1. Agenda

   Documents: AGENDA 09.19.13.PDF

2. Packet

   Documents: DOWNTOWNPACKET091913.PDF

CITY OF PORTLAND, MAINE
Notice of Meeting

Portland Development Corporation

DATE: 9/19/2013
TIME: 4:00 PM
LOCATION: Room 209, Second Floor
Portland City Hall

AGENDA

1. President's comments.
2. Review and accept Minutes of previous meeting held on August 15, 2013.
3. Review and recommendation regarding Development Action Grant request from 119 Development LLC for public infrastructure work project at 285 Congress Street (former Portland Press Herald building) in the amount of $25,000.

   a) 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.
4. Annual Meeting of Board:

   a) Election of Officers – President, Treasurer, Secretary
   b) Accepting Annual Report for FYE13
   c) Setting Date for Annual Meeting of Corporator as October 7, 2013.
   d) Any other business that may come before the Board.
5. Brownfields Loan Program – proposed new guidelines for review and recommendation to City Council
6. Update and Discussion regarding Business Assistance Grant Program for Job Creation
7. Marketing Discussion of PDC Programs - All
8. Treasurer's Report – August 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.)
9. Next Meeting Date: October 17, 2013.

Jack Lufkin
Board President

CITY OF PORTLAND NOTICE OF MEETING

PORTLAND DEVELOPMENT CORPORATION

DATE:	Thursday, September 19, 2013
TIME:	4:00 p.m.
LOCATION:	Room 209, Second Floor, Portland City Hall

A G E N D A

1. President's comments.

2. Review and accept Minutes of previous meeting held on August 15, 2013.

3. Review and recommendation regarding Development Action Grant request from 119 Development LLC for public infrastructure work project at 285 Congress Street (former Portland Press Herald building) in the amount of $25,000.
   a) **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.

4. Annual Meeting of Board:
   a) Election of Officers – President, Treasurer, Secretary
   b) Accepting Annual Report for FYE13
   c) Setting Date for Annual Meeting of Corporator as October 7, 2013.
   d) Any other business that may come before the Board.

5. Brownfields Loan Program – proposed new guidelines for review and recommendation to City Council

6. Update and Discussion regarding Business Assistance Grant Program for Job Creation

7. Marketing Discussion of PDC Programs - All

8. Treasurer's Report – August 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.)

9. Next Meeting Date: October 17, 2013.

Jack Lufkin
President/Portland Development Corporation

Minutes

Portland Development Corporation

August 15, 2013

A meeting of the Board of Directors of the Portland Development Corporation was held on Thursday, August 15, 2013, at 4:00 p.m. in Room 209 on the second floor of Portland City Hall. Present from the Board was President Jack Lufkin, and Directors Mayor Michael Brennan, Jill Hunter, Neil Kiely, Jess Knox, Jere Shaw, Jennifer Sporzynski (arriving as noted in the Minutes), and Drew Swenson. Directors Dennis Martin, Mark Rees, and Barry Sheff could not be present. Present from the City staff were Business Programs Manager Nelle Hanig, Planning Division Director Alex Jaegerman, Economic Development Director Greg Mitchell, Senior Executive Assistant Lori Paulette, and Associate Corporation Counsel Lawrence Walden.

Item #1: President's Comments

President Lufkin noted that at the September Board meeting, there will be an Agenda item for the appointment of Board Officers, which is done yearly as part of the Board Annual Meeting agenda. Officer positions include President, Treasurer, and Secretary. He requested that anyone interested in serving contact Greg Mitchell and Lori Paulette.

President Lufkin then congratulated staff on the ribbon cutting ceremony for Portland Technology Park set for Weds., September 18, at 11:30 a.m., with a rain date of September 19 at 11:00 a.m., and encouraged all to attend if available.

Item #2: Review and accept Minutes of previous meeting held on May 16, 2013.

On motion made and seconded, the Board voted 4-0-3 (Hunter, Lufkin, and Swenson abstained as they were not in attendance at that meeting) to accept the Minutes as presented.

<u>Item #3: Review and recommendation regarding Development Action Grant request from Rufus Deering for public infrastructure work at 54 York Street in the amount of $20,935 for sidewalks, curbing, and ADA ramps.</u>

A. **<u>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.</u>**

Ms. Hanig said that Development Action Grants (DAG) are used for commercial developments on the peninsula for required public infrastructure – up to $25,000 or 50% of the cost, whichever is less.

Ms. Hanig said that Rufus Deering owns 54 York Street and will be leasing a majority of the space to the Baxter Academy of Science and Technology, a charter school. In order to accommodate the school, building renovations are needed as well as public infrastructure improvements required by the Planning Board, the latter totaling an estimated $41,870 for sidewalks, curbing, and ADA ramps. DAG funding requested is 50% of that cost or $20,935. Staff recommends approval.

Dan LaBrie, Senior Vice President at Rufus Deering, thanked the Board for their consideration of this request. Rufus Deering purchased 54 York Street 14 years ago, leasing it since then. Five years ago it lost its tenant and has been mostly vacant during that time. With the Baxter School tenant coming in, Rufus has been renovating the building for the past four months.

(Ms. Sporzynski joined the meeting.)

Mr. LaBrie said that the renovations are now going over budget, and the public infrastructure required by the Planning Board will require taking down trees and replacing them, in addition to sidewalks, curbing, and ADA ramp costs.

Ms. Hunter asked if the School was a commercial use, and Mr. LaBrie said that anyone can attend the school.

Mr. Lufkin asked about the site plan process.

Ms. Hanig said that because of the amount of traffic expected from the school, a traffic movement permit was needed which required Planning Board involvement. The change of use triggered the requirement for public infrastructure improvements.

Item #4: Review and recommendation regarding application submitted by Creative Portland and Creative Space for grant funding from the Portland Economic Development Plan Implementation Fund in the amount of $30,000 for post Art Space survey activities.

B. 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.

Ms. Hanig said that Creative Space was previously before the Board regarding projects to be undertaken based on the art space survey. At the time, the Board requested that the application be presented after the results from the survey were in. The survey was completed June 2013 and assessed the needs of artists to return, locate, or stay in Portland. Among the findings were that younger and less affluent artists are most likely to be receptive to relocating/moving to Portland, although they were most likely to identify barriers such as cost. Ms. Hanig then introduced Jennifer Hutchins and Tom Blackburn.

Ms. Hutchins, Executive Director of Creative Portland (CP), addressed the Board saying that CP was formed by the Portland City Council in 2009, with one of its charges to address the need for affordable work/live space for artists and investigate the existing availability of affordable space for further development. The proposal by Creative Space (CS) highlights the Economic Development Plan and addresses "create incentives to establish and grow Portland's creative enterprises." As Ms. Hanig noted, the survey results indicate a high demand by young people to be here. She then highlighted some of the projects that CS has completed, including helping make connections for the Circus School at Thompson's Point.

Mr. Blackburn said that CS was formed last Fall to assist with space for the creative economy. As noted, the artist survey confirmed the need for affordable space. Portland is a product of its success with affordable space at a premium. CS would conduct an inventory of existing space and make it accessible on its website; locate space to turn into artist space, finding opportunities where it can; create a source guide for clients to consummate a relocation; and prepare the website. The creative economy has unusual space needs; this will be an ongoing process.

Mr. Shaw asked about the younger artist need in the survey, and Mr. Blackburn said that the executive summary does show the younger artist need, particularly for affordable work space and lack of employment opportunities. Also, most younger artists would prefer to separate their work space from their home space but costs prohibit this.

Mr. Knox asked where younger artists were moving to, and Mr. Blackburn indicated this to be largely Biddeford, Lewiston, and Westbrook.

Mr. Knox said that in developing a website, perhaps CS could include a revenue producing item to assist in getting CS self-sustaining.

Mr. Knox then asked about a definition for creatives/entrepreneurs, and Mr. Blackburn said that it is very broad – anyone who takes an idea and makes it into a product – from a fine artist to a software start-up business.

Mr. Swenson asked about a system to monitor those people/businesses that CS assists, particularly those who are successful or are struggling. Mr. Blackburn discussed the arts center idea and incubator space, as well as other space CS identifies for artists/creative enterprises. A database would need to be created for monitoring the space and its users.

Ms. Sporzynski said that the work proposed by CS seemed to be done by real estate brokers. Mr. Blackburn said that he would not interfere with their work and would work in concert with them. Some have properties that are receptive to artists at an affordable price point.

Ms. Hutchins added that CS has already assisted Portland organizations with their needs for creative space, including Community Television Network, Maine Academy of Modern Music, and Circus America to name a few.

Mayor Brennan asked about the relationship between CP and CS. Ms. Hutchins said that CP is the fiscal agent for CP, with a signed agreement in place. The CP Board considers CS to take over what CP cannot do. In matters of real estate development, one needs to have a discrete role and CP is a quasi-public organization. CS can fulfill that role for real estate transactions.

Mr. Blackburn said that the 4-member Board of Directors of CS includes three Board members from CP. Mr. Blackburn said that the majority of his time would be dedicated to CS.

Mr. Swenson noted that MEREDA may have some resources and suggested that Mr. Blackburn contact that organization.

Mr. Shaw asked about CS purchasing real estate, and Mr. Blackburn said that this is a challenge and would be a work in progress as funding comes in from various foundations, grants, and investors.

President Lufkin echoed Mr. Swenson's suggestion about contacting MEREDA, particularly for database creation. He also noted that CS, as it moves forward with reviewing properties and understand zoning and its challenges, can provide added value by suggesting changes in that zoning.

Mr. Blackburn agreed.

Mr. Walden noted that Jeff Levine's office is currently taking a look at the R6 and R7 zones for possible amendments, and Mr. Blackburn said that he will continue to discuss this with Mr. Levine.

President Lufkin asked if there were any further questions/comments, and there was none.

On motion made and seconded, the Board voted unanimously at approximately 4:45 to go into executive session pursuant to pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119—A to discuss proprietary information for the grant requests from CP/CS and from Rufus Deering. At approximately 5:15, the Board came out of executive session.

Mayor Brennan made a motion to table the grant request from Rufus Deering; President Lufkin seconded the motion. A vote was then taken on the motion and it failed 2-6 (Lufkin, Hunter, Kiely, Knox, Swenson, and Sporzynski).

On motion made and seconded, the Board voted 6-1-1 (Brennan opposed; Shaw abstained) to approve the grant request as recommended by staff to Rufus Deering conditioned upon satisfactory resolution of all Planning Board conditions with performance guarantees for the infrastructure work.

Mayor Brennan noted that he voted against this request as he felt it inappropriate to use public funds in support of the charter school tenant for the property.

(Mr. Knox left the meeting at this time.)

On motion made and seconded, the Board went back into executive session at approximately 5:20 pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119—A to discuss proprietary information for the grant request from CP/CS. At approximately 5:35, the Board came out of executive session.

On motion made and seconded, the Board voted unanimously to approve the grant request as presented by staff, with a note for CS to not move quickly to acquire real estate.

Item #5: Update on Brownfields Revolving Loan Fund

Ms. Hanig, noting the late hour, said that this loan fund has over $500,000, which are funds used for prior cleanup activities. Before reusing these funds, a close agreement from EPA is required. On July 2, 2013, the EPA executed a Closeout agreement with the City for $209,000; the remaining $294,000 cannot be used until an executed closeout is in place for these funds. This is in process.

Ms. Hanig continued saying that closed-out funds carry with them fewer EPA requirements, terms, and conditions, allowing for a more streamlined process for their use.

Ms. Hanig closed saying that staff will provide modified Brownfields Fund guidelines for Board review and recommendation to the City Council.

Item #6: Establish subcommittee for Annual PDC/City Awards Program held in November.

President Lufkin noted that Directors Hunter, Sporzynski, and Swenson have volunteered to serve on this subcommittee. He requested that if there were other Board members who would like to participate to let Lori Paulette know. Ms. Paulette will be in touch with the subcommittee to arrange its first meeting sometime during the first half of September.

President Lufkin, noting that Board Directors needed to leave at this time, suggested tabling items #7 and #8. On motion made and seconded, the Board voted unanimously to tables Items #7 and #8 below.

Item #7: Marketing Discussion of PDC – All

Item #8: Treasurer's Report – July 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.)**

There being no further business, the meeting then adjourned at approximately 5:45 p.m.

Respectfully,

Lori Paulette

Portland Development Corporation
Jack Lufkin, President

MEMORANDUM

TO: PDC Board of Directors

FROM: Jack Lufkin, Board President

DATE: September 13, 2013

SUBJECT: Annual Meeting of Board/Election of Officers

After consulting with current Board Treasurer Jennifer Sporzynski and Board Secretary Barry Sheff, I would offer a nomination to keep the current slate of officers as they are now for the coming year.

Both Jennifer Sporzynski and myself are termed out as of 11/30/2014, and we are both willing to serve one more year in our current capacities. Barry Sheff has also agreed to serve another year as Secretary.

Portland Development Corporation

Board of Directors

Fiscal Year 2013 Annual Report

The Economic Development Department provides the primary staff support to the Portland Development Corporation (PDC) with legal assistance from Corporation Counsel. The Economic Development Department is responsible for marketing and administration of the PDC's Commercial Loan and Grant Programs and marketing City-owned real estate to attract private sector investment.

The PDC Board of Directors met nine times over the course of the fiscal year, not including its Annual Awards Reception held on November 28, 2012 – detailed further below.

PDC Fiscal Year 2013 Loan and Grant Activity

FY13 Loans Approved

FY13 was a year in which the PDC loan portfolio grew with nine loans closed for a total of $718,500 – a 50% increase from FY12 at $454,944. These loans leveraged $4,543,500 in private investment while creating and retaining over 100 jobs.

During the past four years, FY10 through FY13, the PDC has extended 26 loans for a total of $1,617,444 while leveraging $7,425,609 in private investment and creating and retaining over 250 jobs.

FY14 is already appearing to be an active year for the loan portfolio, with one loan closed for $200,000 and leveraging $9.5 Million in private investment and creating 11 jobs.

PDC Loan Portfolio

At of the end of FY13, the PDC has 24 loans outstanding. With these loans, the PDC achieved a leverage ratio of 10:1 (private/public) that is, these loans of just over $1.4 Million leveraged another $11.8 Million in private investment in Portland. The loans also helped to retain 105 jobs and create 167 jobs.

Portland Economic Development Plan Implementation Program (PEDPIP) Grant Fund

The PEDPIP Grant Fund was created during FY12 to provide grant monies to invest in economic development projects and programs that carryout Portland's

Economic Development Vision and Plan ("Plan"). Grants must be matched by an equal or greater dollar amount from funding sources other than the PDC.

The PEDPIP Grants fund planning studies and other "soft" costs associated with economic development projects and programs that advance the initiatives spelled out in the Plan. PEDPIP does not invest in "hard" costs for public infrastructure or private development projects. Its focus is on expenditures for economic development projects and programs.

The PEDPIP program was capitalized by PDC funds in the amount of $250,000. The maximum grant amount is $75,000, duly noting that this program could be expended in a relatively short period of time.

During FY13, the Board approved one grant in the amount of $40,000 to:

> **Portland Community Chamber of Commerce** - for the Growing Portland Collaborative, stemming from Mayor Michael Brennan's plan to grow Portland's innovation economy, a component of the Plan. The Collaborative seeks to bring together three key constituencies – higher education, research and development, and innovative businesses – to promote innovation, commercialization, and skilled job growth in Portland. Related to those goals, the Collaborative focuses on promoting key business sectors, optimizing local industries with growth potential, combining resources for government (federal and state) and foundation funding, and promoting Portland as a center for innovation and opportunity.

During FY12 and the kick-off of the PEDPIP program, the PDC Board approved a total of $117,600 in grant funds to four organizations:

> **Portland Regional Chamber** – for a project which produced four digital slideshows entitled "Why Portland" highlighting four successful Portland area entrepreneurs. These videos are distributed at trade shows, as well as on the Chamber's website, the City's website, the Jetport, at Ocean Gateway, as well as the video channel on hotel televisions. The goal is for the viewer to see that Portland is ultimately a lifestyle decision and a business decision; that Portland's quality of place is one of its strongest selling points.

> **Creative Portland** – six projects all focused on strengthening Portland's creative economy. The projects include Branding Portland, expanding the 2 Degrees Portland networking program for creative entrepreneurs, redeveloping the Creative Portland website, developing metrics for measuring the growth of Portland's creative economy, creating a Map & Guide for creative entrepreneurs considering a move to Portland, and an

Artist Space Survey to determine the potential for developing opportunities for artist live/work space in the City.

Portland Performing Arts Festival – for the first year of the Festival held June 28 – July 1, 2012. This event supported the arts and cultural industry sector and included, for example, classical and jazz music, theater, dance, and performance art, bringing an estimated 3,000 people to the downtown area.

Portland Community Chamber of Commerce – for the third annual update of the Portland Scorecard. This update was altered to add, modify, or drop certain indicators to more closely align it with the Portland Economic Development Plan, and better measure Plan progress. It was provided in printed form and available electronically as well.

Business Assistance Grant Program for Job Creation

During FY12, the Business Assistance Program for Job Creation was created to offer grants to new and expanding Portland businesses for projects that result in the creation of permanent net new jobs. A private match is required in an amount that is at least equal to the grant requested.

This program was capitalized with $100,000 from Community Development Block Grant funds and launched in May. The maximum grant amount request per recipient is $20,000. For every $10,000 of grant funds, one full-time permanent job must be created.

During FY13, two grants of $10,000 each were approved, with one approved during FY12 for $10,000.

PDC Annual Awards Program

At the 17th Annual Awards Reception on November 28, 2012, the PDC handed out awards for Small Business of the Year, Business of the Year, and an Economic Achievement Award – as follows:

- The ***Small Business of the Year*** award was given **Rosemont Market and Bakery**

  Rosemont Market & Bakery opened its first shop in 2005 on Brighton Avenue in Portland. Since then, owners John Naylor and Scott Anderson have expanded into three additional retail locations, two in Portland (at 88 Congress Street, and 5 Commercial Street, as well as 580 Brighton Avenue) and another on Main Street in Yarmouth. In 2010, to meet the growing demand, the original Brighton Avenue market became the bakery and production kitchen, and an expanded market moved to a larger location across the street.

The business focuses on purveying the best in food, wine, and beer. Rosemont seeks out the freshest and tastiest foods, emphasizing produce, dairy, meats, and fish raised consciously and produced well, and maintaining a strong commitment to finding and supporting local and regional producers. Its bakers and cooks are devoted to producing the finest in artisanal breads, pastries, and prepared foods.

Rosemont Market & Bakery now employs 55 people in Portland and has become the quintessential neighborhood grocery store.

- The ***Business of the Year*** award was given ***ENVIROLOGIX INC.***

  EnviroLogix was founded in 1996 by Bruce Ferguson. He was joined by a talented and diverse group of experienced immunoassay diagnostic test kit developers, as well as financial, marketing, and sales professionals. The company has built on its strong scientific foundation to become an industry leader in the development and manufacture of immunoassay test kits for every link in the worldwide food production chain, from seed to plant to grain handling and processing.

  The company manufactures on-site every test kit it develops, insuring the ability to monitor the quality control process from initial test development right through to manufacturing, packaging and delivery to its customers.

  Acquired in 2010 by Ensign-Bickford Industries, the parent company was committed to keeping EnviroLogix in Portland and supported the purchase of its formerly leased space, as well as a second building to accommodate its expansion. Now under the leadership of John Markin, President and CEO, EnviroLogix occupies 64,000 square feet in its state-of-the-art manufacturing facility on Riverside Industrial Parkway and employs over 115 people.

  Within Maine's growing bioscience industry, Portland is fortunate to have EnviroLogix as one of its own.

- The ***Economic Development Achievement*** award was given to ***THE STATE THEATRE – Stone Coast Properties, President Ron Goglia; Crobo (Tenant) - Partners Alex Crothers of Crothers Entertainment and Jim Glancy of The Bowery Presents; Lauren Wayne, State Theatre General Manager and Talent Buyer***

  The State Theatre, one of Portland's great historic theatres, re-opened on October 15, 2010 — having been dark since 2006. In its first year, the State presented over 80 performances and injected tremendous energy back to the High and Congress Street area.

  This renaissance was brought about by the commitment of its owner, Stone Coast Properties through its President Ron Goglia, with an investment of almost a million dollars in the theatre, including new fire escapes, new ceiling, new electrical system, and more. The building owner then leased the Theatre to Crobo – a partnership of Alex Crothers of Crothers Entertainment and Jim Glancy of The Bowery Presents. These experienced music promoters in turn invested another half million dollars in new seats and a refurbished stage and green rooms, with Lauren Wayne at the helm as the Theatre's General Manager and Talent Buyer.

The State Theatre has enhanced the vitality of the downtown Arts District.

Summary

The PDC looks forward to continuing to assist with attracting investment in Portland area businesses. With grant programs, its loan portfolio growing, and loan funds available to invest, the PDC would like to thank the City Council for its continued support.

PDC Board of Directors:	Mayor Michael Brennan Jack Lufkin, President Jennifer Sporzynski, Treasurer Barry Sheff, Secretary Jill Hunter Neil Kiely Jess Knox Dennis Martin Mark Rees, City Manager Jere Shaw Drew Swenson
PDC Staff:	Greg Mitchell, Economic Development Director Nelle Hanig, Business Programs Manager Lori Paulette, Senior Executive Assistant Lawrence Walden, Associate Corporation Counsel

Downtown Portland Corporation
Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended
June 30, 2013

(Preliminary and Subject to Audit)

	Revenues/Financing Sources	
Interest payments on loans		62,807
Interest Income		8,041
Application Fees		9,678
Grants		565,000
Misc		
Total Revenues		645,527
	Expenditures	
Admin. expense - FAME	3,188	
Contributions	36,374	
Grant to Tech Park	146,000	
Transfers out	125,862	
Bad Debt Expense	35,211	
Total Expenditures		346,635
Excess (deficiency) of revenues over expenditures		298,892
Fund Balance, June 30, 2012		3,427,406
Fund Balance, June 30, 2013		3,726,298

PORTLAND DEVELOPMENT CORPORATION
Balance Sheet
June 30, 2013

(Preliminary and Subject to Audit)

ASSETS

Assets				
Cash			2,531,183	
Loans receivable		1,405,715		
Allowance for uncollectable loans		(210,600)	1,195,115	
Total Assets				$ 3,726,298

LIABILITIES

Liabilities				
Accounts payable			-	
Accrued interest payable			-	
Total Liabilities				$ -
Fund Equity				
Reserved:				
for Loans Rec.			1,195,115	
Reserved:				
for Economic Development Fund	270		96,933	
for Unrestricted UDAG	271		879,859	
for Restricted CIP	272		517,229	
for FAME	277		281,491	
for EPA Revolving Loan Fund	278		502,756	
for FAME SSBCI	279		252,916	
Total Fund Equity				$ 3,726,298
Total Liabilities and Fund Equity				$ 3,726,298

Portland Development Corporation
Operating Fund

Budget vs Actual
For Year Ended
June 30, 2013
(Preliminary and Subject to Audit)

	FY13			FY12		
	Budget	Actual	%	Budget	Actual	%
Portland Development Corporation	----------	---------	---	----------	---------	---
Revenues:						
Transfers in from Ec. Dev. Fund	28,522	22,300		28,522	22,166	
	-----------	-----------		-----------	-----------	
Total revenues	28,522	22,300		28,522	22,166	
Expenditures						
Admin Services	575	197	34%	575	111	19%
Contractual Services	21,047	17,007	81%	20,247	15,893	78%
Postage/Supplies	300	98	33%	300	78	26%
Travel, Training	3,000	2,362	79%	3,800	3,710	98%
Advertising	2,200	1,398	64%	2,200	1,507	68%
Printing & Binding	650	608	94%	650	359	55%
Office Supplies	650	616	95%	650	509	78%
Auto Expense	100	14	14%	100		0%
				-----------	-----------	
Total Expends	28,522	22,300	78%	28,522	22,166	78%

PORTLAND MAINE

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

Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: PDC Board of Directors

FROM: Greg Mitchell, Economic Development Director

DATE: September 11, 2013

SUBJECT: Setting Date of Annual Meeting of Corporator of PDC

Pursuant to the Bylaws of the Downtown Portland Corporation, the Board must vote to fix the date of the Annual Meeting of the Corporator (City Council).

It is being suggested that the Annual Meeting of the Corporator be held on Monday, October 7, 2013. At that time, as is the custom, either the PDC Board President and/or Economic Development Department staff will be in attendance to submit the Annual Report of the PDC. The Board of Directors and members of the public are encouraged to attend the Annual Meeting of the Corporator and ask questions and state their views.

Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

To: President Jack Lufkin and PDC Board Members

From: Nelle Hanig, Business Programs Manager

Cc: Greg Mitchell, Economic Development Director

Date: September 12, 2013

Re: Draft Guidelines for Closed Out Funds in Brownfields Revolving Loan Fund (RLF)

Overview

This memo provides an update on draft guidelines for use of closed out Brownfields funds. Staff is seeking Board feedback on the revisions to date. These guidelines remain a work in progress as greater clarity is being sought from the U.S. Environmental Protection Agency (EPA) on criteria for use of closed out funds for a) environmental site assessments, and b) grants for site cleanup. The use of these funds for loans is understood. As reported in the August 9th memo to the PDC, a portion of the City's brownfields funds are now closed out ($209,000) and the remainder ($294,000) will be closed out in the near future.

Draft Modified Guidelines for Closed Out Funds

EPA eases some of its rules and regulations for use of closed out funds (retained program income) within a brownfields revolving loan fund. Such funds can be used for site assessments and for grants as well as loans for cleaning up brownfields sites. Further, the process for loans and grants is less complex. These conditions prompt the need for modified guidelines when using closed out funds.

For the PDC's review, the draft guidelines are in marked revision format with the base document being the current brownfields guidelines that were approved by the City Council in 2000/2001, when the City initially received brownfields funds from EPA to establish Portland's Brownfields RLF. The guidelines were since amended twice by the Council, in 2007 to expand the use of brownfields funds city-wide and in 2008 to address requests by borrowers for changes to loan terms.

The current modifications fall into the following categories:

- General changes in EPA rules for all brownfields funds since Portland's original brownfields guidelines were established;

- Removal of specific EPA requirements that become obsolete when using closed out brownfields funds;
- Additional use of funds for environmental site assessments (both Phase I and Phase II), programmatic costs to manage and oversee work being performed, and cleanup subgrants to non-profit organizations and public agencies;
- Streamlining some of the text in Portland's original brownfields guidelines.

Attachments

- August 9, 2013 Memo to PDC
- Draft Guidelines for Closed Out Brownfields Funds
- Closeout Agreement with EPA dated July 2, 2013

Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

To: President Jack Lufkin and PDC Board Members
From: Nelle Hanig, Business Programs Manager
Cc: Greg Mitchell, Economic Development Director
Date: August 9, 2013
Re: Update and Information on the Portland Brownfields Cleanup Revolving Loan Fund (RLF)

Purpose

This memo is intended to provide information to the PDC on the status of the Portland Brownfields Cleanup Revolving Loan Fund (RLF) and on next steps for the use of these funds for cleaning up contaminated sites in Portland.

Background on Portland's Brownfields Funds

The U.S. Environmental Protection Agency (EPA) granted the City of Portland a total of $855,000 to capitalize a Brownfields Revolving Loan Fund (RLF), $500,000 in 1999 and another $355,000 in 2006. The City lent out a total of $497,000 for three Brownfields cleanup projects, each of which was paid back. Another $29,647 was spent on other eligible programmatic costs. The original loan amounts and their purposes are as follows:
:

- $150,000 – Chestnut Street Extension
- $138,000 – Parking Lot, 161 Marginal Way
- $209,000 – Chestnut Street Lofts

A total of $328,352 had remained unexpended for grants or loans and went back to EPA.

Current Status of Brownfields Fund

At this time, the Portland Brownfields RLF contains approximately $503,000, all funds that have been used for prior cleanup activities. Before re-using these funds for brownfields projects, a closeout agreement from EPA is required, that specifies terms and conditions for their continued use.

On July 2, 2013 the EPA executed a Closeout Agreement (attached) with the City for $209,000 of its brownfields funds. This agreement allows the City to retain these closed-out funds as program income and use them for eligible brownfields cleanup as well as assessment activities. Closed-out funds carry with them fewer EPA requirements, terms and conditions, allowing for a more streamlined process for their use. The remaining $294,000 of City brownfields funds cannot be used until an executed closeout agreement is in place for them. Staff is working with EPA to advance a decision as soon as possible on a second closeout agreement.

Next Steps

At the September meeting, staff will provide, in marked revision format, modified Brownfields Fund Guidelines for Closed-Out Funds. The PDC will be asked to review and recommend the modified guidelines to the City Council for its approval. Policy issues will be highlighted for discussion, while other aspects of the guidelines will be required by EPA.

Attachment
Closeout Agreement Between U.S. EPA and City of Portland

DRAFT

Closed Out Brownfields Funds

PORTLAND BROWNFIELDS CLEANUP REVOLVING LOAN FUND

Amended to be applicable City-wide and passed by the City Council on 7/16/07.

Amended by Corporator at 11-17-08 Meeting adding an amendment for Requests for Amendment to Loan Terms.

1. Program Goal~~s~~

~~(a) To finance the removal of CERCLA hazardous substances from Brownfields sites within the City of Portland.~~

~~(b)~~ To support ~~demonstrate the feasibility of establishing~~ a sustainable revolving loan fund program to finance the assessment and cleanup of Brownfields properties, thereby making these properties available for redevelopment and contributing to the revitalization of the community, creation of jobs, improving the environment, and eliminating the public health risks associated with these sites.

~~(c) To assist the remediation and redevelopment of Brownfields sites within the City of Portland~~.

2. Program Objectives

(a) To create an incentive for private investment in the Brownfields areas of the City of Portland;
(b) To assess and safely clean up Brownfields properties in order to facilitate their sustainable use;
(c) To foster development and implementation of financial and administrative approaches that can support self-sustaining efforts to facilitate Brownfields cleanup efforts; and
(d) To prevent the creation or spread of contamination on or between properties to protect the public health by minimizing exposure to toxic materials in the environment.

3. Program Description

This program is designed to encourage the environmental assessment and cleanup of eligible sites and activities associated with removing, mitigating, or preventing the release, or threat of a release, of a hazardous substance, pollutant, or contaminant from Brownfields sites ~~.~~ by providing funds for Phase I and II site assessments and financing options for site cleanups including loans to for-profit entities, non-profit organizations and public agencies, and subgrants to non-profit organizations and public agencies.

All work under this Program is to be completed in accordance with the requirements outlined in the Closeout Agreement between the EPA and the City executed July 2, 2013.

4. Program Funding ~~Budget~~

The funding for the Portland Brownfields Cleanup Revolving Loan Fund is provided by the U.S. Department of Environmental Protection and authorized by the City Council.

5. Project Threshold Requirements:

(a) The property to be assisted is located within the City of Portland.
(b) The project applicant or owner must owe no outstanding property taxes, fees, judgments, or liens to the City;
(c) The project applicant or owner is not considered potentially responsible for the ~~a generator or transporter of~~ contamination on the property ~~to the site~~;
(d) The project applicant or owner is not currently suspended, debarred or otherwise ineligible to participate in Federal financial assistance programs; and
(e) The project applicant or owner is not in environmental non-compliance with Federal or State agencies.

6. Eligible Applicants/Entities

(a) Publicly owned, either directly by a municipality or indirectly through a quasi- public entity such as a community development corporation~~;~~ or non-profit organization;
(b) Privately-owned by current or prospective commercial property owners, banks, developers etc.

7. Eligible Activities

Assessment as well as c~~C~~leanup activities ~~actions~~ associated with removing, mitigating, or preventing the release or threat of a release of a hazardous substance, pollutant or contaminant including:

~~(a)~~ Installation of f~~F~~ences, warning signs or other security or site control precautions;
~~(b)~~ c Drainage controls;
(d~~c~~) Stabilization of berms, dikes or impoundments or drainage or closing lagoons;
(d) Capping of contaminated soils;
(e) Using chemicals and other materials to retard the spread of the release or mitigate its effects;

(f) Excavation, consolidation, or removal of ~~highly~~ contaminated soils from the site;

~~(f)~~(g) Abatement of hazardous building materials including asbestos, lead paint, mold and PCBs;

(h~~g~~) Removal of drums, barrels, tanks, or other bulk containers that contain or may contain hazardous substances, pollutants or contaminants;

(i~~h~~) Consolidation, c~~C~~ontainment, treatment, recycling, disposal, and/or incineration of hazardous materials, pollutants or contaminants;

(i) Provision of alternative water supply where necessary immediately to reduce exposure to contaminated household water;

(j) Site monitoring activities, including sampling and analysis, that are necessary during the cleanup process, including determination of effectiveness of a cleanup; and

(k) Costs associated with meeting public participation, worker health and safety, and interagency coordination requirements~~.~~;

(l) Phase I Environmental site assessments performed in accordance with EPA All Appropriate Inquiries Final Rule or ASTM E1527-05 (or the most current version);

(m) Phase II Environmental site assessments and clean up planning activities;

(n) Programmatic costs for the City and its Qualified Environmental Professional (QEP) to manage and oversee the work being performed under this Program.

8. Ineligible Activities

(~~a~~) ~~Pre-cleanup environmental response activities, such as site assessment, identification, and characterization;~~

(~~b~~) ~~Cleanup of a naturally occurring substance, products that are part of the structure of and result in exposure within residential building or business or community structures (e.g. interior lead-based paint contamination or asbestos which results in indoor exposure), or public or private drinking water supplies that have deteriorated through ordinary use – except as determined on a site-by-site basis and approved by the U.S. EPA Headquarters, consistent with CERCLA 104(1)(3) and (4);~~

(~~c~~) ~~Monitoring and data collection necessary to apply for, or comply with environmental permits under other Federal and state laws, unless such a permit is required as a component of the cleanup action; and~~

~~(d~~) Development activities that are not necessary to implement cleanup activities ~~removal actions~~ (e.g. construction of a new facility~~ or marketing of property~~).

9. Financing Terms:

The following terms will guide the actions of the ~~Downtown~~ Portland Development Corporation (PDC) on behalf of the City of Portland:

(a) Loan amount will be limited to the balance of the loan fund;
(b) Maximum loan term will be 5 years;
~~(c)~~ (c) Interest rate will be determined by the ~~Downtown~~ PD~~ortland~~ C~~orporation~~;
~~(d)~~ (d) Brownfields site, business assets, outside collateral, and/or personal guaranties may be required as security;
~~(e)~~ (e) Origination ~~Application~~ fee structure shall be determined by the ~~Downtown~~ P~~ortland~~ DC~~orporation.~~

10. Requests for Amendment to Loan Terms:

A one (1) percent fee will be applied to~~for~~ requests for amendments to loan terms, for consulting, ~~as well as costs for~~ legal ~~fees~~ and recording fees associated with preparing any additional loan documents/modifications. The one (1) percent fee will be based on the current loan balance at the time of the request. ~~This one percent fee will be applied to those loan amendments which require the Commercial Loan Officer to bring the request to the DPC Board of Directors based on substantive changes.~~

The City's Economic Development Director ~~Commercial Loan Officer~~ has the discretion to determine whether requested loan amendments should be brought to the PDC ~~Board~~ or ~~done~~ addressed administratively~~.~~, with follow-up communication to the Board. ~~If done administratively, the Commercial Loan Officer will confer with the Economic Development Division Director and the fee will then be determined based on hourly rates of pay, as well as recording fees and legal hourly fees.~~

11a. Underwriting Criteria:

Project review will include, but not be limited to~~,~~

the necessity of Brownfields ~~following factors:~~

~~(a) Location in a Brownfields site within the City of Portland;~~
~~(b) Necessity of loan~~ funds to
make the project economically feasible, with the least amount of public resources, and at the same time has a high potential for economic success;
~~.~~

12. Application Review Criteria

The ~~Downtown~~ City of Portland's Economic Development Department (EDD) ~~Portland Corporation, with input and recommendations made by both the Maine Department of Environmental Protection and the City's Planning and Urban Development Department,~~ will review project proposals to determine eligibility and work ~~negotiate~~ with applicant(s) to determine the viability of the project and the least amount of public resources necessary to make the project(s) feasible.

~~The loan approval process shall be carried out efficiently and pragmatically to insure loans are approved in a timely manner,~~ C~~c~~leanup plans should be ~~are~~ implemented efficiently and redevelopment projects ~~are~~ completed on schedule to maximize the community benefit goals of the projects. The actions to be taken ~~are~~ include the following~~:~~

~~(a) The Maine Department of Environmental Protection reviews the environmental assessments and cleanup plan summary. If the Borrower, site and preliminary project costs are eligible under the plan, then the Maine Department of Environmental Protection prepares an Approval memo signed by both themselves and the Planning and Urban Development Department authorizing the Borrower to prepare a draft Engineering Evaluation Cost Analysis (EE/CA). The Planning and Urban Development Department will then prepare a Community Relations Plan (CRP) and the Downtown Portland Corporation will proceed with the review and analyze of the financial components of the loan application;~~

(a) Applicant is required to submit the site to the Maine Voluntary Response Action Program (VRAP);

(b) The Brownfields funding application will be submitted to the City of Portland EDD, along with Environmental Site Assessments I and II, and evidence of VRAP submittal to the Maine Department of Environmental Protection (MDEP);

~~(b)~~(c) The EDD, with its QEP, will determine if the Applicant, site and preliminary project costs are eligible for Brownfields funding;

(d) If Applicant, site and project costs are determined to be eligible, the

EDD will have its underwriter prepare an analysis of the financial components of the application along with recommended terms and conditions for the PDC's review amd consideration;

~~(c)~~ (e) Project will be publicly noticed in the newpaper and notice will be provided to the appropriate neighborhood organization;

(f)When so advised by City Corporation Counsel, the PDC chair will accept public comment on the project at the PDC meeting prior to its vote on whether to approve the funding request;

(g) Based on a favorable analysis of the financial qualifications of the applicant, and the PDC's ~~Downtown Portland Corporation~~ - approval of the loan or grant request, a commitment letter or grant award letter will be provided to the applicant; ~~prepares a loan approval memo~~;

(h) Based on the VRAP, the Applicant should prepare a final budget of cleanup activities, work schedule, Health and Safety Plan and a VRAP Work Plan;

~~(d)~~

~~(e) Based on the loan approval memo, the Downtown Portland Corporation in cooperation with the Maine Department of Environmental Protection establishes the loan terms and conditions;~~

~~(f) The loan approval memo and loan terms and conditions are preliminarily approved by the Downtown Portland Corporation;~~

~~(g) The Downtown Portland Corporation approves the loan subject to a 30-day public comment period on the draft EE/CA and the completion and acceptance of the EE/CA and CRP by the Planning and Urban Development Department;~~

~~(h)~~ (h) The grant or loan documents are prepared (e.g., loan agreement, promissory note, mortgage agreement ~~and other credit enhancement agreements~~). ~~;~~

(i) ~~The Maine Department of Environmental Protection and the EPA (at their discretion) review the draft EE/CA;~~

(j) ~~The EPA Community Relations Coordinator approves the CRP and the Planning and Urban Development Department implements the CRP which includes a 30-day public comment period on the draft EE/CA;~~

(k) ~~Based on the CRP, a final draft of the EE/CA is prepared by the Borrower, and the Maine Department of Environment Protection prepares a Response Summary of public comments and issues an RLF Decision Document noting the cleanup alternative chosen;~~

(l) ~~Based on the RLF Decision Memo, the Borrower prepares a Scope of Work for the cleanup activities, including a budget and work schedule, a Health and Safety Plan, and a Quality Assurance Project Plan; and~~

(m) ~~The loan agreement, promissory note, mortgage agreement, and other credit enhancement agreements are signed. Any loan fees are paid.~~

The ~~City will request the~~ following is a checklist of information needed from Applicants: ~~to make this determination~~:

Applicant Information

(a) Applicant Overview: name, location, principal owners/stockholders, type of business and products or services, date established;
(b) Financial Overview: historical financial statements for the past three years, most recent quarter and copies of appropriate IRS Tax Returns;
(c) Management Overview: resumes of principals; and
(d) ~~Credit References: financial institutions and other creditors.~~

Site Related Conditions

(a) Environmental assessments (Phase I and II) in accordance with American Society for Testing and Materials (ASTM) Standards;
(b) ~~Information regarding the~~ S~~s~~tatus of the borrower as a potentially responsible party at the site;
(c) ~~Information on~~ E~~e~~nvironmental compliance history;
(d) ~~Provide information on~~ W~~w~~hether ~~or not~~ the Applicant is currently or ever has been subject to any penalties resulting from environmental non-compliance at the site;
(e) ~~Provide information on~~ W~~w~~hether ~~or not~~ the Applicant is a generator or transporter of contamination at the site; and
(f) ~~Provide~~ I~~information on~~W ~~w~~hether ~~or not~~ the Applicant falls under a statutory exemption from CERCLA liability; or that the EPA could use its enforcement discretion and not pursue the party as a responsible party under CERLA if the Applicant is currently the owner/operator of the site.

Cleanup Plan

Cleanup Plan Summary: C~~c~~leanup plan including a technical description of work to be done and costs estimates.

Redevelopment Plan

(a) Financing Project: a description of the cleanup project and the reuse plan;
(b) Business Plan: a description of the business goals, strategies and action plans; and
(c) Financial Plan: pro-forma financial statements which demonstrates the economic viability of the project and identifies the sources of repayment for the loan.

Community Benefits

Employment Impact: number of current and new jobs, wage levels and job training anticipated to be generated from the cleanup and redevelopment of the site.

~~Investment Impact: Serves as an incentive for investment in Brownfields areas.~~

Housing~~-~~Impact ~~Units~~: For housing projects, estimated number of ~~Available for the creation of~~ h~~ H~~ousing u~~U~~nits ~~located in Brownfields areas.~~

Other Community Benefits:

CLOSEOUT AGREEMENT BETWEEN UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, REGION 1 AND THE CITY OF PORTLAND MAINE CONCERNING CLOSEOUT OF ASSISTANCE AGREEMENT BF-97145801

I. Introduction

This agreement presents the closeout procedures for EPA Brownfields Revolving Loan Fund (RLF) assistance agreement number: BF-97145801 awarded under CERCLA 104(k), and sets forth the terms and conditions for continued management and use of program income that is generated post-closeout. This closeout agreement has been prepared in accordance with the provisions of 40 C.F.R. Part 31.

As of the effective date of this signed Closeout Agreement, EPA acknowledges that the City of Portland has met the substantive requirements of this RLF assistance agreement, and the City of Portland agrees to take over the management of all post-closeout program income, and use and track those funds in accordance with the requirements of this Closeout Agreement.

II. Required Assistance Agreement Closeout Documents and Reports

Within 90 days after the completion date of assistance agreement number BF-97145801, the following documents and reports must be provided to EPA:

1. Final Federal Financial Report (SF-425)

2. Final Lobby and Litigation Certificate (EPA Form 5700-53)

3. Final Minor-Owned Business Enterprise/Women-Owned Business Enterprise Report (EPA Form 5700-52A)

4. Final Report, including:

    a. A cover page including: the grant recipient's organization, the annual report number (i.e., 1, 2, or 3), the dates of the reporting period, the person/organization preparing the report, and the date of submission.

    b. A summary of all loans and/or subgrants made during the performance period of the assistance agreement, and the status of each as of the effective date of this closeout agreement.

    c. All cleanup reports and cleanup complete documentation that were completed as of the effective date of this closeout agreement. Also provide a list of all reports and documentation still pending as of the effective date of this closeout agreement.

    d. A final budget summary table for the grant

    e. A list of all relevant Property Profile Forms that have been updated in ACRES

III. Program Income

1. Accrued program income (in the form of loan principle repayments, interest payments, and program fees) remaining as of the effective date of the final Federal Financial Report will be retained by the city in accordance with the Agency exception of 40 C.F.R. 31.50(d)(2).

2. All current and future program income accrued after the effective date of the final Federal Financial Report shall be considered "retained program income". All retained program income must be managed separately, so it may easily be tracked, and shall be made available for continued operation of a Revolving Loan Fund for Brownfields cleanups and/or other Brownfields activities (as specified in Section III.5 below).

3. Brownfields cleanups or assessments financed with retained program income must be consistent with Brownfields eligibility provisions and site eligibility limitations contained in the terms and conditions of the original assistance agreement BF-97145801.

4. As provided in 40 C.F.R. 31.25(h), all other federal requirements do not apply to the activities funded with the retained program income.

5. EPA encourages that the primary use of retained program income be for providing loans for Brownfields cleanups. In addition to Brownfields cleanup loans, retained program income may also be used to fund the following Brownfields activities:

   a. Cleanup Subgrant agreements,

   b. Phase I Environmental Site Assessments performed in accordance with EPA All Appropriate Inquiries Final Rule or ASTM E1527-05 (or the most current version),

   c. Phase II Environmental Site Assessments and cleanup planning activities, and

   d. Programmatic costs to manage and oversee the work being performed.

6. All assessment and cleanup work funded with retained program income must continue to be performed in accordance with state environmental rules and regulations, and all cleanup sites must be enrolled in the appropriate state voluntary cleanup program.

7. Retained program income shall not be used for site inventory work and meeting cost share requirements for federal and state grants.

IV. Continued Post-Closeout Reporting Requirements

1. Annual Reports shall be required for the first 5 years following the effective date of this closeout agreement. The annual report shall include the following information:

   a. A cover page including: the grant recipient's organization, grant number, the annual report number (i.e., 1, 2 or 3), the dates for the reporting period, the persons/organizations preparing and submitting the report, and the date of the report submission.

b. A summary of the activities conducted during the reporting period, a list of reports and documents generated during the reporting period, and a budget summary table reflecting the expenses incurred and program income received.

c. Site data consistent with information requested in current Property Profile Forms or a list of sites created and/or updated in the ACRES database.

V. Continuing Records Retention Requirements

The grant recipient must maintain adequate accounting records for how retained program income is managed and spent as well as all other appropriate records and documents related to the activities conducted using retained program income.

All records and documents must be retained for a period of three (3) years following termination of this closeout agreement per Section VI below.

VI. Termination of this Agreement

Termination of this closeout agreement occurs when all retained program income has been expended. The grant recipient shall notify the Agency in writing when this occurs and certify that all funds have been expended in accordance with the terms and conditions of this closeout agreement. The notification should provide the relevant grant information specified in Section IV item 1.a of this agreement. The Agency has 90-days from receipt of this notification to submit any objections to the termination of this closeout agreement. If the Agency does not object within that time period, then this closeout agreement will terminate with no further action.

VII. Modifications

This closeout agreement can only be modified in writing by agreement of the EPA and the grant recipient. Oral or unilateral modifications shall not be effective or binding.

VIII. Enforcement of this Agreement

If the grant recipient expends retained program income in a manner inconsistent with this Closeout Agreement, then the Agency may take actions authorized under 40 C.F.R. Section 31.43.

IX. Severability

If any provisions of this Closeout Agreement are invalidated by a court of law, the parties shall remain bound to comply with the provisions of this Closeout Agreement that have not been invalidated.

X. Points of Contact

1. The point of contact at the City of Portland for all items in this Closeout Agreement shall be:

   Richard Knowland
   Senior Planner
   City of Protland
   389 Congress Street
   Portland, ME 04101
   207-874-8725
   RWK@portlandmaine.gov

2. The point of contact at EPA for all items in this Closeout Agreement shall be:

   Alan Peterson
   Brownfields Project Officer
   Office of Site Remediation & Restoration
   US Environmental Protection Agency, Region 1
   5 Post Office Square, Suite 100
   Mail Code OSRR07-2
   Boston, MA 02109-3912
   617-918-1022
   peterson.alan@epa.gov

XI. Signatures

This Closeout Agreement becomes effective on the date of the signature of the U.S. EPA award approval official.

On behalf of the City of Portland:

_______________________________ Date: 12/19/12

Mark Rees
City Manager
City of Portland
389 Congress Street
Portland, ME 04101

____
Finance Director
City of Portland, Maine

On behalf of EPA:

_______________________________ Date: 07/02/13

James T. Owens
Director, Office of Site Remediation and Restoration
US Environmental Protection Agency, Region 1
5 Post Office Square, Suite 100
Mail Code OSRR07-5
Boston, MA 02109-3912

CLOSEOUT AGREEMENT BETWEEN UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, REGION 1 AND THE CITY OF PORTLAND MAINE CONCERNING CLOSEOUT OF ASSISTANCE AGREEMENT BF-97145801

Attachment A

1. Background
    a. On September 15, 1999, EPA awarded assistance agreement BL-98110701 under CERCLA Section 104(d) to the City of Portland for $500,000 with a project completion date of September 30, 2004.
    b. The purpose of assistance agreement BL-98110701 was to capitalize a brownfields revolving loan fund. Monies in this assistance agreement were available as loans and subgrants to eligible recipients for cleanup work on brownfields sites.
    c. On October 14, 2004, assistance agreement BL-98110701 was amended to extend the project period to September 30, 2005 (Amendment 1).
    d. On October 19, 2005, assistance agreement BL-98110701 was amended to extend the project period to September 30, 2006 (Amendment 2).
    e. On August 1, 2006, assistance agreement BL-98110701 was transitioned under CERCLA Section 104(k) to assistance agreement BF-97145801 in the amount of $182,352.00 (the available amount remaining on BL-98110701 at the time of transition) with a project completion date of January 31, 2011. The ability to transition RLF assistance agreements is set forth in CERCLA Section 104(k)(3)(D).
    f. On September 20, 2006, assistance agreement BF-97145801 was amended to add $355,000 in supplemental funding (Amendment 1).
    g. EPA and the City of Portland agree to memorialize the terms of their Closeout Agreement on how the City of Portland will use the retained program income after closeout of assistance agreement BF-97145801.

2. Representations of the City of Portland
    a. EPA Funds. As of the date of this Closeout Agreement,
        i. $855,000.00 has been awarded to capitalize a brownfields revolving loan fund.
        ii. $497,000.00 has expended on 3 loan(s) to qualified borrower(s) for:
            1. $150,000.00 – Chestnut Street Extension (under BL-98110701).
            2. $138,000.00 – Parking Lot, 161 Marginal Way (under BL-98110701).
            3. $209,000.00 – Chestnut Steet Lofts (under BF-97145801)
        iii. $29,647.44 has been expended on other eligible programmatic costs.
        iv. $328,352.56 remains unexpended and was de-obligated from the assistance agreement.
    b. Program Income. As of the date of this Closeout Agreement,
        i. $209,000.00 in program income has been generated from loans made with the funds from this assistance agreement.
        ii. $0.00 in program income has been expended on loans to a qualified borrower and on other eligible costs.
        iii. On September 28, 2011, EPA's Office of Grants and Debarment approved an exception to grant regulation 40 CFR 31.50(d)(2) allowing the City of Portland to retain the program income accrued under assistance agreement BF-97145801 for

use on eligible brownfields cleanup and assessment activities agreed upon in this negotiated Closeout Agreement.

Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

To: President Jack Lufkin and PDC Board Members
From: Nelle Hanig, Business Programs Manager
Cc: Greg Mitchell, Economic Development Director
Date: September 12, 2013
Re: Status Update: Business Assistance Program for Job Creation (BAP)

This memo provides the PDC with an update on the status of the $99,375 in Business Assistance Program for Job Creation (BAP) funds invested to date and remaining available for grants to Portland businesses, along with reporting on an additional $100,000 in new BAP funds. Staff is seeking the Board's input on increasing interest and participation in the Program.

Second Round Funding Received

The Economic Development Department (EDD) applied for and received an additional Community Development Block Grant (CDBG) of $100,000 in August, expanding the pool of funds for BAP. A modification in the City's CDBG rules will allow these new funds to be used for $15,000 grants to businesses for the creation of at least one job for a low/moderate income Portland resident. (The first round BAP funds allow just $10,000 grants for the creation of at least one job.) Please note that all first round funds must to be granted out before applicants can apply for second round funds.

First Round Funding

The first round of the BAP was launched in December 2011 with a budget of $99,375. The Program required the creation of at least one job for every $10,000 in grant funds, and initially allowed a maximum grant of $20,000 per individual business. Based on a policy change early on, the maximum grant amount to any business was reduced to $10,000. To date, three businesses have applied for and received approval for BAP grants -- Trims and Fade (hair salon), TechPort (Apple computer products repair) and Apothecary by Design (independent pharmacy). To date, $537 has been used for professional services (underwriting). A total of $68,838 remains in this grant pool, which would cover approximately 6.5 grants and professional services for underwriting these grant requests.

Program Challenges

A number of businesses have inquired into the BAP but many have not followed through with applications. While each certainly has his/her own reason(s) for not proceeding with an application, we have learned of the following concerns:

- Five-year tracking of the job created, with a claw-back provision if the job ends before the conclusion of that time period;
- Significant amount of paperwork for grantees, including income certification for hires, invoices submitted to support all eligible expenses, payrolls on a quarterly basis until the job is created and annual reporting for a period of four additional years;
- The need to create a job for a Portland resident. (The low/moderate income requirement is generally not difficult to meet.);
- Limit of $10,000 grant available to an individual business.

Potential Options to Enhance Interest in the BAP

<u>Five-Year Tracking</u>: The City's CDBG staff is discussing whether the five-year tracking time frame could be reduced on current programs. This discussion has been prompted in part because one-year job tracking is favored by the CDBG Priority Task Force for projects applying for grants in the FY2014/2015 funding cycle. EDD staff has shared with CDBG staff that the five-year tracking has seemed discouraging for some businesses, particularly start-ups. Were the tracking time reduced, it would also reduce the reporting requirements.

<u>$20,000 versus $10,000 Grants</u>: As noted above, when the Program was launched, the guidelines noted that the maximum grant to an individual business could be $20,000. With that $20,000 grant the business would need to create at least two jobs, $10,000 for each. The first BAP grant application was received from Apothecary by Design for a $20,000 grant. Given the level of inquiries since the program launch, EDD staff anticipated that many more businesses would be applying for these grants. With the objective of providing assistance to as many businesses as possible, staff recommended to the PDC a grant of $10,000 to ABD rather than the $20,000 they requested. The Board supported this recommendation and voted to approve a $10,000 grant to ABD to create at least one job. At this point, in order to get these first round funds into the marketplace and working to create jobs as quickly as possible, it may be worthwhile to return to the $20,000 grant maximum for individual businesses.

<u>Program Marketing</u>: Since the launch of the program, EDD staff has promoted BAP through presentations to SCORE, SBDC and E2Tech, meetings with various banks, and at business networking events. When businesses contact the EDD with business assistance questions, staff often mentions the program and refers them to the City's website, where the BAP is explained and applications can be downloaded.

Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: PDC Board of Directors

FROM: Greg Mitchell, Economic Development Director

DATE: September 16, 2013

SUBJECT: **Marketing Discussion on PDC Board Agenda of 9/19/13**

I wanted to provide you information on this Department's current marketing approach for the PDC programs.

EDD staff promotes the PDC's programs through presentations at SCORE, SBDC, E2Tech, meetings with various banks, business networking events, business to business meetings, direct contact with commercial loan officers, and word of mouth. The programs are also on the City's website at:

http://www.portlandmaine.gov/portlanddevelopmentcorporation.htm

We look forward to further discussion on this, perhaps with the Board ultimately forming a marketing subcommittee.

Portland Development Corporation
Operating Report FY14
For Month Ending
8/31/2013

Operating transfer from EDF	**28,522**
Total Funds Available	**28,522**

FY14 Expenditures	Budget	Current Month	Year to Date	Percent of Budget	Balance
Administrative Services	575	0	0	0.0%	575
Postage	300	0	0	0.0%	300
Travel, Training, Meetings	3,000	0	0	0.0%	3,000
Contractual services	11,400	0	0	0.0%	11,400
Operating Transfer to Fin.	9,647	0	0	0.0%	9,647
Advertising	2,000	0	0	0.0%	2,000
Auto Expense Reimb.	100	0	0	0.0%	100
Printing & Binding	650	0	0	0.0%	650
Office Supplies	850	0	0	0.0%	850
Total FY14 Expenditures	**28,522**	**0**	**0**	**0.0%**	**28,522**

Downtown Portland Corporation
Schedule of Loans Receivable
For the Month Ending August 31, 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	103,822
		Sub-Total PBF (UDAG)						**103,822**
		Portland Business Fund 272 (Restricted - CIP):						
3826	1007	Kennebec St. Properties	04/25/06	9/1/2013	67,500	0	67,500	53,184
4349	1078	Mayflower Pottery	2/25/2008	7/1/2015	25,000	0	25,000	7,676
4500	1127	Tomaks, LLC	3/27/2008	3/1/2014	75,000	0	75,000	65,525
4698	1167	Bangkok Thai	11/13/2009	1/1/2014	35,000	0	35,000	3,438
5496	1288	Museum of African Culture	10/3/2011	10/1/2016	15,500	0	15,500	13,995
3763	955	Eastman Industries	4/19/2012	4/6/2017	34,800	0	34,800	33,932
		Sub-Total PBF (Bonds)						**177,750**
		Portland Micro Capital Fund 271 (Unrestricted):						
3995	1000	Happy Tails, Inc.	11/1/2006	10/1/2013	25,000	0	25,000	1,025
4740	1180	PBJ Empire, LLC	2/24/2010	3/31/2015	7,500	0	7,500	3,994
4760	1185	DSM, LLC	4/7/2010	5/1/2013	18,500	0	18,500	6,829
5147	1244	Gorgeous Gelato LLC	11/19/2010	12/1/2014	25,000	0	25,000	9,181
5320	1263	Dobra Tea	4/8/2011	4/1/2016	15,000	0	15,000	7,953
5708	1320	Veranda Asian Market LLC	4/19/2012	4/1/2017	50,000	0	50,000	42,936
5837	1341	Back Bay Skate	9/10/2012	9/1/2017	12,500	0	12,500	10,473
6113	1379	EcoHome Studio, LLC	4/11/2013	4/1/2018	15,000	0	15,000	14,061
6120	1380	Portland Trading Co. LLC	4/26/2013	8/1/2018	15,000	0	15,000	14,940
6133	1381	Maine Bio-Fuels, Inc.	5/24/2013	6/1/2018	25,000	0	25,000	24,227
6180	1382	Undefeated Enterprises, Inc.	6/27/2013	7/1/2018	25,000	0	25,000	25,000
		Sub-Total Micro Capital Fund						**160,619**
		Creative Economy Fund 271 (Unrestricted):						
5615	1308	Studio Management Corp.	1/20/2012	2/1/2017	26,000	0	26,000	20,018
		Sub-Total Creative Economy Fund						**20,018**
		FAME Fund 277:						
3763	956	Eastman Industries	4/19/2012	4/6/2017	34,800	0	34,800	33,932
5862	1351	Peaks Island Fuel	10/1/2012	10/1/2017	61,000	0	61,000	58,465
		Sub-Total FAME Fund						**92,397**
		FAME SSBCI 279:						
5836	1340	251 Woodford Street LLC	8/31/2012	9/1/2017	165,000	0	165,000	160,498
5939	1356	Apothecary By Design LLC	11/8/2012	11/1/2017	200,000	0	200,000	185,511
5748	1327	Fermentation & Distillation	4/25/2012	10/1/2017	165,000	0	165,000	144,604
6199	1390	Inn at Diamond Cove LLC	7/10/2013	7/1/2018	200,000	0	200,000	199,173
		Sub-Total FAME SSBCI						**689,786**
		Real Estate Investment Fund 271(Unrestricted):						
6104	1378	McCuda, LLC	4/19/2013	4/1/2018	200,000	0	200,000	197,161
		Sub-Total RE Invest						**197,161**
		Grand Total Loans					**1,653,211**	**1,441,552**
		Allowance for uncollectable loans at 15%						216,233
		Total with Allowance for uncollectable loans:						**1,225,319**

CITY OF PORTLAND, MAINE
PORTLAND DEVELOPMENT CORPORATION
DELINQUENCY REPORT
MONTH ENDING AUGUST 31, 2013

Loan	Payment Past Due	# of Payments	# of Days Past Due*	Outstanding Principal Balance	# of Times Past Due In Last 12 Reports (excluding present mo.)
Back Bay Skate	$239	1	21	$10,473	1
Happy Tails, Inc.	$1,025	3	212	$1,025	12
Inn at Diamond Cove LLC	$1,320	1	19	$199,173	0
PBJ Empire LLC	$1,321	9	274	$3,994	12
Studio Management Corp.	$987	2	62	$20,018	12
Undeafeated Enterprises (Mitheap)	$478	1	31	$25,000	0
Veranda Asian Market	$1,990	2	62	$42,936	10
TOTALS:	**$7,121**			**$292,146**	

*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 August 31, 2013

	CIP 272 (Restricted)	UDAG 271 (Unrestricted) Loans/PDAP	UDAG 271 (Unrestricted) PEDP Bal	FAME 277	FAME SSBCI 279	Brown-field 278 (PET)	TOTAL	Year-to-Date Principal/Interest Restricted	Year-to-Date Principal/Interest Unrestricted	Year-to-Date Principal/Interest FAME	Year-to-Date Principal/Interest SSBCI	Business Assistance Grant Prgrm for Job Creation
Beginning Cash Bal. August 1, 2013	**520,949**	**893,046**	**250,000**	**282,936**	**63,164**	**502,756**	**2,262,851**					100,000
Plus:												
Principal payments received	1,930	5,559		596	2,773			4,515	15,131	1,377	9,624	
Interest payments received	603	1,474		349	1,891			1,739	5,089	1,013	5,261	
Interest Income					20						46	
Other												
Sub-Total Cash Available	**523,482**	**900,079**		**283,881**	**67,848**	**502,756**	**2,278,046**	**6,254**	**20,220**	**2,390**	**14,931**	
Less:												
Year-End Adjustments												
Disbursements - Loans/PDAP Grants		(11,590)										
PEDPIP Grant Committed*			-187,585									
Sub-Total Cash Available 8/31/13:	**523,482**	**888,489**	**62,415**	**283,881**	**67,848**	**502,756**						
Less Reserves for:												
Beautification Program (EC0301)		(72,000)										
Ptld ED Plan Imple. Fund (EC1201)		(162,036)										
Portland Dev. Action Grant (EC0302)**		(64,731)										
Transfers not yet recorded (UDAG Int)		(5,089)										
Grants/Loans Approved/Not Disb.												-30,000
Annual Admin Payment to FAME												
Reserve for Administration												-14,375
Total Ending Loan/Grant Cash Bal. 8/31/13:	**523,482**	**584,633**		**283,881**	**67,848**	**502,756**	**1,962,600**					**55,625**

*Of the 187,585 Committed, $87,964 has been paid to date.

**Committed Grant of $20,936 not yet paid; when paid, balance will be $43,796.