

**2005 Economic Development  
Leadership & Accomplishment Award**  
*Recognizing leadership, best practices and innovations in economic development*

**Commonwealth of Pennsylvania - Department of Community & Economic Development  
Leadership and Innovation Category**

- How were the goals and objectives of the program or tool clearly defined?

*Pennsylvania's history-making Economic Stimulus Package was created cooperatively by Governor Edward G. Rendell and the Legislature. The unprecedented scope of the legislation fueled significant discussions among many officials and groups from all over the Commonwealth. Countless meetings, revisions and re-writes all came together seamlessly in late March 2004 when overwhelming bipartisan majorities in both houses of the Legislature passed the complete Package. There was much celebration and relief when the Governor signed the Package into law on April 1, 2004. As the ink dried on the new law, it became clear to everyone involved that this profound plan was unlike any economic development legislation ever presented in Pennsylvania. And that its immense reach, covering everything from the financing to the oversight of several newly created and innovative programs, would touch the lives of numerous citizens.*

*The challenge for the creators was the comprehensive nature of the Economic Stimulus Package. The programs were designed to be practical yet with enough financial punch to make a real impact. They had to address both short and long term goals for rural, suburban and urban settings. With Pennsylvania's large geographic territory and diverse industries, the Package addressed the needs of all sizes of businesses and encouraged existing companies to thrive. At the same time, it fostered an entrepreneurial atmosphere for new businesses to be created. Best of all, the Stimulus Package recognized that economic development includes support for community, business and site preparation/infrastructure.*

- What was innovative about the program or tool?

*First of all, its scope: The Stimulus Package leverages \$2.3 billion in grants, loans and loan guarantees over the next three years to generate at least \$6 billion in private sector investment. It also broadly covers both short and long-term community, business and infrastructure needs.*

*Next, it's shared vision and calculated risk: Bipartisan consensus arose quickly around the Package. Legislators agreed not only on the 19 programs, but also on Pennsylvania taking the risk to step up to the plate during a recession and invest significant additional funds while other states were retrenching and cutting their budgets to make ends meet.*

*With such a vast array of new programs, the solution for overseeing how everything operated is also both notable and unique. The Stimulus Package created the Commonwealth Financing Authority (CFA) to oversee appropriate investment of funds to meet the goals of the legislation. Taking its cue from the bipartisanship that ensured passage of the original legislation, the composition of the CFA is comprised of leadership from all political parties.*

*Flexibility in the program and ease of access were also integral to the Package. Anyone can apply for the programs by using our Single Application process, found right on our web site.*

*And finally, there are aspects of this Package that you just won't find anywhere else in the United States. For example, Keystone Innovation Zones (KIZ) bring the research, talent and entrepreneurial spirit of Pennsylvania's quality colleges and universities together with business and community in a truly unique way. KIZs have generated so much interest outside of Pennsylvania as a policy innovation, that the program is now being copied by other states. Another unique aspect of one Stimulus Package program is the transferability features of Research and Development tax credits. How the Package calms the risks brought on by speculative development and site preparation by easing the way to ready inventory sites is another. There is state-backed*

*guarantee tax increment financing, as well as designated public/private zones that aim to push entrepreneurs in communities that host institutions of higher education towards even greater innovation.*

*All of this has culminated into a unique effort on the part of the Department of Community and Economic Development (DCED) to market the Package to the public. Launching a new web site ( [www.newpa.com](http://www.newpa.com)), redesigning logos and collateral materials, providing limousine rides from the airport to the Chicago and San Antonio CoreNet conventions and even finding ways for an Eagles/Steelers football game to tell the Pennsylvania story, have all played a part in rolling out the Stimulus Package.*

- How impactful were the results?

*The story, as they say, is always in the telling. What people have been saying about Pennsylvania's Stimulus Package says it all. Two quotes really sum-up our progress: "Collectively, the combined programmatic impact of **Business In Our Sites, Building PA, the Tax Increment Financing (TIF) Guarantee, Infrastructure and Facilities Improvement, Core Industries and the Venture Capital programs** give Pennsylvania the most comprehensive and flexible package of financing programs in the country."*  
**Stadtmauer Bailkin Biggins LLC**

*The Stimulus Package has enabled a broad array of companies and projects to gain needed financing from their earliest stages forward. Several of the programs within the Package support biotechnology. On a recent Bio Press Tour, **Ellyn Kerr, Genetic Engineering News Editor**, labeled Pennsylvania as "**very advanced; the only region I'm aware of that truly has so much activity.**"*

*But it's not only what people say, it's what they do that matters. The support of Pennsylvania's businesses and economic development community for the Stimulus Package has never wavered, and their patience continues as they anxiously await the approval and publication of the last set of guidelines.*

- How were the results measured?

*Here, the numbers tell it all. Since passage of the legislation, nearly **500,000 inquiries** have been made to the new, dedicated web site, **500 direct calls** were answered regarding specific programs, **12 Keystone Innovation Zones were certified**, 230 applications were received for DCED new program funding with nearly all of those being approved totaling over \$150 million. In this past year, the state has seen a **65% increase** in successfully completed projects and a **76% rise** in offers to business.*

*The Commonwealth Financing Authority has also been dutiful in carrying out its work. The Package is less than one year old, and all but 3 of the guidelines for 19 new and sometimes complex programs remain to be finalized. And what's even more unique, the spirit of the Stimulus Package has generated the birth of innovative spin-off programs. Take The Citizen's Job Bank for example. This public/private partnership came to life soon after the Package's approval and since then has approved over \$27 million in project funding creating 1189 jobs. All in all, Pennsylvania's Stimulus Package is powering the Commonwealth to new heights. There's little doubt that its enthusiasm coupled with its clear vision is moving Pennsylvania towards a stronger and better place in the world.*