



GREATER PORTLAND
COUNCIL OF GOVERNMENTS

RLF Committee Meeting Agenda

Thursday, April 23rd 11 AM – 12 PM

Via Zoom - <https://zoom.us/j/97899649148>

1. Welcome – introductions

2. GPCOG update re. loan programming in 2020

3. Covid Crisis response strategy and discussion

4. Review of policy updates and action items
 - a. ACTION: Approval of Rapid Response Micro-loan program

5. Discussion and next steps



GPCOG Rapid Response Micro Loan Program

Program Purpose: To provide financial assistance to regional businesses most impacted by COVID-19, which are in danger of closing, have laid off workers, or have had to close temporarily. Funds available are not intended to substitute for available COVID-19 federal and/or state commercial financing if a business is able to access one or both.

Program Guiding Principles:

1. Get working capital moving as soon as possible
2. Make application and participation as simple and easy as possible
3. Make review, approval, and management as easy as possible.
4. Maximize potential co-benefits in support of community resilience

Program Funds: \$250,000 from Unrestricted funds, capped at \$250,000 for the first round of the program.

Uses of Loan Funds: Rent, utilities, inventory and payroll, (Working capital)

Loans up to \$ 15,000 per business: No application fee; Commitment fee: 0.5%

Community Resilience: Participating businesses may be eligible for up to \$5,000 of forgiveness if: there is demonstrable participation in the Greater Portland Resilience Exchange, or at least 1/3 of the employees (or number of jobs) that were on the payroll on February 1, 2020 are back on the payroll or remained on the payroll.

Interest Rate and Term: 0% interest rate with a 2-year term for repayment. Loan payments begin 6 months after closing the loan.

Eligibility

- Business is located in The Greater Portland Region. Businesses in Portland should contact the City of Portland's Loan Program via Nelle Hanig: nrh@portlandmaine.gov
- Demonstrate efforts to secure other available federal and state emergency loan program assistance is not available to assist the company.

Required Submittals

- GPCOG Rapid Response Micro Loan Program **Application;**
- Personal financial statement - from all owners of the business with 20% ownership or greater;
- 2018 and 2019 (if available) business tax returns;
- Balance Sheet for 2019;
- Profit and Loss for 2019;
- Payroll from early February showing number of full and part-time employees;
- Correspondence and status from SBA Emergency Loan Program, Paycheck Protection Program and/or FAME COVID-19 Relief Business Direct Loan Program or an email acceptable to staff explaining the reasons for not utilizing any of these programs.

Security for Approved Loan

- Unlimited personal guarantees from all with ownership of 20% or greater;
- UCC-1 on all business assets regardless of lien position relative to other lien holders

Schedule and Process: Expedited loan closing after complete loan application package is received by staff. Application Package to include:

- Completion of 2 page form: See GPCOG website.
- Copies of the 2018 business and personal Federal Income Tax Returns
- Either a copy of the 2019 business Federal Income Tax Return or the 2019 management prepared profit and loss statement and year end balance sheet.
- The 2020 year to date management prepared profit and loss statement and balance sheet
- Copy of the 2019 personal Federal Income Tax Return if completed
- A current Personal Financial Statement (form attached)
- Any other information, to include an existing business plan, that will help to better understand the business

Program Sunset: December 31, 2020 or when funds are committed if sooner.

Contact: Andrew Butcher – Director of Innovation & Resilience: abutcher@gpcog.org



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RAPID RESPONSE MICRO-LOAN APPLICATION

Provide completed application with attachments, preferably electronically, to GPCOG Staff at "GPCOG GPCOGRapidResponseLoans@gpcog.org. Submissions will be responded to within 24 hours. Hard copies can be sent to The Greater Portland Council of Governments, 970 Baxter Blvd., Suite 201 Portland, Maine 04103. Andrew can be reached at (207) 774-9891 ext.

DATE: _____

BUSINESS APPLICANT: _____

Corporation ___ Partnership ___ LLC ___ Sole Proprietorship ___

OWNERSHIP (> 20%):

Principal.	Ownership Percentage
_____	_____
_____	_____
_____	_____

PHYSICAL ADDRESS: _____

MAILING ADDRESS: _____

PHONE: Business _____ Cell _____

EMAIL ADDRESS: _____

AMOUNT REQUESTED: _____

TERM REQUESTED: _____

PROPOSED COLLATERAL:

PLANNED USE OF LOAN FUNDS:

BUSINESS DESCRIPTION:

DESCRIPTION OF IMPACT OF PANDEMIC TO BUSINESS (Impact on revenues, working capital and/or employee base):

CURRENT NUMBER OF EMPLOYEES: _____

EMPLOYEES RECENTLY LAIDOFF _____ OR PLANNED _____

OTHER EXISTING BUSINESS LENDERS PROVIDING FINANCIAL RELIEF WITH SPECIFICS: _____

REQUIREMENTS INFORMATION (to be attached)

- Copies of the 2018 business and personal Federal Income Tax Returns
- Either a copy of the 2019 business Federal Income Tax Return or the 2019 management prepared profit and loss statement and year-end balance sheet.
- The 2020 year to date management prepared profit and loss statement and balance sheet
- Copy of the 2019 personal Federal Income Tax Return if completed
- A current Personal Financial Statement (form attached)
- Any other information, to include an existing business plan, that will help to better understand the business

SIGNATURE OF APPLICANT:

Signature of Applicant indicates that all of the above submitted information is true and accurate and understands the program requirements and authorizes The Greater Portland Council of Governments to obtain credit reports on the above listed principals of the business.

Applicant.

Date

REGIONAL REVOLVING LOAN PROGRAM

The Greater Portland Council of Governments (GPCOG) administers the Regional Revolving Loan Program (RRLP) for small and medium sized businesses throughout Cumberland County. This program provides **direct loans for businesses that have financing needs beyond conventional sources of financing** from banks and other financial institutions. In administering this program, GPCOG works closely with banks throughout the region to meet the financing needs of area businesses.

The purpose of the RRLP is to provide financing to businesses that address the Region's economic, social, and environmental priorities. The program is intended to fill a gap that exists because of a lack of access to other sources of financing. As a result, eligible businesses must be unable to meet their business' entire financing needs from conventional financing sources and their own resources*.

RRLP funds are **available for small to medium sized businesses with fewer than 100 employees or sales of less than \$10 million** during the most recent fiscal year.

To be eligible for financing, a business also needs to be engaged in at least one of the following industries, sectors or activities, or employ less than 15 people:

- Linkage to Maine's New American Immigrant Community
- Renewable Energy
- Manufacturing technologies
- Advanced information, telecommunications, energy and environmental technologies
- Value-added natural resource technologies
- Climate adaptation of equipment, facilities or supply chains
- Sustainable supply chains
- Food and Beverage
- Exporting of goods or services to locations outside of Maine.
- Research and development activities
- Early childhood development or childcare
- Commercial and/or mixed use real estate and/or community facilities development.
- Tourism, Hospitality, Outdoor Recreation, or the Arts
- Conversion from defense dependency

* Including a business plan with financial projections is a necessary component of eligible applications.

* If you do not have a business plan - or have need for support in the development of a business plan please reach out directly so we can connect you with a partner to assist.

Contact:
Andrew Butcher
Director of Innovation & Resilience

 abutcher@gpcog.org
 (207) 774-9891 x210

HOW IT WORKS

Loan funds can be used for any legitimate business purpose, including the purchase of land and buildings, machinery and equipment, furniture and fixtures, or leasehold improvements. Working capital loans are available for the purchase of inventory, the financing of receivables or other business operating needs. Funds can also be used for business acquisition purposes.

AVAILABLE LOAN AMOUNTS

- 50% of total project cost, for projects from \$50,000 up to a maximum loan amount of \$350,000
- \$100% of total project cost, for projects less than \$50,000
- We prefer loan's under \$100,000

There is no minimum loan amount.

Loans are available for up to 20 years for the purchase of land and buildings and between 3 and 10 years for other business purposes. **All loans are subject to a 2% commitment fee paid to GPCOG. Loan interest rates are flexible depending on project need.**

Security for loans can consist of both business and personal assets and depends on the overall strength of the project that is being financed. Since most loans will require some degree of commitment from a private lender, in those instances GPCOG will assume a subordinate security interest to that private lender. Personal guarantees are generally required from all individuals who own 20% or more of the business requesting a loan. Outside guarantors may also be required, if necessary.

The loan review process consists of:

- The completion of a loan application (See linked or attached application form)
- A review by GPCOG staff and
- Recommendation to the GPCOG Loan Committee based upon alignment with strategic priorities.

* Businesses must be unable to obtain funding needed for the project from other public and private sources including the personal resources of the owners of the business.

* Loans cannot be used to make distributions to or for the benefit of an owner of the business borrowing from the fund or a related entity.

* GPCOG provides loan funds to businesses operating throughout Cumberland County, with the exception of the following two communities: The City of Portland and Brunswick. Businesses located in Portland should contact the City of Portland Dept. of Economic Development, City Hall, 389 Congress Street, Portland, ME 04101. Telephone: 874-8683. Businesses located in Brunswick should contact the Mid-Coast Council for Business Development, 49 Pleasant Str., Brunswick, ME 04011. Telephone: 729-0144.

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