

THE CITY OF PROVIDENCE
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RESOLUTION OF THE CITY COUNCIL

No. 565

EFFECTIVE ~~ADOPTED~~ November 28, 2011

WHEREAS, Recent reports regarding the Providence Economic Development Partnership (PEDP) show that over \$3.3 million in loans issued through the program are at least 90 days past due; and

WHEREAS, The PEDP has a long track record of helping small businesses get the funding they need to get off the ground, creating jobs and diverse, thriving neighborhood restaurants, stores, and services; and

WHEREAS, The City of Providence has a responsibility to encourage and support small business development; and

WHEREAS, Many successful Providence businesses that did not qualify for conventional bank loans, were able to establish themselves in large part due to receiving a PEDP loan, and those businesses continue to thrive today; and

WHEREAS, Operating a revolving loan program requires predictable levels of repayment by borrowers, in order to continue disbursing loans to new applicants; and

WHEREAS, Twenty-five percent of PEDP loans are currently delinquent, which results in fewer funds available in the program to support new small business ventures in need of assistance.

NOW, THEREFORE BE IT RESOLVED, That the City Council of the City of Providence does hereby request that the Providence Economic Development Partnership Executive Director submit to the Council, within 30 days, a report of all outstanding PEDP loans, including business name, business owner, date of loan, loan amount, amount repaid, and number of days delinquent, if applicable; and

BE IT FURTHER RESOLVED, That the Providence Economic Development Partnership recommend to the Council a process by which the PEDP may reduce and/or eliminate such delinquencies, including policies and procedures for determining how and under what circumstances loans may be converted to grants; and


BE IT FURTHER RESOLVED, That, in accordance with Sec. 2-27 of the Code of Ordinances, the Providence Economic Development Partnership shall submit to the City Council annually in January a report detailing its operations.

IN CITY COUNCIL


NOV 17 2011

READ AND PASSED


PRES.


ACTING CLERK

Effective without the
Mayor's Signature:


Anna M. Stetson
City Clerk