

Request for City Council Committee Action from the Department of Community Planning and Economic Development - CPED

Date: November 27, 2007

To: Council Member Lisa Goodman, Community Development Committee
Council Member Paul Ostrow, Ways and Means/ Budget Committee

Subject: Year-end portfolio summary and delinquency report for the 2% Revolving Loan Program and the 2% Commercial Corridor/ Commercial Node Loan Program.

Recommendation: Receive and file loan portfolio and delinquency information included in this report.

Previous Directives: Last portfolio summary submitted December 12, 2005.

Prepared by: Judy Moses, CPED, Business Finance, 673-5283

Approved by: Charles T. Lutz, Deputy Director CPED _____

Presenters in Committee: Judy Moses

Reviews

Permanent Review Committee (PRC): Approval N.A. Date _____
Policy Review Group (PRG): Approval N.A. Date _____

Financial Impact

- No financial impact
- Action requires an appropriation increase to the Capital Budget _____ or Operating Budget _____
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Action is within the Business Plan
- Action requires a change to the Business Plan
- Other financial impact
- Request provided to the Finance Department when provided to the Committee Coordinator

Community Impact

Neighborhood Notification: All programs are City-wide small business loan programs.
City Goals : Assistance to small businesses aids in building communities and in creating the environment that maximizes economic development opportunities in Minneapolis.

Sustainability Targets: N/A

Comprehensive Plan: N/A

Zoning Code: N/A

Living Wage/Business Subsidy Agreement Yes _____ No X

Job Linkage Yes _____ No X

Other

Supporting Information

The 2% Revolving Loan Program began originating loans in 1986. The program was expanded in 2004 through the creation of the 2% Commercial Corridor/ Commercial Node Small Business Loan Program. The following is a summary of the respective portfolios as of 10/31/2007.

2% Revolving Loan Program

PORTFOLIO SUMMARY

Total # of Loans to Date: 840	Total Loans Outstanding: 145
Total 2% \$ Loaned to Date: \$19,596,801	Total \$ Outstanding: \$2,680,625
Total # of Loans Defaulted: 31	Total \$ Amount on Watch List: -0-
Total \$ Amount Written Off: \$301,097	Total # of Loans Paid Off: 664
Default Rate: 1.54%	Total \$ Private Invest: \$47,414,036

\$2.42 of Private Investment for every \$1.00 of Public Funds – Not Counting Owner’s Equity.

2% Commerical Corridor/ Commercial Node Loan Program

PORTFOLIO SUMMARY

Total # of Loans to Date: 44	Total Loans Outstanding: 40
Total 2% \$ Loaned to Date: \$3,097,800	Total \$ Outstanding: \$2,364,833
Total # of Loans Defaulted: 1	Total \$ Amount on Watch List: \$69,982
Total \$ Amount Written Off: \$0	Total # of Loans Paid Off: 4
Default Rate: 2.26%	Total \$ Private Invest: \$8,786,251

\$2.83 of Private Investment for every \$1.00 of Public Funds – Not Counting Owner’s Equity.