1. Agenda

    Documents: AGENDA 05.16.13.PDF

2. Packet

    Documents: DOWNTOWNPACKET051613.PDF

CITY OF PORTLAND, MAINE
Notice of Meeting

Portland Development Corporation

DATE: 5/16/2013
TIME: 4:00 PM
LOCATION: Room 209, Second Floor
Portland City Hall

AGENDA

1. President's comments.
2. Presentation of Congress Square Plaza proposal by representatives of the Westin Portland Harborview – for Board discussion and possible action.
3. Review and recommendation regarding the Development Action Grant request from the Proprietors of Custom House Wharf.

   NOTE: Pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119—A, the Board may go into executive session to review and discuss proprietary information. If so, after review and discussion, the Board will come out of executive session and vote on the Grant request.
4. Review and accept Minutes of previous meeting held on April 26, 2013.
5. Treasurer's Report – April 2013 – Jennifer Sporzynski

   a) Monthly Administrative Budget Report
   b) Loan Receivables Report
   c) Cash Management Report
   d) Delinquency Report (Note: Pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119—A, the Board may go into executive session discussion any of the loans listed on the delinquency report.)
6. Communication:

   a) Article in the Portland Press Herald regarding 410 Riverside Street.
   b) Executive Session: Pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119—A, the Board will go into executive session for an update regarding loan to Undefeated Enterprises, Inc., d/b/a Mittapheap Market, 61 Washington Avenue.
7. Next Meeting Date: June 20, 2013

Jack Lufkin
Board President

CITY OF PORTLAND
NOTICE OF
MEETING

PORTLAND DEVELOPMENT CORPORATION

DATE:	Thursday, May 16, 2013
TIME:	4:00 p.m. – 5:30 p.m.
LOCATION:	Room 209, Second Floor Portland City Hall

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7. Next Meeting Date: June 20, 2013

Jack Lufkin
President/Downtown Portland Corporation

PORTLAND MAINE
Strengthening a Remarkable City, Building a Community for Life • www.portlandmaine.gov

PORTLAND DEVELOPMENT CORPORATION
Jack Lufkin, Board President

MEMORANDUM

To: PDC Board Members

From: Jack Lufkin, Board President

cc: Greg Mitchell, Economic Development Director

Date: May 10, 2013

Re: **Presentation by Rockbridge Capital - Proposal for Congress Square**

For the May 16th 4:00 p.m. Portland Development Corporation (PDC) Board meeting, I scheduled a presentation from Rockbridge Capital (owners of the new Westin located on Congress Street) to hear about the possible hotel event center expansion under public discussion.

Background Information

As you are aware, the Eastland Hotel is under redevelopment as a new Westin. The owners of the hotel, Rockbridge Capital, presented a proposal to construct an event center within a portion of Congress Square to the City's Housing and Community Development Committee (HCDC) on April 24th. See web link (http://www.portlandmaine.gov/news/westineventcenter04242013.pdf) for a copy of their complete presentation. The HCDC includes Councilor Mavodones as Chair along with Councilors Suslovic, Coyne, and Donoghue. The role of the HCDC is to make a recommendation to the City Council on whether or not to enter into a public-private partnership with Rockbridge Capital on the event center project which could include selling a portion of Congress Square. The HCDC will meet on May 29th to consider taking action, in the form of a recommendation, to the City Council.

Portland City Council Order and Related Materials

The PDC has a role in this discussion. Here is why.

The Portland City Council, in 2009, adopted a City Council Order establishing the ***Congress Square Redesign Study Group*** which included the PDC (formerly known as the Downtown Portland Corporation). The City Council Order is attached. Please know that this Congress Square Redesign Study Group has not met since August 1, 2012, and their last action was a vote to not support proceeding with the event center hotel expansion and the plaza be redesigned in its entirety. See attached memo from Alex Jaegerman to the HCDC dated August 3, 2012 (without two referenced attachments) summarizing the outcome of the August 1, 2012 Study Group vote. It is noted that the PDC did not have a representative at the Study Group August 1, 2012 meeting. The Study Group's next meeting is May 22nd at 5:30pm to receive a presentation from Rockbridge Capital and determine next steps.

Other Organization Positions

Attached are ***Greater Portland Landmarks*** and ***Creative Portland's*** organizations written positions on the hotel event center proposal.

Summary

This is being presented to the PDC Board to determine whether or not the PDC Board wants to take a position on this matter and/or whether or not the Board wants to send a representative to the May 22nd Congress Square Redesign Study Group meeting.

Order 60-08/09
Amended & Passed 9/3/08 8-0 (Skolnik absent)

EDWARD J. SUSLOVIC (MAYOR)
KEVIN J. DONOGHUE (1)
DAVID A. MARSHALL (2)
DANIEL S. SKOLNIK (3)
CHERYL A. LEEMAN (4)

CITY OF PORTLAND
IN THE CITY COUNCIL

JAMES I. COHEN (5)
JOHN M. ANTON (A/L)
JILL C. DUSON (A/L)
NICHOLAS M. MAVODONES (A/L)

ORDER APPOINTING CONGRESS SQUARE REDESIGN STUDY GROUP

ORDERED, that a Congress Square Redesign Study Group is hereby appointed with representatives to advise and guide the design and engineering process for the assessment of the best use and design of Congress Square Park;

BE IT FURTHER ORDERED, that the Committee shall be co-chaired by Councilors Kevin Donoghue and David Marshall;

BE IT FURTHER ORDERED, that the following organizations shall nominate members to the Committee to be appointed by the Mayor:

West End Neighborhood Association
Parkside Neighborhood Association
Bayside Neighborhood Association
Portland Arts and Cultural Alliance
Greater Portland Landmarks
Friends of the Parks Commission
Public Art Committee
Downtown Portland Corporation
Eastland Park Hotel
Portland Museum of Art
Portland Convention and Visitors Bureau
Two at-large members shall also be appointed by the mayor

for a total membership of 15.

BE IT FURTHER ORDERED, that the Study Group shall develop re-use and redesign principles for Congress Square Park and criteria to evaluate various alternatives and make a recommendation to the City Council for improvements, with associated cost estimates.

Communication
Planning and Urban Development Department
Planning Division

To:	Housing & Community Development Committee
From:	Alex Jaegerman, FAICP, Planning Division Director
Date:	August 3, 2012
Re:	Congress Square Meeting August 1, 2012

The Congress Square Redesign Study Group (CSRSG) met on Wednesday, August 1, 2012, to consider the proposal by RockBridge Capital to acquire a portion of the plaza for the purpose of constructing a ballroom/events facility. This proposal has been previously discussed by the CSRSG and HCDC on October 19, 2011 and May 9, 2012 respectively. The original proposal was reduced modestly in size, and the CSRSG was asked to send comments or a recommendation to the HCDC for consideration at the August 8, 2012 meeting.

Attached is the memorandum summarizing the proposal for the CSRSG, which presents the proposal and process leading up to these two meetings, and a framework for consideration that suggested three possible recommendations – to proceed with the proposal as presented; to continue to assess and evaluate the proposal; or to proceed with redesign of the plaza without further consideration of the proposal by RockBridge.

The CSRSG received a presentation by me and by Adam Valente of RockBridge Capital, engaged in a series of questions to clarify the proposal and process to date, and then opened the meeting to public comment. There was a lengthy public comment period, including 32 individuals who testified, of which 7 were generally supportive of the proposed development and 24 were opposed.

In the CSRSG deliberations that followed the public comment period, it was clear that there were diverse views among committee members. Several felt that the proposal as presented, while not necessarily acceptable as is, was worth further consideration and exploration. Others expressed strong support for keeping the plaza intact, and not allowing any land to be developed privately. After discussion and debate, the CSRSG voted on a motion to recommend to the HCDC that the RockBridge proposal not be further considered, and that the plaza be redesigned in its entirety. This motion passed with seven (7) in favor, two (2) opposed, and three (3) abstained.

It is recommended that this communication be received and the matter be deferred to a future meeting to allow time to consider the input received from the public and CSRSG. RockBridge has indicated that they would like to continue discussions toward providing a revised proposal.

Attachments:
1. Memorandum dated July 26, 2012
2. Written public comments (3)

GREATER PORTLAND LANDMARKS

93 High Street
Portland, ME 04101
207-774-5561
207-774-2509 Fax
www.portlandlandmarks.org

May 3, 2013

Councilor Nick Mavodones, Chair, Housing &Community Development Committee
Councilor John Coyne, Vice-Chair
Councilor Kevin Donoghue, Committee Member
Councilor Ed Suslovic, Committee Member
City of Portland
389 Congress Street
Portland, ME 04101

Dear Nick, John, Kevin and Ed:

Greater Portland Landmarks has actively participated in the discussions of the future of Congress Square Plaza. We believe there is universal agreement that something needs to be done to revitalize this important community space.

There is great potential for Congress Square Plaza to be creatively redesigned as a high-quality public open space. At the same time, a smaller well-designed open space could provide many of the public amenities desired by citizens, and also include a building, as Congress Square Plaza has been the site of buildings in the past.

Recently the developers and the architect for the Westin/Harborview (Eastland) Hotel met with our Public Issues Committee to show us the schematic design for a proposed special function room on a portion of Congress Square Plaza. We also heard an alternative point of view from a community member who participated in many of the deliberations about the future of the Plaza.

The discussion informed and reinforced our view that it is <u>essential</u> to consider the Hotel proposal for the Plaza in light of the <u>entire</u> context of Congress Square. This context includes the street intersection and sidewalks, potential future changes to the streets including their configuration and direction of traffic, and nearby buildings and open spaces.

The "fast track" schedule for a decision on the Hotel's proposal does not provide adequate time to study the context and weigh alternatives that will best serve the public interest. The citizen group that has been reviewing the Plaza for the past few years is already in place to consider the whole picture of the Square, and the funding already allocated can be used for this purpose.

Coincidentally, architect Henry Cobb, who designed the Portland Museum of Art's Payson Building, and has studied the Square as part of the museum design will be in Portland on June 18 to lecture on the streets and squares of Portland. This is a great opportunity to benefit from his knowledge of the Square and of urban contexts throughout the United States.

Whatever the solution proposed for Congress Square Plaza, it needs to be of a quality, sensitivity, and integrity to fit into a context with highly-significant architecture including the State Theater, the Portland Museum of Art complex, and the Congress Street Historic District.

The terms and parameters of any potential public/private partnership to redevelop Congress Square Plaza need to be clearly defined to assure that the City's long-term goals and the overall public interest are best served. Public and private entities involved in redeveloping the Plaza must invest in the design, construction, and maintenance of high-quality architecture and public open space. They also must commit to programming, maintenance, security, and ongoing investment to assure the long-term viability of the project.

Thank you for your consideration.

Hilary Bassett

Hilary Bassett
Executive Director

cc: Mayor Michael Brennan, Jill Duson, Cheryl Leeman, David Marshall, John Anton, City Manager Mark Rees, Jeff Levine, Alex Jaegerman, Deb Andrews

CREATIVE PORTLAND

May 10, 2013

To Whom It May Concern:

At the Creative Portland Board of Director's meeting on August 1, 2012, the board voted on the following motion:

> Creative Portland supports the concept of a new building of the appropriate size with an acceptable ratio of building size to plaza size based on minimum standards set forth by the New York City ordinance on public/private spaces. Creative Portland values the economic development opportunity offered by Rockbridge, the potential to bring activity to the Arts District, and encourages a compromise to be found to balance a quality public space with a new building. Creative Portland also recognizes the critical importance and public role that public space plays in keeping Portland a vibrant and welcoming place for everyone. While this resolution endorses the concepts as stated, Creative Portland also wants to state clearly that any new or existing public spaces are to be designed for and used by people across the socio-economic spectrum.

This motion was passed by a vote of 10 to 4 with two abstentions. The Creative Portland Board meets on a bimonthly basis, and has not had the opportunity to convene to confirm its position on the latest proposal. However, because the current proposal meets, though barely, the minimum standards of the New York City ordinance on public/private spaces, and because we felt that the economic benefits that the development will bring to the Arts District are of significant value, Creative Portland wishes to express its support for the development of a convention center on a portion of Congress Square Park and the redevelopment of the remainder of the park to high quality public space for use by people across the socio-economic spectrum. We will direct our representative, Peter Bass, to vote in such a way as to convey these sentiments.

Andrew Graham
President, Board of Directors
Creative Portland

Creative Portland | P . O Box 4675 Portland, Maine 04112 | 207. 370.4784

Economic Development Department
Gregory A. Mitchell, Director

Memorandum

To: PDC Board Members
From: Nelle Hanig, Business Programs Manager
Date: May 13, 2013
RE: Proprietors of Custom House Wharf Request for Development Action Program Grant (DAG)

Program Purpose
The Development Action Program grants are designed to encourage economic development in commercial districts on the Portland peninsula through the provision of grants for required public infrastructure. The grants can provide up to $25,000 or 50% of the cost of the public infrastructure, whichever is less.

Development Project
The former Boone's space on Custom House Wharf is under renovation to house a new seafood restaurant. In order to meet the life safety code, the Fire Department is requiring that the restaurant have a full sprinkler system. The existing 4" water main cannot supply sufficient pressure for the sprinkler system, so it needs to be replaced with a new 8" main that would run from Commercial Street down to the new restaurant. While the Wharf is private property owned by the Proprietors of Custom House Wharf, the Portland Water District (PWD) owns the 4" main and will own the new 8" main as well. It is anticipated that eventually the 8" main will be extended to the end of the Wharf, with the cost being shared between the PWD and the Wharf owners. The Wharf owners have granted an easement to the PWD for the water main being on their property.

DAG Request
The cost of this project is proposed to be $35,000, covering a distance of about 200 feet, 55 feet of which is within the Commercial Street public right of way. The rest of the water main will be on Wharf property. The Proprietors of Custom House Wharf are requesting a grant of $11,500, as directed by City staff, which is 50% of the approximately $23,000 cost of the component of this infrastructure project that is in the public right of way. The Wharf owners will provide $11,500 in private funds to match the grant, with the PWD funding the remaining $12,000 project cost.

Staff Recommendation
Staff is recommending that the PDC provide funding assistance for the portion of the new infrastructure that will be on public property, despite the Portland Water District line extending another 145 feet. This is in keeping with the DAG guidelines to "...determine the least amount of public resources necessary to make the project feasible." The objective is to support this commercial development while preserving the remaining $53,500 in the DAG fund for other projects needing assistance with infrastructure costs. Staff recommends approval of this DAG request for $11,500.

Attachment: DAG application.

Economic Development Center Application

The EDC is a consolidation of the City of Portland Department of Economic Development & the Downtown Portland Corporation.

389 Congress Street, Portland, Maine 04101 • 1-800-874-8144 • 207-874-8683 • fax 207-756-8217

The Portland Development Action Grant

1 Business or Individual Name(s) Proprietors of Custom House Wharf

Trade Name(s) ____ e-mail chm@maine.rr.com

Principal Place of Business (Address) Phone 207-831-0169 Fax 207-253-5252

Street 18 Custom House Wharf

City Portland State ME Zip 04101

2 Business Structure

☑ Corporation ☐ Limited Partnership
☐ Proprietorship ☐ Limited Liability Co.
☐ General Partnership ☐ Other

Date Established 1800's

Taxpayer ID# 01-0145075

Nature of Business Real Estate

Bank Loan Officer Karl Suchecki

Name of Accountant Baker Newman

Name of Attorney Ed McColl

3 Amount of Grant Requested $ MAXIMUM OF $11,500

4 Project Budget

City of Portland / DPC	$11,500	Public Improvements		Machinery & Equipment	
Bank		Land & Building		Permanent Working Capital	
Applicant	11,500	Renovation or Improvements		Other	
PWD ~~Other~~	12,000	Architectural & Engineering		TOTAL $	
TOTAL $	35,000				

5 Description of Business (include products and / or services, competition, industry conditions)

Real Estate

6 Business Employment

At Present	Number of Full-time Employees 1	Number of Part-time Employees 0
Following City of Portland / DPC Funding	Number of Full-time Employees 1	Number of Part-time Employees 0

City of Portland EDC Economic Development Center

7 Financial Summary

Does your business owner owe any outstanding property taxes, fees or liens to the City of Portland?

☑ No ☐ Yes If yes, please explain:

Is business or business owner involved in any pending lawsuits?

☑ No ☐ Yes If yes, please explain:

8 Supporting Documentation Checklist

The following items must accompany the completed application, unless otherwise noted.

a) ☐ Brief history of the company and owners / managers (include business plan and resume(s) if possible).
b) ☐ Letter(s) of commitment for bank / private financing.
c) ☐ Copy of lease (Building owners include copies of all tenant leases).
d) ☐ Copy of site plan approval letter.
e) ☑ Copy of bids or estimate of public infrastructure work to be performed.

9 Certification, Credit Authorization & Confidentiality of Records

To the best of my knowledge, the above information is accurate, and I (we) understand that any false or misleading information I (we) provide may lead to my disqualification from this program. I (we) authorize the City of Portland and / or Downtown Portland Corporation to make whatever credit inquiries it deems necessary to verify the accuracy of the information provided in connection with the review of this credit application.

I (we) hereby request that information provided by me (us) and developed by the City of Portland and/or the Downtown Portland Corporation, or its staff or agents, with respect to this application for financial assistance be designated confidential and not open for public inspection, pursuant to 5 M.R.S.A. Section 13119 et seq.

Certain records of the City of Portland and/or the Downtown Portland Corporation are designated CONFIDENTIAL AND WILL NOT BE MADE AVAILABLE FOR PUBLIC INSPECTION. This includes the disclosure of tax or financial information; our assessment of creditworthiness or financial condition; records obtained by the City of Portland and/or the Downtown Portland Corporation in connection with the monitoring or servicing of an existing project; proprietary information; and, information regarding the financial status of the application.

Kenneth M Mourer 4-10-12

Signature of Applicant Date

Tres Prop Custom House Wharf

Title, Company Name (if appropriate)

Signature of Co-Applicant Date

Title, Company Name (if appropriate)

Minutes

Portland Development Corporation

April 26, 2013

A meeting of the Board of Directors of the Portland Development Corporation was held Friday, April 26, 2013, at 3:00 p.m. in Room 209 on the second floor of Portland City Hall. Present from the Board were its President Jack Lufkin and Directors Mayor Michael Brennan (arriving just after the Board started with Item #3 on the Agenda), Jill Hunter, Jess Knox, Mark Rees, Jennifer Sporzynski, and Drew Swenson. Director Dennis Martin arrived as noted in the Minutes. Board Directors Neil Kiely, Jere Shaw, and Barry Sheff could not be present. Present from the City staff were Business Programs Manager Nelle Hanig, Economic Development Director Greg Mitchell, Senior Executive Assistant Lori Paulette, and Associate Corporation Counsel Lawrence Walden. Also present was Loan Underwriting Consultant Vin DiCara.

Item #1: President's Comments

President Lufkin thanked the Board members for their flexibility in attending this non-regularly scheduled Board meeting.

a) Presentation to Donna Katsiaficas for her service on the Board.

President Lufkin said that Board would like to formally recognize and thank Donna Katsiaficas for her 7 years of service on the Board, having served as Secretary and President during that time. He also thanked her for filling in for him as Immediate Past President at the November awards meeting when a family emergency precluded him from attending. Mr. Lufkin also noted that Ms. Katsiaficas, prior to serving on the Board, was Associate Corporation Counsel providing legal services to the Board starting in 1992 for about 20 years.

Ms. Katsiaficas thanked the Board and staff, noting that she enjoyed her time on the Board and will keep updated on the Board's work by going online.

<u>Item #3: Review and recommendation regarding loan requests, subordination request, and update. NOTE: The Board will first hear opening comments in public session, after which the Board will go into Executive Session pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119—A to review and discuss proprietary information. After review and discussion, the Board will come out of executive session and vote on the loan request:</u>

A. **<u>Maine Bio-Fuel, Inc., d/b/a Maine Standard Biofuels at 51 Ingersoll Drive; and,</u>**
B. **<u>Undefeated Enterprises, Inc., d/b/a Mittapheap Market, 61 Washington Avenue.</u>**

President Lufkin, noting that representatives from Maine Bio-Fuel (MBF) had to leave the meeting for 3:30, said that the Board would go right to this loan request.

Ms. Hanig introduced the item saying the MBF recycles used cooking oil and manufactures it into biodiesel for transportation fuel, bioheat – a home a heating fuel, and degreasing soap. The loan request would be for the purchase of machinery/equipment and for the purchase of larger volumes of used cooking oil. She introduced the company's founder Jarmin Kaltsis, and Matt Pemberton, its COO.

Mr. Kaltsis said that the company started seven years ago, with growth being slow at first. The last three years, however, it has grown well so it is now time to invest in infrastructure and equipment.

Mr. Pemberton then explained that MBF's goal is to be independent of Federal subsidies. He explained the RFS2 governed by the EPA and the "Renewable Indentification Numbers" (RINs).

Mr. Pemberton said that this expansion project will allow them to purchase larger amounts of grease and, in turn, triple their production of biodiesel and bioheat.

Mr. Kaltsis said that in the past three months, they added Applebees, Wendy's, and Governor's to their list of used cooking oil providers. Of 3,000 restaurants in Maine, they now have 600 as suppliers. With these three added, this will increase the flow 30-40%, and then seasonal restaurants are coming online for additional 30%. Mr. Kaltsis added that MBF sells directly to small heating oil distributors, keeping the product here in Maine.

Ms. Sporzynski asked if the size the restaurant matters, and Mr. Kaltsis said that it did not. Franchises, however, are a good addition. He also noted that they recently added the degreasing soap to their product manufactured, and restaurants are now purchasing that for their cleaning purposes.

President Lufkin asked about sources and uses of funds. Mr. Pemberton described the equipment that would be purchased including three large oil settling tanks, a new oil tanker capable of handling 6,000 to 8,000 gallons of product, oil purchases, a distillation buildout, and control panels (centrifuges).

President Lufkin asked if there were further questions/comments before going to the next loan. There being none, he thanked BMF for coming in and noted that the Board would hear the next loan in public session, and then go into executive session to review and discuss proprietary information for each loan. Mr. Lufkin advised BMF that Nelle Hanig would get back to them after the meeting with the results of the vote.

Ms. Sporzynski said that she would be excusing/abstaining herself from participation in this loan request from Mittapheap Market as her employer is involved with the Market.

Ms. Hanig then introduced the next loan request from Undefeated Enterprises, Inc., d/b/a Mittapheap Market. Mittapheap Market (MM) is an international grocery store at 61 Washington Avenue that sells food and an array of non-food products catering to the African, Caribbean, Asian, and Latin American communities. In 2003, the PDC made a loan to the original owners to start up the business; that loan was paid off and Ms. Meng purchased the business in 2007 and has since expanded the store's square footage.

Ms. Hanig said that representing MM here today is the store owner and manager Makara Keng, assistant manager Elias Kassner, and attorney John Languet.

Mr. Kassner said that the store has been in operation now for 10 years, six years with the current owner and has been profitable. At this point however, equipment is getting old and not efficient. The loan request would assist in the purchase of a new freezer and refrigerators, and also inventory. This is one of a very few stores serving the immigrant population, with a one-stop store on a bus route. It is also next to Kennedy Park with a large mix of immigrants, and this store provides most of their needs you cannot find at, for example, Hannaford's.

Mr. Languet said that he is here today as MM's business advisor, originally hired to advise the owner on a loan made through the internet at a high interest rate, which has since been resolved. He has toured her store and it functions like a community center, with patrons passing along information to each other, a valuable resource. As was indicated previously, it is a one stop shop for the immigrant community – from food, toiletries, to clothing.

Ms. Meng indicated that she purchases fabrics for sale at her store for patrons to make their own clothes – for both men and women.

Mr. Kassner said that their current business model foresaw future issues and now the business plan will determine what works and what doesn't. The Carribbean community has been increasing in Maine lately, so the products have evolved to include that community, as well as communities from Jamaica and St. Thomas. Also, the business is now fully computerized, and sales have increased in the past three months.

(Director Dennis Martin arrived at this time.)

Mr. Swenson asked about the relationship with the Landlord, and Mr. Languet said that an affordable rent has been negotiated, with the current lease running one more year and discussions are taking place for another five years, where some expenses may be part of the new lease paid over the term.

Mr. Kassner said that the Landlord recognizes the Market's importance.

Mr. Rees asked why the Market discontinued the sale of alcohol and tobacco.

Ms. Meng said to discourage breakins and people coming in to just to buy alcohol and tobacco.

Mr. Kassner said that they are now looking into native beer – noting Spanish and Central American beer.

Mr. Walden asked about any short- or long-term debt, and Mr. Languet said that a loan closed last week to take care of the internet loan, which was negotiated down.

(Mr. Rees had to leave the meeting at this time.)

President Lufkin asked if there were any further questions/comments. There being none, he thanked MM representatives for coming in. The Board would now go into executive session to discuss both loan requests and review proprietary information, during which time the public needs to leave the meeting. When the Board comes out of executive session, the public can come back in and the Board will then vote on the two requests. He advised MM that they can either wait in the hall and come back in after executive session, or Nelle Hanig can contact them after the meeting with the vote results.

At approximately 4:00 p.m., a motion was made and seconded for the Board to go into Executive Session pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119—A to review and discuss proprietary information for both loan requests. This motion was then passed unanimously. (NOTE: At approximately 4:12, Ms. Sporzynski left the executive session during its deliberations on the loan request from MM.) At 4:35, the Board came out executive session.

On motion made and seconded, the Board voted unanimously to extend a loan to MBF on the terms and conditions as recommended by the loan underwriting, with an additional condition to provide interim financial information through 3/31/2013.

On motion made and seconded, the Board voted 6-0-1 (Sporzynski abstained), to approve the loan to MM on the terms and conditions as recommended by the loan underwriter, which approval is subject to receipt and review of 2012 IRS Tax returns such that it shows the debt service coverage ratio equals or exceeds 2:1. If below 2:1, this loan will come back to the Board for further review.

Item #2: Review and accept Minutes of previous meeting held on March 28, 2013.

On motion made and seconded, the Board voted unanimously to accept the Minutes as published.

Item #4: Treasurer's Report – March 2013 – Jennifer Sporzynski

A. **Monthly Administrative Budget Report**
B. **Loan Receivables Report**
C. **Delinquency Report (Note: Pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119—A, the Board may go into executive session discussion any of the loans listed on the delinquency report.)**
D. **Cash Management Report**

Ms. Sporzynski said that the administrative budget is running below budget, as is the norm. The Loan Receivables Report speaks for itself. Regarding the delinquency report, Ms. Sporzynski reported a couple of updates: Apothecary By Design is now current through the end of April; Happy Tails made two payments so is now 10 months behind, not 12; Studio Management made a payment so now is 1 not 2 months behind; and Veranda Asian Market made 2 payments so is now 2 not 4 months behind. Regarding the

Cash Management Report, Ms. Sporzynski said that there is nothing new to report.

On motion made and seconded, the Board voted unanimously to accept the report as presented.

(Mayor Brennan left the meeting at this time.)

Item #5: Lending Activity Update – Nelle Hanig

Ms. Hanig handed out a table, attached, showing lending activity from FY07 through FY13 to date. As can be seen, FY13 is turning out to be a record year for the PDC. With the loans approved today, and another loan about to close, the PDC will be reaching approximately $1 Million in loans for FY13. This compares to its second best year on this table being FY12 at $454,944.

President Lufkin congratulated the Board and staff.

There being no further business, the meeting then adjourned at approximately 4:50 p.m.

Respectfully,

Lori Paulette

PDC Lending Activity and Impact: FY07 - FY13					
Fiscal Year	Number of Loans	Amount of Funds Lent	Jobs Created	Jobs Retained	Private Funds Leveraged
FY 2013	7	$668,500	8	67	$4,400,500
FY 2012	6	$454,944	49	30	$2,882,109
FY 2011	4	$134,000	14	5	$362,539
FY 2010	7	$310,000	23	44	$598,500
FY 2009	0	0	0	0	0
FY 2008	4	$170,000	51	14	$1,380,150
FY 2007	3	$345,000	36	56	$4,383,150
TOTALS	31	$2,082,444	181	216	$14,006,948
FY13 Pending Closure	1	$200,000	11	0	$9,557,950

a/o 4/26/2013

Portland Development Corporation
Operating Report FY13
For Month Ending
4/30/2013

Operating transfer from EDF **28,522**

Total Funds Available **28,522**

FY13 Expenditures	Budget	Current Month	Year to Date	Percent of Budget	Balance
Administrative Services	575	0	162	28.2%	413
Postage	300	0	84	28.0%	216
Travel, Training, Meetings	3,000	0	2,101	70.0%	899
Contractual services	11,400	0	5,833	51.2%	5,567
Operating Transfer to Fin.	9,647	0	0	0.0%	9,647
Advertising	2,200	0	1,314	59.7%	886
Auto Expense Reimb.	100	0	0	0.0%	100
Printing & Binding	650	15	608	93.5%	42
Office Supplies	650	0	505	77.7%	145
Total FY13 Expenditures	**28,522**	**15**	**10,607**	**37.2%**	**17,915**

Expenditures:

Printing & Binding	Plate for outgoing Board member Print

Downtown Portland Corporation
Schedule of Loans Receivable
For the Month Ending April 30, 2013

Cust #	Ln #	Account No. & Name	Date of Loan	Maturity Date	----Committed/Disbursed Funds----- Original Loan	Not Yet Disb.	Total Disb.	Outstanding Princ. Bal.
		Portland Business Fund 271 (UDAG):						
5706	1319	Rising Tide Brewing Company	4/18/2012	4/1/2019	115,111	0	115,111	108,864
		Sub-Total PBF (UDAG)						**108,864**
		Portland Business Fund 272 (Restricted - CIP):						
3763	955	Eastman Industries	4/19/2012	4/6/2017	34,800	0	34,800	34,800
3826	1007	Kennebec St. Properties	04/25/06	9/1/2013	67,500	0	67,500	54,317
4349	1078	Mayflower Pottery	2/25/2008	7/1/2015	25,000	0	25,000	8,977
4500	1127	Tomaks, LLC	3/27/2008	3/1/2014	75,000	0	75,000	66,351
4698	1167	Bangkok Thai	11/13/2009	1/1/2014	35,000	0	35,000	6,639
5496	1288	Museum of African Culture	10/3/2011	10/1/2016	15,500	0	15,500	14,514
		Sub-Total PBF (Bonds)						**185,598**
		Portland Micro Capital Fund 271 (Unrestricted):						
3995	1000	Happy Tails, Inc.	11/1/2006	10/1/2013	25,000	0	25,000	4,951
4740	1180	PBJ Empire, LLC	2/24/2010	3/31/2015	7,500	0	7,500	4,100
4760	1185	DSM, LLC	4/7/2010	5/1/2013	18,500	0	18,500	8,110
5147	1244	Gorgeous Gelato LLC	11/19/2010	12/1/2014	25,000	0	25,000	11,328
5320	1263	Dobra Tea	4/8/2011	4/1/2016	15,000	0	15,000	9,230
5708	1320	Veranda Asian Market LLC	4/19/2012	4/1/2017	50,000	0	50,000	45,879
5837	1341	Back Bay Skate	9/10/2012	9/1/2017	12,500	0	12,500	11,211
6113	1379	EcoHome Studio, LLC	4/11/2013	4/1/2018	15,000	0	15,000	15,000
6120	1380	Portland Trading Co. LLC	4/26/2013	8/1/2018	15,000	0	15,000	15,000
		Sub-Total Micro Capital Fund						**124,809**
		Creative Economy Fund 271 (Unrestricted):						
5615	1308	Studio Management Corp.	1/20/2012	2/1/2017	26,000	0	26,000	21,607
		Sub-Total Creative Economy Fund						**21,607**
		FAME Fund 277:						
3763	956	Eastman Industries	4/19/2012	4/6/2017	34,800	0	34,800	34,800
5862	1351	Peaks Island Fuel	10/1/2012	10/1/2017	61,000	0	61,000	59,477
		Sub-Total FAME Fund						**94,277**
		FAME SSBCI 279:						
5939	1356	Apothecary By Design LLC	11/8/2012	11/1/2017	200,000	0	200,000	191,755
5748	1327	Fermentation & Distillation	4/25/2012	10/1/2017	165,000	0	165,000	154,524
5836	1340	251 Woodford Street LLC	8/31/2012	9/1/2017	165,000	0	165,000	162,154
		Sub-Total FAME SSBCI						**508,432**
		Real Estate Investment Fund 271(Unrestricted):						
6104	1378	McCuda, LLC	4/19/2013	4/1/2018	200,000	0	200,000	200,000
		Sub-Total RE Invest						**200,000**
		Grand Total Loans					**1,403,211**	**1,243,587**
		Allowance for uncollectable loans at 15%						186,538
		Total with Allowance for uncollectable loans:						1,057,049

CITY OF PORTLAND, MAINE
PORTLAND DEVELOPMENT CORPORATION
DELINQUENCY REPORT
MONTH ENDING APRIL 30, 2013

a/o 5/8/13

Loan	Payment Past Due	# of Payments	# of Days Past Due*	Outstanding Principal Balance	# of Times Past Due In Last 12 Reports (excluding present mo.)
Eastman Industries (PDC)	$445	1	30	$34,800	1
Eastman Industries (FAME)	$445	1	30	$34,800	1
Gorgeous Gelato	$593	1	16	$11,328	1
Happy Tails, Inc.	$4,951	11	335	$4,951	12
Kennebec St. Properties	$505	1	25	$54,317	3
Museum of African Culture	$218	2	61	$14,514	8
PBJ Empire LLC	$881	6	181	$4,100	12
Studio Management Corp.	$987	2	61	$21,607	11
Veranda Asian Market	$1,990	2	61	$48,085	6
TOTALS:	**$10,125**			**$158,902**	

*Reflects number of days after 1st of month due date. Also, this report lists only loans that have not paid before the 15th of each month.

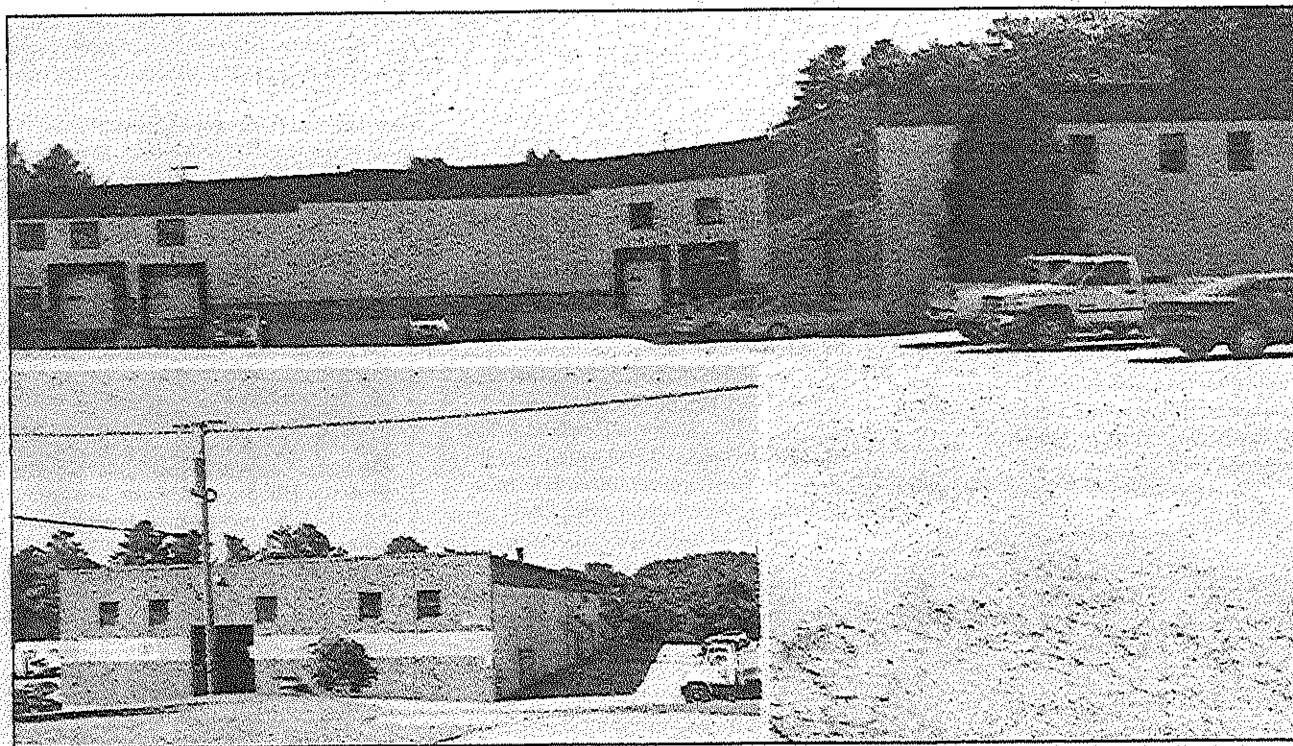
Portland Development Corporation
Cash Management Report
For Month Ending April 30, 2013

	CIP	UDAG		FAME	FAME	Brown-		Year-to-Date				Business Assistance Grant Prgrm for Job Creation
		271			SSBCI	field		Principal/Interest				
	272	(Unrestricted)		277	279	278						
	(Restricted)	Loans/PDAP	PEDP Bal			(PET)	TOTAL	Restricted	Unrestricted	FAME	SSBCI	
Beginning Cash Bal. April 1, 2013	**484,913**	**1,177,020**	**250,000**	**279,334**	**31,057**	**502,756**	**2,475,080**					100,000
Plus:												
Principal payments received	25,556	6,038			6,168			42,691	298,996	1,523	21,414	
Interest payments received	1,034	1,553			2,582			9,532	19,253	1,527	12,328	
Interest Income					11						77	
Orig Fee											3,650	
Sub-Total Cash Available	**511,502**	**1,184,611**		**279,334**	**39,819**	**502,756**	**2,518,022**	**52,222**	**318,249**	**3,050**	**37,470**	
Less:												
Year-End Adjustments												
Disbursements - Loans/PDAP Grants		(228,704)										
PEDPIP Grant Committed*			-157,585									
Sub-Total Cash Available 4/30/13:	**511,502**	**955,907**	**92,415**	**279,334**	**39,819**	**502,756**						
Less Reserves for:												
Beautification Program (EC0301)		(72,000)										
Ptld ED Plan Imple. Fund (EC1201)		(250,000)										
Portland Dev. Action Grant (EC0302)		(64,731)										
Transfers not yet recorded (UDAG Int)		(19,253)										
Grants/Loans Approved/Not Disb.												-30,000
Annual Admin Payment to FAME												
Reserve for Administration												-14,375
Total Ending Loan/Grant Cash Bal. 4/30/13:	**511,502**	**549,924**		**279,334**	**39,819**	**502,756**	**1,883,335**					**55,625**

*Note: Of the 157,585 Committed, $62,915 has been paid to date.
Approved Loan to Inn at Diamond Cove LLC will come from SSBCI.

Feature Transaction:

Industrial buildings at 410 Riverside St. sold



NAI The Dunham Group announced the sale of 410 Riverside St. (aka 51-70 Ingersoll Drive) in Portland.

The 15-acre parcel consisting of two multi-tenanted industrial buildings totaling 60,000 square feet sold for $2,225,000.

The seller, AB Holding Company, LLC, was represented by Justin Lamontagne; the buyer, McCuda, LLC, by Greg Hastings.

Lamontagne

"When we listed this property in the fall of 2012, we were facing two pending vacancies and some deferred maintenance at the property," said Lamontagne.

"We worked with the owner to stabilize the property by successfully expanding an existing tenant, prioritizing the work that was required and making recommendations to position and market the building as well as possible."

There was still a 15,000-square-foot vacant space available, and it was reasoned that the most appropriate buyer would be an owner/user. McCuda's local affiliates, Blake Equipment and Northeast Mechanical, proved an ideal fit: The space provides warehouse, office and showroom space under one roof, and the companies will move from a leasehold interest at their current location to owning this complex.

With income from existing tenants helping to offset the mortgage and expenses, McCuda's occupancy costs are well below previous rental payments. Additionally, the buyer qualified for the City of Portland's Real Estate Development Loan Program in partnership with lead lender Androscoggin Bank. As an owner/occupier keeping jobs in Portland, McCuda was able to apply $200,000 to its initial down payment.

Hastings

"The city's financing in this transaction was a major incentive for McCuda and truly succeeded in the program's goal of economic growth and job-creation," said Hastings.

Portland Press Herald 5/7/2013