

# Rendell Administration Announces Over \$660,000 in Funding for Technology Projects

## NEWS RELEASE

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## Rendell Administration Announces Over \$660,000 in Funding for Technology Projects

Harrisburg, PA, July 7, 2004: Community and Economic Development Secretary Dennis Yablonsky today announced over \$660,000 in funding by the Ben Franklin Technology Development Authority (BFTDA) to support Governor Edward G. Rendell's technology-focused economic development strategy.

"Investing in Pennsylvania's technology-based projects will create high-wage, high-skilled jobs and strengthen Pennsylvania's overall economy," said Secretary Yablonsky. "These projects work in tandem with the recently enacted Economic Stimulus Package programs."

The BFTDA is a state-funded network dedicated to fostering technology innovation, strengthening the Commonwealth's economy and creating and retaining high-salary jobs that require high skill levels. The BFTDA provides funding for technology partners and supports four Ben Franklin Technology Partners throughout Pennsylvania that identify the most promising technological ventures and provide them with technical assistance and capital.

BFTDA Technology Development Grants support local initiatives that stimulate the advancement of technology in businesses and communities. The grant program helps to create outreach and training programs to businesses and local governments and stimulates access to broadband technologies in rural and urban areas. Under this program, the Philadelphia Commercial Development Corporation was awarded \$210,510. In addition, the Bucks County Housing Group was awarded \$200,000.

The Technology Company Investment Program provides flexible financing and investment opportunities for technology-oriented Pennsylvania businesses. This program can help fill a financing gap for companies requiring non-asset backed, equity-like investments. Under this program, LaunchCyte was awarded \$250,000.

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Please see addendum for more detailed information on projects.

### Addendum

#### Technology Development Grants:

The BFTDA awarded \$210,510 from the 2003-04 budget year allocation to the Philadelphia Commercial Development Corporation (PCDC) for administrative costs associated with starting-up and expanding community technology centers in Philadelphia.

PCDC and its partners will focus on the Carrol Park, Parkside, Wynnfield and Nicetown areas of Philadelphia. All of these areas have been confirmed as underserved technology areas.

The Philadelphia Community Technology Centers (PCTC) will serve as one-stop community technology centers to link youth, families and small business owners to the latest telecommunications and technologies including computer training, internet access, online tutorials, academic assistance, business development, job training and community resources.

The primary site will be an expansion of PCDC's existing Small Business Support Center (SBSC), located at 1315 Walnut Street, 5th Floor, Philadelphia. The second site will be a start-up Community Technology Center (CTC) located in Carrol Park at the Neighborhood Youth Achievement Office at 5806 Master Street, Philadelphia. The third site will be an expansion of start-up CTC located in Parkside at Data-Friendly, Inc. 4706 Westminister Avenue, Philadelphia. The

fourth site will be an expansion of a teleconferencing center located at the Nicetown Community Development Corporation at 4300 Germantown Avenue, Philadelphia. The fifth site will be a start-up CTC located at the Wynnfield Residence and Business Association.

Each site will be networked to have teleconferencing and web-casting abilities. These remote features will allow the PCTC to effectively deliver the core components of computer training, tutoring, business and work skills development. Staff members from various PCTC sites will be able to access resources for their clients which are not typically offered. Resources include but are not limited to case management, GED instruction, parenting, housing, technical and finance assistance.

Project deliverables include: 300 students in K-12 to be provided 16 weeks of tutoring and 26 hours of computer training; 150 entrepreneurs, small, minority and female-owned businesses to be provided with three four-week training sessions to include entrepreneurial training, basic computer instruction, and micro loan packaging, bonding, contract bidding and technical assistance; and 150 low income individuals (including ex-offenders, young adults between the ages of 18-26) to be trained with eight six-week customer servicing training workshops. A \$259,700 total project match has been provided by Comcast, the Federal Community Development Block Grant Program, the Philadelphia Commercial Development Corporation, the Neighborhood Youth Achievement Program, and Data Friendly.

PCDC, established in 1974, is an economic development corporation whose mission is to revitalize neighborhoods and to assist small businesses by promoting entrepreneurial development, increasing employment, and improving the economy and quality of life in Philadelphia's neighborhoods.

The BFTDA awarded \$200,000 from the 2003-04 budget year allocation to the Bucks County Housing Group for the continuation of the second round of classes at the CISCO Networking Academy and for the training costs of the third round of classes through June 30, 2005.

In September 2002, the Bucks County Housing Group was awarded a Digital Divide Grant from DCED in the amount of \$299,680 for the establishment of a CISCO Networking Academy Program as a means of promoting economic self-sufficiency for the Housing Group clients (homeless, female heads of households, welfare recipients) and lower-income adults. Along with the DCED Digital Divide Grant, the Housing Group received a three-year grant from Wachovia Regional Foundation and funds from the Bucks County United Way.

The Bucks County Housing Group (Housing Group) is a private, non-profit organization that has been providing housing-related services since 1979. A major part of the Housing Group's service is the emphasis on education and job training. Their goal is to provide homeless adults with opportunities to earn a salary that can pay the high cost of rent in Bucks County without a subsidy.

The CISCO Networking Academy is an international training program developed by CISCO Systems, a worldwide leader in networking for the Internet. The Academy Program is a comprehensive 560-hour course that teaches students and in-transition workers to design, build, and maintain computer networks. Students are prepared for industry standard certifications. The Housing Group's training focuses on the CISCO Certified Network Associate level certification that consists of 280 credit hours.

Many of the applicants to the program are referred by the Bucks County Board of Assistance and other organizations that provide services to lower income persons. To date, approximately 80 percent of the participants are female heads of households, with 60 percent of them are receiving TANF.

34 students currently enrolled in the second round of CISCO classes and 26 additional students are anticipated to enroll in October/November 2004. Project deliverables include: 42 (70%) of the approximately 60 students enrolled during FY 2004-2005 will complete the CISCO training program (note: assumption of 30% attrition rate due to life circumstances); 29 students (70%) will become employed within six months after completion of internships; and 12 students (29% of the 42 students) will secure employment in the IT field with salaries ranging from \$30,000 - \$50,000.

\$261,136 in total matching dollars are being provided by Wachovia Regional Foundation, the United Way of Bucks County, and Pew Charitable Trust.

Technology Company Investment Program:

The BFTDA awarded \$250,000 from the 2003-04 budget year allocation to LaunchCyte to help start-up new biotech firms operated and headquartered in Pennsylvania. This award is contingent upon LaunchCyte's ability to raise an additional \$1 million in equity from other investors, as well as close this current funding round by June 30, 2004.

LaunchCyte, a Pittsburgh-based company, is a leader within the Commonwealth in the critical economic development area of commercializing research discoveries into promising biotechnology spin-out companies. Working locally with the University of Pennsylvania, University of Pittsburgh and Carnegie-Mellon University and nationally with Harvard

University, Indiana University, Emory University and the Massachusetts Institute of Technology, LaunchCyte is creating businesses, jobs and wealth for investors where it would otherwise not exist.

All the companies and jobs LaunchCyte creates are based within Pennsylvania. Currently LaunchCyte has worked with a total of four companies and created 16 jobs scheduled to increase to 22 jobs at the end of the state's current fiscal year. Over 60 percent of the LaunchCyte capital that created these spin-out firms came from investors outside of Pennsylvania. By 2007, LaunchCyte expects to have created eight spin-out companies along with 109 jobs.

To date, four spin-out firms have been started and are fully operational including, Reaction Biology Corporation, Crystalplex Corporation, Immunetrics, and ProteoPure.

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