

March 20, 2000

The Honorable Italo Cappabianca
State Representative
2nd Legislative District
1216 west 26th Street
Erie, PA 16508

RE: ERIE ENTERPRISE ZONE PROGRAM EXIT STRATEGY DOCUMENT

Dear Representative Cappabianca:

Enclosed please find a copy of the City of Erie Enterprise Zone Exit Strategy Document March 2000. The PA Department of Community and Economic Development (DCED) has placed Erie and eleven other zones across the Commonwealth on a two year exit path from the PA Enterprise Zone Program. Our exit path start date is July 1, 2000. In addition to Erie, the other zones impacted include Hazelton, Pittsburgh - East Liberty, Beaver and Alaquippa, Northern Bradford, Lancaster, Shenango Valley, Bethlehem and West Parkside, Philadelphia.

Effective July 1, 2000 we will no longer be eligible for operating funds and the Enterprise Zone Competitive Grant/Loan Program. However, exiting zones will remain eligible for other DCED benefits, i.e., lowest statewide interest rates for PIDA and MELF loans, and Enterprise Zone Tax Credits through June 30, 2002. The loss of the competitive grant funding is significant as that was our primary tool for building up our revolving loan fund.

The Enterprise Zone Program has been one of the Commonwealth's best programs for meeting economic needs of manufacturing and industrial concerns, as well as certain other businesses. The businesses that we assist are the job providers and job creators. Our cover letter, the executive summary, the main report and our exit strategy plan respectfully requests that the above referenced benefits be retained, especially if a zone has adverse economic symptoms such as high unemployment.

When you review our Exit Strategy, you will note the numerous success stories and you will also note that our job is far from being complete. Please keep this in mind as you consider economic development issues and legislation. As always, we appreciate your continued involvement in meeting the needs of our community.

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If you have any questions on the Erie Enterprise Zone Exit Strategy Document, please direct them to Tom McIntire, Enterprise Zone Coordinator at (814) 870-1272 or by email at < tomm@team.org >.

Sincerely,

A handwritten signature in cursive script that reads "Joyce A. Savocchio".

Joyce A. Savocchio
Mayor

Enclosure