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- Revitalizing Incentive Programs
  - Jobs Ohio is stealing our lunch with their investments of scale in innovation districts and job creating investments. They are spending big to improve their economic competitiveness, while keeping taxes low.
  - PA has unilaterally disarmed, and while attraction is not the most important aspect of economic development, it can provide huge benefits to attract an anchor for the clusters that are developing around the Commonwealth. Should focus on larger, high leverage opportunities.

- ***<u>Streamline permitting and licensing in PA so it faster, more transparent and consistent</u>***
  - One stop shop with a <u>dedicated "case manager"</u>
    - Investors get lost in the shuffle and often times just walk away. A person with influence and insight into the process should shepherd it. Currently, there is a lot of tracking, but not facilitating to win the deal. Regional alignment of permitting into trade areas that matter to companies would help case managers be more effective.
  - <u>Expedited major projects process</u>
    - A billion dollar manufacturing expansion gets handled the same way as a 50,000 sf building unless a lobbying effort occurs.
    - Expedited reviews can be a source of additional fees.
    - Expedited reviews that coordinate between state and local agencies can allow for developers to meet with representatives of <u>all the departments relevant to permitting at once</u>. Examples from other states shows that expedited reviews may cut down a permitting cycle from over a month to several hours
  - <u>Focus on outcomes not activity</u>
    - Permits get responded right before the self-imposed deadline by agencies then the timeline is reset. There should be a focus on total timeline and attracting investment.
  - <u>Reduce overlap/conflict between agencies</u> and different levels of government with overlapping districts
    - If a company comes says we want to be within an hour of Pittsburgh and has a list of site requirements they could face multiple state, county and municipal departments and different commonwealth administrative districts (DEP, PennDot, etc…) that operate differently. These should be aligned regionally.

- ***<u>Refocus, Concentrate and Simplify Existing state grant programs</u>***

- Make compliance simple and transparent by removing pass through entities and changing the application and audit process
    - Fees and more importantly extra conditions are added by certain Authorities controlled by municipalities.
    - Sub-applicants (Businesses and other entities) are forced to apply through these (municipal) entities that also submitting competing applications.
    - The administrative burden of certain grant programs needs to be evaluated. Chasing certified payrolls and steel certifications on smaller projects is not cost effective. In some cases, awards of $1M or less may convey no net benefit to the project due to administrative and compliance costs -- wasting taxpayer money.
- Concentrate economic development funding into larger more impactful awards
    - RACPs have gone down in the last 20 years from $7 Million average awards to $1.8 Million in 2018. More recent data suggests even lower averages since then.
- Refocus economic development grants(Or at least certain pots of them) to target job creation and tax base enhancement projects. These are very distinct from community and cultural awards. Traded sectors and manufacturing provide much higher payback to the Commonwealth for the dollars invested.
    - Looking at the recent RACP awards in Southwestern PA, over 2/3rds were not for anything that supported traded goods and services that are vital to economic growth.
- Refocus redevelopment funds on blighted main streets and brownfields. RIDC has a new Seedling Communities Program that will bring our financial and real estate expertise to bear in secondary cities around the region. These places have not experienced a good deal of the growth that places like Oakland have. Special provisions are needed to ensure that all parts of the Commonwealth are able to participate in growth.

- Create new Quasi-Equity or Performance Based Loan Programs: Current options for underwriting risk for projects are limited to either loans--which don't work for the highest risk or largest gap projects-- or grants -- that result in no pay back to the Commonwealth even if the project succeeds wildly. A variable payback grant program that is structured in a way that doesn't require payments like loans, but allows the Commonwealth to participate in the upside if the project succeeds would stretch scarce Commonwealth funds, and still support important projects with big risk gaps.