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Pittsburgh Central Keystone Innovation Zone

September 27, 2011



**KEYSTONE
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ZONE**

Definition of Keystone Innovation Zone

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- Pennsylvania Governor Edward Rendell created the Keystone Innovation Zone program in 2004 to increase the number of high growth jobs in the commonwealth. Keystone Innovation Zones (KIZs) are geographically designated zones that are established in communities that host institutions of higher education – colleges, universities, and associate degree technical schools. There are currently 29 KIZs in the state of Pennsylvania.

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Definition of Keystone Innovation Zone Continued

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- These KIZs foster innovation and create entrepreneurial opportunities by aligning the combined resources of educational institutions, private businesses, business support organizations, commercial lending institutions, venture capital networks (including angel investors), and foundations (KIZ partners).

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Definition of Keystone Innovation Zone Continued

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- KIZs are flexible and can be customized based on the mix of consortium partners. For example if the lead educational institutions that are looking to commercialize more technology coming out of their universities, then incentives can be focused on increasing spin outs. Workforce development initiatives might be the focus of non research focused schools or Community Colleges.
- The Pittsburgh Central Keystone Innovation Zone (PCKIZ) has a mission of both creating a culture of entrepreneurship and spurring economic development in a manner that benefits the underserved portions of our community.



Pittsburgh Central KIZ Partners

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Founding Partners

Duquesne University and Hill House Economic Development Corporation (Community Based Economic Development Organization)

PCKIZ Educational Partners

Carlow University , Community College of Allegheny County, Duquesne University, Point Park University

Other PCKIZ Partners

Cities Two Largest Foundations, City and County Government, Technology Based Economic Development Organizations, Private Corporations and Community Based Economic Development Organizations

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Pittsburgh Central KIZ Target Industries

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Pittsburgh Central KIZ Target Industries

- Life Sciences
- Information Technologies
- Advanced Materials
- Energy

***Target Industries are based on the types of companies that a zone is looking to attract or grow**

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KIZ Benefits For Companies

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Benefits for KIZ Companies

- Direct Access to Capital (Micro Grants)
- Indirect Access To Capital Provided by KIZ Partners and Supporters
- Direct Access for Companies to KIZ Tax Credits (The KIZ Tax Credit Program is one of the most creative tax credit programs in the country)
- Business Planning Assistance from University Small Business Development Centers and Business Classes
- Indirect Access to Other Tax Incentives (KOZ, R&D, HUB Zone)
- Internships Paid for by the PCKIZ for students at PCKIZ educational Institutions to work at PCKIZ companies.

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KIZ Benefits For Companies Continued

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KIZ Benefits For Companies Continued

- Direct Networking Relationships for PCKIZ companies with KIZ Partners and Supporters so that companies can increase revenue and expand networks.

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KIZ Benefits for Educational Partners

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- Via interaction with companies through the internship program, Educational Institutions gain a better understanding of workforce development needs of New Economy companies.
- Internship program increases student participants chance of getting a job upon graduation.
- Consortium allows University Representatives to network with other consortium partners (i.e., foundations, government officials etc...)
- Business Plan Competitions help educational institutions foster entrepreneurship within their student bodies.
- Educational Institutions can expand their role and impact in community development and Community Participation
- Educational Institutions can gain access to funding sources that they did not have traditional access to.

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KIZ Consortium Impact

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PCKIZ Internship Program

- Since the internship program started in the spring of 2008, the PCKIZ is responsible for creating a student internship program that has created 114 semester-long student internship experiences. Approximately 50% of the student participants are women and 30% are African Americans.

PCKIZ Tax Credit Program

- Since inception, the KIZ tax credit program has enable the PCKIZ to provide approximately \$1,650,000 in direct cash assistant to PCKIZ companies.

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KIZ Consortium Impact

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PCKIZ Grant Program

- To date, the PCKIZ grant program has awarded approximately \$250,000 to 13 PCKIZ companies. PCKIZ programs and grants have either created or helped PCKIZ companies retain 151 jobs.

PCKIZ Business Idea Challenge

- PCKIZ awarded cash awards totaling \$15,000 to 10 student created companies.

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KIZ Consortium Impact

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Networking and Educational Events:

To date, PCKIZ has organized 19 Educational and networking events — attended by over 1,000 individual—with the purposes of marketing PCKIZ companies, PCKIZ programs, and real estate and neighborhoods within the PCKIZ.

Economic Development Initiatives

With consortium Partners, the PCKIZ is an active participant in the construction of a full service grocery store, a \$40 Million Dollar Community Based Energy Incubator, Educational institution opened a pharmacy in an underserved area to train pharmacy students and provide low cost prescriptions for residents of an underserved community.

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Funding

KIZ Educational Institutions have received a substantial increase in funding from foundations, state and federal sources for community and technology based economic development projects and for university specific projects.

Smaller Educational Institutions can combine resources to compete for funding generally reserved for larger educational institutions.

