PORTLAND DEVELOPMENT CORPORATION
Board Meeting

DATE: Friday, July 18, 2014
TIME: 11:30 a.m. to 1:00 p.m.
LOCATION: Room 209, Second Floor
Portland City Hall

A G E N D A

1. President's comments.
    a) Directors with 9/30/2014 Term Expiration Date
    b) Communication/Thompson's Point Brownfield Loan
    c) Awards Committee
    d) Development Action Grant/Business Assistance Grant Committee

2. Review and accept Minutes of previous meetings held on June 19, 2014.

3. Review and recommendation on new loan requests. 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 proprietary information for each of the following loan/grant requests:

    a) Maine Furniture Repair Business Assistance Grant Request – 225 Industrial Way
    b) Back Cove School/Day Care Loan Request - 535 Ocean Avenue
    c) Browne Trading Loan Request – 260 Commercial Street

4. Treasurer's Report – June 2014 – Jennifer Sporzynski
    a) Loan Receivables Report
    b) 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.)

5. Next Meeting Date: August 21, 2014.

Jack Lufkin
President/Portland Development Corporation

Minutes
Portland Development Corporation
June 19, 2014

A meeting of the Board of Directors of the Portland Development Corporation was held on Thursday, June 19, at 4:30 p.m. in Room 209 on the second floor of Portland City Hall. Present from the Board was its President Jack Lufkin and Directors Mayor Michael Brennan, Dennis Martin, Mark Rees, Jere Shaw, and Drew Swenson. Board Directors Jill Hunter, Neil Kiely, Jess Knox, Barry Sheff, and Jennifer Sporzynski 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 PDC loan underwriting consultant Vin DiCara.

Item #1: President's Comments

President Lufkin requested that the Board take up Item #3(b) on the Agenda first, as the applicant needed to leave the meeting at 5:00. The Board concurred.

Item #3: Review and recommendation on new loan requests. 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 proprietary information for each of the following loan/grant requests:

a) **Loan request from Browne Trading, 260 Commercial Street;**
b) **Brownfields Loan request from Forefront at Thompson's Point.**

Ms. Hanig introduced Item #3(b) to the Board as a Brownfields Loan request from the Forefront at Thompson's Point. Its representative, Chris Thompson, is present and will follow with a Powerpoint Presentation of the project. She noted that the Forefront is a $105 Million mixed use redevelopment project. A component includes the remediation/cleanup of brownfields on the site in the Depot and Brick North areas, estimated at $1.2 Million. The Forefront is requesting a $200,000 loan to assist with financing that cleanup.

Mr. Thompson then updated the Committee on the project via a Powerpoint presentation, which included the locations of the brownfields areas noted, uses to be at those sites as events at the Depot site and a number of uses in the Brick North site – including the Circus Conservatory of America, and then also updated the Committee on the public trail areas, and 125-room hotel site. He said that most of the EDA grant for public improvements will be done by the end of the year.

Mr. Rees asked if Suburban Propane was still at the site, and Mr. Thompson indicated that they are but should be relocated to the City's Riverside Street property in a year's time. Mr. Thompson expected that the sale closing on the City's Riverside Street property would be done by the end of this year.

President Lufkin asked if there were further questions/comments. There being none, he thanked Mr. Thompson for his presentation.

a) Loan request from Browne Trading, 260 Commercial Street.

Ms. Hanig said that Rod Mitchell of Browne Trading is here for any questions that the Board may have, either in public session or in executive session. Browne Trading had a previous loan through the PDC which was paid off in 6 months, i.e., 4 ½ years earlier than the term of 5 years.

Mr. Mitchell said that he has owned/operated Browne Trading for the past 24/25 years in Portland, supporting the local fishermen and economy, and, as Ms. Hanig, will be present for any questions that may come up.

President Lufkin, noting no questions/comments for public session, thanked Mr. Mitchell.

Item #6: 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 regarding the pending loan to North Atlantic to review proprietary information and provide direction to staff. This loan was approved by the Board at its April 17, 2014 meeting; loan closing is pending.

On motion then made and seconded, the Board went into executive session at approximately 5:00 pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119—A, to review proprietary information for each of the loan requests – for **Browne Trading, Forefront at Thompson's Point, and North Atlantic**. At approximately 5:55 p.m., the Board came out of executive session.

On motion made and seconded, the Board voted unanimously to extend the Brownfield loan to the Forefront at Thompson's Point on the terms and conditions as recommended by the Commercial Loan Underwriter and staff.

On motion made and seconded, the Board voted unanimously to table the loan request from Browne Trading. President Lufkin advised the applicant that staff will be in touch to discuss the application and bring it back to a future Board meeting.

Item #2: Review and accept Minutes of previous meetings held on March 13, 2014, and May 28, 2014.

On motion made and seconded, the Board voted unanimously to accept the March 13, 2014 Minutes as published.

On motion made and seconded, the Board voted 4-0-2 (Lufkin and Swenson abstained) to accept the May 28, 2014 Minutes as published.

Item #4: Formation of Awards Subcommittee

President Lufkin noted to the Board that staff will email the Board for volunteers for this, as well as another committee to take a look at the guidelines for the Portland

Development Action Grant program, as well as for the Business Assistance Grant Program for Job Creation.

<u>Item #5: Treasurer's Report – May 2014</u>

President Lufkin said that this item would be tabled given the time.

There being no further business to come before the Board, the meeting was then adjourned at approximately 6:00 p.m.

Respectfully,

Lori Paulette

Downtown Portland Corporation
Schedule of Loans Receivable
For the Month Ending June 30, 2014

					----Committed/Disbursed Funds-----			
		Account No. & Name	**Date of Loan**	**Maturity Date**	**Original Loan**	**Not Yet Disb.**	**Total Disb .**	**Outstanding Princ. Bal.**
Cust #	**Ln #**	**Portland Business Fund 271 (UDAG):**						
		Nova Star Cruises Limited	3/20/2014	5/1/2020	225,000	154,812	70,188	70,188
		Sub-Total PBF (UDAG)						**70,188**
		Portland Business Fund 272 (Restricted - CIP):						
4349	1078	Mayflower Pottery	2/25/2008	7/1/2015	25,000	0	25,000	3,952
4500	1127	Tomaks, LLC	3/27/2008	3/27/2016	75,000	0	75,000	63,455
5496	1288	Museum of African Culture	10/3/2011	10/1/2016	15,500	0	15,500	13,693
3763	955	Eastman Industries	4/19/2012	4/6/2017	34,800	0	34,800	29,892
3826	1007	Kennebec St. Properties	04/25/06	10/1/2018	67,500	0	67,500	46,881
6502	1436	Portland Food Cooperative	6/4/2014	10/1/2021	130,000	0	130,000	130,000
		Sub-Total PBF (Bonds/CIP Restricted)						**287,874**
		Portland Micro Capital Fund 271 (Unrestricted):						
4740	1180	PBJ Empire, LLC	2/24/2010	3/31/2015	7,500	0	7,500	3,983
5147	1244	Gorgeous Gelato LLC	11/19/2010	12/1/2014	25,000	0	25,000	3,597
5320	1263	Dobra Tea	4/8/2011	4/1/2016	15,000	0	15,000	5,721
5708	1438	Veranda Asian Market LLC	4/19/2012	4/1/2017	50,000	0	50,000	33,232
5837	1341	Back Bay Skate	9/10/2012	9/1/2017	12,500	0	12,500	8,519
6113	1379	EcoHome Studio, LLC	4/11/2013	4/1/2018	15,000	0	15,000	11,773
6120	1380	Portland Trading Co. LLC	4/26/2013	8/1/2018	15,000	0	15,000	14,243
6133	1381	Maine Bio-Fuels, Inc.	5/24/2013	6/1/2018	25,000	0	25,000	20,016
6180	1382	Undefeated Enterprises, Inc.	6/27/2013	7/1/2018	25,000	0	25,000	22,130
6302	1411	Pachanga, LLC	11/6/2013	1/1/2016	14,000	0	14,000	12,570
6501	1435	Sur Lie Wine Bar, LLC	5/2/2014	9/1/2021	37,335		37,335	37,333
		Sub-Total Micro Capital Fund						**173,117**
		Portland Business Fund Fund 274 (CIP/Unrestricted):						
6531	1450	North Atlantic, Inc.	6/23/2014	1/1/2020	75,000	0	75,000	75,000
		Sub-Total PBF (Bonds/CIP Unrestricted)						**75,000**
		Creative Economy Fund 271 (Unrestricted):						
5615	1308	Studio Management Corp.	1/20/2012	2/1/2017	26,000	0	26,000	15,463
		Sub-Total Creative Economy Fund						**15,463**
		FAME Fund 277:						
3763	956	Eastman Industries	4/19/2012	4/6/2017	34,800	0	34,800	29,892
5862	1351	Peaks Island Fuel	10/1/2012	10/1/2017	61,000	0	61,000	56,641
		Sub-Total FAME Fund						**86,533**
		FAME SSBCI 279:						
5836	1340	251 Woodford Street LLC	8/31/2012	9/1/2017	165,000	0	165,000	155,746
5939	1356	Apothecary By Design LLC	11/8/2012	11/1/2017	200,000	0	200,000	167,907
5748	1327	Fermentation & Distillation	4/25/2012	10/1/2017	165,000	0	165,000	119,290
6199	1390	Inn at Diamond Cove LLC	7/10/2013	7/1/2018	200,000	0	200,000	189,750
6485	1429	Evo Rock & Fitness Portland	4/14/2014	11/1/2024	132,954	0	132,954	132,954
		Sub-Total FAME SSBCI						**765,647**
		Real Estate Investment Fund 271(Unrestricted):						
6104	1378	McCuda, LLC	4/19/2013	4/1/2018	200,000	0	200,000	190,558
		Sub-Total RE Invest						**190,558**
		Grand Total Loans				**154,812**	**1,919,077**	**1,664,381**
		Allowance for uncollectable loans at 15%						249,657
		Total with Allowance for uncollectable loans:						**1,414,724**

CITY OF PORTLAND, MAINE
PORTLAND DEVELOPMENT CORPORATION
DELINQUENCY REPORT
MONTH ENDING JUNE 30, 2014

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	17	$8,519	9
Evo Rock & Fitness	$554	1	16	$133,238	0
Kennebec Street Properties	$1,039	1	24	$46,881	6
Museum of African Culture	$545	5	150	$13,693	10
PBJ Empire LLC	$2,642	18	546	$3,983	12
Portland Trading Co.	$1,709	Almost 6 @ 289.99/mo.	151	$14,243	8
Studio Management Corp.	$494	1	30	$15,463	12
Veranda Asian Market**	$955	1	30	$33,232	9
TOTALS:	**$7,383**			**$127,495**	

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

**Paid June on 7/7/2014.