PORTLAND DEVELOPMENT CORPORATION
Board Meeting

DATE: Thursday, October 16, 2014
TIME: 4:00 p.m.
LOCATION: Room 209, Second Floor
Portland City Hall

A G E N D A

1. President's comments.
   a) Request for Committee creation regarding BAP Guidelines to review proposed amendments from staff.

2. Annual Meeting of Board:
   a) Election of Officers – President, Treasurer, Secretary
   b) Accepting Annual Report for FYE14
   c) Setting Date for Annual Meeting of Corporator as November 3, 2014
   d) Any other business that may come before the Board.

3. Review and accept Minutes of previous meeting held on August 21, 2014.

4. Review and recommendation on new grant requests for job creation. 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 the following requests:
   a) Damiak's Bakery Business Assistance Grant Request – One Monument Way
   b) Quince and Co. Business Assistance Grant Request – 142 High Street

5. Review and Recommendation to City Council of Removal of PEDPIP Fund Cap and PDC Board Authority to Utilize its Unrestricted Fund for the PEDPIP

6. Review and recommendation regarding new PEDPIP Grant Applications:
   a) Application from the Portland Chamber of Commerce for Scorecard Project in the amount of $10,000; and,
   b) Application from the City of Portland for the USM Maine Center for Business and Economic Research (MCBER) Project in the amount of $19,360 for the following projects by USM MCBER:
      - City of Portland Port and Trade Development Industry Sector Research;
      - Evaluation of the City of Portland Economic Vision and Plan; and
      - Portland Economic Scorecard Future Updates and Improvements.

7. Communication: Business Organizations' Chart with their associated areas of expertise

8. Treasurer's Report – September 2014 – 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. Other items to be discussed/brought up by Board Directors.

10. Next Meeting Date: November 20, 2014.

Jack Lufkin, President/Portland Development Corporation

Portland Development Corporation

Board of Directors

Fiscal Year 2014 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 December 4, 2013 – detailed further below. It is noted that the PDC achieved a milestone of investing over $1 Million, in a single fiscal year, in nineteen (19) businesses and economic development projects, which leveraged $56 Million in private sector funds associated with creating 84 jobs and retaining 13 jobs.

FY13 and FY14 Loan and Grant Activity Totals:

	FY13	**FY14**
No. of Loans Made	9	7
Total Amt. of Funds Lent	$718,500	$814,289
Total Private Investment Leveraged	$4,543,500	$48,505,172
Jobs Created	11	65
Jobs Retained	84	13
No. Dev. Action Grants	1	3
Total Amt. of Grants	$11,500	$75,000
No. Business Assistance Grants for Job Creation	2	5
Total Amt. of Grants	$20,000	$75,000
Jobs to be Created	5	19
No. Portland Econ. Dev. Plan Implementation Grants	1	4
Total Amt. of Grants	$40,000	$43,309
PDC Total Investment	**$790,000**	**$1,007,598**

PDC Fiscal Year 2014 Loan and Grant Detailed Activity

FY14 Loans Closed

FY14 was a year in which the PDC loan portfolio grew with seven loans closed for a total of $814,289 – a 12% increase from FY13 at $718,500. The PDC's loans invested in seven Portland businesses, thereby retaining 13 jobs and associated 64 new jobs. In addition, these loans leveraged over $48 Million in private commercial investment.

During the past five years, FY10 through FY14, the PDC has extended 33 loans for a total of over $2.4 Million, while leveraging $56 Million in private investment and creating and retaining over 337 jobs.

FY15 is already appearing to be an active year for the loan portfolio, with three loans closed in the total amount of $338,333, leveraging over $2.2 Million in private investment, and creating and retaining 38 jobs.

PDC Loan Portfolio

At of the end of FY14, the PDC has 28 loans outstanding. This loan portfolio includes $1.9 Million in PDC funds which leverages $24.9 Million in private investment in Portland for a private to public fund leverage of $13 of private funds to each dollar of public funds. These loans also retained 88 jobs and created 184 jobs.

PDC Lending History

Since its inception, the PDC has made 141 loans to diverse businesses including manufacturing, restaurants, service, eye care, among others. The following table provides an overall view of the activities:

Total Amounts of Funds Lent:	**$8,408,924**
Leveraged Amount of Private Financing:	**$103,716,323**
Jobs Retained:	**1,218**
Jobs Created:	**717**
14 Loans Defaulted*	**$477,534**

*****Default amount of $477,534 is 5.6% of total amount of funds lent.

Portland Economic Development Plan Implementation Program (PEDPIP) Grant Fund

The PEDPIP Grant Fund was created during FY12 to provide grant funds 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. With this maximum grant amount, the PDC Board did realize that this program could be expended in a relatively short period of time. Since its inception through FY14, the PDC Board approved grants in the total amount of $230,894, as follows:

Portland Community Chamber for Growing Portland Initiative
Creative Portland for the following projects:

- Branding Portland
- LiveWork Website Update
- Creative Economy Metrics
- Artspace Survey
- Creative Map and Guide
- Creative Space (inventory, web-based clearing house, resource guides)

Portland Performing Arts Festival
Portland Community Chamber for Scorecard Update
City of Portland for Maine International Trade Center Mission to Iceland and UK
Portland Community Chamber for Startup and Create Week
World Affairs Council for its Celebration Immigration Initiative

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 originally capitalized with $100,000 from Community Development Block Grant (CDBG) funds and launched in May 2012. The program was further recapitalized by the CDBG program during FY14 with an additional $100,000. 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 FY14, five grants were approved in a total amount of $75,000. Grants approved since its inception through FY14 total $125,000 to eight recipients, resulting in the creation of 29 full-time jobs within one year of receiving the grant award.

PDC Annual Awards Program

At the 18th Annual Awards Reception on December 4, 2013, the PDC provided 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 to the **Public Market House**

  Market Vendors, LLC was created by three original vendors of the now-defunct Portland Public Market. After the Portland Public Market closed its doors in 2006, Market Vendors, LLC, conducted a search of the Portland Peninsula for a suitable location in which to carry on the tradition of providing a public market in downtown Portland. In the summer of 2006, Market Vendors moved into 28 Monument Square, now occupying the basement to the second floor. Monument Square is also site of the weekly in-town farmers market, making the location ideal both in its central location and proximity to the farmers.

  The street level houses the three original vendors, K. Horton Specialty Foods, Maine Beer & Beverage Co. and Big Sky Bread Co.; on the second floor are a number of small businesses. The basement level houses the Community Kitchen. The Market House also leases a portion of Monument Square from the City of Portland, where it provides day tables for small business owners to sell their Maine grown, produced, or value-added products.

  The mission of the Market House carries on the vision of an in-town public market in Portland by providing a community gathering place that celebrates Maine people, food and agricultural traditions, while joining the ongoing efforts to revitalize Portland's downtown, incubating small businesses and involving the international community.

- The ***Business of the Year*** award was given to ***Putney, Inc.***

  Putney was founded by Jean Hoffman in 2006 and now employs approximately 75 people, with expectations to grow to 130 in two years. Ms. Hoffman's vision was to become the leading provider of high quality, bioequivalent and specialty drugs supporting the U.S. veterinary community. Putney is committed to quality pharmaceuticals, investing in programs that support the practice of high-quality veterinary medicine, while offering cost-effective medicines for pet owners.

  Putney's generic drugs support veterinarians' use of standard-of-care drugs to treat pets. Generics enable more pet owners to comply with the full, veterinarian-prescribed treatment, especially for chronic and frequently used drugs. Putney was recently named by *Inc. Magazine* as of one the fastest growing private companies in America in recognition of its 183% revenue gain between 2009 and 2012, being the second time that Putney has been named to the *Inc.* 5000 list. Putney also placed #290 on *Deloitte's 2013 Technology Fast 500,* a ranking of the

500 fastest growing technology, life sciences, telecommunications, and media companies in North America.

Human generic medicines saved the U.S. healthcare system over $1 trillion in 10 years (2002-2011). This process is only just beginning in veterinary medicine. Putney strives to increase the number of pet generics available and provide savings to veterinarians and pet owners. In fact, most recently, Putney's efforts have resulted in two first-to-market FDA approved veterinary generics in 2013, with 20+ products in various states of development and review.

- The ***Economic Development Achievement*** award was given to ***Charlie Poole, President/Proprietors of Union Wharf, Custom Float Services, Inc.***

  Charlie Poole, whose family has owned Union Wharf since the 1800s, and is also owner of Custom Float Services on the Wharf with approximately 15 employees, has been a long-time advocate/supporter/community leader for Portland's waterfront. His determination to remain on the waterfront and lease his property for both marine and non-marine uses is a testament to his longevity at the Wharf. In addition, Custom Float Services, building floats for big marina installations, including Chandler's Wharf, DiMillo's, Town of Rockport, and a system for a "notable Kennebunkport resident" - to small jobs and repairs, is a niche market for Poole and Portland, with annual revenue in excess of $3 Million.

  Charlie Poole has not only been a longstanding waterfront advocate, including active in the waterfront rezoning effort (two years in the making), but also has been an active Portland community member, including a member of the Portland Economic Development Plan Task Force, Portland Business Advisory Council, Portland Harbor Waterfront Alliance, leading efforts for Portland Harbor dredging, and, most recently, a member of the interview team for filling a new City staff Waterfront Coordinator position.

  It was a sincere pleasure to recognize Charlie Poole's contribution to Portland for the reasons stated, and to recognize one of Portland's unique waterfront/marine assets.

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

Portland Development Corporation
Operating Fund

Budget vs Actual
For Year Ended
June 30, 2014
(Preliminary and Subject to Audit)

	FY14			FY13		
	Budget	Actual	%	Budget	Actual	%
Portland Development Corporation	----------	---------	---	----------	---------	---
Revenues:						
Transfers in from Ec. Dev. Fund	28,522	24,899		28,522	22,300	
	-----------	-----------		-----------	-----------	
Total Revenues	28,522	24,899		28,522	22,300	
Expenditures						
Admin Services	575	237	41%	575	197	34%
Contractual Services	19,897	18,498	93%	21,047	17,007	81%
Postage/Supplies	300	37	12%	300	98	33%
Travel, Training	3,000	2,547	85%	3,000	2,362	79%
Advertising	2,000	1,831	92%	2,200	1,398	64%
Printing & Binding	650	473	73%	650	608	94%
Office Supplies	850	385	45%	650	616	95%
Auto Expense	100	0	0%	100	14	14%
Minor Equipment	1,150	890	77%			
Total Expenditures	28,522	24,899	87%	28,522	22,300	78%

Downtown Portland Corporation
Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended
June 30, 2014

(Preliminary and Subject to Audit)

Revenues/Financing Sources

Interest payments on loans		74,286
Interest Income		7,789
Application Fees		4,822
Grants		132,954
Misc		
Total Revenues		219,851

Expenditures

Admin. expense - FAME	3,188	
Contributions	106,620	
Transfers out	117,909	
Bad Debt Expense	51,376	
Total Expenditures		279,093
Excess (deficiency) of revenues over expenditures		(59,242)
Fund Balance, June 30, 2013		3,714,707
Fund Balance, June 30, 2014		3,655,465

PORTLAND DEVELOPMENT CORPORATION
Balance Sheet
June 30, 2014

(Preliminary and Subject to Audit)

ASSETS

Assets				
Cash			2,216,008	
Loans receivable		1,746,525		
Allowance for uncollectable loans		(261,976)	1,484,549	
Total Assets				$ 3,700,558

LIABILITIES

Liabilities			
Accounts payable		45,093	
Total Liabilities			$ 45,093
Fund Equity			
Reserved:			
for Loans Rec.		1,484,550	
Reserved:			
for Economic Development Fund	270	106,639	
for Unrestricted UDAG	271	769,291	
for Restricted CIP	272	91,442	
for Unrestricted CIP	274	255,079	
for FAME	277	289,555	
for EPA Revolving Loan Fund	278	502,220	
for FAME SSBCI	279	156,690	
Total Fund Equity			$ 3,655,465
Total Liabilities and Fund Equity			$ 3,700,558

Minutes
Portland Development Corporation
August 21, 2014

A meeting of the Board of Directors of the Portland Development Corporation was held on Thursday, August 21, 2014 at 3:30 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, Barry Sheff, and Drew Swenson. Board Directors Neil Kiely, Jess Knox, and Jennifer Sporzynski could not be present. Present from the City staff were Associate Corporation Counsel Michael Goldman, Business Programs Manager Nelle Hanig, Economic Development Director Greg Mitchell, and Senior Executive Assistant Lori Paulette. Also present was PDC loan underwriting consultant Vin DiCara.

Item #1: President's Comments

President Lufkin said that PDC Board has a new attorney from Corporation Counsel, taking the place of retiring Larry Walden, that being Michael Goldman. He welcomed Mr. Goldman and introductions were then made.

President Lufkin then noted that the City Clerk will be advertising for 7 PDC Board positions whose terms expire 9/30/2014 – one for Jill Hunter's current vacant spot; 2 for termed out Directors himself and Jennifer Sporzynski; with the four remaining being Kiely, Shaw, Sheff, and Swenson – all of whom can reapply, the deadline being September 5th. He encouraged Board members to reapply, as well as to recruit others to apply.

At the September Board meeting, a portion of the meeting will be for the Board's annual meeting, which includes appointing officers of President, Treasurer, and Secretary. President Lufkin requested that Directors interested in serving in an officer position to let Greg Mitchell or Lori Paulette know. The Board will also review its Annual Report for forwarding to its Corporator – the Portland City Council.

On September 15, President Lufkin noted that he would be presenting the request to the City Council to increase funding for the SSBCI loan program from $1 Million up to the maximum allowable of $3.5 Million by FAME.

President Lufkin then noted that staff would be formulating possible amendments to the Business Assistance Program's guidelines for Board discussion, and culminated his comments with regard to the Awards program - requesting Directors to offer any potential nominees to staff. Mr. Martin asked if awards were limited to PDC loan/grant recipients, and it was indicated that it was for any Portland business.

Item #2: Review and accept Minutes of previous meetings held on June 19, 2014 and July 18, 2014.

On motion made and seconded, the Board voted 6-0-1 (Sheff abstained) to accept the minutes of June 19, 2014 as presented.

On motion made and seconded, the Board voted 6-0-1 (Martin abstained) to accept the minutes of July 18, 2014 as presented.

Item #3: Review and recommendation on new loan request. 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 the following loan request:

A. Loan request from Foley's Bakery at 1 Monument Way.

Mr. Swenson said that he would be abstaining from participation and vote on this item as his company manages the building at 1 Monument Way.

Ms. Hanig then introduced this request noting that Damiak's Cakes, LLC, d/b/a Foley's Cakes is requesting a $25,000 loan for business acquisition and working capital. Damiak's Cakes is owned by Andrea Swanson who is present today.

Ms. Swanson thanked Ms. Hanig and the Board, noting that she always wanted a bakery since she was a child. She worked as Mr. Foley's assistant at the Port Bakehouse and credits him with expanding her knowledge about the pastry and baking profession. She said that she has worked for a number of bakeries and knows the Foley style of baking, with expectations to add some of her own creations in the same fashion.

Mr. Shaw said that should the PDC not approve the loan, what would Ms. Swanson do, and Ms. Swanson said that she would pay the Foley's as soon as possible for their bridge loan for the business purchased.

When asked about hiring employees, Ms. Swanson indicated that she immediately hired two full-time employees; her husband also works there part-time; and she will be hiring one additional full-time employee.

On motion made and seconded, the Board voted unanimously to go into executive session at approximately 4:00 p.m. pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119—A to review proprietary information regarding the loan request from Damiak's Cakes, LLC, d/b/a Foley's Cakes. The Board also combined this executive session with Item #4 on the agenda, that is: **Review and recommendation on loan charge off for PBJ Empire, LLC.** At approximately 4:40 p.m., the Board came out executive session.

On motion made and seconded, the Board voted 4-2 (Martin, Shaw) -1 (Swenson) to approve the loan as recommended by staff with two conditions added that Ms. Swanson work with the Small Business Development Center due to her just starting the business, as well as submitting quarterly financial statements to Ms. Hanig.

On motion made and seconded, the Board voted unanimously to charge off the balance of the loan to PBJ Empire in the amount of $3,982.64.

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

Item #5: Treasurer's Report – July 2014 – 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.)

Noting the time, Mr. Lufkin moved to the Delinquency Report and asked for any updates in Ms. Sporzynski's absence.

Ms. Hanig noted that of the eight loans listed, the one for PBJ Empire was just charged off by the Board; four are now paid for July; and, three remain behind, namely Museum of African Culture, Portland Trading, and Studio Management Corp. – the latter of which has been getting caught up with payments, now just two months behind. Both Portland Trading and the Museum are six months behind. Ms. Hanig said that she recently was informed by the Museum's Director that the Museum is doing a funding reorganization and this loan from the PDC may be paid off shortly. Regarding Portland Trading, she talks with them on a monthly basis but business has been slow.

The Board and staff discussed the various business assistance organizations, which staff regularly refers clients to. Mayor Brennan suggesting bringing a chart to the Board with all the organizations listed and their areas of expertise so that the Board is educated as to which organization would be best suited, for example, assisting Portland Trading.

Ms. Paulette mentioned that the Schedule of Loans Receivable has, for perhaps the first time in the PDC history, over $2 Million in total loan disbursements for the 27 loans now on the Schedule.

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

There being no further businesses, the meeting was then adjourned.

Respectfully,

Lori Paulette

Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: PDC Board of Directors

FROM: Nelle Hanig, Business Programs Manager

CC: Greg Mitchell, Economic Development Director

DATE: October 10, 2014

SUBJECT: **Removal of Portland Economic Development Plan Implementation Program (PEDPIP) Cap /PDC Authority to Utilize its Unrestricted Fund for the PEDPIP**

Summary

PEDPIP Cap: This program was originally capitalized in October 2011 with $250,000 from PDC administered funds. In the City Council order that established PEDPIP, it placed a cap of $250,000 to fund it, essentially preventing the PDC from utilizing any more of the funds it administers for PEDPIP once approved grants reach $250,000. Given that the cap will shortly be reached, staff recommends that the PDC recommend to the City Council that it remove the PEDPIP cap so that future projects can be funded.

PDC Authority: The Council passed an order in October, 2011 that authorized the consolidation of funds from all PDC administered loan and grant funds into two funds, a Restricted Fund and an Unrestricted Fund. It listed out all of the loan and grant programs but not PEDPIP. Staff was advised by legal counsel that this needs to be addressed in a new City Council order authorizing the PDC to utilize its Unrestricted Fund for PEDPIP grants.

Background and Status of PEDPIP Funds

The purpose of PEDPIP is to provide grants for economic development projects and programs that advance the initiatives spelled out in Portland's Economic Development Vision and Plan. This may include planning studies and other "soft" costs that focus on one-time expenditures for economic development projects and programs, rather than on-going projects or operating money for public or not-for-profit entities. The Fund does not invest in "hard" costs for public infrastructure or private development projects.

Since its inception in October 2011, the PDC Board has approved grants totaling $230,894. Fourteen projects have received grants from the fund since then, leaving $19,106 remaining for future projects. The following is a list of the grant recipients and their projects that received funding.

- Creative Portland
    - Creative Space: $30,000
    - 2 Degrees Portland: $10,000

- Branding Portland: $20,000
    - Website Redesign: $16,500
    - Creative Economy Metrics: $1,500
    - Map & Guide: $5,835
    - Artist Survey: $5,750
- Portland Community Chamber
    - Scorecard Update: $8,000
    - Startup and Create Week: $25,000
- Portland Regional Chamber
    - Slide Show on Successful Portland Entrepreneurs: $10,000
    - Growing Portland Collaborative: $40,000
- Portland Performing Arts Festival
    - Seed money for first festival: $40,000
- World Affairs Council
    - Celebrating Immigration: $15,000
- City of Portland
    - MITC/Iceland-UK Trade Mission: $3,309

Recommendations

Staff recommends that the PDC recommend approval of the following to the Portland City Council:

- Remove the $250,000 cap for the PEDPIP, which it had previously established by Order 46-11/12;
- Authorizes the PDC to utilize its Unrestricted Fund, which was established by Order 45-11/12, to fund grants awarded by the PDC under the PEDPIP.

MICHAEL F. BRENNAN (MAYOR)
KEVIN J. DONOGHUE (1)
DAVID A. MARSHALL (2)
EDWARD J. SUSLOVIC (3)
CHERYL A. LEEMAN (4)

CITY OF PORTLAND
IN THE CITY COUNCIL

JOHN R. COYNE (5)
JILL C. DUSON (A/L)
JON HINCK (A/L)
NICHOLAS M. MAVODONES, JR (A/L)

ORDER REMOVING THE $250,000 CAP TO THE PORTLAND DEVELOPMENT CORPORATION'S PORTLAND ECONOMIC DEVELOPMENT PLAN IMPLEMENTATION PROGRAM AND AUTHORIZING THE PDC'S BOARD OF DIRECTORS TO UTILIZE THE CORPORATION'S UNRESTRICTED FUND TO FUND PEDPIP GRANTS

ORDERED, that the Portland City Council, acting in its capacity as sole Corporator of the Portland Development Corporation, hereby:

1. removes the $250,000 cap for the Portland Economic Development Plan Implementation Program Grant Program, which it had previously established by Order 46-11/12; and

2. authorizes the Portland Development Corporation Board to utilize the Portland Development Corporation's Unrestricted Fund, which was established by Order 45-11/12, to fund grants awarded by the Portland Development Corporation under the Portland Economic Development Plan Implementation Program Grant Program.

Order 46-11/12
Passage 8-0 10/17/11 (Coyne absent)

CITY OF PORTLAND

IN THE CITY COUNCIL

ORDER ESTABLISHING THE PORTLAND ECONOMIC DEVELOPMENT PLAN IMPLEMENTATION PROGRAM

ORDERED, that the Portland City Council, acting in its capacity as sole Corporator of the Downtown Portland Corporation, hereby establishes the Portland Economic Development Plan Implementation Program to extend grants of up to $75,000 each, not to exceed a total of $250,000, for projects that support the Plan.

Order 45-11/12
Passage 8-0 10/17/11 (Coyne absent)

NICHOLAS M. MAVODONES (MAYOR)
KEVIN J. DONOGHUE (1)
DAVID A. MARSHALL (2)
EDWARD J. SUSLOVIC (3)
CHERYL A. LEEMAN (4)

CITY OF PORTLAND

IN THE CITY COUNCIL

JOHN R. COYNE (5)
JOHN M. ANTON (A/L)
DORY RICHARDS WAXMAN (A/L)
JILL C. DUSON (A/L)

ORDER APPROVING AMENDMENTS TO DOWNTOWN PORTLAND CORPORATION LOAN PROGRAMS

ORDERED, that the Portland City Council, acting in its capacity as sole Corporator of the Downtown Portland Corporation, hereby approves the following amendments to the corporation's loan programs:

1. Consolidate loan and grant monies from the Micro Business Loan Fund, Portland Business Loan Fund, Creative Economy Loan Fund, Real Estate Development Loan Fund, Development Action Program and Neighborhood Beautification Program into two funds: a Restricted Fund (CIP funds) and an Unrestricted Fund (UDAG funds); and

2. Amend the loan program guidelines in substantially the form attached hereto.

Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: PDC Board of Directors

FROM: Nelle Hanig, Business Programs Manager

CC: Greg Mitchell, Economic Development Director

DATE: October 9, 2014

RE: **Matrix of Services Offered by Business Counseling Organizations**

The PDC board expressed an interest in gaining a better understanding of services available to small businesses, offered by not-for-profit business counseling services in the area. This information is presented in the attached matrix. It is evident from the matrix that many of the providers offer similar services, however, there are some variations that make one service potentially a better fit for a particular entrepreneur or business owner. All of the organizations in the matrix are in Portland with the exception of Women, Work & Community (WWC), which is in South Portland.

Portland Area Business Counseling Organizations

(All services are free unless noted)

		Services									
		Delivery Format									
Organization	**Targeted Population**	**Workshops/ Webinars Online**	**Workshops Classroom**	**One-on-One Business Counseling**	**Business Plan Development***		**Business Skills Education**	**Ongoing Assistance/ Mentoring**	**Matched Savings Accounts for Business Investment****	**Guidance on Establishing/ Rebuilding Credit**	**Online Templates (Business Plans/ Financial Spread sheets)**
					Guidance	Hand-in Hand Assistance					
Small Business Development Center (SBDC)	Everyone	Yes	Yes - Some have a cost	Yes	Yes		Yes				Yes
SCORE	Everyone	Yes	Yes - Cost	Yes	Yes		Yes	Yes			Yes
Women's Business Center (WBC)	Primarily Women		Yes - Cost	Yes		Yes	Yes	Yes		Yes	
StartSmart	Immigrants and Refugees			Yes		Yes	Yes	Yes	Yes	Yes	
Women, Work & Community (WWC)	Primarily Women	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	

* Business Plan Development: includes assistance creating financial spreadsheets as well as plans for marketing, management/operations and all other needed components of a business plan.

** Matched Savings Accounts: Each dollar saved by a client is matched with up to $4,000 at StartSmart and typically a 4 to 1 match at WWC, but the total amount matched changes each grant cycle.

Portland Development Corporation
Operating Report FY15
For Month Ending
9/30/2014

Operating transfer from EDF	**28,522**

Total Funds Available	**28,522**

		Current	Year to	Percent	
FY14 Expenditures	**Budget**	**Month**	**Date**	**of Budget**	**Balance**
Administrative Services	575	52	52	9.1%	523
Postage	300	0	0	0.0%	300
Travel, Training, Meetings	3,000	0	0	0.0%	3,000
Contractual services	10,250	0	0	0.0%	10,250
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	114	258	39.7%	392
Minor Equipment	1,150	0	0	0.0%	1,150
Office Supplies	850	0	139	16.4%	711
Total FY14 Expenditures	**28,522**	**166**	**449**	**1.6%**	**28,073**

Expenditures:

Administrative Services	Credit reports.
Printing & Binding	PDC Envelopes

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

Cust #	Ln #	Account No. & Name	Date of Loan	Maturity Date	Original Loan (Committed/Disbursed Funds)	Not Yet Disb. (Committed/Disbursed Funds)	Total Disb. (Committed/Disbursed Funds)	Outstanding Princ. Bal.
		Portland Business Fund 271 (UDAG/Unrestricted):						
		Nova Star Cruises Limited	3/20/2014	5/1/2020	225,000	112,485	112,515	112,515
		Sub-Total PBF (UDAG)						**112,515**
		Portland Business Fund 272 (Restricted - CIP):						
4349	1078	Mayflower Pottery	2/25/2008	7/1/2015	25,000	0	25,000	3,254
4500	1127	Tomaks, LLC	3/27/2008	3/27/2016	75,000	0	75,000	62,803
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	29,208
3826	1007	Kennebec St. Properties	04/25/06	10/1/2018	67,500	0	67,500	44,408
6502	1436	Portland Food Cooperative	6/4/2014	10/1/2021	130,000	0	130,000	130,000
		Sub-Total PBF (Bonds/CIP Restricted)						**283,367**
		Portland Micro Capital Fund 271 (UDAG/Unrestricted):						
5147	1244	Gorgeous Gelato LLC	11/19/2010	12/1/2014	25,000	0	25,000	1,875
5708	1438	Veranda Asian Market LLC	4/19/2012	4/1/2017	50,000	0	50,000	34,839
5837	1341	Back Bay Skate	9/10/2012	9/1/2017	12,500	0	12,500	7,920
6113	1379	EcoHome Studio, LLC	4/11/2013	4/1/2018	15,000	0	15,000	11,084
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	19,247
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	11,480
6501	1435	Sur Lie Wine Bar, LLC	5/2/2014	9/1/2021	37,335		37,335	37,335
		Sub-Total Micro Capital Fund						**160,153**
		Portland Business Fund Fund 274 (CIP/Unrestricted):						
6531	1450	North Atlantic, Inc.	6/23/2014	1/1/2020	75,000	0	75,000	55,611
6597	1458	Back Cove School	8/29/2014	9/1/2019	55,000	0	55,000	55,000
		Sub-Total PBF (Bonds/CIP Unrestricted)						110,611
		Creative Economy Fund 271 (UDAG/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	29,208
5862	1351	Peaks Island Fuel	10/1/2012	10/1/2017	61,000	0	61,000	56,164
6598	1459	Browne Trading CO.	9/3/2014	10/1/2019	83,333	0	83,333	83,333
		Sub-Total FAME Fund						**168,705**
		FAME SSBCI 279:						
5836	1340	251 Woodford Street LLC	8/31/2012	9/1/2017	165,000	0	165,000	154,459
5939	1356	Apothecary By Design LLC	11/8/2012	11/1/2017	200,000	0	200,000	163,128
5748	1327	Fermentation & Distillation	4/25/2012	10/1/2017	165,000	0	165,000	111,544
6199	1390	Inn at Diamond Cove LLC	7/10/2013	7/1/2018	200,000	0	200,000	188,748
6485	1429	Evo Rock & Fitness Portland	4/14/2014	11/1/2024	132,954	0	132,954	132,954
		Sub-Total FAME SSBCI						**750,834**
		Real Estate Investment Fund 271(UDAG/Unrestricted):						
6104	1378	McCuda, LLC	4/19/2013	4/1/2018	200,000	0	200,000	189,058
		Sub-Total RE Invest						**189,058**
		Brownfields Loan Fund 278						
6555	1457	Forefront Partners, LP	7/30/2014	2/1/2020	200,000	0	200,000	200,000
		Sub-Total Brownfields						**200,000**
		Grand Total Loans				**112,485**	**2,277,237**	**1,990,705**
		Allowance for uncollectable loans at 15%						298,606

CITY OF PORTLAND, MAINE
PORTLAND DEVELOPMENT CORPORATION
DELINQUENCY REPORT
MONTH ENDING SEPTEMBER 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	18	$7,920	10
Eastman Industries (PDC)	$445	1	17	$29,208	4
Eastman Industries (FAME REDLP)	$445	1	17	$29,208	4
Evo Rock & Fitness**	$554	1	30	$133,238	3
Museum of African Culture	$871	8	242	$13,693	11
Pachanga	$421	1	18	$11,480	1
Portland Trading Co.	$2,174	7+ @ 289.99/mo.	212	$14,286	11
Studio Management Corp.	$1,481	3	92	$14,187	12
Undefeated Enterprises	$955	2	61	$22,130	9
Veranda Asian Market***	$955	1	30	$30,847	9
TOTALS:	**$8,540**			**$306,197**	

*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 September on 10/6/2014.
***Paid September on 10/6/2014.

Portland Development Corporation
Cash Management Report
For Month Ending September 30, 2014

	CIP		UDAG		FAME	FAME	Brown-		Year-to-Date						Business Assistance Grant Prgrm for Job Creation-FY12**	Business Assistance Grant Prgrm for Job Creation-FY14
			271			SSBCI	field		Principal/Interest							
	272	274	(Unrestricted)		277	279	278		CIP		UDAG					
	Restricted	Unrestricted	Loans/PDAP	PEDP Bal			(PET)	TOTAL	Restricted	Unrestricted	Unrestricted	FAME	SSBCI	Brnfld		
Beginning Cash Bal. June 1, 2014	**96,259**	**200,891**	**778,513**	**250,000**	**290,821**	**171,257**	**302,240**	**1,839,981**							100,000	100,000
Plus:																
Principal payments received	1,722	19,362	8,497		516	4,366			4,859	19,389	15,739	1,127	12,949			
Interest payments received	1,092	651	2,459		755	2,129			2,837	967	6,117	1,412	8,141	19		
Interest Income						44							128			
Other Income/Adjustments	34															
Pass Through From FAME SSCBI																
Sub-Total Cash Available	**99,106**	**220,904**	**789,468**		**292,093**	**177,796**	**302,240**	**1,881,607**	**7,695**		**21,855**	**2,540**	**21,218**			
Less:																
FAME Annual Admin. Fee; Invoices							-3,453									
Disbursements - Loans/PDAP Grants		(468)	(4,635)		(83,333)											
PEDPIP Grant Committed				-230,894												
Sub-Total Cash Available 6/30/2014:	**99,106**	**220,436**	**784,833**	**19,106**	**208,760**	**177,796**	**298,787**									
Less Reserves for:																
Beautification Program (EC0301)			(72,000)													
Ptld ED Plan Imple. Fund (EC1201)			(78,311)													
Portland Dev. Action Grant (EC0302)			(100,114)													
Transfers not yet recorded (UDAG Int)																
Grants/Loans Approved															-80,000	-45,000
Annual Admin Payment to FAME																
Used for Administration															-14,375	
Total Ending Loan/Grant Cash Bal. 6/30/2014:	**99,106**	**220,436**	**534,408**		**208,760**	**177,796**	**298,787**	**1,440,187**							**5,625**	**55,000**

	CIP Rest.	CIP Unrestr.	UDAG					
Commitments:								
Nova Star Cruises/Loan			112,485					
Damiaks Bakery LLC			25,000					
Balances:	**99,106**	**220,436**	**396,923**		**208,760**	**177,796**	**298,787**	**1,401,809**