Portland, Maine — Yes. Life's good here.

PORTLAND DEVELOPMENT CORPORATION

Board Meeting

DATE: Thursday, September 17, 2015
TIME: 4:00 p.m.
LOCATION: Room 209, Second Floor - Portland City Hall

A G E N D A

1. President's comments.
   a) Issues Committee
   b) Awards Committee

2. Review and accept Minutes of previous meeting held on August 20, 2015.

3. Review and vote to charge off loan to Undefeated Enterprises. (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 discuss/monitor this loan.)

4. Treasurer's Report – August 2015 – Drew Swenson
   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 to discuss/monitor any of the loans listed on the delinquency report.)

5. Annual Meeting of Board:
   a) Election of Officers – President, Treasurer, Secretary
   b) Accepting Annual Report for FYE15 and vote to forward to Corporator as a communication.
   c) Setting Date for Annual Meeting of Corporator as October 5, 2015
   d) Any other business that may come before the Board.

6. Other items to be discussed/brought up by Board Directors.

7. Next Meeting Date: October 15, 2015

Barry Sheff, Board President

Minutes

Portland Development Corporation

August 20, 2015

A meeting of the Board of Directors of the Portland Development Corporation was held on Thursday, August 20, 2015 at 4:00 p.m. in Room 209 of Portland City Hall. Present from the Board was its President Barry Sheff and Directors Tim Agnew, Shelley Carvel, Jon Jennings, Mayor Michael Brennan, Heather Sanborn, and Drew Swenson. Directors not able to attend were Neil Kiely, Jess Knox, Chip Martin, and Jere Shaw. Present from the City staff were Business Programs Manager Nelle Hanig, Economic Development Director Greg Mitchell, and Senior Executive Assistant Lori Paulette.

Item #1: President's Comments

President Sheff first welcomed City Manager Jon Jennings to the Board and looks forward to his participation and expertise.

President Sheff congratulated Director Sanborn for being named by *MaineBiz* one of its "*Women to Watch",* adding that the MaineBiz reception for this will be on September 15, 5:00 to 7:00 p.m. at the Westin Portland Harborview for those who can attend.

President Sheff then said that there is being recommended two Committees to be formed to (1) take up possible Bylaw amendments, Development Action Grant guidelines review, and, PEDPIP eligibility criteria review; and, (2) Awards.

President Sheff thanked staff for detailed memos for the first Committee, requesting the Board members review these and contact staff for participation, as well as for participation on the Awards Committee. President Sheff anticipated that the first Committee may need to meet three or four times, and the Awards Committee is anticipated to take one or two meetings – with both Committees to make recommendations to the full Board. He also requested Board members to offer potential award nominees to staff for discussion at the Awards Committee meeting.

(Mr. Jennings left the meeting at this time, returning during the executive session later in the meeting.)

Mr. Swenson requested that staff update Board members not in attendance of these two Committees and their possible participation.

President Sheff then noted that the Annual Meeting of the PDC Board would be held at its September 17th meeting, at which time a slate of officers will be on the Agenda. Again, he requested anyone interested in serving to notify staff. At that meeting, the Board will also set the date for the Annual Meeting of the Corporator and accept the FYE2015 report.

President Sheff then referred to the communication from FAME and its approval letter for $600K in grant funding for the REDLP revolving loan program. He congratulated staff and Board on this additional funding.

Regarding the last communication, President Sheff said that there was a recent article in the *Portland Press Herald* regarding the Museum of African Culture, a PDC loan recipient. Particularly, that the Museum is attempting to sell the building, which it owns, and, if a sale is completed, the Museum will use the money to pay off debt and digitize its collection. Staff will keep the Board apprised.

Item #2: Review and accept minutes of previous meeting held on July 16, 2015.

On motion made and seconded, the Board voted 5-0-1 (Swenson abstained) to accept the Minutes as presented.

Item #3: 65 Munjoy Street - Review and recommendation to City Council to authorize the following documents in substantially the form as presented, as well as any other documents approved by Corporation Counsel to effectuate the purpose of the Agreements listed below:

a) **Purchase and Sale Agreement between City and PDC;**
b) **Purchase and Sale Agreement between PDC and Adam's Apple;**
c) **Grant Agreement between PDC (subgrantee) and Greater Portland Council of Governments (GPCOG);**
d) **Development Consulting Agreement between Adam's Apple and PDC for the oversight of the environmental remediation work; and,**
e) **PDC Corporation Resolution.**
NOTE: The PDC may go into executive session pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119—A to discuss real estate negotiations.

President Sheff said that the Board is familiar with this item as it discussed this at a meeting in early Spring. Particularly, that the City put its property at 65 Munjoy Street out for RFP for sale and redevelopment. The City received one proposal, that being from Adam's Apple to build an 8-unit affordable condominium project. The property has been found to have environmental contamination issues. There are Brownfield grant funds from GPCOG for its remediation and cleanup. The City, however, cannot access those funds because it did not prepare a Phase 1 Environmental Assessment prior to purchase. Adam's Apple, as well, cannot access those funds because it is a private entity; but, the PDC, as a non-profit, could have access to those funds if the City sold the property to the PDC. The PDC would then, under a Development Consulting Agreement with Adam's Apple for the oversight of the environmental remediation work, use those funds for its cleanup, and then execute a Purchase and Sale Agreement, under terms negotiated between the City and Adam's Apple, with Adam's Apple. At the PDC Board meeting when this was discussed, there were questions regarding liability issues for the PDC. Several documents in the packet ensure protection from liability to the PDC when it takes ownership. Staff is looking for a recommendation from the Board to forward this to the City Council for approval.

Ms. Hanig noted that an additional question had been raised as to any costs for the PDC for this, and she said that there will be none. Regarding the PDC being involved in a housing development, Ms. Hanig said that although historically the PDC is involved in housing when there is a retail/business component, facilitating new housing development is economic development, and therefore, staff feels it is consistent with PDC bylaws.

Mr. Goldman provided a draft motion for the Board's review and also requested that the Board consent for him to represent both the City and the PDC in this transaction.

Mr. Agnew asked about any reverters back to the City if the development does not go through, and Mr. Goldman indicated that this language is in the documents.

Mr. Swenson asked about indemnity and hold harmless, particularly if the PDC is to be named as an additional insured, and Mr. Goldman said that this is correct; Adam's Apple will be providing insurance with the agreement, including pollution coverage.

Mr. Agnew asked about the $1.00 purchase price, and President Sheff said that this has been vetted between the parties and both concur.

President Sheff, noting no further questions/comments, asked for a motion.

Mr. Swenson made a motion to recommend that the City Council, pursuant to 2.1(E) of the PDC Bylaws, approve the Purchase and Sale Agreements between the City and PDC and between the PDC and Adam's Apple, LLC; the Development Consulting Agreement between the PDC and Adam's Apple, LLC; and the Brownfields subgrant agreement between the PDC and GPCOG, provided that Adam's Apple, LLC is responsible for the administration of the grant agreement and all costs associated with the grant agreement; and, in the event the Council approves these agreements, to authorize the PDC Chair and/or Assistant Secretary to execute them in substantially the form presented today; and to execute any other documents necessary to effectuate the purpose of those agreements upon review by the Corporation Counsel's office. In addition, the

PDC Board consents for dual representation by the Corporation Counsel's office for both the PDC and the City in this transaction. Ms. Carvel seconded the motion and it passed 6-0.

<u>Item #4: Treasurer's Report – July 2015 – Drew Swenson</u>

Mr. Swenson noted the administrative budget had very minor expenditures; the Schedule of Loan Receivables has 32 loans with a total of $2.1 Million in outstanding principal; he would request an executive session for the Delinquency Report; and, the Cash Management Report shows a total $1.3+ Million in available loan/grant funds.

(Mr. Jennings rejoined the meeting.)

On motion then made and seconded, the Board voted unanimously to go into executive session at approximately 4:50 p.m. pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119-A for loan monitoring purposes. At approximately 4:55, the Board came out of executive session.

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

The meeting was then adjourned.

Respectfully,

Lori Paulette

Portland Development Corporation
Operating Report FY16
For Month Ending
8/31/2015

Operating transfer from EDF	**28,522**

Total Funds Available	**28,522**

		Current	Year to	Percent	
FY16 Expenditures	**Budget**	**Month**	**Date**	**of Budget**	**Balance**
Administrative Services	575		0	0.0%	575
Postage	300		14	4.7%	286
Travel, Training, Meetings	4,000		0	0.0%	4,000
Contractual services	10,500		0	0.0%	10,500
Operating Transfer to Fin.	9,647		0	0.0%	9,647
Advertising	2,000		0	0.0%	2,000
Auto Expense Reimb.	100		0	0.0%	100
Printing & Binding	650	137	163	25.1%	487
Office Supplies	750	153	153	20.4%	597
			0		
Total FY16 Expenditures	**28,522**	**290**	**330**	**1.2%**	**28,192**

Expenditures:

Printing and Binding	Copying charges
Office Supplies	Various

Downtown Portland Corporation
Schedule of Loans Receivable
For the Month Ending August 31, 2015

Cust #	Ln #	Account No. & Name	Date of Loan	Maturity Date	Original Loan	Not Yet Disb.	Total Disb.	Outstanding Princ. Bal.
					----Committed/Disbursed Funds-----			
		Portland Business Fund 271 (UDAG/Unrestricted):						
6762	1482	Nova Star Cruises Limited	3/20/2014	5/1/2020	165,411	0	165,411	155,736
		Sub-Total PBF (UDAG)						**155,736**
		Portland Business Fund 272 (Restricted - CIP):						
4500	1127	Tomaks, LLC	3/27/2008	3/27/2016	75,000	0	75,000	60,661
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	35,423
6502	1436	Portland Food Cooperative	6/4/2014	10/1/2021	130,000	0	130,000	120,047
		Sub-Total PBF (Bonds/CIP Restricted)						**259,032**
		Portland Micro Capital Fund 271 (UDAG/Unrestricted):						
5708	1438	Veranda Asian Market LLC	4/19/2012	4/1/2017	50,000	0	50,000	22,589
5837	1341	Back Bay Skate	9/10/2012	9/1/2017	12,500	0	12,500	$6,094
6113	1379	EcoHome Studio, LLC	4/11/2013	4/1/2018	15,000	0	15,000	8,417
6120	1380	Portland Trading Co. LLC	4/26/2013	8/1/2018	15,000	0	15,000	13,836
6133	1381	Maine Bio-Fuels, Inc.	5/24/2013	6/1/2018	25,000	0	25,000	14,857
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	7,697
6501	1435	Sur Lie Wine Bar, LLC	5/2/2014	9/1/2021	37,335	0	37,335	33,260
6635	1464	Damiak's Bakery, LLC	10/16/2014	11/1/2019	25,000	0	25,000	21,657
		Sub-Total Micro Capital Fund						**150,537**
		Portland Business Fund Fund 274 (CIP/Unrestricted):						
6597	1458	Back Cove School	8/29/2014	9/1/2019	55,000	0	55,000	49,539
6786	1487	RAIN Management, LLC	4/16/2015	7/1/2020	60,000	0	60,000	60,000
6828	1500	Poplar & Co., LLC	6/5/2015	10/1/2022	37,500	0	37,500	37,500
6868	1508	Billdotcom, LLC	8/29/2015	9/1/2022	102,500	0	102,500	102,500
		Sub-Total PBF (Bonds/CIP Unrestricted)						**249,539**
		Creative Economy Fund 271 (UDAG/Unrestricted):						
5615	1308	Studio Management Corp.	1/20/2012	2/1/2017	26,000	0	26,000	9,836
		Sub-Total Creative Economy Fund						**9,836**
		FAME Fund 277:						
5862	1351	Peaks Island Fuel	10/1/2012	10/1/2017	61,000	0	61,000	54,596
3763	956	Eastman Industries	4/19/2012	4/6/2017	34,800	0	34,800	29,208
6531	1450	North Atlantic, Inc.	6/23/2014	1/1/2020	75,000	0	75,000	50,925
6598	1459	Browne Trading CO.	9/3/2014	10/1/2019	83,333	0	83,333	71,481
6692	1475	Maine & Loire LLC	12/30/2014	1/1/2020	45,000	0	45,000	40,430
6784	1485	SB & LC Properties, LLC	4/6/2015	5/1/2020	101,200	0	101,200	100,719
6485	1429	Evo Rock & Fitness Portland	4/14/2014	11/1/2024	132,954	0	132,954	125,298
		Sub-Total FAME Fund						**472,658**
		FAME SSBCI 279:						
5836	1340	251 Woodford Street LLC	8/31/2012	9/1/2017	165,000	0	165,000	151,071
5939	1356	Apothecary By Design LLC	11/8/2012	11/1/2017	200,000	0	200,000	146,293
5748	1327	Fermentation & Distillation	4/25/2012	10/1/2017	165,000	0	165,000	81,808
6199	1390	Inn at Diamond Cove LLC	7/10/2013	7/1/2018	200,000	0	200,000	179,238
6867	1507	Billdotcom, LLC	8/19/2015	9/1/2022	92,500	0	92,500	92,500
		Sub-Total FAME SSBCI						**650,910**
		Real Estate Investment Fund 271(UDAG/Unrestricted):						
6104	1378	McCuda, LLC	4/19/2013	4/1/2018	200,000	0	200,000	184,691
		Sub-Total RE Invest						**184,691**
		Brownfields Loan Fund 278						
6555	1457	Forefront Partners, LP	7/30/2014	2/1/2020	200,000	0	200,000	191,639
		Sub-Total Brownfields						**191,639**
		Grand Total Loans				**0**	**2,743,833**	**2,324,576**
		Allowance for uncollectable loans at 15%						348,686
		Total with Allowance for uncollectable loans:						**1,975,890**

CITY OF PORTLAND, MAINE
PORTLAND DEVELOPMENT CORPORATION
DELINQUENCY REPORT
MONTH ENDING AUGUST 31, 2015

ao 9/10/2015

Loan	Payment Past Due	# of Payments	# of Days Past Due[1]	Outstanding Principal Balance	# of Times Past Due In Last 12 Reports (excluding present mo.)
Back Bay Skate	$239	1	31	$5,895	10
The Back Cove School	$790	1	31	$49,539	3
Browne Trading	$1,631	1	17	$71,481	0
Eastman Industries	$1,780	4	123	$29,208	6
Eastman Industries	$1,780	4	123	$29,208	6
Museum of African Culture	$2,178	20	577	$13,693	12
Pachanga[2]	$421	1	31	$7,697	9
Peaks Island Fuel	$411	1	17	$54,596	0
Portland Trading Co.	$4,638	16	488	$13,836	12
Studio Management Corp.	$987	2	62	$9,836	12
TOMAKS, LLC[3]	$559	1	31	$60,566	9
Undefeated Enterprises	$6,208	13	395	$22,130	12
Veranda Asian Market[4]	$955	1	31	$21,738	12
TOTALS:	**$21,622**			**$389,422**	

[1] 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.

[2] Paid August and September payments on 9/10/2015

[3] Paid August payment on 9/1/2015

[4] Paid August payment on 9/7/2015

Portland Development Corporation
Preliminary Cash Management Report
For Month Ending August 31, 2015

	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/Grants			(PET)	TOTAL	Restricted	Unrestricted	Unrestricted	FAME	SSBCI	Brnfld		
Beginning Cash Bal. June 1 1, 2015	**131,982**	**87,078**	**744,765**	**148,998**	**256,982**	**311,573**	**1,681,378**							100,000	100,000
Plus:															
Principal payments received	1,835		4,841	3,026	2,903	1,349		4,690	1,119	13,796	6,393	8,477	2,767		
Interest payments received	520	(161)	1,892	2,757	1,281	629		1,618	1,408	3,990	4,470	5,078	1,188		
Interest Income					51							115			
Other Income/Adjustments		98,716			56							925			
Pass Through From FAME SSCBI															
Sub-Total Cash Available	**134,337**	**185,633**	**751,498**	**154,781**	**261,273**	**313,551**	**1,801,073**	**6,308**	**2,527**	**17,786**	**10,863**	**14,595**	**3,955**		
Less:															
FAME Annual Admin. Fee; Invoices							-								
Disbursements - Loans/PDAP Grants		(99,030)	(1,807)	(100,991)	(92,500)										
FY15 Interest Income for PDC Budget															
Sub-Total Cash Available 6/30/2015:	**134,337**	**86,603**	**749,691**	**53,790**	**168,773**	**313,551**	**1,506,745**								
Less Reserves for:															
Beautification Program (EC0301)			(72,000)												
PEDPIP Fund FY15 Commitments not yet paid			(124,525)												
PEDPIP Fund FY16 Commitments not yet paid (capped at $52,130)			-												
Portland Dev. Action Grant (EC0302)			(93,287)												
Transfers not yet recorded (UDAG Int)			(3,990)												
BAP Grants														-100,000	-92,281
Used for Administration															-2,243
Total Ending Loan/Grant Cash Bal.	**134,337**	**86,603**	**455,889**	**53,790**	**168,773**	**313,551**	**1,212,943**							**0**	**5,476**

Loan Commitments:	
Nova Star Cruises	29,514
Total:	**29,514**

DAG Cmtmts:	**93,287**	**(DAG Bal.)**
Press Hotel	25,000	
Cow Plaza/Hyat	25,000	
Total:	**50,000**	
Balance:	**43,287**	

Bal. of Unrestricted/Uncommitted Funds ao 7/1/15:	**521,299**
PEDPIP Cap for FY16 (ao 7/1/2015) at 10% of above:	**52,130**

Portland Development Corporation

Board of Directors

Fiscal Year End 2015 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 20, 2014 – detailed further below. It is noted that the PDC invested over $850,000 in FY15 to 25 businesses and economic development projects, which leveraged over $3.7 Million in private sector funds associated with creating 53 jobs and retaining 55 jobs.

FY14 and FY15 Loan and Grant Activity Totals:

	FY14	**FY15**
No. of Loans Made	7	8
Total Amt. of Funds Lent	$814,289	$607,033
Total Private Investment Leveraged	$48,505,172	$3,467,095
Jobs Created	65	40
Jobs Retained	13	55
No. Dev. Action Grants	3	1
Total Amt. of Grants	$75,000	$10,650
No. Business Assistance Grants for Job Creation	5	8
Total Amt. of Grants	52,200	$140,000
Jobs Created	6	13
No. Portland Econ. Dev. Plan Implementation Grants	3	8
Total Amt. of Grants	$43,309	$98,820
PDC Total Investment	**$984,798**	**$856,503**

PDC Fiscal Year 2015 Loan and Grant Detailed Activity

FY15 Loans Closed

FY15 was a year in which the PDC loan portfolio grew with eight loans closed for a total of $607,033. The PDC's loans invested in eight Portland businesses, thereby retaining 55 jobs and associated with 40 new jobs. In addition, these loans leveraged over $3.4 Million in private commercial investment. Types of businesses provided loan assistance included education/daycare, restaurants, seafood supplier for the restaurant industry, bakery, window film treatments installation, spa, and a brownfield loan for environmental remediation.

During the past six years, FY10 through FY15, the PDC has extended 41 loans for a total of over $3 Million, while leveraging $59.3 Million in private investment and creating and retaining over 432 jobs.

PDC Loan Portfolio

For the first time in PDC history, its outstanding loan portfolio exceeds the $2 Million mark. At of the end of FY15, the PDC has 32 loans outstanding. This loan portfolio includes $2.5 Million in PDC loan funds which leverages $61.7 Million in private investment in Portland, for a private to public fund leverage of $24 of private funds to each dollar of public funds. These loans also retained 171 jobs and created 228 jobs, and include a diverse mix of PDC investments in businesses noted above, as well as food manufacturers, biofuel, fitness, retail, and service.

As a result of a successful grant application, beginning in 2012 funds from the U.S. Treasury's State Small Business Credit Initiative (SSBCI) became available to the City as a lending source. Through FY2015, the PDC has utilized $730,000 in SSBCI funds for loans to Portland businesses. When the SSBCI Program expires in early 2017, all of those funds, once paid off by the borrowers, will become the City's, expanding the PDC loan pool by what will likely be over $1 million.

PDC Lending History

Since its inception, the PDC has made 144 loans to diverse businesses including manufacturing (e.g., breweries and biosciences), restaurants, retail, and service, among others. The following table provides an overall view of the activities:

Total Amounts of Funds Lent:	**$8,843,035**
Leveraged Amount of Private Financing:	**$104,959,701**
Jobs Retained:	**1,240**
Jobs Created:	**752**
14 Loans Defaulted*	**$477,534**

*****Default amount of $477,534 is 5.4% 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 carry out 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 in FY12. The maximum grant amount was originally $75,000. During FY2015, the PDC Board recommended to the City Council, and the City Council approved, amending the maximum grant amount to $15,000, and establishing a yearly cap at the beginning of each fiscal year at 10% of available/uncommitted, unrestricted funds beginning with FY16.

Since its inception through FY15, the PDC Board approved grants in the total amount of $329,713, 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)
- UNESCO Creative Cities Application
- Work in Place Summit

Portland Performing Arts Festival
Portland Community Chamber for Scorecard Updates (2014; 2015)
City of Portland staff to participate in the Maine International Trade Center Mission to Iceland and UK
Portland Community Chamber for Startup and Create Week (2014; 2015)
World Affairs Council for its Celebrate Immigration Initiative
City of Portland/Portland Community Chamber – Industry Sector Research Conducted by the Maine Center for Business and Economic Research
City of Portland – Greater Portland Economic Development Corporation (GPEDC) - Maine International Trade Center/Invest in Maine Program

Cultivating Communities/Local Food Cluster Acceleration Project
Cooperative Development Institute – Institutional Food Service and Procurement

Business Assistance Grant Program for Job Creation

The Business Assistance Program for Job Creation offers grants to new and expanding Portland businesses for projects that result in the creation of permanent net new jobs for low/moderate income Portland residents. A private match is required in an amount that is at least equal to the grant requested. 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.

This program was originally capitalized with $100,000 from Community Development Block Grant (CDBG) funds and launched in May 2012. It was re-capitalized by the CDBG program in FY14 and FY16 with an additional $100,000 each of those years.

During FY15, eight grants were approved for a total amount of $140,000. Grants approved since the Program's inception through FY15 total $192,200 to thirteen recipients, resulting in the creation of 19 full-time jobs within one year of receiving the grant award, with more to come.

PDC Annual Awards Program

At the 19th Annual Awards Reception on November 20, 2014, 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 **Rising Tide Brewing Company**

  Rising Tide Brewing Company is a family-owned craft brewery that was founded in 2010 with a tiny one-barrel brewing system in a small garage off Riverside Street. In 2012, the company relocated to Portland's East Bayside neighborhood where they completed a dramatic expansion with the installation of a custom-built fifteen barrel brewhouse. Since then, Rising Tide more than tripled its production capacity with the addition of five locally fabricated fermenters and grown to a staff of 15, with expectations of 18 employees by the end of 2015. Yet again, the company is in the midst of yet another major expansion, with new packaging machinery, more new fermentation tanks and a much larger tasting room to be built this Fall.

  Owned by Portland natives Nathan and Heather Sanborn, Rising Tide specializes in artisanal, hand-crafted ales brewed in small batches. Nathan is the brewer, fascinated by the science and art of beer-making. Prior to launching the company, he spent more than a dozen years teaching himself about brewing, experimenting with creative recipes on his home-brewing system, and serving up his beer for feedback from friends and family.

Rising Tide's beers are available in bottles and on draft in their tasting room at 103 Fox Street and at select locations in Maine, Massachusetts, New Hampshire, and Vermont. The tasting room has become a community hub, attracting locals as well as tourists. The brewery regularly partners with other local artisans, including cheese, soap, chocolate, and jam makers, as well as several local non-profits such as the Maine Island Trail Association and the Good Shepherd Food Bank.

- The ***Business of the Year*** award was given to ***Apothecary By Design.***

  Apothecary by Design was established in 2008. ABD was a pioneer to locate in the Intermed building in November 2008. This pharmacy includes five distinct components – retail, compounding (the use of pure, active ingredients to create an individualized medication for a patient), and specialty pharmacies, as well as nutraceuticals/supplements, and a coffee shop. In 2012, ABD needed additional space to accommodate its growth, and, therefore, expanded into 141 Preble Street – moving its specialty pharmacy unit, sterile compounding, and administration to the new space. This move created an additional six jobs at the time.

  ABD is dedicated to individualized patient care with cutting-edge pharmacology. "Our pharmacy care approach goes well beyond simply filling prescriptions and handing them to customers," said Tom Madden, R.Ph., ABD principal and 25-year veteran of the pharmacy industry. "We are committed to delivering not only expert pharmacy services, but also one-on-one nutritional guidance, nutraceutical, and supplement advice, and wellness programs that can improve the patient's overall health and quality of life." ABD provides intensive case management services to patients suffering from complex medical conditions such as HIV/AIDS, Hepatitis C, MS, and Infertility. Since opening in November 2008, it has served more than 45,000 patients, growing from 12 employees to more than 75.

- The ***Economic Development Achievement*** award was given to ***J. B. Brown & Sons***

  J.B. Brown & Sons was founded in 1828 by the legendary entrepreneur John Bundy Brown. This 19th century entrepreneur had interests in manufacturing, food retailing, hotels, substantial land holdings and properties in all sectors of the Portland real estate market, eventually developing much of Congress Street, the Waterfront, and the West End. During the past 30 years, J.B. Brown has gradually converted its original holdings to different uses to support the changing dynamic of Portland.

  Today, J.B. Brown & Sons remains one of the largest property owners in Portland, as it has for the past 125 years. Its properties in Portland include a mix of office, industrial, and hospitality, along with developable land. The Company's most recent Portland investment includes the 131-room Courtyard by Marriott with 14 penthouse condominiums and 7,000 square foot Tiqa restaurant at 321 Commercial Street — all together a $22.5 Million investment.

Mr. Brown's successors form an unbroken chain that has developed and managed commercial and industrial properties according to his principles for 174 years. J.B. Brown began as a family-owned company and remains privately held, with a large percentage of its ownership retained by descendants of its founder, now reaching the 6th generation. The company today is characterized by its stable ownership, its conservative long-term outlook, and its commitment to quality urban development principles.

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 Barry Sheff, President Drew Swenson, Treasurer Jere Shaw, Secretary Tim Agnew Shelley Carvel Neil Kiely Jess Knox Dennis Martin Mark Rees, City Manager Heather Sanborn
PDC Staff:	Greg Mitchell, Economic Development Director Nelle Hanig, Business Programs Manager Lori Paulette, Senior Executive Assistant Michael Goldman, Associate Corporation Counsel

PORTLAND DEVELOPMENT CORPORATION
Balance Sheet
June 30, 2015

(Preliminary and Subject to Audit)

ASSETS

Assets				
Cash		1,756,022		
Loans receivable	2,166,819			
Allowance for uncollectable loans	(325,022)	1,841,797		
Total Assets			$	3,597,819

LIABILITIES

Liabilities				
Accounts payable		36,627		
Total Liabilities			$	36,627
Fund Equity				
Reserved:				
for Loans Rec.		1,841,797		
Reserved:				
for Economic Development Fund	270	103,261		
for Unrestricted UDAG	271	702,330		
for Restricted CIP	272	128,030		
for Unrestricted CIP	274	84,478		
for FAME	277	143,918		
for EPA Revolving Loan Fund	278	309,595		
for FAME SSBCI	279	247,783		
Total Fund Equity			$	3,561,192
Total Liabilities and Fund Equity			$	3,597,819

Downtown Portland Corporation
Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended
June 30, 2015

(Preliminary and Subject to Audit)

Revenues/Financing Sources		
Interest payments on loans		89,073
Interest Income		5,734
Application Fees		5,070
Total Revenues		99,877
Expenditures		
Admin. expense - FAME	9,660	
Contributions	75,077	
Consulting	4,055	
Transfers out	24,377	
Bad Debt Expense	47,853	
Remaining Nova Star	33,128	
Total Expenditures		194,150
Excess (deficiency) of revenues over expenditures		(94,273)
Fund Balance, June 30, 2014, restated		3,655,465
Fund Balance, June 30, 2015		3,561,192

Portland Development Corporation
Operating Fund

Budget vs Actual
For Year Ended
June 30, 2015
(Preliminary and Subject to Audit)

	FY15				FY14		
	Budget	Actual	%		Budget	Actual	%
Portland Development Corporation	----------	---------	---		----------	---------	---
Revenues:							
Transfers in from Ec. Dev. Fund	28,522	24,377			28,522	24,899	
					-----------	-----------	
Total Revenues	28,522	24,377			28,522	24,899	
Expenditures							
Admin Services	575	301	52%		575	237	41%
Contractual Services	20,147	17,592	87%		19,897	18,498	93%
Postage/Supplies	300	52	17%		300	37	12%
Travel, Training	3,900	3,494	90%		3,000	2,547	85%
Advertising	2,000	1,479	74%		2,000	1,831	92%
Printing & Binding	650	643	99%		650	473	73%
Office Supplies	850	816	96%		850	385	45%
Auto Expense	100	0	0%		100	0	0%
Minor Equipment	0	0	0%		1,150	890	77%
Total Expenditures	28,522	24,377	85%		28,522	24,899	87%