ADVANCED MANUFACTURING in Philadelphia

Location and Transportation Infrastructure Support Diverse Industry

SMART LOCATION

- The Delaware River Port Complex is the largest freshwater port in the world and the only US port served by three Class 1 railroads. The Port is also served by over 200 large distribution facilities within a 75-mile radius
- 30 Airlines at PHL offer nonstop flights to 86 domestic and 39 international destinations, including all major European business centers

SMART PEOPLE

- Energy Efficient Buildings (EEB) Hub, established by the US Department of Energy led by Pennsylvania State University
- 3,973 engineering students enrolled in the region, including top-ranked programs at the University of Pennsylvania and Drexel University
- Education collaborations, such as the Southeast Regional Advanced Manufacturing Partnership and the Applied Engineering Technology Program through a Collegiate Consortium, create a talent pipeline of skilled workers

SMART COMPANY

- AgustaWestland
  Helicopter and Rotorcraft Manufacturing
- Aker Philadelphia Shipyard
  Commercial Ship Construction
- Amuneal Manufacturing Corporation
  Magnetic Shielding & Custom Fabrication
- Lannett Company, Inc.
  Generic Pharmaceutical Manufacturing
- Stockwell Elastomerics, Inc.
  Gaskets and Components Manufacturing
- Superfit - *Custom Jewelry Production*

Image courtesy of Agusta Aerospace

Philadelphia's rich manufacturing heritage has developed into a diverse and sophisticated advanced manufacturing sector today. Philadelphia's central location and enviable transportation infrastructure support industries as varied as aerospace, electronics, chemicals, metal manufacturing, and apparel. The City's infrastructure allow companies like Stockwell Elastomerics, Inc, a custom gaskets and elastomeric components manufacturer, and AgustaWestland, an international aerospace manufacturer, to serve a global market.

> *"Stockwell Elastomerics has called Philadelphia home for over 90 years. We are one of many niche manufacturers in Philadelphia who benefit from a talented workforce with a competitive spirit, access to good transportation, and quality educational support."*
>
> -William Stockwell
> President, Stockwell Elastomerics

In 2011, Philadelphia led the region in new industrial construction projects, creating more than one million square feet of space for companies such as Penn Jersey Paper, Sysco, and the Philadelphia Wholesale Produce Market. Two new flex-industrial properties were also developed at The Navy Yard, adding modern space to Philadelphia's industrial inventory.

Learn more about how Philadelphia is a smart city and a smart choice for your company at **www.phila.gov/smartchoice**.

CITY OF PHILADELPHIA
215 683 2000 • Department of Commerce, 1515 Arch Street, 12th Floor, Philadelphia PA 19102 • www.phila.gov/smartchoice

City of Philadelphia
LIFE • LIBERTY • AND YOU™

SMART ENTREPRENEURS CHOOSE PHILADELPHIA
Tax Changes, Tax Credits and Financing Available

TAX CHANGES

- Commercial Activity License fee eliminated starting in 2014
- Phased in exemption of the first $100,000 in gross receipts and a proportionate share of net income from the Business Income and Receipts Tax (BIRT) starting in 2014 at $50,000 and fully implemented by 2016.
- Exemption of general partners of investment funds from paying the Business Income and Receipts Tax, removing a barrier to firms locating in Philadelphia.
- In a phased process, the Net Income portion of the BIRT moves to single sales factor apportionment starting in 2013, taxing only Philadelphia-based sales, lowering the tax burden on businesses across sectors including manufacturing, wholesaling and professional services.
- **Jump Start Philly**
  Jump Start Philly is designed to give full exemption from the City's Business Income and Receipts Tax for the first two years of operations if a minimum number of new jobs are created. All fees are waived for qualifying new businesses for a variety of licenses and registrations, including the Commercial Activity License. For more information visit ***www.phila.gov/business***.

TAX CREDITS

- **Sustainable Business Tax Credit**
  Businesses that are Certified B Corporations can receive a Sustainable Business Tax Credit. For tax years 2012 through 2017, an eligible business shall receive a tax credit of $4,000 which may only be used against the tax based upon annual receipts. No more than 25 businesses will be certified as a Sustainable Business in one tax year. For more information please visit ***www.phila.gov/revenue***.
- **Keystone Innovative Zone Tax (KIZ) Credit**
  Philadelphia has three KIZ zones: The Navy Yard, the area North of Girard Avenue and in University City and parts of Center City. A KIZ company may claim a tax credit equal to 50% of the increase of the company's gross revenues in the immediately preceding first and second taxable years attributable to activities in the KIZ, not to exceed $100,000.

  This program allows companies to sell the tax credit which provides a tradable component crucial to young companies that do not yet have a tax liability. For more information please visit ***www.uckiz.com.***
- **Job Creation Tax Credit (JCTC)**
  The City of Philadelphia offers a Job Creation Tax Credit which may be applied against the Business Income and Receipts Tax. Under the program, eligible businesses may claim a credit of an amount equal to $5,000 or 2% of the annual wages paid, whichever is higher, for each qualified new full-time job created in the City of Philadelphia. Learn more at ***www.phila.gov/revenue***

FINANCING

- **BioAdvance**
  BioAdvance provides funding to startup life sciences companies in southeastern PA through its $20 million Greenhouse Fund. They invest in therapeutics, devices, diagnostics and platform technologies focused on human health. For more information please visit ***www.bioadvance.com***.
- **Ben Franklin Technology Partners**
  Ben Franklin provides entrepreneurs and established businesses with the capital, knowledge and networks to compete in the global marketplace. For more information please visit ***www.sep.benfranklin.org***.
- **Philadelphia Industrial Development Corporation (PIDC) Growth Loan Program**
  The PIDC Growth Loan Program is generally available to any industrial or commercial enterprise with at least a three-year financial history, located, or planning to locate, in Philadelphia. The program is intended to finance job-creating activities and fund capital investment projects. For more information please visit ***www.pidc-pa.org.***
- **Emerging Business Guarantee Program**
  The Emerging Business Guarantee Program is available to any small business or nonprofit with at least a two-year financial history, located, or planning to locate, in Philadelphia that is having difficulty accessing conventional financing. Funds will be eligible for a broad range of activities including lines of credit for working capital and term loans for machinery and equipment, renovations, new construction, and property acquisition. For more information please visit ***www.pidc-pa.org***.
- **Startup PHL Seed Fund**
  PIDC has partnered with First Round Capital, one of the most active investment firms in the country, to create a $6 million public/private venture fund. First Round Capital manages the fund to make early-stage investments in Philadelphia-based tech startups. Learn more **www.startupphl.com**

"...we're doubling-down on Philadelphia. Not because it is the path of least resistance, but because it is the right path. We believe that Philadelphia is the best possible home for our startup."

— ***Robert Moore, RJMetrics***