



PORTLAND DEVELOPMENT CORPORATION

Board Meeting

DATE: Thursday, December 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) Application for new Brownfield Program Funds
 - b) Update on 65 Munjoy Street Project
 - c) Development Action Grant Guidelines – Committee needed to review possible amendments
 - d) Awards Event on 12/2/2015
2. Review and accept Minutes of previous meeting held on October 15, 2015.
3. Review and vote on Business Assistance Grant for Job Creation application from Forq Food Lab in Bayside.
 - 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 to review proprietary information.
4. Review and vote on PEDPIP Grant Application from Maine Center for Enterprise Development.
5. Review report from Cooperative Development Institute (a/k/a Farm and Sea Cooperative) on its Institutional Food Service and Procurement Plan, funded in part by a PEDPIP grant.
6. Review and vote to recommend to City Council amendments to Portland Economic Development Plan Implementation Program guidelines.
7. Treasurer's Report – November 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.)
8. Other items to be discussed/brought up by Board Directors.
9. Next Meeting Date: January 21, 2016.

Barry Sheff, Board President

Minutes

Portland Development Corporation

October 16, 2015

A meeting of the Board of Directors of the Portland Development Corporation was held on Thursday, October 16, 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, Neil Kiely, Jess Knox, and Chip Martin. Directors not able to attend were Mayor Michael Brennan, Heather Sanborn, Jere Shaw, and Drew Swenson. Present from the City staff were Associate Corporation Counsel Michael Goldman, Business Programs Manager Nelle Hanig, and Senior Executive Assistant Lori Paulette.

Item #1: President's Comments

President Sheff said that date of the Annual Business Awards has been confirmed for Tuesday, December 1, from 4:30 to 6:00 p.m. at Ocean Gateway.

Also, President Sheff requested that Item #5 on the Agenda be taken after #3 as Associate Corporation Counsel Michael Goldman needs to leave the meeting at approximately 5:00 p.m.; the Board concurred.

Item #2: Review and accept Minutes of previous meeting held on September 17, 2015.

On motion made and seconded, the Board voted 4-0-3 (Jennings, Kiely, and Knox abstained) to accept the Minutes as published.

Item #3: Review and vote on application from the City of Portland for a Brownfields Grant to remediate 1 Cambridge Street to support a City Council approved Land Exchange Agreement with J. B. Brown.

Ms. Hanig said that the City is requesting a \$75,000 Brownfield Grant for a VRAP and remediation of 1 Cambridge Street – a tax-acquired City property - and a Phase I Environmental Site Assessment (ESA) for a portion of property owned by J. B. Brown at 21 Cornell Street. This is part of a Council approved Land Swap Agreement between the City and J. B. Brown as component of the project to relocate a portion of the City's Public Services out of Bayside to this area. She noted, however, that the Land Swap Agreement previously approved will need to be brought back to the Council as the land exchange is in the process of being further refined.

Ms. Hanig then referred the Board to the Exhibit 1 map and described the area of the tax-acquired property that needs remediation, which portion will be subdivided out and the City will retain and add to that portion of the JB Brown property on Cornell Street to make it a buildable lot. The uncontaminated portion of the tax-acquired property will be swapped with JB Brown. Before the City acquires that portion of JB Brown's property, however, it needs to conduct a Phase I ESA on that portion to protect the City from future liability.

The Brownfields guidelines note that funds can be used as grants to the City for assessment and remediation on City-owned properties. Staff is recommending that the PDC approve this grant request of up to \$75,000 for this City project. Ms. Hanig noted that Jedd Steinglass, a consulting Qualified Environmental Professional (QEP) for the City of Portland, has indicated that all uses of the funds in the budget meet EPA eligibility.

Ms. Hanig then highlighted the budget for this work as presented by Sebago Technics. With this \$75K grant to the City, it would leave a balance in this fund of approximately \$240K.

Mr. Agnew asked about Council approval for the land exchange, and Mr. Jennings noted that the refinements underway have been verbally agreed to by JB Brown and City staff. The Council is aware that there will be an amended exchange for its approval when the document is ready. This exchange is a component of the overall plan to relocate Public Services out of Bayside. That relocation, however, does not include 55 Portland Street – the site of the administrative offices of Public Services

Mr. Kiely asked about the timing of the repayment of the Brownfields Loan of \$200K to Thompson's Point. Mr. Sheff referred to the Schedule of Loans Receivable and noted that this loan has maturity date of 2/1/2020 and approximately \$190K principal outstanding.

Mr. Jennings noted that he would recuse himself from voting on this item given his position with the City.

Ms. Carvel asked about the contamination on the tax-acquired property, and Ms. Hanig indicated it to be arsenic and lead as a result of the manufacturing of billiard balls and gaming chips – mostly from paint. Ms. Carvel asked if the manufacturer should pay for this cost, and Ms. Hanig indicated that it has long been defunct.

Mr. Martin recalled the City's Riverside Street property being an option for Public Services relocation. Mr. Jennings agreed that it was several years ago but with the availability of the Pepsi Plant and the Nelson and Small properties on Canco Road, and their being closer the peninsula, this location has proved to be more viable.

Mr. Agnew asked if the City Council requested this. Ms. Hanig indicated that this is a staff request as part of the Council's authorization to proceed with the Land Exchange and execute necessary documents to carry out the intent of the exchange. The Economic Development Department will manage the project.

President Sheff said that if this Brownfield Grant request is approved today, this will be the last time the Board will see the item. There can be a condition of approval that the Land Exchange Agreement has been executed prior to the Phase I ESA on the JB Brown property. He also noted that the City Council does not weigh in on loans and grants approved by this Board.

Mr. Goldman said that the approved Land Swap Agreement by the City Council has since changed and the Agreement needs to reflect a change of description of the parcels being exchanged. This Brownfield Grant application is an administrative process with this Board and does not go back to the City Council.

Mr. Martin questioned why JB Brown would not do the Phase I ESA, and Ms. Hanig indicated that the City needed to do it for its own liability protection prior to taking ownership. Ms. Hanig said that if 21 Cornell Street is found to be contaminated, the City may be back to this Board for a Phase II ESA Grant request.

Mr. Kiely made a motion to approve the Grant request, subject to the Land Exchange Agreement being in place prior to the Phase I ESA being done, and to allow Michael Goldman dual representation of the PDC and City in this transaction. This motion was seconded and passed 5-1 (Martin) – 1 (Jennings abstained).

Item #5: Review and recommendation to City Council on proposed amendments to PDC Bylaws.

President Sheff said that the Issues Committee, made up of Messrs. Agnew, Knox, Martin, and himself, discussed proposed Bylaw amendments at its most recent meeting that he could not attend. The proposed amendments address attendance at Board meetings and a Portland connection – either through residency or owning a business. Regarding the first, attendance, President Sheff said that the Bylaws as they are now do not have any attendance verbiage. The proposed language is in new section 5.2,

particularly should a Director miss three consecutive regular meetings or more than 50% of the regular meetings in one year, the President shall request in writing that the Director attend meetings on a consistent basis going forward, or, in the alternative, that the Director resigns.

Mr. Agnew noted that “in writing” was too prescriptive, and Mr. Knox agreed. After discussion, consensus of the Board was to take this out of the Bylaws, and instead have it be a policy of the Board to be handled by the President at his discretion. President Sheff noted to staff that in its orientation sessions for new Board members that this policy be highlighted.

Regarding residency, Mr. Sheff said that there is no residency requirement in the Bylaws as they are now, while other City Boards do have a residency requirement. President Sheff said that PDC Board has 11 Directors, two are ex officio – City Manager and Mayor or designee. He then referred the Board to a new last sentence added to Section 4.2 in that 6 of the 9 directors appointed by the Corporator must have their primary residence in Portland or have an ownership interest in a business that has its principle office in the City.

Mr. Martin said that this would allow for up to 3 directors to not have a residence or own a business in Portland.

Mr. Agnew said that the current Board members would be grand-fathered. He questioned “business” and if a “non-profit business” would be included. The sense was that it would not be included; that prospective director could be counted as one of the 3 if not a Portland resident.

The Board discussed the current members being grand-fathered, and this would need to be handled administratively.

Mr. Kiely supported the proposed amendment, noting the 3 not requiring residency or owning a business in Portland is a good balance.

President Sheff said that he would not be supporting this amendment to the Bylaws. This Board is a City Council appointed Board. The Council's Nominations Committee screens potential new Board Directors to recommend to the City Council – regardless of residency/owning a business, so he did not feel it was the PDC's purview for this amendment. If the City Council wanted to have a residency requirement, then it would be in the Bylaws already.

Mr. Knox and Mr. Martin expressed frustration with the Nominations Committee and its scheduling and rescheduling. Mr. Jennings said that he has met with City Clerk Kathy Jones about this issue and about diversification on Boards/Committees. The process is being reviewed to make it better.

Mr. Martin said that he would support the proposed residency amendment, noting that people who have a vested interest in Portland on the Board and are loaning/granting Portland funds makes the most sense.

Mr. Kiely said that he respected that, but it may be limiting to someone, for instance, who conducts business in Portland, or is a property owner in Portland.

A motion was then made and seconded to strike the attendance amendment, and to retain the residency requirement and adding "or property owner in Portland". A vote was taken on the motion and it passed 5-1 (Sheff)-1 (Jennings abstained). Mr. Jennings suggested taking the proposed amendment through the Nominations Committee for its recommendation to the City Council.

Item #4: Review and recommendation to City Council on proposed amendments to PEDPIP Grant Guidelines

President Sheff again noted that at the most recent Issues Committee meeting that he couldn't attend, the Committee recommended amendments to clarify the guidelines for both staff and applicants, particularly eligibility for a grant. The proposed amendments would tie projects to the current work plan, or to bulleted items in the Plan itself. There is also some flexibility that the grant could be extended to a "Project related to . . ." to the current work plan or to a bulleted action in the overall Plan.

Mr. Knox said this would give the PDC Board flexibility for projects that may not have been foreseen and are worth supporting based on the work plan and bulleted points. Mr. Knox added that the Board was not seeing all PEDPIP applications, which was his initial reaction for guideline amendments, noting that economic development is not a narrow subject for interpretation. In the future, he would like the Board to be, at the least, notified of an application – whether it is brought to the Board or not.

Mr. Kiely said that the guidelines should tie in with the Plan. He also noted that a new Work Plan for 2016/2017 is currently being worked on. With more flexibility in the Work Plan, that should provide more flexibility for future projects that could receive grant funding.

President Sheff said that when the PEDPIP was formed, the intent was to be focused on meeting its objectives.

Ms. Hanig asked if the PEDPIP is to fund conferences and recurring items.

President Sheff suggested that the Committee get back together.

Mr. Martin said that it gets back to "projects related to", and agreed that the Committee should meet again.

The Board then discussed whether there should be a timeframe for applications for PEDPIP Grants, given that there is now the 10% limit cap on unrestricted funds set at the beginning of each fiscal year, with FY16 being a cap of \$52K. There was general

agreement that this is something the Committee could discuss, noting that for the first two months of each fiscal year, that would be the application period. Also discussed was a need for additional opportunities to apply after that window, particularly if there were grant funds remaining after the initial application period. The Board discussed that any amendments would start at the beginning of the next fiscal year (FY17), upon approval of the City Council.

President Sheff thanked everyone for their input/feedback, with the Committee to meet again to flesh out proposed amendments.

Item #6: Treasurer's Report – September 2015

Ms. Paulette gave the Treasurer's report noting that the administrative budget is under norm as is usual; the Schedule of Loans receivable shows a total of \$2.7+ Million of funds lent, with \$2.1+ Million remaining in outstanding principal; the Cash Management Report shows \$1.48 Million available for loans/grants; regarding the Delinquency Report, it remains unchanged since it was sent to the Board. If the Board would like to discuss, for loan monitoring purposes, any of the loans listed in the Report, it can do so in executive session.

On motion made and seconded, the Board voted unanimously to go into executive session at 5:40 pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119-A to discuss and monitor the loans listed in the Delinquency Report. At approximately 6:00 p.m. the Board came out of executive session.

Item #7: Other items to be discussed/brought up by Board Directors.

Mr. Kiely asked about the proposal to raise the minimum wage and its effects on any of the PDC's loan clients.

Mr. Jennings said that raising the minimum wage to \$15/hour will be discussed at the Finance Committee meeting next week, and particularly impacts that would be felt by Portland businesses.

There being no further discussion, the meeting was then adjourned at approximately 6:00 p.m.

Respectfully,

Lori Paulette



Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: President Sheff and Members of the Portland Development Corporation

FROM: Nelle Hanig, Business Programs Manager

CC: Greg Mitchell, Economic Development Director

DATE: December 11, 2015

**SUBJECT: Maine Center for Entrepreneurial Development Application for \$15,000 Grant
Portland Economic Development Plan Implementation Program (PEDPIP)**

Overview

The Maine Center for Entrepreneurial Development (MCED) is a private non-profit that was established in 1997. Its purpose is to help Maine's most promising entrepreneurs and companies to grow through innovation. MCED's specific focus is on training, coaching, mentoring and connections.

In 2009, MCED launched the Top Gun Program in Portland, which helps to accelerate the growth of startup companies through training, mentoring and workshops. According to MCED, this entrepreneurial training program has helped accelerate the growth of over 100 startup companies, which, in turn, have generated more than \$25 million in revenue, obtained \$7.5 million in capital formation and provided over 100 Maine-based jobs.

The project for which MCED is seeking \$15,000 in grant funding from PEDPIP would involve overhauling the Top Gun Program, for the first time since it was created, and implementing a new phase, PreFlight. As explained in MCED's application,

"...PreFlight, open to anyone, where applicants can learn and practice important aspects of pitching their business ideas to investors and others. Successful applicants would then attend Top Gun, a three-month program with updated course curriculum and intensive workshops. We also plan to research best practices of other programs from across the country and implement new technological tools for facilitating mentor/mentee communications."

Budget

MCED is requesting a grant of \$15,000 for a \$30,000 project. The applicant's match has already been raised: \$5,000 from the Maine Technology Institute and \$10,000 from the Maine Small

Business Development Center. The attached application includes a budget indicating specifically how the funds will be used.

Timing

The application from MCED was received on September 14, 2015. As things played out, it hasn't been presented to the PDC until this month's meeting. While some of the project work has already begun, 70 percent of the work has not been completed and \$25,000 of the \$30,000 budget has not been expended. The attachment application includes a timeline.

Ordinarily, the project would have been presented to the PDC at its meeting on October 15th, however, the PDC and staff were in discussions about clarifying eligibility for PEDPIP applications, so this application was put aside for October. During September and October the PDC Issues Committee met several times and then presented proposed guideline modifications at the October PDC meeting. Given that board members felt a few more issues needed to be addressed, the guidelines went back to the Issues Committee. The proposed final guideline modifications were ready for the November meeting, however, due to so few agenda items for that meeting, it was cancelled.

The Board will be presented with final proposed PEDPIP guidelines at the December meeting. The PDC will be asked to vote whether to recommend them to the City Council for approval and, before the guidelines can go into effect, they will need Council approval.

Consistency with PEDPIP Objectives and Work Plan

Grow the Economy is the Plan's core economic focus with which this project is consistent. Within that focus, the Economic Plan states: "Attract and support entrepreneurs as a means of growing and diversifying the local economy. More specifically it notes: "Coordinate entrepreneurship services to ensure Portland entrepreneurs are supported for start-up and growth." Entrepreneurship services are central to the work of MCED and its Top Gun Program.

Available PEDPIP Funds

Uncommitted funds in the FY2015-2016 PEDPIP program total \$52,130.

Staff Recommendation

Staff recommends approval of this PEDPIP application for a grant in the amount of \$15,000.

Attachments

MCED application with budget and timeline

Application

Portland Economic Development Plan Implementation Program (PEDPIP)

Please review PEDPIP guidelines before completing application.

Date: September 14, 2015

1. APPLICANT INFORMATION

Organization Name: Maine Center for Entrepreneurial Development (MCED)

Organizational Structure: ☐ Public ☒ Not-for-Profit

Address: 30 Danforth St., Suite 216, Portland, ME 04101

Mailing Address (if different from above): _____

Website: <http://www.mced.biz>

Primary Contact Person at Organization: Susan Ruhlin

Phone Numbers > Work: 774-8111 Cell: 318-6585

Email Address: sruhlin@mced.biz

2. PROJECT INFORMATION

a. Project Description: Top Gun Program Overhaul

In 2009 the Maine Center for Entrepreneurial Development launched the Top Gun Program in Portland, a unique entrepreneurial training program that has helped accelerate the growth of over 100 startup companies. To date, program graduates have generated more than \$25 million in revenue, obtained \$7.5 million in capital formation and produced over 100 Maine-based jobs. Thanks to careful metrics tracking we know that the program participants report revenue growth of 31% post Top Gun.

The Top Gun Program matches high aspirational founders with mentors who are a mix of experienced entrepreneurs and professional services people who donate their time and expertise to participants. Top Gun teaches a meaningful curriculum ranging from hiring employees, to bootstrapping, to exit strategies. Learning sessions are aimed at helping entrepreneurs make the right decisions at pivotal junctures. Founders also learn how to target specific pitches to potential customers, employees, partners and investors depending on the specific needs of the company.

In 2012, MCED was notified that the Blackstone Charitable Foundation had selected the organization to be one of the recipients of the Blackstone Accelerates Growth Initiative along with the University of Maine and the Maine Technology Institute. Obtaining that funding allowed our organization to expand the program from Portland and Bangor to Rockland and also enabled MCED to develop Top Gun Prep, a course open to any entrepreneur no matter what their stage of development.

With the Blackstone funding cycle complete, we feel the timing is right to overhaul the Top Gun Program for the first time since 2009. We plan to implement a new phase, PreFlight, open to anyone, where applicants can learn and practice important aspects of pitching their business ideas to investors and others. Successful applicants will then attend Top Gun, a three-month program with updated course curriculum and intensive workshops. We also plan to research best practices of other programs from across the country and implement new technological tools for facilitating mentor / mentee communications. We estimate that this project would require 25% the Top Gun program manager's and staff time apportioned from the Top Gun budget no longer covered by Blackstone.

Brenda Garrand of Garrand Partners, one of Maine's most successful and nationally recognized advertising agencies, has graciously agreed to donate her time and services to assist MCED with a Top Gun rebranding project to revitalize the program. MCED's Executive Director, Don Gooding, would also contribute time to the project in the form of match. Gooding, along with Jess Knox, was recently honored by the City of Portland with Robert R. Masterton Award for contributions to Portland's economic development.

b. Explain how your project is consistent with a PEDPIP objective(s) or Work Plan and an eligible activity as described in the guidelines (see attached)?

We believe building a strong entrepreneurial ecosystem is vital to the city of Portland's economic growth. Activities that support, develop and sustain a startup culture ignite a cycle that attracts both entrepreneurs and emerging companies. Simply put, the byproduct of achieving startup critical mass leads to more startups in the cities where they are supported.

Our experience with Top Gun is that the startup culture is infectious. Last year one week before our final Top Gun pitch event, Microsoft notified MCED that they would be awarding three \$20,000 in-kind prizes to the top three winners. After awarding the prizes they doubled them to \$40,000 each and also invited the winners to their office in Cambridge to utilize some of Microsoft's onsite resources and made introductions for the entrepreneurs. We are planning a first-ever Top Gun fieldtrip to Microsoft's Cambridge office to introduce Maine-based entrepreneurs to the Boston Startup community.

The Top Gun program helps attract and support entrepreneurs as a means of growing and diversifying the local and state economy. Top Gun Program graduates have launched

companies in most all of the Economic Development Vision and Plan's identified target sectors including cleantech, biotech, manufacturing and the creative economy.

The Maine Center for Entrepreneurial Development has been in the middle of Portland's, and Maine's, ongoing entrepreneurial revival and we have extensive networks of growing businesses, young startups, mentors who are eager to help young companies, and investors who are looking to fund promising young companies. This cycle demonstrates how new businesses are supported for startup, retention, and growth.

The epicenter of all of this activity has been Portland, and specifically the peninsula of Portland. Although Top Gun has become a statewide program, the largest cohort, typically 12 founders and 30 to 40 mentors, has its roots in the city of Portland with the bulk of our activities taking place at USM and in the Old Port because it is the natural hub for business. With the success of Maine Startup and Create Week, Greenlight Maine, the upcoming Rise of the Rest Tour we are experiencing a shift in the entrepreneurial landscape all across Maine but those activities have been set in motion by the vision and actions that started in Portland.

3. PROJECT FUNDING

Grant Amount Requested	<u>\$15,000</u>
Applicant Match	<u>\$5,000</u> Match Sources: <u>Maine Technology Institute</u>
(Minimum 1:1 match with grant)	<u>\$10,000</u> <u>ME-Small Business Development Center</u>
Total Cost of Project	<u>\$30,000</u>

Portland Economic Development Grant Application

Budget

Description	Grant	
	Request	Match-Cash
MCED Staff	9000	9000
Branding Consultant	2500	2500
Web Updates	1300	1300
Printing TG Workbooks	800	800
Test MY Pitch Platform Fee	200	200
Travel for PR and Microsoft	500	500
Printing Marketing Materials	400	400
Training and Meeting Expenses	300	300
Total	15000	15000

Top Gun 2016 Planning Timeline			
September 2015	Initial Meeting with Garrand Marketing	Brenda Garrand, MCED Staff	Completed-Discussion and considerations of rebranding
September 2015	MCED Staff Creates Proposed Revamped Curriculum and PreFlight Concept	MCED Staff	Completed PreFlight session and TG learning session topics and logistics outlined
September 2015	MCED Staff Plans TG Planning Partners Meeting	MCED Staff	Completed
October 2015	Meeting with Top Gun Partners at MTI	U Maine, City of Auburn, Midcoast Team, MCED Staff	Completed- Accepted PreFlight concept and assigned curriculum content sections to partners, in progress.
October 2015	Plan Marketing Strategy	MCED and Midcoast Team	In Progress
October 2015	Meet with Garrand Marketing to Start Rebrand Work	MCED Staff	On hold, due to funding
November 2015	Meeting with Top Gun Partners	U Maine, City of Auburn, Midcoast Team, MCED Staff	Establish regular weekly conference call meeting time, in-person meetings on hold due to funding
November 2015	Create Top Gun Curriculum Binder Template	MCED Staff	In-progress
November 2015	Complete PreFlight Marketing Collateral	MCED Staff	In-Progress
November 2015	Print PreFlight Brochures	Bayside Print Services	In-Progress
November 2015	Create Top Gun Marketing Collateral	MCED Staff	In-Progress
November 2015	Print Top Gun Marketing Collateral	MCED Staff	Scheduled
November 2015	Website Changes to Incorporate PreFlight and Update Top Gun Website Functionality	iBec Creative	On hold due to funding, minimal updates done in-house
November 2015	Announce PreFlight Training Courses	MCED Staff	In-progress, PreFlight to begin week of December 10
November 2015	Reach out to mentors & speakers to participate in Boot camp sessions -- esp. 1 on 1 pitch coaching.	MCED Mentor Network Manager	In-progress
November 2015	Recruit Statewide Advisory Board Members	Top Gun Partners	In-progress
December 2015	Top Gun Applications Open Announced	Top Gun Partners	Scheduled

December 2015	Request for Top Gun Binder Content from Top Gun Community of Mentors and Service Providers	75% MCEd Staff, 25% Top Gun Partners	In-progress
December 2015	PreFlight Portland Sessions at MCEd Topics on: Business Model Canvas, Pitching Basics and Pitch Feedback Sessions	MCEd Staff	Scheduled
January 2016	TG Partner Binder Assignments Due for Review.	Top Gun Partners	In-Progress
January 2016	Collate and Prepare Top Gun Binder Material, Prep for Printer	MCEd Staff	In-Progress
January 2016	Portland Mentor Breakfast	Mentor Manager Staff Time, Catering	Scheduled
January 2016	Top Gun Promotion at Green Light Maine	Executive Director Travel Time	Scheduled
January 2016	PreFlight Midcoast and Orono	MCEd Executive Dir. Travel and Additional Time	Scheduled
January 2016	Have advisory boards confirmed for each location	Top Gun Partners	In-Progress
January 2016	Top Gun Applications Due		
January 2016	Plan Logistics for Portland to Boston Microsoft Office and Venture Cafe	MCEd Staff	Scheduled
January 2016	Print TG Binders	MCEd Staff	
January 2016	Staff Travel to Boston for Portland, Microsoft Fieldtrip to Venture Cafe	MCEd Staff	Scheduled
February 2016	Applicant Interviews Coordination	MCEd Staff	
February 2016	Class Announced		
February 2016	Mentor Training	TG Partners, MCEd Mentor Manager	Event Fees and catering, Manager Staff Time
February 2016	Showcase Planning Event - Portland	MCEd Staff	Research Venues, Catering Fees
February 2016	Launch TG 2016	TG Planning Team	

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Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: PDC President Sheff and Board Members

FROM: Nelle Hanig, Business Programs Manager

DATE: December 14, 2015

RE: **Farm and Sea Cooperative/Cooperative Development Institute
Institutional Food Service and Procurement Plan Report**

Overview

The Farm and Sea Cooperative has completed the Institutional Food Service and Procurement Plan Report. This is the deliverable from the \$15,000 PEDPIP grant they received. The Cooperative will present a brief overview of the Report at the December PDC meeting and welcomes feedback. The only addition before it is presented to the public will be appendices and a resource list.

The Cooperative is planning a meeting in January to share the report with institutional buyers in the Portland area and has asked to hold this meeting at City Hall, with sponsorship from the Economic Development Department and PDC. This will be discussed at Thursday's meeting.

MAINE FOOD TO PORTLAND TABLES:

Building a Healthy and Sustainable Food System for Portland



A Guide for Institutions in Greater Portland
To Purchase and Use More Local Foods



Funding for this report was provided by the Portland Development Corporation through the Portland Economic Development Plan Implementation Program and the John Merck Fund. Maine Farm & Sea Cooperative and the Cooperative Development Institute produced this report.

Contributors:

Ronald Adams, Dave Seddon, Jon Wiley, Leah Cook, Marada Cook & Jonah Fertig

Photos:

Nathan Broaddus took most of the photos in this report



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Economic Development Plan Implementation Program provides grant monies to invest in projects and programs that carryout Portland's Economic Development Vision and Plan. This study was conducted to provide resources to institutions and businesses in Portland about how to incorporate local foods into daily use in order to reduce the City's reliance on food imported from around the country and around the world. With over 90% of Maine's food imported, we are vulnerable to disruptions in the supply chain, disruptions due to severe weather impacts in far off market basket areas, and fewer citizens with daily access to healthy food.

The vision is to build a healthy and sustainable food system featuring local foods grown and harvested across Greater Portland and the surrounding areas of Maine. This builds on the success of the local foods and restaurants that have gained fame for Portland, the renowned Portland Farmer's Market, and the working waterfront. The food processing industry in Portland has fallen on hard times as the fish harvesting and processing businesses have declined. The opportunity arises now to add value to Maine agricultural products and under-utilized fish species.

The recent Harvard study identified 13 positions in food processing for every \$1M of crops to be processed. The Greater Portland Council of Governments study, "*Local Foods to Institutions*," identified over \$28M in food budgets for institutions in the Greater Portland area, many of which buy very little local foods due to the barriers discussed later in this document

Maine Farm and Sea Cooperative works to maximize the amount of local foods being used in Maine institutions to provide fresh, healthy foods, provide an economic benefit to agricultural businesses, all while helping to create a sustainable food system. While the local food economy is grabbing headlines in Portland, the use of local foods in institutions is lagging behind due to accessibility issues and systematic barriers. Increasing institutional local food budgets will support more jobs in food aggregation, supply, and ultimately restore food processing jobs that have been lost.

This handbook is the culmination of intense local food procurement investigations by the Maine Farm and Sea Cooperative in order to develop a plan to bring local food to the University of Maine food service management contract serving the University of Southern Maine in Portland. While Portland Public Schools was able to purchase over 35% of it's food budget from farms, processors, and fishers located within 275 miles of Portland, the UM system has just requested their campuses contracts to conform with a 15% minimum in the first year - approximately \$750,000.

This guidebook will help institutions and producers address barriers with innovative solutions and cooperative action. Future discussion groups will refine the guide and make recommendations for further actions.



WHY BUY LOCAL FOOD?

Customer food preferences are rapidly changing- for restaurants, business cafeterias, universities, hospitals, government centers and more. Customers are more concerned with the health and wellness of the foods they eat whether at home, work or the hospital. Local foods are a marker for food quality and customer engagement. A parent is concerned about the source of the carrots their child is eating at daycare. A senior is concerned about the number of preservatives in their meals. Local foods are the opportunity to engage customers in the story of how the food is served - what's for dinner tonight? Where did it come from? How does this meal impact my world? How did my meal choice help or hurt the environment? Powerful touch points for meatloaf and mashed potatoes.

What does the farmer get out of this? Farmers get a new source of revenue by selling foods to Portland institutions. It may take more work than bringing products to their own farm stand at the end of the lane, but it helps manage risk of the farm through a consistent demand over time. Institutions such as nursing homes, hospitals, schools, jails and other large businesses are providing large numbers of meals every day across the City. The Greater Portland Council of Governments survey found \$28M in food purchases in the 58 Greater Portland institutions that replied. At a minimum of 10% local, that is a \$2.8M market opportunity for local producers. Institutions provide large volumes and consistent orders for farmers that can provide adequate delivery and quality products to the customer. It is important in this endeavor to local sourcing to start off small and work out the growing pains as the system matures.

What are local foods?

Each institution must decide how to define local. Generally, institutions will define local with approximate miles from the producer to the institutions with a range between 100-400. Some institutions place a stronger emphasis on sourcing Maine foods over food procured from our neighboring states and provinces. We recommend developing a decision-making tree for your institution that defines local so you can make good decisions about the food you are purchasing. Having an achievable target will also mean that your operation will be more likely to keep on this path.

Institutions often define local with the distance from the producer to the institutions with a general range between 100-400 miles.

Portland Schools have an advantage by purchasing a large amount of fluid milk to meet USDA meal requirements. While milk could account for 15-20% of the food purchases, purchases of fruits, vegetables, seafood, dairy, proteins and other processed items doubled each year with support from the Board of Education, Mayor's office, parents, and students. PPS's definition of local is any food grown, harvested or processed within 275 miles of Portland. This was chosen so farmland and processors located in Aroostook County could be included.

13 REASONS TO USE LOCAL FOODS

1. **Support local farms and fishermen:** Buying local food keeps local farms and fisheries healthy and creates local jobs in local food processing and distribution systems.
2. **Boost the local economy:** Food dollars spent with local farms, fishermen and food producers stay in the local economy, creating more jobs at other local businesses.
3. **Consumer Demand:** More people want to eat local food and are asking the institutions that serve them to do the same. By serving local foods, you can help provide customers with what they want.
4. **Improved Marketing:** People want to know where their food is coming from and with local purchasing, you can tell your customers a story about who produces their food and it's benefits for them, the producers and the local economy.
5. **Increased Revenue:** While local foods can sometimes cost more money, by properly marketing local foods you can increase participation in your meal programs and thus increase revenue.
6. **Less travel:** Local food travels much less distance to market than typical fresh or processed grocery store foods, using less fuel and generating fewer greenhouse gases.
7. **Less waste:** Because of the shorter distribution chains for local foods, less food is wasted in distribution, warehousing and merchandising.
8. **Greater freshness:** Local food is fresher, healthier and tastes better, because it spends less time in transit from farm to plate. This requires less processing and hold time that affects taste and reduces nutrient loss.
9. **New and better flavors:** When you commit to buy more local food, you'll discover interesting new foods, tasty new ways to prepare food and a new appreciation of the pleasure of each season's foods.
10. **Good for the soil:** Local food encourages diversification of local agriculture, which reduces the reliance on monoculture—single crops grown over a wide area to the detriment of soils. Furthermore, regional variations in soil composition can lend to higher nutrient qualities in the products.
11. **Good for the Ocean:** By purchasing local fish that have not been over-harvested or from sustainable aquaculture can help restore our fisheries, reduce pollution in our oceans, and reduce demand on fisheries in other areas of the planet.
12. **Preserves open space:** Buying local food helps local farms survive and thrive, keeping land from being redeveloped into suburban sprawl.
13. **Builds more connected communities:** Local foods create more vibrant communities by connecting people with the farmers and food producers who bring them healthy local foods.

Adapted from, "Strolling of the Heifers" (<http://www.strollingoftheheifers.com/>)

Are Local Foods More Nutritious?

Research shows that foods have the highest nutrient qualities right after they have been harvested (Edwards-Jones 2010; Favell 1998). Factors supporting that local foods can lead to more nutrient-content include: variety, ripeness, handling, storage, and transportation. Additionally, eating locally is correlated with improved nutrition, increased likelihood of making healthier food choices, obesity prevention, and reduced risk of diet-related chronic disease. This is mainly because the healthy food is fresher and less processed (Martinez et al., 2010 ; Rebecca Dunning, 2013).

In lieu of larger epidemiological studies, smaller studies show links between local food consumption and declines in obesity, diabetes and mortality. (Ahern et al. 2011 and Salois 2011). Salois suggests that county level obesity rate can expect a decline of .9%-1%. While a small subset, there is positive evidence to show that use and availability of local foods can be a pathway to improving health outcomes in communities.

Economic Impact of Local Food

When farm sales are made within the community, they use much less energy than shipping food over thousands miles. When vehicles travel shorter distances, less refrigeration is required, less fuel is needed, and fewer greenhouse gases are emitted. By purchasing products locally, institutions can make a substantial, positive effect on the environment by reducing energy needs for transportation, packaging and marketing. The environment benefits when agricultural products are sold within the region where they were produced.

Purchasing products locally helps create positive economic and social impacts: Farm sales stay within a community, and the local economy benefits from the cycling of those expenditures. This creates economically viable farms, and those farms play a larger role in the economic, social and political life of the community.

Farms provide jobs, pay taxes and keep working agricultural land open. Farmland has its own set of local benefits that can include lower cost of community services, open space, diversified wildlife habitat, greater food security, and flood control.

Farms contribute more in taxes than they require in services, unlike suburban development that costs more than it generates in taxes. On average, for every dollar in revenue raised by



residential development, governments must spend \$1.17 on services, thus requiring higher taxes. For each dollar of revenue raised by farm, forest or open space, governments spend \$0.34 on services.

When purchasing directly from local farmers, institutional food services can support agricultural practices that are good for the environment as well as for the community. By supporting sustainable producers through consumer demand, facilities can use their purchasing power to vote for a more environmentally sound production and delivery of food and help to preserve the health and beauty of farmland.

The importance of the agricultural sector to the Maine economy, and the University's role, was recently highlighted when University officials announced the creation of the Maine Food and Agriculture Center. This is a new way for Mainers and Maine businesses to tap into the resources currently offered across all seven campuses, coordinated through the University Cooperative Extension program. The new center is in response to the growing markets in agritourism, farming, organic farming, and the local food movement. In a recent article published in the Portland Press Herald, University Chancellor Page said, "It's very clear that one of the cornerstones of Maine's economy is going to be agriculture." In statistics recently released by the USDA, the amount of land in farms during the period 2002 to 2007 grew by 8% and the value of agricultural products increased by 24% to \$764 million. During that period the number of Maine farms has increased by 13.1% from 7,196 to 8,136, many of them small farms. This counters the national trend of a 4% loss in the number of farms. The growth in farms created echoes the growth in food sector employment, which is increasing at almost twice the rate of the overall economy.





HOW MUCH TO BUY

Creating opportunities to include local food can be cost effective and increase customer satisfaction when done correctly. As with any strategic plan to implement change, good project management skills, communication paths, and definable, trackable metrics/milestones need to be included. While many organizations feel that project management can be handled within their organizations, finding skill sets outside of the organization has proven to be an effective alternative to reach the goals within a shorter time period.

As noted in the MOFGA “Top Twenty” list, many existing menu items could be replaced by locally grown and purchased products, not just in the harvest season but also year-round. Obvious times to feature local foods are on special occasion menus, which may have a higher food, cost than standard institutional meals. The reception for a new board of directors, annual staff holiday festival, new staff training session meals are all possible times for food service to show off their talent and local farms or fishers. Catering for outside customers or for other organizations would also be good opportunities.

When the local harvest is at it’s peak, the cost of local products can actually be a better value than purchasing standard offered products from broad line distributors. While it may take more work to juggle multiple vendors, this flush of the market is an opportunity to feature local products on your daily menu.

Special “Harvest of the Month” programs are successful in other states, such as Vermont. This is an opportunity to feature similar local products across multiple institutions, cafeterias, catering, and restaurants across Portland. While each business will create it’s own recipe, taste, and presentation, the goal is coordinate the same local product in multiple forms to promote our culinary skills, the skills of our producers and our commitment to a shared community.

As local restaurants capitalize on fresh, local food, broadline distributors have taken note, and many are including local options. You will need to examine prices, and advanced orders may be necessary. However, the easiest local food will be the food that is already in the system. From this start, institutions can then look towards the produce or seafood specialties from distributors and aggregators that can access larger quantities from producers across the state. Institutions with adequate administrative support can explore direct farm or fish purchases to leverage a partnership and enjoy larger orders for lower costs.

Since much of the work and cost considerations will be dependent upon the definition of “local”, clearly defining the term is a huge step in the process of local food menu procurement and financial analysis, as seen in Section 1 and in the initial phase of the MFSC 9 Step Plan. By recognizing the flexibility of the budget, once the definition is created, organizations can begin to consider the costs associated with not only the product changes but also the method in which that product is found, received, stored, and prepared.

Maine Farm & Sea Cooperative's 9 Step Plan

Menu and financial analysis

To begin, grow and sustain a local food-purchasing program

1. Buy-In from the executive level and company support for your goals and the percentage of local foods to be purchased.

The University of Maine adopted the goal of using 20% of the food budget for local foods by 2020 in their recent food service management contract RFP.

What will be the definition of local for this institution? What is the goal of the institution for purchasing? By reviewing current purchases from invoices and menu analysis, determine current local purchasing expenditures. Develop a sustainable goal and time frame to present for administrative support of the program.

2. Identify all MFSC and institution partners.

It is important to bring all institution policy makers into the decision making process for any initiative. Local Foods is not immune from changes of heart at any level of an organization. The arguments for sustainable food can blanch in the face of budget pressures; the move to fresh food has to consider impacts on your kitchen space - more refrigeration, more deliveries, more preparation time. Regular meetings will keep all your players up to date and help provide input and inclusion at key decision points in the process.

3. Develop a list of organizations and invite to your meetings.

Every food service program has its network of supporters. In schools this would be the school physician, nurse and health coordinator as well as affiliated organizations such as Lets Go 5210, local food policy council, food security council, town council, Parent-Teacher-Organizations and school garden champions. These meetings build support external to the institution and can aid in the program at many levels. Use food to bridge the gap of community engagement and ask for help with new tasks.

4. Internal and external impediments to reach goals:

- Examine internal use of resources for time, funding, and knowledge base.
- Create and undertake a time study in your kitchen to determine opportunities to maximize time to support new goals - explore reallocation of labor as necessary.
- Analyze existing food contracts for opportunities.
- Determine sources of local foods that match needs and capacity to change.

5. Analyze current menu.

Determine the number of existing menu items that could be sourced locally. Compare pricing for available items with locally sourced products and cost parameters of the facility. Use cost averaging to increase the number of local ingredients to minimize food cost increases. Determine capacity to engage in pre-

planning direct farm purchases to achieve optimum pricing. Review new recipes featuring local foods to include in a taste-testing program.

6. Identify local farm producers and seafood providers.

Explore local products available from existing vendors and the following progression: broadline distributors, produce distributors, food aggregators working with local farmers, farm direct purchases; broadline distributors for seafood, local and regional fish suppliers, regional fish processors, seafood cooperatives, direct fisher contracts.

7. Evaluate food service staff skill base to determine professional development needs.

Local foods are often lightly processed and arrive in whole form. Many institutions have shifted from scratch cooking to more processed menu items in order to offer an expanded menu. Now the customer base demands fewer ingredients, less processed reheated foods in exchange for fresh food with the story behind the food - culinary skills often need to be improved to go back to scratch cooking.

In conjunction with culinary skill, standard operating procedures are essential to a quality food safety program. A thorough review and verification of the existing SOP's and recommendations for retraining and updating will accompany the move into local foods.

8. Develop food service action plan.

Develop a planning calendar to match local food availability and price opportunities with the cycle menu. Work with purchasing guides to determine local food quantities for ordering and source. Proof and train staff on new recipes reinforcing new culinary skill sets. Update marketing plan to feature local foods for maximum return on investment. Determine key performance indicators to monitor local foods program and to report to key stakeholders and administration.

9. Present metrics and evaluate solutions with additional recommendations.

Define parameters of success based upon organization's goals. Provide a matrix of progress to monitor the program and corrective actions to implement. Provide additional planning steps to mature the local purchasing program in a sustainable fashion.

Tasks	Timeline	Milestones
Assemble team and identify key personnel		
Outreach to connect with local food, agricultural, and health related organizations		
Define internal goals of institution for local foods initiative, percentage local goal		
Identify internal and external impediments to reach goals		
Analyze current menu options		
Identify local farm producers and seafood providers able to match the institution needs		
Evaluate food service staff skill base to determine professional development needs		
Develop food service action plan		
Present metrics and evaluate solutions with additional recommendations		

Partners in the Local Food System

To best utilize local foods, we recommend building partnerships across the food chain so that everyone can benefit from access to healthy foods and good jobs. To do this it takes approaching local producers in a different way than working with large distributors. It takes a partnership. Working together, you can figure out the best ways for local foods to be used. There is not a one-size-fits-all approach for every institution, producer, and area; we have created the recommendations in this report to give your institution a range of possible approaches to purchasing local foods and partnering with our great local food system.

How to Measure Local

The typical measurement for local food is the dollar value of purchases divided by the total food purchases of the institution, expressed as a percentage. Review your prior year purchases to determine a baseline. By examining invoices and uncovering local products already in your system, you will probably have a head start on your first year goal!

Other measurements to include:

- Pounds of each item purchased per month and dollars purchased along with source and where you purchased it. This can be a simple spreadsheet and would help in tracking your food sources for food safety requirements.
- Number of menu items using local foods
- List of sources with background information on the farmer, the producer or the fisher. Keep this for marketing and promotion.
- Number of promotions for local foods: menu stories, recipe cards, farmer trading cards, catering options, etc.
- Taste Testing - number of products or recipes tested with customers and the score tallies for these products.





WHAT FOODS ARE AVAILABLE?

The Maine Organic Farmers and Gardeners Association (MOFGA) has identified a list of foods known as the “Maine Local 20”: Foods that Maine can produce for its citizens to enjoy all year long. These foods include:

1. Potatoes
2. Apples
3. Milk/Cheese/Dairy
4. Blueberries
5. Eggs
6. Maple Syrup, Honey
7. Carrots
8. Fresh and Processed Tomatoes
9. Grains
10. Dry Beans
11. Garlic
12. Onions
13. Greens, Spinach, Kale
14. Seafood: Shrimp, Scallops, Lobster, Mussels, Clams, Fish
15. Ground Meats: Beef, Turkey, Lamb, Chicken, Sausage, and Pork
16. Root Vegetables: Beets, Parsnips, Turnip, Rutabaga, Sunchokes, Leeks, Celeriac
17. Winter Squash and Pumpkins
18. Cabbage
19. Processed Vegetables: Corn, Beans, Broccoli, Peppers, and Peas
20. Mushrooms



Some of these foods are widely available and others are not. With greater institutional purchasing of local foods, more of these products could be available both to institutions and Maine consumers. Portland Schools purchased from 16 of these 20 categories on a yearlong basis. Some foods were immediately prepared and served. Some items were processed and frozen for use throughout the year. Your use of local foods is dictated by your facility and customer demand.

Examples of local foods purchased and how they were used in PPS:

1. Potatoes: Fresh for baked potatoes, fresh Red B or A grade for skin-on mashed potatoes; Pineland Farms Red Diced for Parsley New Potato, potato salad or soups; McCain's french fries in multiple shapes and sizes.

2. Apples: Local orchards provided 12 variety of apples depending upon what was ripe during summer or fall; then varieties based upon what was coming out of the apple storage during winter and spring; utility apples were purchased and were made into applesauce with multiple flavorings from other Maine foods.

3. Milk/Cheese/Dairy: Fluid milk from Oakhurst Dairy could account for up to 20% of all food purchases; cheese was purchased through Cabot Cheese in Vermont due to the high price of local made products.

4. Blueberries: Wild Maine Blueberries were used on the salad bar twice a month, available frozen in bulk from our broadline distributor. Smoothies and yogurt parfaits would be other presentations.

5. Eggs: limited fresh shell eggs purchased by PPS.

6. Maple Syrup, Honey: Maple Syrup is a high priced ingredient but it carries so much flavor, not much is required: Baked Butternut Squash with Maple, Granola, Delicata squash slices.

7. Carrots: Purchased large amounts for salad bars, purchase whole, top, peel, slice or grate; purchase cut carrot sticks from Northern Girl; peel, dice and freeze to use as ingredient in sauces and soup.

8. Fresh and Processed Tomatoes: Purchased tremendous amounts of slicing tomatoes, cherry tomatoes in multiple colors were purchased in season and 8,000 pounds of farm second quality that were frozen and made into Maine Farms Marinara; out of season, we purchased Backyard Beauties.

9. Grains: Purchased rolled oats for granola; encouraged pizza crust and dinner roll processors to explore using Whole Grain flour from Maine sources but it was too expensive.

10. Dry Beans: Fresh dry beans cook amazingly fast and taste excellent for our vegetarian 4 bean chili offered once per month. We were researching using these beans for our own baked beans or other legumes which are required on a weekly basis by USDA regulations.

11. Garlic: Purchased garlic scapes on forward contracts with farmers. These garlic top sets would be washed, trimmed and ground in the meat grinder and frozen for future use.

12. Onions: Purchased 1,500 annually which were peeled, diced and frozen for use as an ingredient.

13. Greens, Spinach, Kale: Primarily these were purchased for summer food service or fall menus to take advantage of the peak of the harvest or to take excess volume at reduced cost; Kale and collard greens prep easily but require large volumes to constitute a full vegetable serving.

14. Seafood: Shrimp, Scallops, Lobster, Mussels, Clams, Fish- Purchased a variety of fresh, local fish fillets that were breaded and baked. Other species were problematic due to a high incidence of allergies in our population.

15. Ground Meats: Beef, Turkey, Lamb, Chicken, Sausage, Pork- While pork is not featured on the PPS menu, we purchased large amounts of local ground beef - pure, grass fed, no antibiotics, no pink slime additives. Beef patties and thin sliced beef roast were also used on the Farm Fresh Friday menu. Local chicken featured less expensive cuts such as drumsticks, thighs and chicken wings. We cooked over 300# of wings in middle and high schools each Friday.

16. Root Vegetables: Beets, Parsnips, Turnip, Rutabaga, Sunchokes, Leeks, Celeriac- Purchased many of these items as sliced product from Northern Girl to introduce new vegetables to students in the classroom.

17. Winter Squash and Pumpkins: To reduced labor, we purchased peeled butternut squash, diced it and baked with nutmeg and maple syrup. Delicata squash was washed, split, deseeded and sliced for roasting - no peeling required.

18. Cabbage: By forward contracting, one farm was able to harvest, hold and deliver cabbage and carrots all winter and spring to produce local coleslaw for all schools on a weekly basis.

19. Processed Vegetables: Corn, Beans, Broccoli, Peppers, Peas- During the dog days of summer, sweet corn quality is superb and prices are low. We purchased 1,500 ears of corn to shuck, blanch, bag, tag and freeze for use in September and October Maine Harvest Lunch celebrations.

20. Mushrooms: no local used.

**In 2015, Portland Public Schools spent over \$490,000 out of the \$1.4M food budget on local foods as noted above.
What can your institution do?**

How to offer Local Foods

Even though right now local foods can cost more, take more work to purchase, and take more time and skill to prepare, they can offer an opportunity to increase customer satisfaction, elicit pride in your staff, and generate ripples across Maine's food economy. Don't lose the opportunity to market your extra work so it makes a difference to your customers. Maine public schools feature a Maine Harvest Lunch promotion each fall that has been successful in engaging students, teachers, the administration, parents and the community to celebrate the bounty of our agricultural heritage. By featuring local foods on the menu and offering special speakers and classroom activities, participation routinely increases by 30% on Maine Harvest Lunch Days!

As this program rolled out in Portland, Maine Harvest Lunch expanded from one day in September in just elementary schools to one week in September for all schools; then one week in September and October to celebrate Farm to School Month. In 2014 and 2015, it became a weekly special - Local Lunch Thursday evolved into Farm Fresh Friday. Take advantage your customers desire to know the story of their food - where is the farm, who is the fisherman, what is the recipe using local foods that you feature in your facility. Local food is an indicator of your high quality food service operation.



Local food planning calendar

A product-of-the-month cooperative effort among Portland institutions would expand the local food purchased and served in the City. While harvest season makes it easy to source local foods, the deep winter and late spring crops focus our supply on storage crops that may take more research and promotion to win over Portland taste buds. Here are some suggestions for each month of the year that could be considered.

MONTH	VEGETABLE	FRUIT/RECIPE EXAMPLES
JANUARY	SAUERKRAUT	APPLESAUCE home-made w/vanilla ice cream
	WINTER SQUASH	Sauerkraut Soup w/Sausage Wild Rice Stuffed Acorn Squash w/Cranberries
FEBRUARY	CARROTS	STRAWBERRIES FROZEN Smoothies
	TURNIP	Carrot Ginger Soup (V) Vegetarian Shepherd's Pie (V)
MARCH	CABBAGE	APPLE: Apple & Pear Crisp
	POTATO	Cabbage & Parmesan Soup (V) Potato Leek Soup (V)
APRIL	BEETS	APPLE Apple, Cabbage, Sausage Stir-fry
	PARSNIP	Borscht (V) Roasted Parsnips & Carrots (V)
MAY	ASPARAGUS	WILD BLUEBERRIES FROZEN Smoothies
	FIDDLEHEAD	Roasted Garlic & Asparagus (V) Sautéed Fiddleheads (V)
JUNE	SPINACH	STRAWBERRIES FRESH Shortcake w/fresh Maine whipped cream
	RADISH	Garlic Sautéed Spinach (V) Braised Radishes (V)

JULY	GREEN PEAS	RASPBERRIES FRESH Pork Chops w/Raspberry Sauce
	SWISS CHARD	Chilled Pea Soup (V) Sautéed Swiss Chard w/Bacon
AUGUST	SWEET CORN	MELONS Chilled Melon Soup (V)
	CUCUMBERS	WILD BLUEBERRIES FRESH Grilled Chicken w/Blueberry Guacamole
		Corn on the Cob cooked in herb-infused broth (V) Cuke & Red Onion Salad (V)
SEPTEMBER	CAULIFLOWER	WATERMELON Watermelon Mint Salad(V)
	SWEET PEPPERS	Roasted Cauliflower w/Bell Peppers (V) Breakfast Stuffed Bell Peppers
OCTOBER	BROCCOLI	APPLE NORTHERN SPY Pie
	KALE	RED OR GOLD DELICIOUS Apple Cake
		Broccoli Cheese Soup Kale & Bacon stir-fry
NOVEMBER	BRUSSELS SPROUTS	PUMPKIN Muffins
	KOHLRABI	Roasted Brussel Sprouts (V) Pureed Kohlrabi & Potato Soup (V)
DECEMBER	LEEEKS	RASPBERRIES FROZEN Breakfast Bars
	CELERIAC	Leek Mushroom & Fontina Frittata Braised Chicken w/Celeriac & Garlic

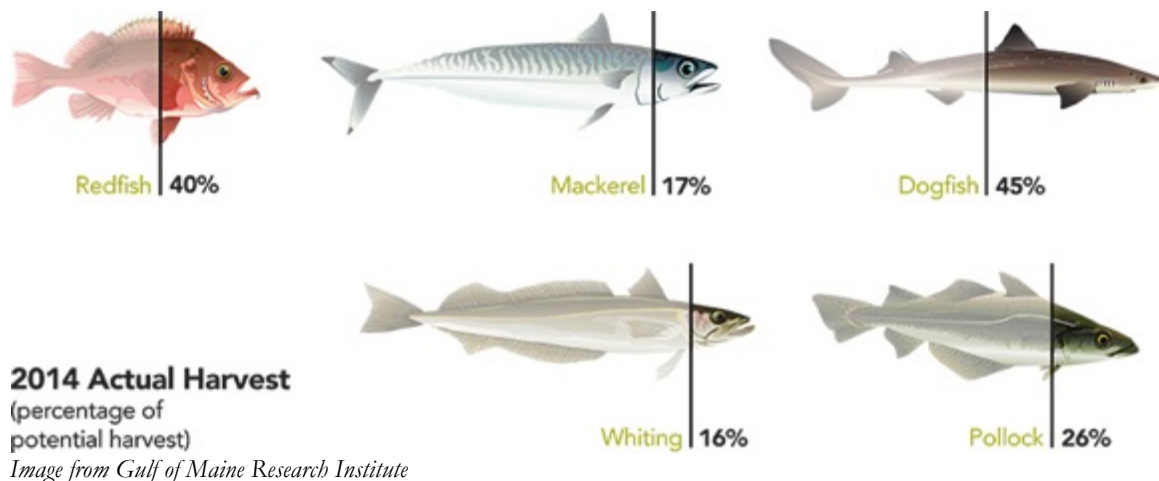
Maine Proteins

Seafood and proteins can be featured on a monthly basis as well. By purchasing locally caught seafood through brokers and distributors that participate in the Portland Fish Exchange or other traceable source, Portland institutions can help revitalize an important industry in our City.

“Many bountiful and well-managed fish species from the Gulf of Maine are not harvested, primarily due to lack of market demand. Fishermen get paid so little for these products, they Can’t afford to pay their expenses to harvest them. For example, the average boat price for cape Shark, also known as dogfish, in 2013 was \$0.16/lb, while cod garnered \$2.10/lb. Meanwhile, Chefs who have worked with dogfish compare it to working with the popular mahi mahi.” (Coastal Enterprises Incorporated. Seafood Study, Hugh Cowperthwaite)

Under-utilized species in Maine include Acadian redfish, Dogfish, Mackerel, Pollock, and Whiting (Hake).”

Other proteins can be sourced through local distributors or by going direct to producers. All meats must be USDA inspected during the slaughter and cutting. While local proteins can be more expensive, there are often good deals on second tier products such as ground beef and lesser-known cuts, chicken wings, drumsticks and thighs for examples. Proteins can also be dry beans that grow in abundance in Maine, tofu is made commercially in Maine as well as a number of cheeses from artisan to cooperative level products to help address your non-meat eating customers.



Maine Proteins Calendar

MONTH	SEAFOOD	SEAFOOD	PROTEIN	EVENTS/RECIPES
JANUARY	Acadian redfish	Smelt	PORK	NEW YEAR'S TRADITIONAL
	Maple Miso Redfish	Pan Fried w/Dijonnaise sauce	Roasted Tenderloin w/Rasp. Sauce	Shrimp Cocktail Buffalo Wings Local cheeses Roast Beef au Jus Salad Bar featuring local
FEBRUARY	Skate	Scallop	CHICKEN	VALENTINE'S DAY SPECIALS
	Pan-fried w/garlic & fresh herbs	Scallops Florentine	Roasted w/lemon & thyme	Baked Oysters Broiled salmon Chocolate covered strawberries Chocolate Raspberry Torte Conversation Hearts
MARCH	Squid	Monkfish	BEEF	Maine Restaurant Week 1-12
	Fried Calamari w/parsley & garlic	Mustard Roasted monkfish	Ginger beef stir-fry w/scallions & fresh herbs	MAINE MAPLE SUNDAY 3RD SUNDAY
APRIL	Mussels	Halibut	DRY BEAN	Seadogs First Home Game
	Steamed in white wine & herbs	Broiled w/lemon butter	Home-style Baked beans	Ballpark fare-sausages, burgers, popcorn cart, pretzels w/mustard
MAY	Flounder	Alewife	TOFU	Mother's Day Brunch Smoked salmon Omelet Station Asst. Pancakes w/Maine maple syrup Caesar Salad Carving Station Fresh Fruit Salad
	Crab-stuffed & baked	Smoked Alewife & Corn Risotto	Hawaiian tofu	Memorial Day BBQ Burgers/dogs/Maine red potato salad/pasta salad/sauteed fiddleheads/watermelon
JUNE	Dogfish	Shad	PORK	Father's Day Cookout Wings w/chili-lime butter Sweet Spicy ribs White Pizza w/Maine broccoli Blueberry Cobbler Grilled cheese w/sun-dried tomatoes Marinated shrimp kebabs
	Grilled kebobs	Baked w/lemon	Tenderloin	

		& fresh herbs	w/cranberry chutney	
JULY	Mackerel	Acadian redfish	CHICKEN	OPEN FARM DAY
	Roasted w/garlic & paprika	Cajun blackened	Chicken Marsala	SALMON AND FRESH PEAS TRADITION
AUGUST	Lobster	Whiting (Hake)	BEEF	SUMMER GRILLING AND BBQ Burgers/dogs (beef & veggie)/sausages/chicken/ Pulled pork sandwiches/Portobello mushroom burgers/cole slaw
	Bisque	Pan-seared w/cauliflower quinoa & citrus pan sauce	Pot Roast w/carrots, potatoes & onions (local)	LOBSTER BAKE Lobster/clams or mussels/blueberry cake/chicken/corn on cob/fish chowder/marinated tofu
SEPTEMBER	Clams soft shelled	Pollock	DRY BEAN	MAINE HARVEST LUNCH
	Clam Chowder	Island Spiced Pollock Sandwich	Navy Bean Soup	MAINE APPLE WEEKEND
OCTOBER	Eel	Crab	TOFU	HARVEST ON THE HARBOR
	Roasted w/olives, chiles & capers	Crab cakes w/Remoulade Sauce	Stir-fry w/Maine veggies	
NOVEMBER	Oyster	Haddock	TURKEY	TRADITIONAL
	Oyster Stew	Baked Parm-crusted	Roasted w/traditional items	
DECEMBER	Pollock	Monkfish	PORK	TRADITIONAL
	Pollock Tacos	Baked Monkfish Dijon-style	Baked Ham w/apple cider sauce	



Purchasing Practices for Success

Institutions need to be aware of the legal status and requirements of its food vendors. The Maine Food Code and the City of Portland requires licensed kitchens to purchase only from approved sources. Proteins such as poultry, beef and pork must be purchased from vendors using USDA inspected facilities and must carry the proper licensing. Seafood sellers must carry the appropriate licensing from the FDA as well as having shellfish tagged appropriately for tracking source waters. Fruits and vegetables do not require specific licensing but institutions may look to other certifications such as the MOFGA Organic certification, USDA GAP (Good Agricultural Practices) or other third party inspections to satisfy food safety requirements.

Institutions also need to see evidence of product liability insurance for food vendors. All vendors for the City of Portland must carry at least \$1M in liability insurance and show evidence that the City is assigned to the policy each year. This would be included in your acceptance of a new vendor's paperwork. Institutions need to know what this required amount is and let local suppliers know ahead of harvest time.

Purchasing Strategy may have to change to include local foods. One strategy is to begin an ultra-local purchasing effort. This would be sending the chef to the farmers market on Wednesdays at Monument Square or Saturday in Deering Oaks. Learn who is already coming to town and purchase small amounts on the spot. It is great community relations to have your chef buying the freshest each week. The chef can develop the relationships that can lead to direct sales or farms that can scale up to larger volumes for better pricing than paying retail at the market.

The next step is to determine what local products are stocked at your current vendors - the broad line distributors. Then explore produce and seafood specialists and other aggregators that work with multiple farmers or fishers such as Crown o' Maine Organic Cooperative, Farm Fresh Connections, Rosemont Produce, Port Clyde Catch, etc. The Institution can dig in further to find farms and producers that have the capacity for direct sales and delivery to your facility. Your facility can also reach out to the other institutions in the City to cooperatively purchase from local sources as outlined in the descriptions that follow.

WHERE TO FIND LOCAL FOODS

Farms:

- Small
- Medium
- Large

Seafood:

- Local Fishermen
- Seaweed Harvesters & Farmers

Processors & Producers:

- Seafood Processors
- Food Processor
- Food Producers

Aggregation & Distributors:

- Food Hubs
- Local Foods Distributors
- Mainline Distributors

Working with Local Farms

We have 8,136 farms in Maine with \$764 million in sales. Agriculture is a force in our economy and is positioned for growth if we will demonstrate our demand!

Small-Scale Local Farms: Small scale farms generally provide product direct to market and sell at farmers markets, through community supported agriculture (CSAs), and at a farm stands or small wholesale to a local restaurant or store. By visiting the farmers market, buyers from institutions can start to develop relationships with local farmers, be exposed to new vegetables and fruits, and learn more about what is in season. Generally these small producers are not at a scale to provide larger institutions with a regular supply of product but they can help to supply specialty crops and local accents to different dishes. Smaller institutions may find a relationship with a small-scale local producer who provides what you need to increase your local product. PenBay hospital in Rockport partners with a local farm that provides them with several Community Supported Agriculture shares which they then use to provide meals for their 99-bed hospital. Many new small-scale producers are organic, but there are conventional small farms and some farms that choose to not become certified organic but use similar practices.

See the appendix for a listing of small farms that provide products to the Portland area and to reference the Portland Farmers Market website.

Mid Size Farms: Maine has lost many mid-size farms (from 50-500 acres). Fortunately we are seeing more smaller farms scaling-up to provide for wholesale institutional markets in Maine. Mid-size farms generally have the supply and capacity to supply Maine institutions and can be reliable producers of a range of different products. Developing a strong relationship with a mid-size farm (or several) can help to supply consistent products that are regularly featured on your menu. An institution can help provide a regular stable market for a small farmer or be the incentive for a producer to scale up and increase their operation. While there are a growing number of mid-size farms that are organic, there are many that are conventional.

See appendix for a listing of mid-size farms that provide products to the Portland area.

Commodity Farms: Maine has larger farms (over 500 acres) primarily in central and northern Maine providing large quantities of select crops including potatoes, squash, broccoli, blueberries, carrots, tomatoes and apples. These producers can provide large quantities of products to distributors and institutions. Generally these farms sell through distributors or sell their product directly to processors like Wymans and McCains. Commodity farms are generally not organic.

See appendix for a listing of commodity farms providing products to the Portland area.

Seafood

Working with Local Fishermen

Maine has a rich fishing history. Yet, in recent years, our fishing industry has suffered with depleted fisheries, competition in the global market, and loss of processing and storage capacity. Fortunately we have great resources in Portland that can assist in your institution using Gulf of Maine fish that have not been overharvested and can support new innovative aquaculture companies that are farming fish, shellfish and seaweed.

We support the recommendations of the Gulf of Maine Research Institute, the Northwest Atlantic Marine Alliance, and others to feature underutilized fish such as Pollock, Atlantic Mackerel, Acadian Redfish, Cape shark (dogfish), and Whiting. It takes only a little education and training to use these fish, and they can be used in many popular fish dishes. Taste tests have shown that when Chefs learn how to use these fish properly, consumers, who may initially shy away from these fish due to unfamiliarity, will enjoy delicious meals featuring underutilized fish. This has a benefit for the oceans, our local fishermen, and the health of our customers.

The Gulf of Maine Research Institute has several programs that work with chefs to help them learn about these fish and has certification programs for kitchens. Much of our local fish passes through the Portland Fish Exchange and institutions can work with the Fish Exchange, local processors, and fishermen to get the products they need for their customers.

Seaweed: Maine has rich supplies of wild seaweed and a growing seaweed farming industry. Maine, as reported by the Associated Press, harvested 17.7 million pounds compared to the 25 million **tons** harvested worldwide. Seaweed is a nutrient and mineral rich food and can be used in a variety of different applications to provide delicious meals to your customers. In addition to the traditional dried seaweed product, Maine producers are now producing snack products, frozen fresh seaweed, seasoning blends and seaweed purees so that kitchens and consumers can use seaweed in a variety of ways.

Processing and Producers

Food Hub Aggregation and Distribution: Food Hubs help to aggregate products from local producers and distribute them to different markets including institutions. Many food hubs service the Portland area and can be an important partner for an institution to access many local producers from one distributor. Local food hubs & distributors include Crown o' Maine Organic Cooperative, Farm Fresh Connection, Unity Food Hub, The Pickup, and Rosemont Produce.

Fish Processors: Local fish processors work with a range of fishermen to get products to a variety of consumers. Local processors are interested and able to work

with local institutions to supply them with the products they need. Meeting with these processors to discuss the needs of your institution can help them get the product to you in forms they need. Our fish processing is growing and partnership with institutions can help them make the infrastructural investments they need to better serving the growing market.

See Appendix for resources on Maine seafood processors.

Food Producers: Maine has a rich diversity of food producers that may be able to provide certain products to institutions. Some of these companies are producing foods for specialty markets and may not have the interest to provide food for institutions at prices we can afford. Some may already produce for institutions or may be interested in expanding into this market. By reviewing the products that you currently use you can look for Maine companies that may be able to provide comparable products.

For resources on Maine food producers see Appendix, Maine Food Atlas, Mofga.org, and getrealmaine.org

Food Processors: Traditionally Maine had many food processors that provided canned goods and dried goods for Maine communities. Unfortunately with the consolidation of industrial agriculture, many of these facilities shut down in the last 50 years. Fortunately, there is a movement to start up new processing facilities with several new facilities open in the last few years and more in the planning stages. These processors can help do pre-processing for your institution so that you can get products in forms that you can use for quick cooking and serving.

For listings of food processors see Appendix, Mofga.org, FarmFreshConnection.org, and getrealmaine.org

Review Wholesale Purchasing

Once your institution surveys the local food sources, you need to consider your communication. Talking with a farmer or fisher is not the same as speaking with your local sales representative from the broadline distributor. While the terms you use with the farmer may be the same, the terminology can be quite different. It is extremely important to make sure all expectations are transparent, open and honest. Your relationship with the producer can last for quite awhile; you want the first business exchanges to be completed with everyone happy. The institution needs the food it thinks it ordered, when they need it, in the amount and quality that they are accustomed to receiving from the distributor. The farmer is expecting you to love their product and pay the agreed price in a reasonable time. Unless you have worked together to determine product specifications for size, grade, quality, acceptable packaging, and temperature at delivery - one of you may not be happy with how local foods works.

It is critical to base purchase agreements upon product specifications with the producer. Just as any order is checked-in upon arrival - local food deliveries must be checked in accurately. This requires a copy of the order and the product specifications to be available on the loading dock with a qualified staff person to determine the acceptability of the load. The first deliveries from a new vendor must be thoroughly checked to avoid communication problems and misunderstandings. Don't forget to apply this same vigor to your current vendors on an irregular schedule as well.

As local food sources are scaling up from providing weekly farmers markets, they will need coaching to address the requirements of the institutional market. At the end of the day they will still need to get a fair price for the products they manage to harvest in our typical 135 day growing season. With some vendors, their mission of sustainable agriculture may not meet the price requirements of the institution, even for their second quality products. The goal for local food is the same, not to totally replace California baby carrots with Maine product, but to do so when it is feasible for both the producer and the consumer.

Special Purchasing Rules for schools from USDA

Certain regulations apply when public schools use funds from USDA to purchase foods. Even in farm to school, the school food authority must maintain an open, equal access for all food vendors. Handshake agreements are nice, pay what you can is nice, but the rules now being applied require open competition.

By Maine small purchase standards, schools can buy up to \$3,000 worth of an item without a bid. This level may be higher or lower depending upon local purchasing regulations. This is not one purchase under \$3,000; it is aggregate purchases of \$3,000. One delivery of apples may be \$300, but after ten deliveries of \$300 you now need to bid for the business. Portland Schools implemented bidding for any aggregate purchases over \$1,000 in 2015-16.

This seems contrary to all of the relationship building that happens when using local foods. These relationships are critical to the marketing of local foods for any foodservice operation. But in schools, the rule is 3 bids before you buy. Farmers should not be offended, but be ready for schools to seek pricing before confirming a purchase.

Can't a food distributor always offer a lower cost, lower price, west coast vegetable? This is a real possibility. Schools do have a tool to level the playing field with lightly processed foods such as fruits and vegetables called "Geographic Preference." USDA allows schools to set up a bid evaluation system that gives preference to locally grown and produced foods. The evaluation system must be set up before the bid and be part of the open, written and transparent dialog with vendors.

For example: The school system may develop a bid for fresh apples. It would include the amount for the year - 50,000 pounds; the size range 120-140 count; the grade A or above; delivery requirements such as deliver to the six schools each Monday and Thursday; the

variety - this amount will be filled with at least 6 varieties of apples. Then the school can assign how pricing would be determined - Price will be the average price per pound.

“Geographic Preference” determine price. Apples from up to 100 miles from the school will be given a 15% price discount, from 200 miles a 10% discount; from New England 5% discount.

There are additional examples of how schools can use geographic preference in a bid for local foods available through the USDA Procuring Local Foods for Child Nutrition Programs Guide. The local school should make all evaluation points available in the bid solicitation.





Food Safety in Your Local Foods Program

Serving safe, affordable, high-quality, tasty meals is the goal of foodservice. Food safety cannot be left behind just because you know the farmer. All operations have food safety plans in place using standard operating procedures. Whether the food is grown in Maine or California, procedures must be followed and documented.

Here are several that should not be overlooked:

- Receiving Deliveries
- Preventing Cross-Contamination During Storage and Preparation
- Washing Fruits and Vegetables
- Cooking Potentially Hazardous Foods
- Cooling Potentially Hazardous Foods
- Handling a Food Recall

Buying local foods can add responsibilities to the foodservice operator. Your facility policies and procedures may specify who can be an approved vendor, who can't be a vendor. In the Maine Food Code, adopted by Portland, foods must be purchased from an approved vendor.



All food must be obtained from an approved source.

- Verify documentation showing that it is an approved wholesale facility.
- All meats, poultry, and eggs must have the USDA stamp of approval.
- Fish to be used for sushi or considered sushi-quality must have a letter from your supplier verifying that required freezing techniques have been performed.
- Shellfish must come from approved harvest sites and have completed, attached tags.

Maintain all shellfish tags for a minimum of 90 days after the last portion is served.

All vendors should carry a product liability policy. To do business with the City of Portland, vendors must show proof of \$1M in coverage. If you are dealing through an aggregator, produce company or broad-line distributor, they may need insurance as well.

For meats and seafood, there are licensing mandates from the state and federal levels. For produce, there are no licensing requirements. Your facility may require requirements such as GAP - Good Agricultural Practices certification but it is not mandated under the Code. This does not exempt the buyer from due diligence - making sure you know who you are buying from and what their farm practices are. In the appendix is a model farm interview and

inspection form. This is one of many that are available but should be on file for any direct purchase arrangements.

A farm interview and inspection gives you more knowledge of your farm supplier. It is a step you can take to assure that the farm handles food properly and sanitation standards such as water testing are being performed on a routine basis. Many farms are already selling at retail outlets or through aggregators. The interview then is more a double check and more for information for you. This information becomes the basis to tell the story of local food in a marketing program.

In the event of a foodborne illness, all foodservice operators need to be able to track foods back one step, and forward one step. You must have a paper trail of where and when the ingredients were purchased, documentation of the menu and recipes that are suspect and documentation of your food safety plan such as temperature charts of the coolers, cook temperatures of the batches and where the food was served. While it seems intimidating - having a problem and not having answers is totally worse.

Product recipes should include references to actual products used not just the boilerplate recipe. When using pre-processed foods, tags should be included from those ingredients to provide the paper trail. A label has valuable information and should not just go into the trash when the product is used.

Consider batch sizes when using local foods. For example, a local tomato sauce recipe contains onions, garlic, zucchini, carrots and tomatoes. The easy tracking solution and purchasing solution is to buy all those items from the same farm at the same time. A copy of the invoice could be included with the production recipe for a trace record or a note could be added for the farm name and delivery date of the produce.

In an extended season tomato sauce, each of those items would be purchased at the peak of each season to reduce the price, then processed and frozen for later use. Tags on these products would need to specify product, process date, and discard date countdown. As the items are pulled to be made into tomato sauce, tags from each item would be included with the production recipe. The tags must have enough information to trace back to the processing documents of the initial work as well as back to where they were purchased with an invoice.

All records need to be maintained for up to 3 years, or your facility policy.



Variance

Before you engage in any of the following activities, you must file a HACCP plan and be granted a Variance

- Processing Animals for Personal Use.
- Acidifying Food such as pickles, relish, etc.
- Sprouting Beans or Seeds.
- Reduced Oxygen Packaging without 2 Safeguards.
- Operating a Molluscan Shellfish Tank.
- Curing

Food service licensing covers everyday products produced for daily menus. Several methods of pre-processing require further licensing in the form of a HACCP Plan and Variance. Methods include sous-vide, modified atmosphere packing (including cook-chill), smoking and curing.

Submit a Hazard Analysis Critical Control Point (HACCP) plan to the Health Department prior to engaging in any Specialized Processing Methods by emailing it to phweb@portlandmaine.gov or call 756-8365 with questions.

See Appendix A for a HACCP Plan template. A variance from the Maine Food Code may also be needed.

References and Additional Resources

1. The Centers for Disease Control and Prevention (CDC) <http://www.cdc.gov>
2. U.S. Food and Drug Administration (FDA) <http://www.cfsan.fda.gov/list.html>
3. U.S. Department of Agriculture (USDA) <http://www.usda.gov>
4. U.S. Food Safety and Inspection Service (FSIS) <http://www.fsis.usda.gov>
5. State of Maine Health Inspection Program
<http://www.maine.gov/dhhs/mecdc/environmental-health/el/>
6. City of Portland, Maine - Food Service Inspection Program
<http://www.portlandmaine.gov/hhs/foodsafetyinspect.asp>



Food Traceability Software

This summer we attended a seminar that featured several Food Related Tracking and Traceability software packages – some of which were customized and tailored to the specific needs of seafood companies and one focused on the wine industry.

At this event, we also found an incredibly powerful food tracing technology that provides, a simple to implement system yet a comprehensive platform to support supply chain and distribution logistics. Two young entrepreneurs- Riana Lynn and Andrew Hill launched FoodTrace in 2014.

We meet briefly with Andrew Hill, their Chief Technology Officer, who offered to personally help us to figure out the best way for us to effectively use their technology to link farms to institutions in the greater Portland area.

The company, which is backed by Google, runs on a freemium model where both farmers and suppliers create a free profile with upgrade options for tools, insights, analytics and increased discovery.

FoodTrace is very scalable because, “...rather than focus on logistics or delivery, we put our energy toward big data, analytics and connection, much like LinkedIn for small food businesses,” explained Lynn. She continued, “We are in the business of helping businesses, but I always operate with my 96-year-old grandfather in mind - he is a small farmer and like most small farmers only, sells only 45 percent of his harvest on average. What we do is try to make sure that their goods are being sold elsewhere, so farmers don’t have to rely only on a farmer’s market.”

The FoodTrace website (<http://thefoodtrace.com/>) provides interactive profiles of subscribing producers — mainly farmers and food artisans — that show the products they offer, their locations, the geographical range of their market, and other data, and of subscribing trade buyers, with products they are seeking along with other relevant information. This technology and software can be accessed for an annual fee of \$33 and includes robust mapping features and comprehensive data and analytical reports.

MFSC will study existing and newly developed traceability applications, prior to investing a proprietary solution, such as the application by Red’s Best. UMaine clearly requires, as does MFSC’s vision, the ability to trace local products back to its source.

Through the use of existing platforms and applications, MFSC can utilize these efforts and capture data from the local producers and providers from land and sea. MFSC has seen that using larger food supplier data does not provide the level of detail the cooperative would like

to present. By implementing further the applications and processes that can help record the supply chain, MFSC will be able to provide the true story for each of its locally sourced products. Though, in the case of companies like Crown o' Maine or Farm Fresh Connection, the one-on-one sourcing with the farmers will prove to be the best practice for traceability and relationship building. Due to potential volume and commitment levels that may need to be maintained, the use of a logging and report web-based source will be crucial as MFSC grows.





Barriers & Solutions

In September of 2015, the Greater Portland Council of Governments released its “Local Foods to Institutions Study,” funded by the USDA Local Food Promotion Program. This report is the baseline research through surveys of the institutional demand for local foods.

The report identifies several barriers common to food service directors, as well as a profile of the market in Greater Portland - potentially \$140M in food purchases by 300 institutions. The report does not seek to address the solutions to these barriers, as this project will do below.



Higher Cost

The cost of local, sustainably raised products can be considerably higher priced than the same item grown under big agriculture. Although the Big Ag price looks lower, the countless external costs of environmental degradation, energy to ship food over 1,200 miles, worker wages or immigration costs, and the cost of water are not included. Both the institution and the farmer must arrive at sustainable prices for their operation. Setting a goal each year for local purchases helps to define how to generate those funds from other savings in food waste, higher participation, customer satisfaction, alternative funding such as retail operations.

Often, yields are much higher on local products since travel time is reduced and moisture loss is minimized. A flat of California strawberries will always be 8 pounds but a flat of local berries is often 10 to 11 pounds. When you track your work, local food is often not as expensive as perceived.

Longer-term arrangements with farmers or other suppliers can also reduce costs. This can be extended into setting up contracts with farmers in the winter (before March) for crops, with pounds needed and time schedule for the crop harvest and delivery. When you eliminate risk for the farmer, the price can decrease.

Also, look carefully at what the true cost of food is, not just the price list. What is the cost of a low-sodium or low-sugar tomato sauce compared to buying the ingredients from a local farm and making your own sauce? The Maine Farms Marinara Sauce Project with Good Shepard Food Bank and Portland Public Schools produced a tomato sauce with virtually no

sugar added and less than half the sodium of a prepared product. The cost of this product is higher than an off-the-shelf sauce, but is comparable in cost to a low-sodium sauce and the added benefit of being locally sourced.

PPS also produced frozen sliced strawberries with a very small amount of sugar to use for lunches, instead of the commercially available frozen strawberries with 20% sugar added (4:1). What is the value of those products compared to the price listed for the local tomato, peppers, or strawberries?

Financial incentives have been hard to secure in Augusta. Schools have a Local Produce Fund, which will reimburse school's local purchases with \$1 for every \$3 spent. Unfortunately, the fund is empty with no funding mechanism. Oregon recently funded a similar program with \$45M to promote use of local foods in their schools that spend an estimated \$450M on food annually. Another incentive would be to provide a tax credit to farmers that provide local foods to institutions.

This issue is addressed in restaurants by charging a higher price for those menus, which contain local food, or marketing special themed menus that use local items. At the institutional level such as colleges/universities, local foods can be written into menu cycles so as not to increase that cycle's cost, include local with lower cost items, and mix in local with the other items being served. It doesn't have to be all local, all the time! Another consideration could be legislation to support local growers so that their operational costs can be lowered, resulting in a lower cost to the end-user.

Other ways to balance the higher cost of local foods:

- Cost of locally produced foods can be reduced through greater efficiency of production, scale of purchase, and lead time to purchase
- Cost of locally produced foods can be mitigated in the menu through careful selection featuring and utilizing key seasonal ingredients along with year round staples
- Cost of locally produced foods can be supported through increased budget allocations towards food itself
- Cost of locally produced foods can be ameliorated by purchasing retail crop by-product or off sizes at significant discounts

Consistency and Availability

As the institution and the farmer identify appropriate products, it is important to not "over-sell" what the farm can produce or how much the institution can procure. Speaking the same language is tougher than it sounds. Both parties need to be able to talk purchasing specifications to avoid surprises. An institution can bargain down to \$0.50 a pound for carrots, but then receive small, older, and misshapen carrots that are "second" quality rather than a first quality. Both sides delivered what they thought was correct - the restaurant ordered carrots for \$0.50 a pound, what did they expect? It is a learning curve for both parties.

Farmers cannot be asked to sell for less than the crop is worth. Institutions can't pay even \$0.50 a pound for something that simply goes to compost because it won't work in their operation.

Quality concerns must be addressed with clear communication, open and honest talking about what the kitchen needs and what the farm can produce. It has to be followed by others in the supply chain knowing what is expected: the folks loading the carrots at the farm - which ones are we bagging for them? The kitchen staff inspecting the delivery - Is this what we ordered?

Buyers must develop good specification charts for local growers so that they know what the customer expects to receive. Bring the growers into your operation and show them what you are currently using. Also develop some menu cycles where you can show the growers what you need and when you need it. Again, legislation could be enacted to enable growers to ramp up their production/availability, i.e. equipment subsidies, tax incentives, etc.

Other understandings on product consistency and availability:

- Consistency and availability of local food can be improved through consistent year round purchasing of many items on the MOFGA Top 20 list.
- Consistency and availability of local food can be accommodated through seasonal menu planning - know when the harvest peaks for local products.
- Consistency and availability of local food will be improved through strategic supply chain partnerships with businesses that thoroughly understand our season, supply chain, and product characteristics.



Access of Institutions to Producers

Broad line distributors are stocking more and more local foods as a result of the demand from restaurants and other customers. It is important to question your sales team to find out what the local foods are, as many are under private labels or not specifically labeled when you search their database. The broadline distributors stock the items that customers ask for. Often institutions are in buying cooperatives that can request new

items under terms of their contract. The best avenue to bring in local foods is to work with other customers to aggregate your demand. Say three institutions all purchase from the same broadliner. After a seminar on local foods, they commit to offer Maine carrots on their salad bars every week from August to March. Collectively, they calculate that would be X pounds per week over 3 delivery stops. They then approach their supplier and commit to the product as long as the carrots are priced in an affordable price range. When the product is stocked, all parties must be committed to purchase their amounts.

Other vendors in the market also address availability. There are produce vendors and aggregators that feature Maine products more often than the broadliners. Another alternative is to purchase directly from farmers. Again, acting with a group of customers will provide economy of scale for both the farmer and better pricing for the institutions.

- Institutions can effectively access producers through partner distributors
- Institutions can reach out to producers through annual meet and greet events - come prepared with your menu and purchasing data.
- Producers can achieve greater access to institutions by addressing food safety requirements on-farm such as having a food safety plan up through GAP certification.
- Producers can achieve greater access to institutions through partnerships with key distributors who service institutions regularly
- Institutions can examine practicality of food safety requirements and make small and reasonable changes - Food Safety Modernization Act will impact all facets of the food supply.
- All levels of food supply and service will need to recognize the value of the middleman - one who connects supply with demand through their network for the benefit of all parties.

Other Barriers to the Creation of Local and Regional Food Systems

Although local and regional food systems are growing, there are a number of barriers to their creation and expansion. As a result of the consolidation of food processing, small, local farms may have difficulty finding a local slaughterhouse for their pastured animals or a local food processor (*e.g.*, canner, bottler, commercial kitchen, etc.) for added-value farm products. As large corporate entities begin to capitalize on the “local” moniker, small farmers may have difficulty competing with large-scale producers with large-scale marketing apparatuses. Finally, farmers may have logistical problems finding reliable and convenient transport for their farm products, especially during the growing season. However, there is an emerging network of small-scale, local (and even mobile) slaughterhouses, a growing trend of farms processing their own added-value products (*e.g.*, jams, pickles, etc.), and the creation of food hubs to solve the dual challenges of transportation and marketing for small family farms.

Food Hubs: Expanding Local and Regional Food Systems

As the demand for local, fresh produce and animal products continues to grow, innovative programs to help small farmers bring their farm products to market are also expanding. One increasingly common solution to the logistical, transportation, and marketing challenges faced by small family farmers is the creation of local and regional “food hubs.” The USDA describes a food hub as the “drop off point for multiple farmers and a pick up point for distribution firms and customers that want to buy source-verified local and regional food.” Some food hubs also provide transportation of farm products directly to consumers and retail, restaurant, and institutional customers. Food hubs take much of the burden of marketing and transportation from local farmers by finding viable consumers, and provide other business-related services, such as logistical coordination. In addition, they often provide refrigerated storage facilities and auxiliary services such as commercial kitchens and light food processing. Food hubs can expand the market reach of small, local farmers, help create local jobs, and can expand access to fresh, local food in urban and suburban markets.

As fish landings continue to decline, is there an opportunity to repurpose these existing facilities as a food hub in Portland and add processing capabilities for agricultural products?

Recommendations

To have the greatest impact on the local food economy and the greatest benefit for local institutions we recommend establishing a shared goal for institutions in the Greater Portland area. It is important to set goals so that there can be collective action to meet those goals.

We recommend a goal of 20% local by 2020 for all institutions in the Greater Portland area. This is both an ambitious goal and a reasonable goal if institutions work together to reach it. The UMaine System recently established this goal and while we feel that institutions in the Greater Portland area could surpass this goal (already Portland Schools reached 35% local in 2015) we feel that this goal is attainable by all institutions. To reach this goal it will require buy-in by the power structures in each institution paired with planning, building strong partnerships and potentially additional funding.

This goal also mirrors a national goal established by The Real Food Challenge. “By



signing The Real Food Campus Commitment, colleges and universities **pledge to buy at least 20% real food annually by 2020** and thereby use their tremendous purchasing power to support a healthy food system that strengthens local economies, respects human rights, ensures ecological sustainability, and facilitates community involvement and education.”
(From www.realfoodchallenge.org/commitment)

The goal of 20% local by 2020 helps to support the New England Food Vision of 50% local food by 2060. To reach this goal we will need to build stable markets to support producers that will need to scale up effectively to reach our institutions and other markets in Maine and in the regions beyond. The goal will support the agricultural producers in logical growth from farmers markets to institution and wholesale sales in Maine in a progression to exporting food to the New England metropolitan market.

Tools Needed

Creating Stable Contracts and Markets: We recommend developing contracts with farmers, fishermen, processors and food producers so that they can have a stable market and expand their operations over a period of time. By having a guaranteed market, producers can spend less time marketing their products, produce larger quantities at a reduced price since agreements cut the risk for the producers. Alongside a contract though, institutions need to develop flexibility in their buying due to the realities of weather and other events beyond their control. Sometimes this may mean buying a comparable product or local producers with other producers in the area to provide that product.

Paying Fair Prices: We believe it is important that institutions pay a fair price to local producers. This can be challenging as institutions in our state are facing decreasing budgets, but it's important to remember that many producers are often struggling to survive or build their business. To get a fair price for the institution and the producer, it takes working together to figure out what prices work for both sides. Institutions are not the market for all producers, as many producers need the higher prices they can get at retail or restaurants. Having stable institutional markets can reduce the cost and stress for local producers as they focus more on growing large quantities of high quality product and less time marketing

Developing a voice for producers: Farmers, fishers and producers need to be sustainable just as our institutions have to meet our financial and mission goals. Cooperatives have a long history in agriculture and are an effective tool to provide an opportunity for producers to become owners. Producer Owners share in the profits of the Cooperative and will be eligible to run for the Board of the Cooperative and elect Board members. The voice of producers will be represented in the governance. Along with cooperatives we can work together as producers, workers and consumers to create a food system that works for everyone.

Collaboration and Cooperation in the Food System: Maine Farm & Sea Cooperative was founded on the strong roots of the Maine food system, and we see our role as a strategic convener of businesses, institutions and producers. Karen Mills, a senior fellow to the Maine Food Cluster Project, Senior Advisor at Harvard, and former administrator of the U.S. Small Business Administration, said, “One key way to leverage Maine’s potential is greater collaboration among the business community and cluster support organizations - as we see in other states like Vermont and Oregon - to build an action plan that is focused on strengths, while also addressing gaps, to grow these industries and create jobs.” We encourage local institutions to collaborate with food organizations to help them meet your needs for local foods and to develop engaging community partnerships that expand your mission.

See Appendix for Resources on Organizations

Being a partner in helping a food business scale Up: Many smaller farmers and food producers are interested in scaling up their operation, but need stable markets to be able to increase their production. Institutions can help provide these markets through working with local producers. There are resources out there that are also interested in supporting producers scaling up including: UMaine Food and Agriculture Center, For Food Lab, Maine Farmland Trust, MOFGA, Greater Portland Council of Governments and the Greater Portland Area’s Food Manufacturing Initiative.



Other ways to support local producers and local growing

Using local foods in your menus is one way you can use local food and support our food economy, but there are other creative ways that you can connect and support local producers.

Farmers Market at your Institution: Some institutions are hosting mini-farmer markets so that more parents, kids, patients and clients can access local foods. It can be just one farm that sets-up on a regular day each week, multiple farms or a special event. This is also a great way to promote healthy eating and the connection to local producers. Also the Portland Farmers Market has struggled to find a permanent home for its winter market and a supportive institution could provide good indoor space when it is not being used on a weekend.

Growing food at your institution: More institutions particularly schools but also prisons and major businesses in the Greater Portland area are growing food on their grounds. Farmers are looking for land to grow and there is a long waiting list for community garden space. Institutions can help fulfill these needs with extra land they may own and not be utilizing. This is a great way to turn an underutilized resource into a growing space that can generate revenue and community engagement. Sometimes this food is for the cafeteria or dining hall and other times it is a community garden where the food is provided to local pantries or is used for education. Some urban farmers have also developed small farm businesses on land provided to them by institutions. Fortunately in the greater Portland area there are great resources to help you establish a garden including Cultivating Community, the Resilience Hub, Clara Coleman's Four Season Farming Consulting, and University of Maine Cooperative Extension Service.

Community Supported Agriculture Drop-off at your institutions: More farms are developing CSA programs at workplaces and this can be a way for your employees, students, or parents can purchase more local food. Some workplaces are even offering CSA shares as a wellness benefit to support healthy eating. This is generally a pretty easy way for an institution to provide a market for small local producers, as they need to just provide a space and then an avenue for the farm to promote themselves to potential supporters.

Community Meals: You can work with community groups to establish community meals at your institution featuring local foods. These can include free summer lunches for kids as part of the USDA Summer Food Service Program and ConnectEd or a Community Meal with Wayside Food Programs. You can work with local farms to use extra farm produce for these meals.

Shared Kitchen Access for Local Producers: Local producers who are looking to start-up or scale up are often looking for a kitchen to use to develop their products. Many institutions have downtime in their kitchens where they can make it available to local producers by renting their kitchen (and also make some

revenue). This is a good opportunity to support local producers to grow and to generate some revenue for the institution.

Reducing Hunger in our Community: Maine ranks 8th in the Nation for Food Insecurity and is number one in New England. Access to healthy food is a big challenge. While we have great pantries and soup kitchens in the city, there are many residents and students that need access to food. Your institution can develop a food pantry to provide access to food or accept SNAP benefits. Your pantry can work with local gardeners and farmers to provide local vegetables to your consumers. Depending on your institution there are other Federal and State programs that can help increase food access for low-income consumers. There are also many organizations that your can work with to help establish programs including Good Shepherd Food Bank, Preble Street and Wayside Food Programs.



Appendix A

Outline of Appendix Items to be included in final draft

List of farms that provide products to the Portland area
The Portland Farmers Market website.
See for a listing of mid-size farms
See for a listing of commodity farms

9 Step Assessment Tool

Local Food Planning Calendar

Maine Seafood Processors

Maine Food Producers

Aggregators:

Real Food Challenge requirements

Farm checklist and interview forms

Standard Operating Procedures

Purchasing Agreement examples

Specification of Product examples

Resource List

MFSC roster and contact info

USDA Procuring Local Foods for Child Nutrition Programs Guide.

UMaine Food and Agriculture Center,
Forq Food Lab,
Maine Farmland Trust,
MOFGA,
Greater Portland Council of Governments
Greater Portland Area's Food Manufacturing Initiative

Food Safety Resources

The Centers for Disease Control and Prevention (CDC) <http://www.cdc.gov>

U.S. Food and Drug Administration (FDA) <http://www.cfsan.fda.gov/list.html>

U.S. Department of Agriculture (USDA) <http://www.usda.gov>

U.S. Food Safety and Inspection Service (FSIS) <http://www.fsis.usda.gov>

State of Maine Health Inspection Program

<http://www.maine.gov/dhhs/mecdc/environmental-health/el/>

City of Portland, Maine - Food Service Inspection Program

<http://www.portlandmaine.gov/hhs/foodsafetyinspect.asp>

UMO Food Science and Extension Service Program

Oregon funds farm to school:

<http://katu.com/news/local/oregons-farm-to-school-programs-lead-the-nation-with-new-funding>



Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

To: PDC President Sheff and Board Members
From: Nelle Hanig, Business Programs Manager
Date: December 14, 2015
RE: **Final PEDPIP Guidelines Draft**

Summary

An additional item surfaced at the October PDC meeting discussion on modifications to the PEDPIP guidelines. That item was to define when applications would be accepted from those seeking PEDPIP grants, rather than the program accepting applications on a rolling basis. The Issue Committee met again on October 30th and reached consensus that applications would be due at the end of September. If there were funds remaining after that round, applications would be accepted again at the end of March. That process has been added to the guidelines for PDC review.

Budget for FY2015/2016

As a reminder, the PEDPIP grant budget for FY2015/2016 is **\$52,130**. The PEDPIP budget equals 10% of the PDC's Unrestricted Funds, determined at the beginning of each fiscal year (July 1st). This cap or formula was approved by the PDC and the City Council.

Recommendation

Staff recommends approval of the amended PEDPIP guidelines for recommendation to the City Council. These guidelines will be presented to the Council, along with the PDC approved changes to the By-Laws, for Council review and approval.

Attachments

Updated Redline Draft of PEDPIP Guidelines
Clean Draft of PEDPIP Guidelines



Portland Economic Development Plan Implementation Program (PEDPIP) Program Guidelines

Description

The Portland Economic Development Plan Implementation Program (PEDPIP) provides matching grants for projects that will monies to invest in economic development projects and programs that contribute to implementing work plan actions addressed in the current 2-year Work Plan and/or the Portland's Economic Development Vision and Plan. Its purpose is to fund planning studies and other "soft" costs associated with economic development projects and programs that advance the initiatives spelled out in the Plan. The Grant Program does not invest in "hard" costs for public infrastructure or private development projects. Its focus is on expenditures for economic development projects and programs.

Objectives

- To assist non-profit stakeholders and the City of Portland to achieve the implementation strategies in Portland's Economic Development Vision and Plan and its current 2-Year Work Plan. Facilitate the expansion of industry sectors with high value/high job growth potential;
- Support job creation and retention;
- Facilitate opportunities for start-ups and expansion of small businesses;
- Enhance the City's image as a center for innovation, entrepreneurship and business growth; and
- Strengthen the economic health and vitality of commercial districts.

Eligible Activities

- Projects related to actions/activities noted in the current 2-Year Work Plan (Grant funding priority)
- Projects related to bulleted actions in the Economic Development Vision and Plan
- Planning that evaluates economic development opportunities;
- Business recruitment activities that focus on targeted industries;
- Marketing plans/strategies for the City;
- Programs that enhance the climate in downtown business districts and access to them.

Funding Requirements

- Maximum grant request is \$15,000;

- Grants must be matched by an equal or greater dollar amount from funding sources other than the Portland Development Corporation.

Funding SourceSource of PEDPID Funds

- The Portland Development Corporation (PDC) will utilize up to 10% of its Unrestricted Funds ~~to fund~~for PEDPIP grants. This 10% will be set at the beginning of each fiscal year (or July 1) to determine that year's allocation ~~amount to be allotted~~ for PEDPIP grants.

Eligible Applicants

Not-for-profit and public entities that are working to implement the City of Portland's Economic Development Plan, with direct benefit to the City.

Applications, Timelines and Approval Process

Applications will be accepted each year no later than the last day of September that falls on a weekday. If additional funds remain, applications will again be accepted no later than the last day of March that falls on a weekday. (Before applying in March, please check with Economic Development staff whether additional funds will be available for a March round of applications.)

Submit applications to the City's Economic Development Department, City Hall, Room 308, or to nrh@portlandmaine.gov. All eligible grant requests will be presented to ~~the~~ the Portland Development Corporation for ~~reviews~~ and approval ~~es all qualified grant requests~~.



Portland Economic Development Plan Implementation Program (PEDPIP) Program Guidelines

Description

The Portland Economic Development Plan Implementation Program (PEDPIP) provides matching grants for projects that will contribute to implementing work plan actions addressed in the current 2-year Work Plan and/or the Portland Economic Development Vision and Plan.

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Eligible Applicants

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Submit applications to the City's Economic Development Department, City Hall, Room 308, or to nrh@portlandmaine.gov. All eligible grant requests will be presented to the Portland Development Corporation for review and approval.

**Portland Development Corporation
Operating Report FY16
For Month Ending
11/30/2015**

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	105	18.3%	470
Postage	300	14	28	9.3%	272
Travel, Training, Meetings	4,000	76	76	1.9%	3,924
Contractual services	10,500	0	149	1.4%	10,351
Operating Transfer to Fin.	9,647	0	0	0.0%	9,647
Advertising	2,000	423	423	21.1%	1,577
Auto Expense Reimb.	100	0	0	0.0%	100
Printing & Binding	650	201	364	56.0%	286
Office Supplies	750	0	234	31.2%	516
			0		
Total FY16 Expenditures	28,522	714	1,379	4.8%	27,143

Expenditures:

Postage	General Courier Charges
Travel, Training, Meetings	Awards Event - Floral Arrangement; Supplies
Advertising	Awards and Banners for 3 Award Recipients
Printing and Binding	Awards Event welcome poster and handout

**Downtown Portland Corporation
Schedule of Loans Receivable
For the Month Ending November 30, 2015**

				---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/Unrestricted):								
6762	1482	Nova Star Cruises Limited	3/20/2014	5/1/2020	165,411	0	165,411	\$151,274
Sub-Total PBF (UDAG)								\$151,274
Portland Business Fund 272 (Restricted - CIP):								
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	\$32,909
6502	1436	Portland Food Cooperative	6/4/2014	10/1/2021	130,000	0	130,000	\$117,235
Sub-Total PBF (Bonds/CIP Restricted)								\$193,045
Portland Micro Capital Fund 271 (UDAG/Unrestricted):								
5708	1438	Veranda Asian Market LLC	4/19/2012	4/1/2017	50,000	0	50,000	\$20,023
5837	1341	Back Bay Skate	9/10/2012	9/1/2017	12,500	0	12,500	\$5,003
6113	1379	EcoHome Studio, LLC	4/11/2013	4/1/2018	15,000	0	15,000	\$7,662
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	\$13,651
6302	1411	Pachanga, LLC	11/6/2013	1/1/2016	14,000	0	14,000	\$6,137
6501	1435	Sur Lie Wine Bar, LLC	5/2/2014	9/1/2021	37,335	0	37,335	\$32,095
6635	1464	Damiak's Bakery, LLC	10/16/2014	11/1/2019	25,000	0	25,000	\$20,577
Sub-Total Micro Capital Fund								\$118,984
Portland Business Fund Fund 274 (CIP/Unrestricted):								
6597	1458	Back Cove School	8/29/2014	9/1/2019	55,000	0	55,000	\$47,332
6786	1487	RAIN Management, LLC	4/16/2015	7/1/2020	60,000	0	60,000	\$58,866
6828	1500	Poplar & Co., LLC	6/5/2015	10/1/2022	37,500	0	37,500	\$36,326
6868	1512	Billdotcom, LLC	8/29/2015	9/1/2022	102,500	0	102,500	\$102,212
Sub-Total PBF (Bonds/CIP Unrestricted)								\$244,736
Creative Economy Fund 271 (UDAG/Unrestricted):								
5815	1308	Studio Management Corp.	1/20/2012	2/1/2017	26,000	0	26,000	\$8,937
Sub-Total Creative Economy Fund								\$8,937
FAME Fund 277:								
5862	1351	Peaks Island Fuel	10/1/2012	10/1/2017	61,000	0	61,000	\$54,051
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	\$49,213
6598	1459	Browne Trading CO.	9/3/2014	10/1/2019	83,333	0	83,333	\$67,689
6692	1475	Maine & Loire LLC	12/30/2014	1/1/2020	45,000	0	45,000	\$38,408
6784	1485	SB & LC Properties, LLC	4/6/2015	5/1/2020	101,200	0	101,200	\$100,048
6485	1429	Evo Rock & Fitness Portland	4/14/2014	11/1/2024	132,954	0	132,954	\$122,623
Sub-Total FAME Fund								\$461,241
FAME SSBCI 279:								
5836	1340	251 Woodford Street LLC	8/31/2012	9/1/2017	165,000	0	165,000	\$148,420
5748	1327	Fermentation & Distillation	4/25/2012	10/1/2017	165,000	0	165,000	\$73,404
6199	1390	Inn at Diamond Cove LLC	7/10/2013	7/1/2018	200,000	0	200,000	\$174,989
6867	1511	Billdotcom, LLC	8/19/2015	9/1/2022	92,500	0	92,500	\$92,240
Sub-Total FAME SSBCI								\$489,053
Real Estate Investment Fund 271(UDAG/Unrestricted):								
6104	1378	McCuda, LLC	4/19/2013	4/1/2018	200,000	0	200,000	\$183,031
Sub-Total RE Invest								\$183,031
Brownfields Loan Fund 278								
6555	1457	Forefront Partners, LP	7/30/2014	2/1/2020	200,000	0	200,000	\$187,292
Sub-Total Brownfields								\$187,292
Grand Total Loans						0	2,443,833	\$2,037,593
Allowance for uncollectable loans at 15%								\$305,639
Total with Allowance for uncollectable loans:								\$1,731,954

**CITY OF PORTLAND, MAINE
PORTLAND DEVELOPMENT CORPORATION
DELINQUENCY REPORT
MONTH ENDING NOVEMBER 30, 2015**

a/o 12/5/2015

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	17	\$5,003	10
Damiak's Bakery, LLC	\$478	1	24	\$20,577	7
Eastman Industries	\$3,115	7	214	\$29,208	6
Eastman Industries	\$3,115	7	214	\$29,208	6
Kennebec St. Properties	\$1,039	1	20	\$32,909	8
Museum of African Culture	\$2,505	23	668	\$13,693	12
Nova Star Cruises	\$3,122	1	30	\$151,274	3
Portland Trading Co.	\$5,508	19	579	\$13,847	12
Studio Management Corp.	\$987	2	61	\$8,937	12
Veranda Asian Market ²	\$955	1	30	\$20,023	12
TOTALS:	\$19,868			\$319,675	

¹Reflects 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.

²Paid November on 12/5/2015

**Portland Development Corporation
Cash Management Report
For Month Ending November 30, 2015**

	CIP		UDAG	FAME	SSBCI	Brown-field	Year-to-Date				Business Assistance Grant Prgrm for Job Creation-FY16			
	272 Restricted	274 Unrestricted	(Unrestricted) Loans/Grants	277	279	278 (PET)	Principal/Interest		CIP	UDAG				
							Restricted	Unrestricted						
												FAME	SSBCI	Bnflid
Beginning Cash Bal. Nov. 1, 2015	199,392	90,874	721,900	65,512	423,619	319,484						100,000		
Plus:														
Principal payments received	2,560	2,318	4,207	4,001	3,443	1,421			70,601	5,922	30,240	17,810	169,882	8,535
Interest payments received from loans	834	1,433	1,419	1,859	3,209	557			4,157	4,354	9,911	10,635	12,481	3,332
Interest Income					106									411
Other Income/Adjustments														925
Pass Through From FAME SSBCI														
Sub-Total Cash Available	202,786	94,625	727,526	71,372	430,378	321,462			74,758	10,276	40,151	28,445	183,700	11,867
Less:														
FAME Annual Admin. Fee: Invoices														
Disbursements - Loans/PDAP Grants			(1,807)											
Sub-Total Cash Available:	202,786	94,625	725,719	71,372	430,378	321,462								
Less Reserves for:														
Beautification Program (EC0301)			(72,000)											
PEDPIP Fund FY15 Commitments not yet paid			(108,609)											
PEDPIP Fund FY16 Commitments not yet paid (capped at \$52,130)			-											
Portland Dev. Action Grant (EC0302)			(68,287)											
Transfers not yet recorded (UDAG Int)			(9,911)											
BAP Grants														
Used for Administration														
Total Ending Loan/Grant Cash Bal.	202,786	94,625	466,912	71,372	430,378	321,462								-5,000
														95,000

Loan Commitments:	
Nova Star Cruises	24,093

DAG Cmtmts:	68,287	(DAG Bal.)
Cow Plaza/Hyat	25,000	

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