

BSA
EDC

***BIDDEFORD-SACO AREA
ECONOMIC DEVELOPMENT CORPORATION***

1997

ANNUAL REPORT

***BIDDEFORD-SACO AREA
ECONOMIC DEVELOPMENT CORPORATION***
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Dear Friends:

1997 saw an expansion of loans and a continuation of overall program success for the Biddeford-Saco Area Economic Development Corporation. This organization was able to offer positive assistance to 10 manufacturing and 7 retail/service businesses. Of those 17 companies, 12 received approximately \$717,000 in BSAEDC loans, which resulted in the leveraging of over 5.2 million dollars in private sector investments. Our loans and investments in these 14 companies also resulted in 79½ new area jobs.

In this rapidly expanding economy, BSAEDC is continuing to play an integral role in the delivery of assistance to local business and industry. This agency has new commitments for 1998 totaling over \$324,000 that, when completed, will expand area employment by an additional 22½ positions.

BSAEDC currently has funds available to assist area businesses. However, we realize that in order to continue our level of support, we must aggressively compete regionally and nationally for an infusion of new money to lend.

I would be remiss if I did not express a resounding *THANK YOU* to the supporting partners of BSAEDC; the cities of Biddeford and Saco, and the Biddeford-Saco Chamber of Commerce & Industry. The futuristic thinking and hard work of all partners not only created this successful endeavor, but also helped greatly in maintaining that success.

Thank you to all whom helped to make the BSAEDC a valued and important part of this region's economic growth.

Sincerely,

Richard A. Hodgdon, President

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BIDDEFORD-SACO AREA ECONOMIC DEVELOPMENT CORPORATION

The Biddeford-Saco Area Economic Development Corporation (BSAEDC), a nonprofit partnership, was created in 1991 to stimulate economic activity in Biddeford-Saco by working with emerging and expanding companies which are making new investments and creating and retaining new, permanent, private sector jobs in the Biddeford-Saco community. This is achieved through Technical Assistance, Financial Loan Packaging and Marketing.

The Development Corporation was established because the Cities of Biddeford and Saco and the Chamber of Commerce recognized the benefits of combining resources to promote economic development within the Two Cities. Substantial cost savings and synergies are realized by representing and serving Biddeford and Saco as one economic market.

BSAEDC is comprised of representatives from three equal partners: the *City of Biddeford*, the *City of Saco* and the *Biddeford-Saco Chamber of Commerce & Industry (BSCC&I)*. The mission of the Development Corporation is to:

- create and retain quality jobs for the people of Biddeford-Saco, thereby increasing the standard of living;
- provide capital and other services to industrial and commercial enterprises that increase employment and expand the property tax base while maintaining the environment and quality of life in our community;
- act as a clearinghouse for local, state and federal business assistance programs, and maintain a repository of local demographic and business climate information as well as a complete small business library of educational books and videos; and
- collaborate on program, projects and policies designed to accommodate and capture new investment, coordinate and enhance employment opportunities and improve living standards in Biddeford-Saco.

BSAEDC believes this is best achieved when government and business work together as partners.

**BIDDEFORD-SACO AREA
ECONOMIC DEVELOPMENT CORPORATION**

1997

BOARD OF DIRECTORS

City of Biddeford

Stephen Beaudette
Robert Dodge
Andy Michaud

City of Saco

A. William Kany, VP
Peter Morelli, Sec.
Andrea Moreshead

Chamber of Commerce

Ward Grossman
David Gould, Tres.
Richard Hodgdon, Pres.

Loan Committee

Philip Fearon, *Chairman*

David Gould
Anthony Jendrek
A. William Kany
Andy Michaud
Tim Murphy, Esq.
Ann Scott

& STAFF

William O Armitage II, *Executive Director*
Gail Lemieux, *Loan Assistant*

INTRODUCTION

1997 was an exceptional year for the Biddeford-Saco Area Economic Development Corporation. The Biddeford-Saco economy is producing strong but stable growth. BSAEDC doubled the size of its loan portfolio, developed a new marketing brochure and hired a part-time Loan Assistant.

The Biddeford-Saco economy is continuing to expand and diversify as evidenced by the Development Corporation's 1997 activity. The local economy is continuing to experience growth in the retail and service sectors, while the area's manufacturing base is providing a renewal with growth in Fabricated Metal Products, Industrial Machinery and Equipment, Electronic and other Electric Equipment, and Rubber and Miscellaneous Plastic Products. Land and labor costs continue to be lower in Biddeford-Saco than Greater Portland and are attracting numerous businesses. The lack of available industrial space¹ has forced both communities to start or expand their industrial parks.

Expansions of retail/service and manufacturing businesses represent the largest percentage of companies assisted by BSAEDC in 1997. Out of the seventeen companies the Development Corporation assisted in 1997, ten were expansions, four were relocations and three were start-ups. These seventeen companies will create 79½ jobs over the next three years. These emerging and expanding firms continue to be the driving force behind the area's economic growth and stability.

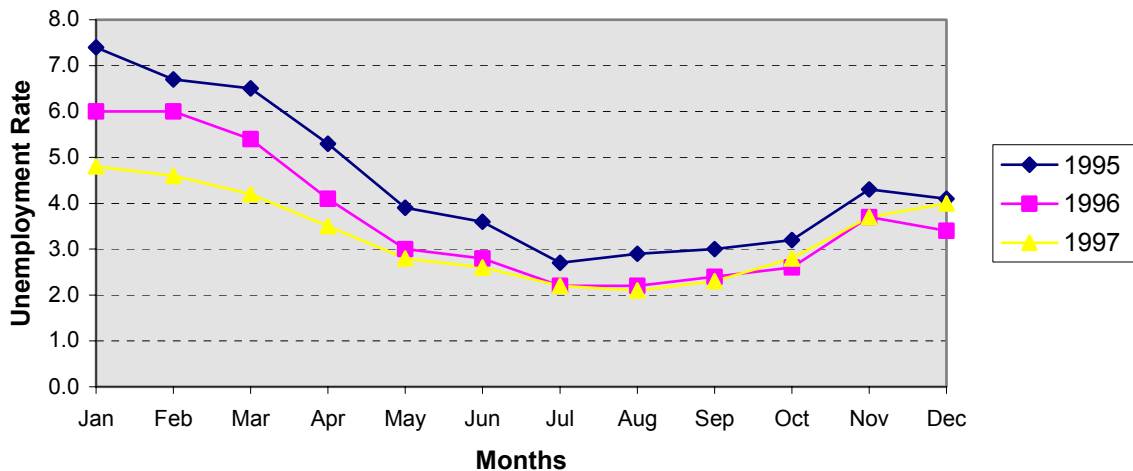
The financial markets are extremely competitive for emerging and expanding companies. However, they are maintaining their conservative lending practices in start-up ventures. BSAEDC continues to assist companies in this niche while diversifying its portfolio with emerging and expanding companies. The Development Corporation loaned over \$717,000 in 1997, which leveraged over \$5,200,000 in private sector financing and investment. Of that, \$107,000 was loaned directly to small business start-ups.

¹ A Mainland Consultants report, dated June 1997, indicated 100% occupancy of 1,480,510-sq. ft. of gross building area in industrial parks as reported by Biddeford and Saco.

ECONOMY

The growth of the area's economy is evident by the decrease in the unemployment rate for the Biddeford Labor Market Area² (BLMA) as reported by the Maine Department of Labor. Overall, the 1997 BLMA unemployment rates have mirrored 1996's unemployment rates. The graph below illustrates the continued "tightening" of the labor market from 1995 to 1997.

1995-1997 Biddeford LMA Monthly Unemployment Rates



While the Maine economy continues to experience a decline in manufacturing employment (a loss of 3,040 jobs between 1994 and 1996), the BLMA has increased its manufacturing employment by almost 20% since the low point of this last recession in 1992. According to the Maine Department of Labor, from 1992 to 1996, 860 new manufacturing jobs have been created. The greatest growth has occurred in the Printing and Publishing sector (330%), while Industrial Machinery and Equipment, Rubber and Miscellaneous Plastic Products, and Electronic and other Electric Equipment all experienced strong growth (64%, 27%, and 11% respectively). Interestingly enough, the Fabricated Metal Products sector, an industry of relative significance in relation to the State's manufacturing base (almost 20% of Maine's Fabricated Metal Products employment is located in the BLMA), experienced no net change in employment from 1992 to 1996.

Overall, Non-manufacturing employment has grown at a faster rate than manufacturing employment from 1992 to 1996 adding 6,360 new jobs. This has enhanced the shift in the top three employment sectors between 1984 and 1996.

² The Biddeford Labor Market Area is comprised of the following nine communities: Arundel, Biddeford, Dayton, Kennebunk, Kennebunkport, Lyman, Ogunquit, Saco, and Wells.

<u>1984</u>			<u>1996</u>		
1) Manufacturing	33%	6,050	1) Service and Mining	30%	8,110
2) Service and Mining	24%	4,300	2) Retail Trade	27%	7,360
3) Retail Trade	21%	3,760	3) Manufacturing	19%	5,170

Source: Maine Department of Labor

Combined, these three sectors account for over 76% of the BLMA employment. The relevance of this shift in the top three employment sectors to the area's economic well being is significant when viewed in relation to the average weekly wage of employees in these three sectors.

Average Weekly Wage³ growth for the BLMA as reported by the Maine Department of Labor has been modest. Between 1995 and the first quarter of 1997, the average weekly wage for all sectors has increased by 6.4%. The greatest growth has occurred in the Finance, Insurance and Real Estate sector with a 17.8% increase, while the Government sector decreased by almost 1%. On average, during the first quarter of 1997, average weekly manufacturing wages varied anywhere from \$314 to \$741 with an average of \$550. This wage is over \$160 more than the average weekly wage in the service sector (\$388), and over \$260 more than the average weekly wage in the retail trade sector (\$286).

In terms of first quarter 1997 average weekly wage figures, the shift in the top three employment sectors discussed earlier, has effectively decreased the average weekly wage in the BLMA by 8.8%. The decrease amounts to a loss in individual income of almost \$2,000⁴ annually in 1996 verses 1984. This works out to be an aggregate decrease in annual income of almost \$41,000,000 to the area's labor force. This effective loss of income is significant because it can detrimentally impact individual purchase power and consumer spending.

The employment trends, while crucial to the areas economic recovery and diversity, have not improved the fragility of the economy. The manufacturing sector has experienced healthy growth and is diversifying; yet several sectors remain dependant upon either the defense industry or one or two major employers. The increased importance of the service and retail sectors for employment and wages makes the area more susceptible to the impact of an economic downturn due to reliance upon consumer spending (over 28% of 1996 consumer sales for the Biddeford-Saco area were in Restaurant and Lodging).

³ Total payroll including salaried and non-salaried employees averaged over total employees

⁴ This figure is not adjusted for inflation from 1984 to 1996.

Accordingly, the communities' push for economic development needs to continue. If the communities are to solidify their position, they must continue to expand and diversify their economic base. The big question in 1998 is how will the Asian Economic Crisis impact the Biddeford-Saco economy?

STAFF

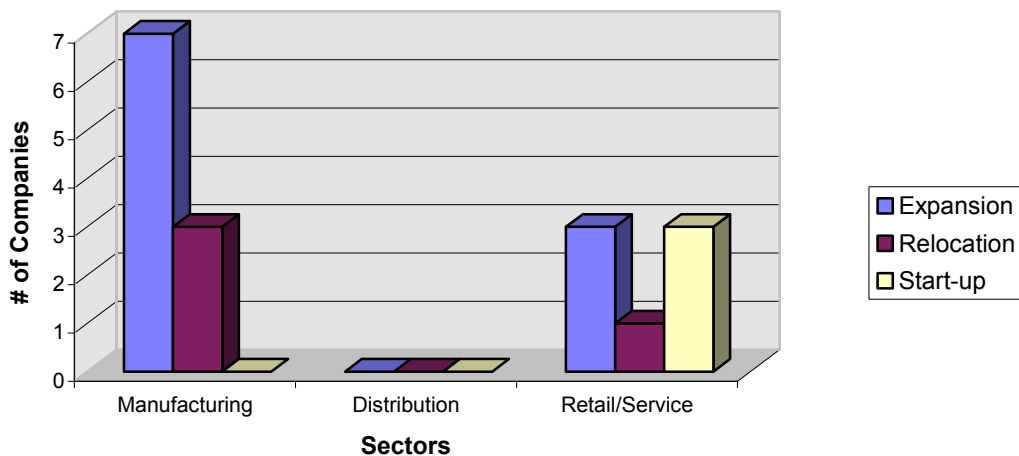
The increased administrative and management responsibilities associated with the dramatic growth of BSAEDC's loan portfolio required the agency to hire Gail Lemieux as BSAEDC's new Loan Assistant In November of 1997. Ms. Lemieux has worked as a bookkeeper and administrative assistant for over nine years. Her position is essential to the growth and development of BSAEDC's revolving loan programs and portfolio.

The creation of the Loan Assistant position has allowed BSAEDC to implement new Loan Policies, a Loan Rating System and a tracking report for current financial, insurance and collateral information on all active loans. Additionally, staff has begun to develop a new Personnel Policies Manual and a Loan Procedures Manual. Staff continues to strive to provide quality service and products the Development Corporation has become known for.

ASSISTED COMPANIES

In 1997, BSAEDC provided direct financial assistance to twelve companies and helped five businesses obtain additional financing. The graph below depicts a breakdown of the 17 businesses assisted by the Development Corporation by activities (expansion, relocation, and start-up) verses sectors (manufacturing, distribution, and retail/service).

1997 Activity by Sector



As discussed earlier, the retail/service and manufacturing sectors have experienced a healthy year. The Development Corporation provided \$717,213 in loans to the local business community and subordinated to \$1,304,300 in new financing in 1997 (see Appendix A, 1997 Assisted Companies). Additionally, the agency has committed to loan an additional \$324,882 to area businesses. The direct financing of \$717,213 represents a 171% increase in real dollars loaned to businesses from 1996 to 1997. While the dollar value of the portfolio literally doubled, the number of loans in the portfolio increased by 46%. This occurred because of an increase in the average dollar size of loans from \$17,637 in 1996 to \$44,826 in 1997.

The assistance provided to the 17 businesses helped private industry invest \$5,202,145 in machinery, equipment, inventory, real estate development, construction and building improvements. This represents a 7.25:1 investment ratio; i.e. for every \$1.00 the Development Corporation loans, \$7.25 of private money is invested in the Biddeford-Saco economy. This is over a four-dollar increase in 1996's investment ratio of 3.14:1.

These 17 assisted businesses will create 79½ full-time equivalent jobs over the next three years. This equates to an approximate Cost per Job Created of \$6,202⁵. This figure represents a 6.2% decrease in the 1996 Cost per Job Created figure of \$6,614 and continues to be significantly below the Federal Cost per Job Created objective of \$35,000⁶.

Of the twelve companies that received direct financial assistance, six were in the retail/service sector. Three of these were start-ups, two were expansions, and one was a relocation. BSAEDC helped William Palmer, d/b/a Front Runner Delivery start a new courier business serving the Biddeford-Saco area in February of 1997. During that same month Nancy Danis, d/b/a Forever Cleaning, received a loan to start her cleaning business. Both start-ups have successfully completed their first year of operation and are looking toward 1998 with expectations of continued growth. Additionally, Steven Maciejewski borrowed funds to purchase the Ziebart/TidyCar operation at 640A Elm Street in Biddeford, while Phil and Lucy Hatch received a loan to start their assisted living facility in Saco.

The manufacturing sector received the remaining direct financial assistance in 1997. Of these six companies, three were expansions, and three were relocations. In the spring of 1997, BSAEDC helped Downeast Duplicating expand and diversify their operation in the Biddeford Airport Industrial Park and helped Yale Cordage locate their business into the old Shape Building in the Biddeford Industrial Park. During the summer of 1997, Fresh

⁵ This Cost per Job Created calculation does not reflect the administrative or overhead costs of BSAEDC

⁶ United States Department of Housing & Urban Development §570.209(b)(1)(i)

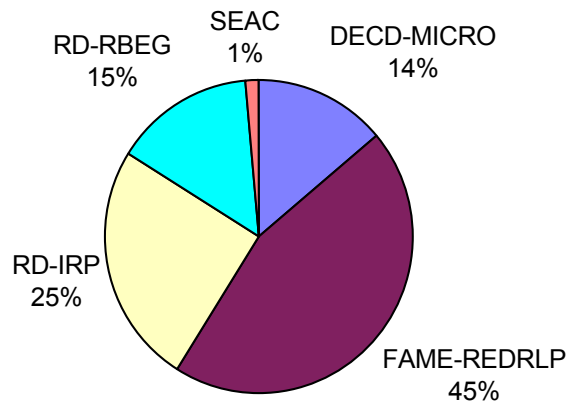
Samantha received assistance locating in the Saco Industrial Park, which doubled the size of their operation. Additionally, BAJO LLC borrowed funds in the fall to expand its facility by 3,000-sq. ft. in the Saco Industrial Park.

The story of the businesses assisted continues to repeat itself. It is precisely this start-up and expansion activity that is the engine of economic growth within the Biddeford-Saco economy. 1998 promises to be a strong year with continued growth as inquiries and activity remain strong.

HISTORICAL ACTIVITY

The agency's loan portfolio continues to grow and diversify. Since the agency's inception in 1992, BSAEDC has made 38 loans to area businesses. The majority of the lending activity (8 loans for \$528,300) has occurred in the FAME REDRLP Fund (see Revolving Loan Funds Pie Chart below). The agency is continuing to focus its efforts on lending these funds as well as the RD's Intermediary Relending Program.

Revolving Loan Funds Portfolio



All totaled, BSAEDC has loaned \$1,376,645 to 38 area businesses during the past five years, 32% of the loans and 52% of the dollars loaned occurred in 1997. The agency's portfolio is 43% larger than the average RLF nationally (\$965,141), and over 92% larger than the median RLF nationally (\$715,663)⁷. These funds have leveraged \$8,479,117 in private sector investment and created 183½ full-time equivalent jobs in the area's economy.

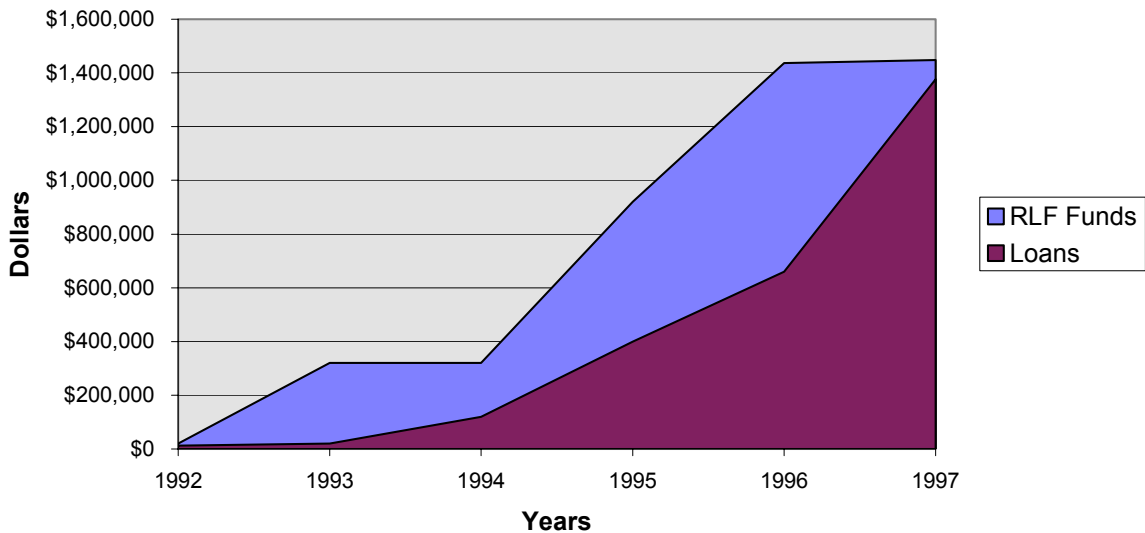
⁷ Counting on Local Capital, "A Research Project on Revolving Loan Funds", (Washington DC: Corporation for Enterprise Development, 1997), 27.

This represents a 6.16:1 investment ratio, meaning for every \$1.00 the Development Corporation loans, \$6.16 of private sector dollars are invested in the Biddeford-Saco economy. Additionally, the 183½ jobs created equates to an approximate Cost per Job Created of \$7,502⁸, which is approximately 40% higher than the national average of \$5,338⁹. On average, each BSAEDC loan leverages \$223,135 in private sector investment and creates 5.4 jobs.

The dramatic growth in the dollar value of the agency’s portfolio rests primarily upon several larger size loans this past year. However, BSAEDC continues to service the Microenterprise market with loans, thus maintaining a fairly diverse portfolio. This is evident by the stability of the median loan size of \$25,000 from 1996 to 1997 as compared to the increase in the average loan size from \$25,358 in 1996 to \$36,228 in 1997. The increase in the average loan size demonstrates the skewing of the portfolio average due to larger loan sizes. However, BSAEDC’s average loan size is 30% below the national average loan size of \$51,725.¹⁰

The growth of the agency’s portfolio can be seen in the graph below which charts the agency’s available revolving loan funds versus dollars loaned.

BSAEDC Historical Growth



As demonstrated by employment trends, manufacturing continues to be a vital sector in the expansion and growth of the area’s economy. Lending to industrial firms increased as a

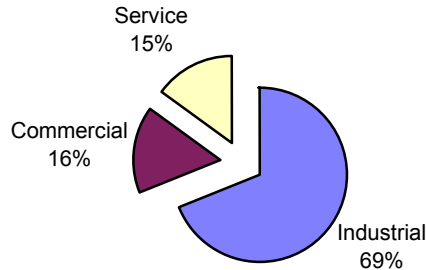
⁸ This Cost per Job Created calculation does not reflect the administrative or overhead costs of BSAEDC

⁹ Counting on Local Capital, idem, 34.

¹⁰ Counting on Local Capital, idem, 27.

percentage of BSAEDC's portfolio by 13%. The majority (65%) of funds lent by BSAEDC during the past five years have been used to finance fixed assets. The remaining 35% of funds lent have been used for working capital. The following chart depicts the breakdown of BSAEDC's loan portfolio by sector.

Portfolio Breakdown by Sector



Out of this portfolio, almost 20% of BSAEDC's direct lending has assisted women and minority owned businesses. Expansion of existing firms represents 67% of BSAEDC's lending activity. Start-ups firms account for 23% of the agency's loan activity, while the remaining 10% retained firms in the Biddeford-Saco area.

BIDDEFORD-SACO AREA ECONOMIC DEVELOPMENT CORPORATION			
LOAN HISTORY			
1992-1997			
COMPANY	LOAN AMOUNT	TOTAL NEW INVESTMENT	NEW JOBS
38 Total Loans	\$1,376,645	\$8,479,117	183.5
Average	\$36,228	\$223,135	5.4
Median	\$25,000	\$50,500	3.0
Investment Ratio	6.16		
Portfolio Cost per Job	\$7,502		
	BSAEDC	Total Amount	
Paid Off Loans	6	\$87,100	Actual
Charged Off Loans *	0	\$0	= \$0
Non-Performing Loans*	3	\$79,750	= \$75,677
Performing Loans	29	\$1,209,795	
Total Loans	38	\$1,376,645	

* These figures represent the original loan amount and do not reflect any principal payments received from the Borrower. The actual figure listed in the extended box includes all interest and fees accruing against the loan balance.

BUSINESS DEVELOPMENT

The Biddeford-Saco Area Economic Development Corporation handled 106 inquiries requesting information and assistance in 1997 (see 1997 Prospect Inquiries Table below). This represents a 2.9% increase from the 103 inquiries experienced in 1996.

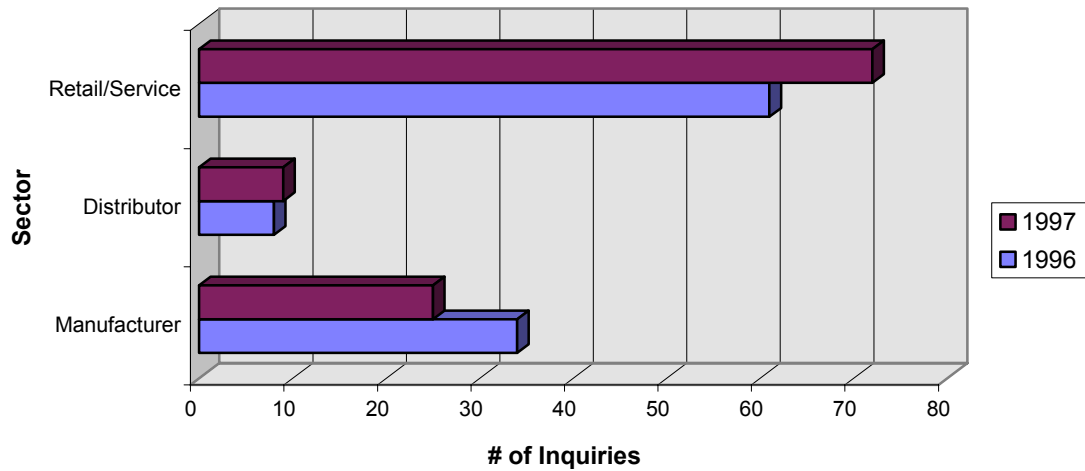
BIDDEFORD-SACO AREA ECONOMIC DEVELOPMENT CORPORATION					
1997 PROSPECT INQUIRIES; (requests for information and/or assistance)					
January 1 - December 31, 1997					
YEAR	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total
1992	34	33	31	35	133
1993	26	21	41	66	154
1994	70	15	17	13	115
1995	N/A	N/A	N/A	N/A	N/A
1996	19	27	28	29	103
1997	34	28	13	31	106

INQUIRY LOCATION AND TYPE					
LOCATION	NUMBER	%	TYPE	NUMBER	%
Biddeford-Saco	57	53.77%	Manufacturer	25	23.58%
Maine	35	33.02%	Distributor	9	8.49%
Outside Maine	14	13.21%	Retail/Service	72	67.92%
TOTAL	106	100%	TOTAL	106	100%

As discussed earlier, the foundation of the area's economic growth continues to be local business expansion. Of the 106 inquiries for information and assistance received by BSAEDC in 1997, 57 were from the local community. The remaining inquiries were divided between the State of Maine (35) and the international community (14).

Out of these inquiries comes the breakdown of the continued diversification of the economy. The greatest growth came in the retail/service sectors, which experienced an 18% increase in inquiries from 1996. The distribution sector experienced a slight increase in the number of inquiries, while inquiries from the manufacturing sector decreased by 26%. The graph below depicts the three major sectors with retail/service businesses leading the sectors with almost 68%.

1996 v. 1997 Inquiries by Sector



Although it appears that the retail/service sectors are becoming the foundation of economic activity, this does not mean that the manufacturing sector is declining in importance in the Biddeford-Saco economy. When viewed in relation to the companies assisted and Average Weekly Wages in 1997, the manufacturing sector represents the key to the area's continued growth and economic stability.

FINANCING PROGRAMS

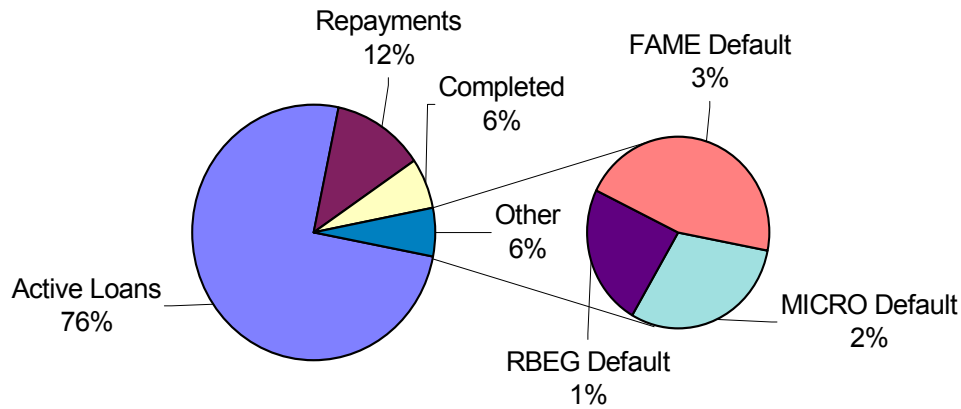
1997 saw tremendous growth for the Development Corporation. This growth was supported through the implementation of over \$1 million in revolving loan funds in 1995 and 1996. This expanded capital capacity has allowed BSAEDC to service a broader spectrum of borrowers.

To that end, BSAEDC continues to access available funds to recapitalize its revolving loan programs. In June of 1996, the Development Corporation submitted a comprehensive business plan and application to the United States Department of the Treasury's Community Development Financial Institutions (CDFI) Fund for assistance. Although unsuccessful, the application process has prepared BSAEDC for future applications to fund the agency's dwindling revolving loan program funds.

As discussed earlier, the FAME REDRLP program now accounts for the majority of the Development Corporation's portfolio. In 1997, FAME REDRLP provided financing assistance to five of the twelve businesses receiving direct financial assistance (55% of funds lent). The RD-IRP accounted for 2 of the twelve direct loans for 35% of loan dollars. With limited financial resources, 1998 promises to be no different with most activity occurring in these two programs.

Of the 38 loans, 6 loans have been paid in full, leaving 32 active loans, of which 3 are in default. This is comprised of one loan in each of the DECD MICRO-Loan, FAME REDRLP, and RD RBEG programs. The pie chart below depicts the agency's portfolio performance.

Portfolio Performance



The portfolio continues to perform well with an overall Current Default Rate of 6.76%. This is 27% below the national average RLF Default rate of 9.26% and only 19% above the median RLF Default rate of 5.68% for the nation¹¹. Agency staff is currently working with all three borrowers to rectify their status and bring them current.

All totaled, BSAEDC has \$165,400 in outstanding grants available to loan to area businesses. However, this does not fill all of the gaps or financial needs of the local economy. Directors and staff are working to create additional sources of capital during the next year in an attempt to fill some of those gaps not covered by the agency's existing loan funds. One such effort will be to reapply to the US Treasury Department's CDFI Fund to capitalize upon the area's needs and matching funds.

The importance of program evolution cannot be overlooked when considering the changes in economic diversification and fragility of the area's economy. These new developments will allow the Development Corporation to capture new investment in the Biddeford-Saco area business community that might otherwise be lost. The renewal of the Biddeford-Saco economy continues because of the commitment of the Cities of Biddeford and Saco and the Biddeford-Saco Chamber of Commerce & Industry to provide access to alternative sources

¹¹ Counting on Local Capital, idem, 33.

of capital allowing the Biddeford-Saco area, economy and people to prosper. BSAEDC must continue to diversify and expand its services, in order to position itself to handle future needs.

ADMINISTRATION

After last year's review of the existing by-laws and administrative policies, the Development Corporation initiated several new administrative policies. The agency's by-laws have been updated and simplified and will be reviewed annually hereafter. Additionally, BSAEDC has implemented a Risk Rating System to monitor its loan portfolio as well as a Loan Policy Guideline for all revolving loan programs. Staff is currently preparing a Personnel Policies Manual and Loan Procedure Guidelines for adoption by the agency in 1998.

With the growth and development of the agency's portfolio, BSAEDC has been able to shift its primary financial support away from the three partners or sponsors and on to the program income from the revolving loan programs. Currently, financial contributions from the three partners accounts for 32.5% of the Development Corporation's annual fiscal budget. The agency's Budget for fiscal year 1998 is as follows:

City of Biddeford	\$13,200
City of Saco	\$10,000
Chamber of Commerce	\$2,800
Program Income	<u>\$54,000</u>
TOTAL REVENUE	\$80,000
Personnel	\$55,100
Contracted	\$5,640
Administrative	\$9,500
Fixed	\$4,800
Marketing	<u>\$4,960</u>
TOTAL EXPENSES	\$80,000

SPECIAL PROJECTS

In 1997, the agency was involved with several events:

- In early spring, BSAEDC assisted the Chamber of Commerce with its Business Visitation Program. BSCC&I was successful in surveying 73 businesses in two months. Governor King presented the results in an Action Plan in May.

- BSAEDC organized and hosted a Chamber Breakfast Forum on the BIW modernization project in late spring. While controversial in that the State decided to provide a Tax Incentive, the project size and impact extended well into York County. Kevin Gildart, Assistant to the President of Bath Iron Works, discussed the project and its potential impact to the state's economy.
- Out of the BVP Action Plan, the Development Corporation worked with the Chamber, the Small Business Development Center and Fleet Bank to conduct a Business Finance Roundtable. The discussion focused on the local success stories of Babe Grondin at Prescott Metal and Bob Carter at Fresh Samantha.

Additionally, the agency met with the Finance Authority of Maine's Board of Directors to discuss the York County economy. Staff has invested a considerable amount of time in updating available statistics and demographic information on the Biddeford-Saco area. Charlie Mercer from FAME also took the time to meet with the agency's Board of Directors to discuss economic development issues in the state. The Executive Director continues to work as a Director on the York County Development Corporation (YCDC) Board of Directors on cooperative projects. YCDC represents a similar interest as BSAEDC except at the county level, which will only increase awareness of the need for economic development.

Special thanks are extended to:

- *KEY BANK OF MAINE* for providing a Safe Deposit Box at No Charge for the secure storage of all of BSAEDC's original loan documents.

MARKETING

BSAEDC continued its efforts during 1997 to establish "in-roads" with area lenders. Numerous businesses around the Biddeford-Saco area have been reached directly because of these efforts. The agency is planning to expand these efforts in 1998 to include local attorneys and accountants, and purchase a database of area businesses.

The Development Corporation created a new tri-fold-marketing brochure to improve visibility and business recruitment activities. Staff has also initiated a review of the agency's home page on the World Wide Web. Local demographic and business climate information promoting the Biddeford-Saco economy, BSAEDC, and the area's "Quality of Life" all need to be brought up to date. BSAEDC hopes to maintain the momentum created in 1997 into 1998.

APPENDIX B

BSAEDC REVOLVING LOAN PROGRAM FUNDS

as of December 31, 1997

Funding Source	Date of Inception	Initial Capitalization	Uncommitted Fund Balance	Active Loans	Principal Outstanding	Denied Loans	Current Default Rate	Total Charge Offs
DECD-MICRO	2-Jul-93	\$200,000	\$0	10	\$155,349	8	9.49%	\$0
DECD-RAF	1-Jun-95	\$100,000	\$0	N/A	See RD-IRP below			N/A
FAME-REDRLP	5-Jan-96	\$728,300	\$0	8	\$504,626	1	7.93%	\$0
RD-IRP	15-Jun-95	\$400,000	\$165,400	3	\$278,971	2	0.00%	\$0
RD-RBEG	1-Oct-93	\$200,000	\$0	8	\$165,674	2	12.62%	\$0
SEAC	1-Sep-92	\$20,000	\$0	3	\$15,331	1	0.00%	\$0
TOTALS		\$1,648,300	\$165,400	32	\$1,119,951	14	6.76%	\$0