

Funding Resources

There are several funding programs and resources for small businesses. The below grid shows a summarized view of the key funding resources available for a small business in Erie. Please look at the links below for additional details, guidelines, and eligibility requirements to determine if your business qualifies.

Funding Description	Type of Funding		Main Scope										Additional Details
	Grant	Loan	Business Expenses	Real Estate Development	Business Expansion	Workforce Development	Equipment Investment	Industrial Development	Renovations	COVID-19	Start new Business	Diversity	Value
City of Erie → https://cityof.erie.pa.us/grant-funds/													
Flagship Fund	✓		✓										Up to \$2,500
Commodore Fund	✓			✓	✓		✓						\$10k to \$25k
T.A.P. (Training Assistance Program)	✓					✓							Up to \$5k / year
Façade Improvement Grant	✓												
Enterprise Zone Revolving Loan Fund ("EZRLF")		✓			✓		✓		✓				
ARPA Funding													
Flagship ARP Microgrants	✓									✓			Up to \$2,500
Small Business/ Organization Diversity Loans	✓											✓	
KIVA Diversity Matching Loans	✓											✓	
Restaurant & Entertainment Industry Relief	✓									✓			
Erie County													
ECRDA → https://www.ecrda.net/services/access-to-capital/													
Business Loan Fund		✓		✓	✓		✓						
PIDA Loans		✓			✓			✓					
USDA Loan Program		✓											
Municipality Loans		✓			✓								
Diversity Micro Loan Program		✓										✓	
Tax Credits, Grants & Technical Assistance		✓											
ECGRA → https://www.ecgra.org/ignite-erie/funding-know-how													
BridgeWay Capital		✓		✓									
The Progress Fund		✓				✓					✓		\$20k to \$1m
1855 Capital		✓											
Ben Franklin Technology Partners		✓										✓	
Commonwealth of Pennsylvania → https://dced.pa.gov/program/													

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Funding Resources:

Businesses in the West Bayfront and greater Erie area have access to various types of funding through both private and public sources. It is important to note that there is not a one-size fits all approach and that these funding sources are not mutually exclusive. In fact, many businesses rely on funds from different sources as part of their financing. Accordingly, obtaining funding from one of these sources would not preclude you from securing additional funding from another. Please see below for a high-level introduction to some of the sources of funding that are available. For additional assistance, please reach out to these sources or a business support organization such as the Erie Regional Chamber and Growth Partnership.

City of Erie

Grant Funding:

The City of Erie maintains various grant funds. General information is available here: <https://cityof.erie.pa.us/grant-funds/> A summary of available programs follows below.

- **Flagship Fund- Erie's first Micro-Grant-** Awards up to \$2,500 with a required 1-to-1 match. Covers most basic business expenses excluding inventory.
 - <https://cityof.erie.pa.us/flagshipfund/>
- **Commodore Fund** - Business development assistance program for real estate development, equipment investment, and business expansion. This grant is tied to job creation. Grant awards range from \$10,000-\$25,000 and require a 1-to-1 match.
 - <https://cityof.erie.pa.us/commodorefund/commodore-fund/>
- **T.A.P. (Training Assistance Program) Grant-** This is a workforce development grant to encourage businesses to hire and train new employees. Offers businesses up to \$2,500 of funds per new trainee. The maximum award is \$5,000 per year (2 trainees per year).
 - <https://cityof.erie.pa.us/t-a-p-grant/>
- **Façade Improvement Grant** - Provides financial assistance for businesses to the exterior facades of their property.
 - <https://cityof.erie.pa.us/facade-improvement/>

Loan Funding:

In addition to grant funds, the City of Erie also administers some loan programs.

For example, the City offers an Enterprise Zone Revolving Loan Fund ("EZRLF") which provides low interest financing to credit-worthy businesses that contribute significantly to the area's economy. This is a "gap" financing program and can cover 50% of the total project cost up to a maximum of \$500,000. Terms and interest rate are dependent on the project. The loan is only available in the City of Erie Enterprise Development Zone which includes a small portion of the West Bayfront. The map for program-eligible areas is available [here](#).

The City has also teamed up with the social crowdfunding platform KIVA to provide 0% interest loans. This program is focused on supporting women and minority owned businesses achieve funding. Loans range from \$1,000 to \$15,000. <https://www.kivaushub.org/>

ARPA Funding:

Due to the Covid-19 pandemic, the City of Erie has also been awarded \$76 million through the American Rescue Plan Act (“ARPA”). Of the awarded funds, \$9 million have been made available for businesses. ARPA Funds must be used to cover costs incurred by the recipient between March 3, 2021, and December 31, 2024, and all awarded funds must be spent by December 31, 2026. Please see here for more information:

<https://cityoferie.mysocialpinpoint.com/city-of-erie-american-rescue-plan/economic-community-development>. A summary of key programs follows below.

- **Flagship ARP Microgrants** - Provides grants of up to \$2,500 for businesses who were negatively impacted by Covid-19. Unlike other grant funds from the City of Erie, there is no matching requirement.
- **Small Business / Organization Diversity Loans** - These funds are earmarks to assist business owners and entrepreneurs from historically-disadvantaged populations start or grow their business.
- **KIVA Diversity Matching Loans** - As stated above, the city participates with KIVA. The City is utilizing a portion of the ARPA funds to provide a 1-to-1 match for all KIVA loan funds.
- **Business Refinance & Restructure** - Provides financing to assist businesses that incurred short-term/expensive debt because of the pandemic.
- **Restaurant & Entertainment Industry Relief** - Provide grants up to \$5,000 for 100 restaurants/ entertainment businesses in the City. Only available to specific NAICS codes.

Erie County

Erie County has two entities that provide funding support for Businesses in the area, namely the Erie County Redevelopment Authority (“ECRDA”) and the Erie County Gaming Revenue Authority (“ECGRA”). In May of 2022, County Council reestablished a county-wide economic development “fusion cell” department which will oversee the County’s American Rescue Act Plan funds.

ECRDA

ECRDA offers a variety of financing options for commercial real estate and business development and redevelopment. They typically serve business by offering “gap” funding. The ECRDA offers a variety of low-interest loans. For more information, please see here- <https://www.ecrda.net/services/access-to-capital/> A summary of key funds follows below.

- **Business Loan Fund**- ECRDA operates a \$35M+ loan program for business development in Erie County, with financing up to \$1 million for various types of business which can be used for land and building acquisition, construction and renovation, machinery and equipment purchase and refurbishing.
- **PIDA Loans** (through Pennsylvania Industrial Development Authority) - PIDA loans focus on industrial building and/or development projects to increase employment. PIDA provides long-term, low-interest second mortgage financing for new construction, acquisition, or expansion.
- **USDA Loan Program**- Provides low-interest financing for businesses located in certain rural areas.

- **Municipality Loans-** The ECRDA can provide loans directly to municipalities to them spur growth and create jobs.
- **Diversity Micro Loan Program-** Loan program to facilitate equitable small business growth by focusing on minority and women owned businesses as well as those located in and/or serving historically disadvantaged populations.
- **Tax Credits, Grants and Technical Assistance-** ECRDA also works in partnership with local, state and federal officials to locate all possible funding opportunities.

ECGRA

The ECGRA does not provide funding directly to businesses. Instead, they provide grants to various non-profits in the area and fund Community Development Financial Institutions (“CDFIs”). Businesses can apply to these CDFI’s for funds that have been earmarked for economic development in Erie County. Below follows a List of CDFI’s who receive funding from ECGRA.

- **BridgeWay Capital-** Flexible lender focused on building capacity, investing capital, and developing underserved areas to grow businesses and revitalize places. Provides specialized financing for small business, real estate investments, and to enable access to healthy food. Funding from Bridgeway combined with their Entrepreneurship Hub ensures business owners have the capital and entrepreneurial skills to succeed and bring economic growth to communities. They also operate the Erie Minority-Owned Business Accelerator, which is a 9-month accelerator program which provides business, professional, and financial support.
 - 1001 State Street, Erie, PA 16501
 - <https://www.bridgewaycapital.org/>
- **The Progress Fund-** The Progress Fund provides financing from \$20,000 to over \$1 million to people who are starting, expanding, or buying small businesses. Loans can be used to purchase property, restore, and rehabilitate buildings, purchase inventory or equipment, buy the assets of an existing business, and for working capital. Flexible terms and the interest rate corresponds to the risk involved with the project. Also provides business support including financial analysis, marketing assistance, and referrals.
 - 425 W Pittsburgh St., Greensburg, PA 15601-2211
 - <https://www.progressfund.org/>
- **1855 Capital** – 1855 Capital is a seed and early-stage venture capital fund investing in companies with an affinity to Penn State University. A target portfolio company has both a core technological competency not currently available in the marketplace and a business model/management team that is scalable. Sectors include information technology, advanced materials, healthcare/medical devices. While they focus on Penn State related causes, this is broadly defined to include projects by Penn State alumni and students and startups which have a strategic value to Pennsylvania or Penn State’s educational mission. Their emphasis is tied to branch campuses in under-served areas, including Erie.
 - 200 Innovation Blvd. Suite 201C, State College, PA 16803
 - <https://1855capital.com/>

- **Ben Franklin Technology Partners-** Ben Franklin provides startup funding and business support services to tech-based startups and small manufacturers located in a 32-county area of Pennsylvania, including Erie. Ben Franklin does not provide grants, however it does provide business with loans, which must be matched by the business. Ben Franklin offers a user-friendly payback process that begins once your engagement with them is over and the funds are reinvested into funding new startups in Pennsylvania.
 - 200 Innovation Boulevard Suite 150, State College, PA 16803
 - <https://cnp.benfranklin.org/>

Commonwealth of Pennsylvania

While the Commonwealth of Pennsylvania typically focuses funding on non-profits and other governmental entities, there are some limited opportunities for for-profit businesses. Most state funding is available in the form of a loan, and the state typically caps its funding at 50% of the project cost. Obtaining state funding can also be challenging. Applications tend to be more complex to fill out and there is also more competition. The state also generally only gets involved in substantial projects (many above \$1 million). It is also important to note that it takes a long time to receive funding from the state, making traditional financing and local support a more popular option.

All that being said, there is a plethora of funding options that can be found here:

<https://dced.pa.gov/program/> This list of funds can be filtered to include loans, grants, tax incentives, bonds, etc. There is an atypical number of grants currently available for specified businesses due to the Covid-19 pandemic. If you have questions about available programs, please contact one of your state representatives or the Pennsylvania Department of Community and Economic Development.

U.S. Small Business Administration (SBA)

The U.S. Small Business Administration (SBA) was created in 1953 to support and assist small business owners and entrepreneurs. The SBA is the only cabinet-level federal agency fully dedicated to small businesses and provides counseling, capital, and contracting expertise as the nation's only go-to resource for small businesses. The SBA offers business owners a number of different funding programs, though the more commonly used and impactful option for small businesses is an SBA-backed loan. The SBA will work with local lending institutions to guarantee up to 50% of an applicant's business loan, thereby reducing lender risk significantly. This benefit can help young or start-up companies secure bank funding that might otherwise be beyond their reach. More information on the SBA can be found at www.sba.gov

Private Banking

As explained above, there are many funding options for businesses in the West Bayfront and greater Erie area. An important step in the financial management of a business includes establishing a strong working relationship with a local bank. The involvement of a bank is often necessary as many public funds do not cover the entire cost of the project. Furthermore, some of the funds available are specifically considered to be "gap-funding" which is designed to supplement a loan from your bank. Banks can also help businesses utilize specialty programs such as the Banking on Business (BoB) program available through the Pittsburgh office of the FHLB or a Small Business Administration backed loan.