaster Square





# Lancaster Square





# Holiday Inn Lancaster





101NQ





# Christian Street Garage Lancaster Public Library Ewell Plaza Retail





# Ewell Plaza



# CRIZ Program

## Eligible Uses of CRIZ Funds

- ✓ Real Estate Acquisition
- ✓ Demolition, Site Preparation, Infrastructure
- ✓ Real Estate Development Soft Costs (ex: Architectural, Engineering, Surveys, Legal Fees)
- ✓ New Construction
- ✓ Façade Improvements
- ✓ Interior Renovations (including Leasehold Improvements)
- ✓ Furniture, Fixtures, Equipment



# Marriott Hotel Expansion





# 29 East King





# Southern Market





# Thaddeus Stevens & Lydia Hamilton Smith Center for History and Democracy





Double C





# The Exterior Company





# Plaza Centro





# Plaza Centro





# 551 West Expansion



# CRIZ Program

**\$5 million**

**New CRIZ Small Business Financial Assistance Program**  
launched in 2022 in partnership with EDC Finance Corporation;  
will provide maximum \$25K grants and \$100K loans to catalyze  
small business growth and commercial renovations



# CRIZ Program

## Small Business Financial Assistance (SBFA) Grants

- Grant Maximum: \$25,000
- Required Match: 1:5
- May be used in combination with a SBFA Loan
- Real Estate Acquisition
- New Construction
- Façade Improvements
- Interior Renovations (including Leasehold Improvements)
- Furniture, Fixtures, Equipment

# CRIZ Program

## Small Business Financial Assistance (SBFA) Loans

Underwritten in partnership with





# CRIZ Program

## Small Business Financial Assistance (SBFA) Loans

- Loan Maximum: \$100,000
- Required Match/Equity: 1:5
- Interest Rate: Follows PIDA rate (currently 4.75%); fixed
- Repayment Term: 7-10 years
- May be used in combination with a SBFA Grant
- May apply to use CRIZ increment to repay loan
- Real Estate Acquisition
- New Construction
- Façade Improvements
- Interior Renovations (including Leasehold Improvements)
- Furniture, Fixtures, Equipment











# DRIFFT

## SPA



  *passerine*









**Lancaster City**  
**Flourishes** and everyone  
shares in its  
**success.**

# ***Economic Development Company of Lancaster County***

## **PA-SSBCI**

**Pennsylvania State Small Business Credit Initiative  
Revolving Loan Fund**

**Thursday, March 3, 2023**



# Revolving Loan Fund

- » **Program Goal**
  - » **Support small businesses through loans**
  - » **Allocation concentration to SEDI and VSB**
    - » **Socially and Economically Disadvantaged Individuals (SEDI)**
      - » **Self-certification**
    - » **Very Small Business (VSB)**
      - » **Less than 10 employees**

# Revolving Loan Fund Continued

- » **Allocation Award**
  - » **EDC Finance Corporation awarded a total of 5 MM to be received over three tranches**
    - » **Award done in partnership with Adams County**
    - » **1<sup>st</sup> tranche received**
    - » **2<sup>nd</sup> / 3<sup>rd</sup> tranches will be received upon advancing 80% of 1<sup>st</sup> tranche and supporting SEDI/VSB goals**



# Revolving Loan Fund Guidelines

- » **Eligible use of funds**
  - » **Acquisition of equipment, inventory, or services used in the production, manufacturing, or delivery of a business's goods or services;**
  - » **The purchase, construction, renovation, or tenant improvements of an eligible place of business that is not strictly for passive real estate investment purposes;**
  - » **Soft costs: start-up costs; franchise fees;**
  - » **Working capital; and**
  - » **Refinancing loans previously made by another, non-affiliated financial institution. (Certain restrictions apply)**

# Revolving Loan Fund Guidelines

- » **1:1 Private Financing Requirement**
  - » **At a minimum, every \$1 of SSBCI funds must “cause and result in” \$1 of new private credit**
- » **Interest Rate**
  - » **In the process of finalizing an equitable structure but will be based on a tiered system and will be built upon the 10-year treasury yield**



# Revolving Loan Fund Guidelines

## » **Loan Fees**

### » **Application**

» **In the process of finalizing an equitable structure. Considering a flat fee based on loan size.**

» **Will also look at a small application process fee of \$100.00**

### » **Closing**

» **Will work to keep costs low for borrower, completing majority of documentation in-house.**

# Revolving Loan Fund Next Steps

## » March

- » Finalize Guidelines

- » Finalize Agreement with Adams County

## » April

- » Review inquiries received to date to advance any for loan consideration

- » Update website and begin “soft opening” of program

## » Now-May

- » Meet with local banks to share details of the program



# Special Economic Development Finance Briefing

## Questions?



# Special Economic Development Finance Briefing

## Contact



- *Building On Strength* Plan
- Keystone Innovation Zone Program
- CRIZ Program

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# Special Economic Development Finance Briefing

## Contact



- SSBCI Loan Program
- PIDA
- SBA

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# Thank You



LANCASTER CITY  
**ALLIANCE**

**EDC FINANCE**  
corporation™

