Portland, Maine Yes. Life's good here.

PORTLAND DEVELOPMENT CORPORATION

Board Meeting

DATE: Thursday, October 15, 2015
TIME: 4:00 p.m.
LOCATION: Room 209, Second Floor - Portland City Hall

A G E N D A

1. President's comments

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

3. Review and vote on application from 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.

4. Review and recommendation to City Council on proposed amendments to PEDPIP Grant Guidelines

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

6. Treasurer's Report – September 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.)

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

8. Next Meeting Date: November 19, 2015

Barry Sheff, Board President

Minutes

Portland Development Corporation

September 17, 2015

A meeting of the Board of Directors of the Portland Development Corporation was held on Thursday, September 17, 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, Mayor Michael Brennan (arriving as noted in the Minutes), Chip Martin, Heather Sanborn, Jere Shaw, and Drew Swenson. Directors not able to attend were Jon Jennings, Neil Kiely, and Jess Knox. Present from the City staff were Business Programs Manager Nelle Hanig and Senior Executive Assistant Lori Paulette.

Item #1: President's Comments

President Sheff said that the Awards Committee met, comprised of himself, Heather Sanborn, and Drew Swenson, and, after a robust discussion and vetting a number of businesses for the three year awards, did reach a recommendation. At that time, President Sheff said that he suggested an email be sent to the Board to be sure all had one more opportunity to offer potential award nominees for further discussion. There were a few suggestions, and the Committee conferred and agreed upon the three it had reached for a recommendation to the Board, which coincidentally was one of the latter recommendations that came in. The additional nominees will be considered next year.

President Sheff said that the recommendation for the awards recipients are as follows: Small Business of the Year/Seabags; Business of the Year/Winxnet; and, Economic Development Achievement/Portland Farmers' Market Association.

Mr. Agnew indicated that he was conflicted to vote due to his being a shareholder in Seabags. He added that Vets First Choice should be considered in 2016.

Mr. Shaw asked if the awards are only for Portland businesses, and Mr. Sheff indicated in the affirmative.

Ms. Carvel asked about the perks that the award recipients receive. President Sheff said that each is given an award that can be placed on a desk, table, etc., and Mr. Swenson added that the media generally shows up and a buzz is created for the businesses.

Ms. Sanborn said that her business was an award recipient last year, and one of its vendors had a banner created for the event that was displayed with its showcase at the event, suggesting that perhaps the recipients be given something that can be displayed as clients come to their business, like a banner, poster, etc.

Ms. Hanig said that staff can look into this.

Seeing no further discussion, a motion was made and seconded to extend the awards to: Small Business of the Year/Seabags; Business of the Year/Winxnet; and, Economic Development Achievement/Portland Farmers' Market Association. A vote was taken on the motion and it passed 6-0-1 (Agnew abstained).

President Sheff said that the Issues Committee will have its first meeting September 24 at 3:00. The Committee is comprised of himself, Tim Agnew, Jess Knox, and Chip Martin. The first issue it will take up will be PEDPIP Guidelines; the next meeting will be potential Bylaws recommendations for amendments; and, the third meeting will be for the Development Action Program Guidelines. He requested that Committee members bring their calendars to the meeting to schedule the following two meetings – one in October and one in November.

Lastly, President Sheff congratulated PDC Board member Jess Knox and the new "Maine Accelerates Growth" consortium, which Mr. Knox is the state wide coordinator for the consortium, and the recent article in MaineBiz about the venture, copy attached.

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

On motion made and seconded, the Board voted 4-0-2 (Martin and Shaw abstained) to accept Minutes as presented.

Item #3: Review and vote to charge off loan to Undefeated Enterprises. (Note: Pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119—A, the Board may go into executive session to discuss/monitor this loan.)

On motion made and seconded, the Board voted unanimously to go into executive session at approximately 4:22 p.m. pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119-A for loan monitoring discussions with staff.

(Mayor Brennan joined the meeting during this executive session.)

At approximately 4:30 the Board came out of executive session.

On motion made and seconded, the Board voted unanimously to charge off the loan to Undefeated Enterprises as recommended by staff in the amount of $22,130.

Item #4: Treasurer's Report – August 2015

Mr. Swenson reported that the administrative budget is well under budget at this time, which is the norm. Next month, the Schedule of Loans Receivable will not include the loan just charged off. Total of funds lent on this Schedule is $2.74 Million, with an outstanding principal balance of $2.32 Million. The Cash Management Report shows $1.2 Million in available/non-committed loan and grant funds. Regarding the Delinquency Report, of the 13 loans listed, five are now paid through month end August. Studio Management is now 1 month past due and not 2. He would request the Board have loan monitoring discussions regarding the others in executive session.

On motion made and seconded, the Board voted unanimously to go into executive session at approximately 4:34 p.m. pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A.

13119-A for loan monitoring discussions with staff. At approximately 4:55 p.m., the Board came out of executive session.

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

Item #5: Annual Meeting of Board:

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

#5(a) President Sheff said that the current slate of officers have indicated their willingness to serve another year's term, and asked if there was any additional interest from Board members. Consensus of the Board was to re-appoint the current slate.

On motion made and seconded, the Board voted unanimously to appoint Barry Sheff as President, Drew Swenson as Treasurer, and Jere Shaw as Secretary.

(Mayor Brennan had to leave at this time.)

#5(b) President Sheff highlighted the Annual Reporting noting that in FY15, the Board made 8 loans totaling $607K, while in FY14 it made 7 loans totaling $814K. He also noted that the PEDPIP grants doubled from FY14 at $43K to FY15 of $98K, while the BAP grants almost tripled from FY14 at $52K to FY15 at $140K. In the alternative the DAG grants were down from 3 grants in FY14 at $75K to 1 grant in FY15 for $10K. Overall, FY15 was a good year for the PDC investing over $850K in Portland businesses.

Noting no comments/questions, a motion was made and seconded to forward the FYE2015 PDC Annual Activity and Financial Report to the City Council as a communication. A vote was then taken on the motion and it passed unanimously.

#5(c) On motion made and seconded, the Board voted unanimously to set the date of the annual meeting of the Corporation as October 5, 2015. President Sheff invited any all Board Directors who are available to this meeting.

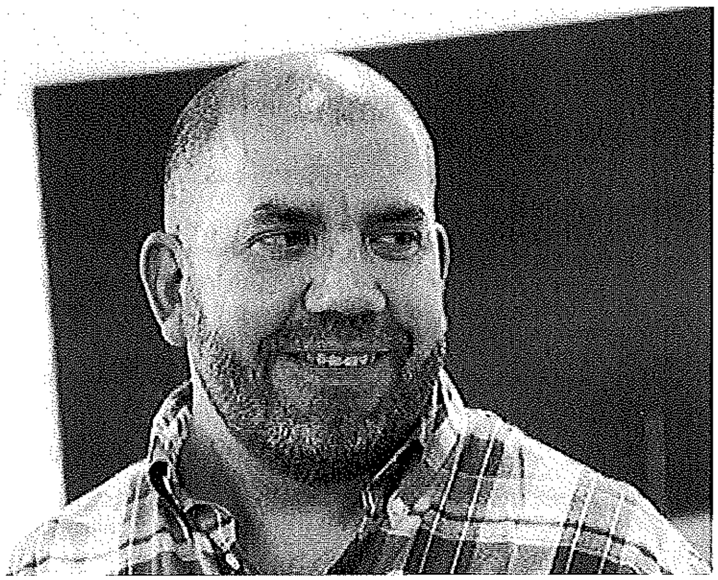
The meeting then adjourned at approximately 5:05 p.m.

Respectfully,

Lori Paulette

SEPTEMBER 17, 2015

Maine Accelerates Growth consortium started to spur entrepreneurship



COURTESY / JESS KNOX
Jess Knox, MxG statewide coordinator for the new, 10-year Maine Accelerates Growth project for entrepreneurs.

BY LORI VALIGRA

Maine Accelerates Growth, a new consortium aimed at building on earlier work by Blackstone Accelerates Growth to promote entrepreneurship in Maine, was announced Thursday by its coordinators.

The Maine Technology Institute, Maine Center for Entrepreneurial Development and the University of Maine's Innovation Programs are the founding advisory organizations that will work on Phase 1 of a new fund partnership with the Maine Community Foundation.

MxG, as it is called, is a 10-year effort to facilitate infrastructure investment, programs and events to help high-impact entrepreneurs grow.

The program already has a $200,000 MTI challenge matching grant, Jess Knox, MxG statewide coordinator, told Mainebiz. He added that the Blackstone Accelerates Growth program, known as BxG, program will run through the end of the year. Knox also headed that program.

BxG, announced in October 2011, involved a $3 million grant from the Blackstone Charitable Foundation to create innovation hubs throughout Maine and grow the state's entrepreneurial ecosystem.

The initial organizational partners for the new MxG program include Greenlight Maine, Maine Startup & Create Week and Our Katahdin.

MxG's coordinators said the group aims to build on BxG's efforts to accelerate the growth of companies, communities and talent by funding, creating and leveraging entrepreneurship and

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TODAY'S DAILY REPORT

Maine Accelerates Growth consortium started to spur entrepreneurship

GrandyOats aims to be first 'net-zero' food producer in New England

Freeport chocolatier gets $100,000 business plan grant

Waterville food co-op in trouble

Circus Conservatory of America suspends operations

TODAY'S POLL
Do you support LePage's position that he'll only release LMF funds once lawmakers support his efforts to cut more timber on Maine's public lands to provide funding to help low-income Mainers with heating costs?

innovation programs and events through a collaborative and complementary network of organizations and individuals across Maine.

MxG will fund, create and leverage programs and events statewide. Phase 1 focuses on building stakeholders and resources and recruiting additional matching investments, advisory partners and governing board members.

"MxG will ... allow for new ideas to be tested over a sustainable and predictable period of time," Knox said in a statement.

— With contributions from Laurie Schreiber

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

Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

To: President Barry Sheff and PDC Board Members
From: Nelle Hanig, Business Programs Manager
Cc: Greg Mitchell, Economic Development Director
Date: October 13, 2015
Re: **City Request for Brownfields Grant – 1 Cambridge St. and 21 Cornell St.**

PROJECT OVERVIEW

The City of Portland is seeking a Brownfields grant of up to $75,000 from the Portland Brownfields Revolving Loan Fund (RLF). The project involves subdivision, assessment and remediation to facilitate redevelopment of two properties, through a land exchange between the City and developer J.B. Brown & Sons.

1 Cambridge Street, which is owned by the City, has contamination in one section of it due to its prior use for manufacturing of billiard balls and gaming chips. That section will be subdivided from the property, submitted to the Maine Department of Environmental Protection (MDEP) for VRAP and then remediated.

In order to make the remediated portion of 1 Cambridge Street a developable parcel, a portion of property at 21 Cornell St. will be subdivided and added to it, giving it sufficient street frontage (on Cornell St.). See attached Exhibit 1 map. The uncontaminated larger portion of 1 Cambridge St. will be exchanged with J. B. Brown and Sons for a portion of the Cornell St. property and Parcels 3, 4 & 5 as shown on the map. See attached Exhibit A map. Please note that this land exchange transaction is part of a larger project for the City to establish a new location for the Department of Public Services so that it can be relocated from Bayside.

21 Cornell Street is the parcel that will be subdivided and a portion of it added to the presently contaminated portion of 1 Cambridge St., which the City will retain. The newly created parcel with frontage on Cornell St. will be owned by the City as a future development site. Since the City does not yet own 21 Cornell, before acquiring a portion of it, a Phase 1 Environmental Site Assessment (ESA) must to be conducted on it to protect the City from future liability should contamination ever be found on the site.

BUDGET

The estimated costs for the project, totaling $75,000, were provided by Sebago Technics as follows:

- VRAP Application, and Maine DEP Coordination on 1 Cambridge St. property: $6,000
- Survey Services for Subdivision on both properties: $6,000
- Site Remediation Oversight and Documentation for 1 Cambridge St property: $6,400
- Site Remediation Materials and Labor for 1 Cambridge St. property: $54,600
- Phase 1 ESA for Cornell St. Property: $2,000

TOTAL $75,000

ELIGIBILITY FOR USE OF CITY'S BROWNFIELDS RLF

PDC Guidelines: Per the PDC Brownfields Guidelines, the funds can be used as grants to the City for assessment and remediation on City-owned properties. However, the Phase I ESA on the Cornell St. property must be conducted prior to the City acquiring it, in order for the City to receive protection from liability should contamination be found, providing the City with the CERCLA liability defense.

EPA Eligibility Requirements: Use of the City's Brownfields RLF must be consistent with Environmental Protection Agency (EPA) eligibility requirements. All of the uses of the funds noted above in the Budget section of this memo meet EPA eligibility as confirmed by Jedd Steinglass, a consulting Qualified Environmental Professional (QEP) for the City of Portland. Jedd felt the need to and did confirm with EPA that remediation on the 1 Cambridge St. property was eligible. Given that the City took ownership of that property through foreclosure it is considered an involuntary acquisition and makes the City eligible for use of the Portland Brownfields funds.

Public Economic Development Benefits of the Project: Cleaning up this Brownfields site in the City of Portland will facilitate the redevelopment of two parcels.

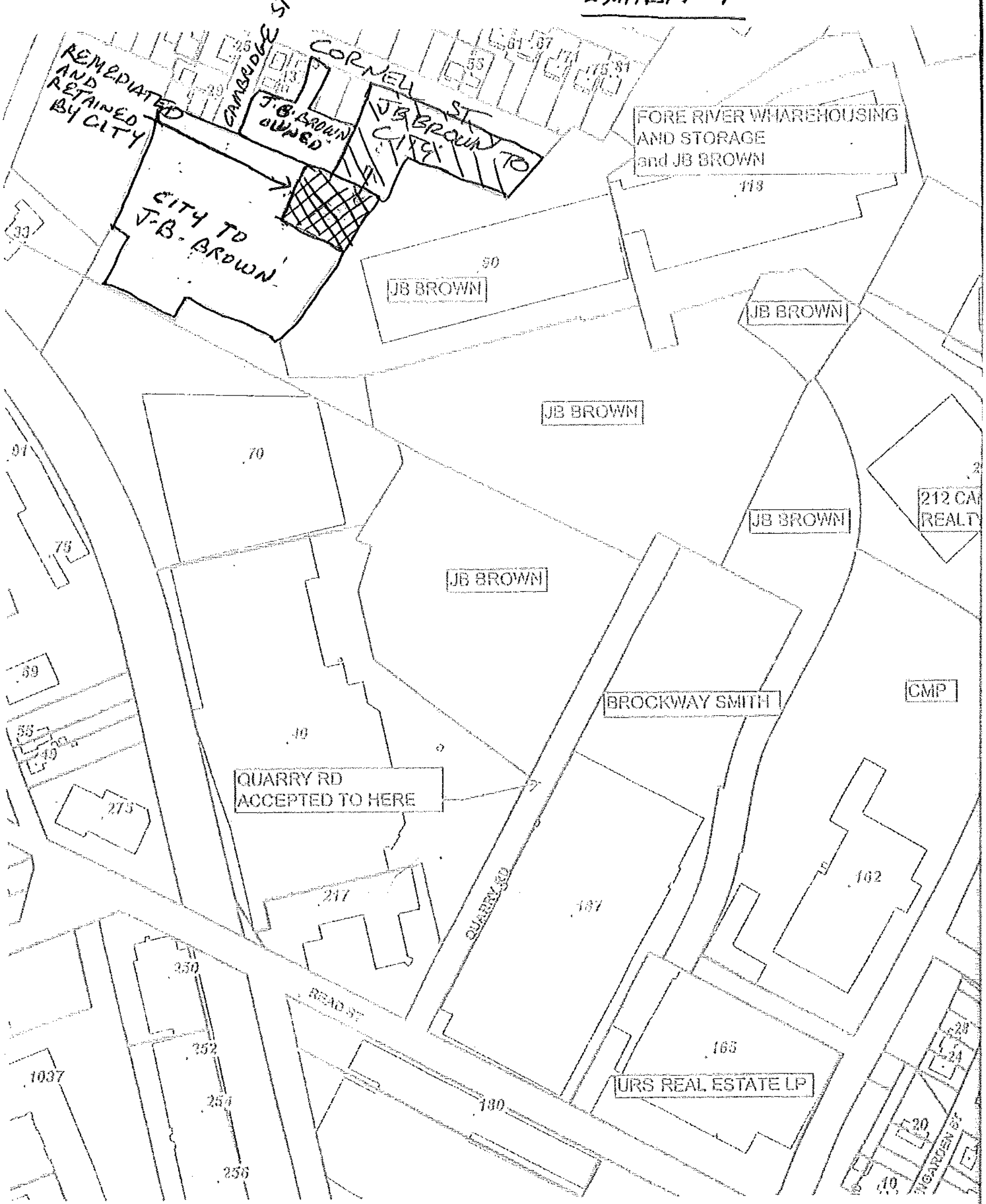
RECOMMENDATION

The current balance of the Brownfields RLF is $315,500. This grant request, if approved, will leave a remaining balance of $240,500. Please note that a $200,000 Brownfields loan was made to Forefront Partners, LP for remediation at Thompson's Point. That loan has a principal balance of $190,000.

Staff recommends approval of the Brownfields RLF grant request of up to $75,000 for this City of Portland project.

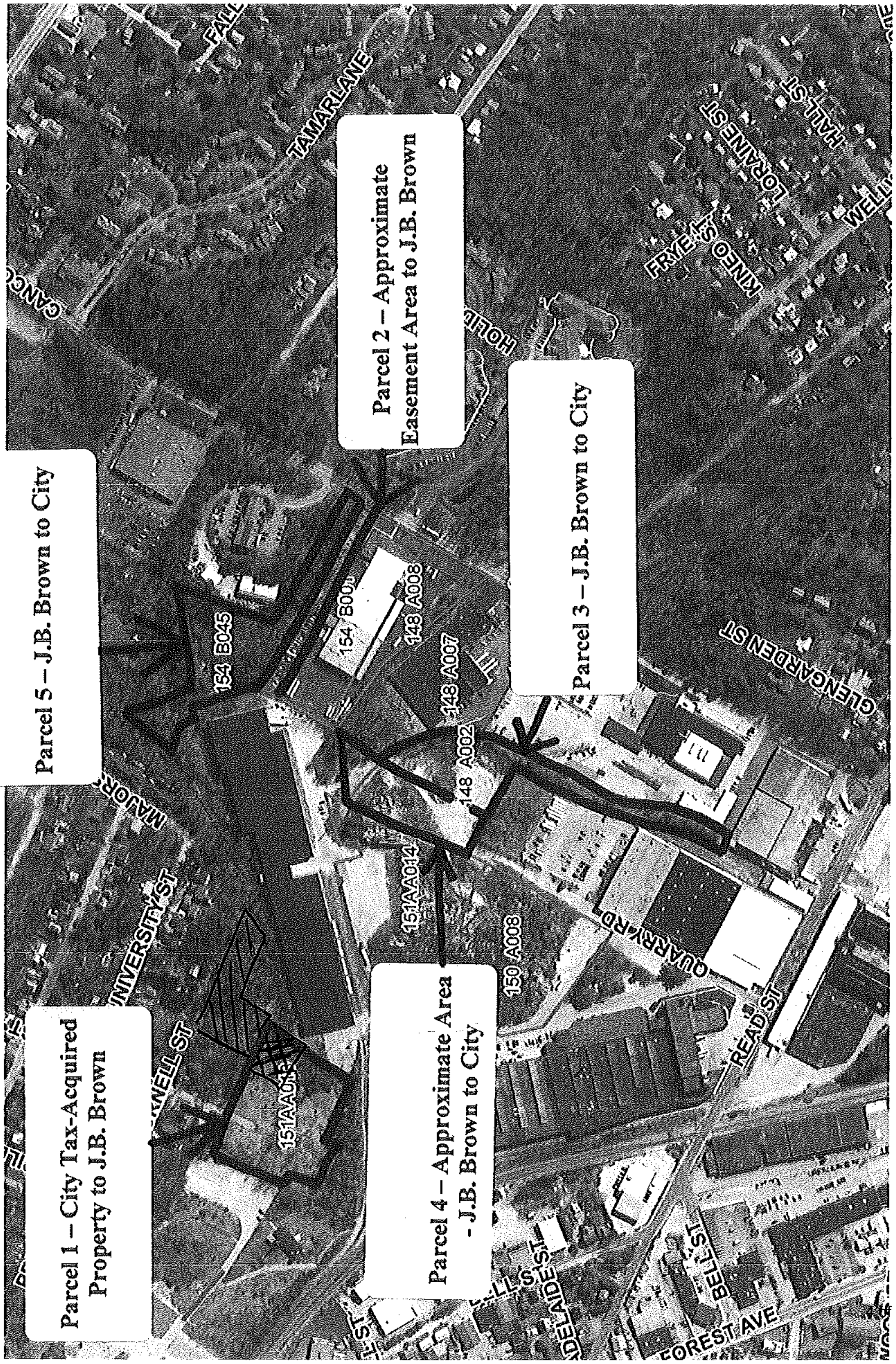
ATTACHMENTS
Exhibit 1 Map
Exhibit A Map
Sebago Technics Proposal

EXHIBIT 1



REMEDIATED AND RETAINED BY CITY
CAMBRIDGE ST.
CORNELL ST
J.B. BROWN OWNED
JB BROWN TO CITY
CITY TO J.B. BROWN
FORE RIVER WHAREHOUSING AND STORAGE and JB BROWN
JB BROWN
JB BROWN
JB BROWN
JB BROWN
JB BROWN
212 CA
REALTY
BROCKWAY SMITH
CMP
QUARRY RD ACCEPTED TO HERE
QUARRY RD
READ ST
URS REAL ESTATE LP
GARDEN ST

EXHIBIT A


Parcel 1 – City Tax-Acquired Property to J.B. Brown
Parcel 2 – Approximate Easement Area to J.B. Brown
Parcel 3 – J.B. Brown to City
Parcel 4 – Approximate Area - J.B. Brown to City
Parcel 5 – J.B. Brown to City
154 B045
154 B001
148 A008
148 A007
148 A002
151AA014
150 A008
TAMAR LANE
LORAINE ST
HALL ST
FRYE ST
KINEO ST
GLENGARDEN ST
QUARRY RD
READ ST
UNIVERSITY ST
FOREST AVE
BELL ST
ADELAIDE ST

October 8, 2015
15426

Mr. Greg Mitchell, Director
Economic Development Dept.
City of Portland
389 Congress Street
Portland, ME 04101

Proposal for Professional Services – Environmental and Survey Services
Former Burt Company Property, 1 Cambridge Street and J.B. Brown, Portland, Maine

Dear Greg:

We have prepared the following proposal for professional services to assist the City of Portland with an application through the Maine Department of Environmental Protection's (MDEP's) Voluntary Response Action Program (VRAP) program at the former Burt Company property, located at 1 Cambridge Street in Portland. A Phase I Environmental Site Assessment (ESA) of the property was completed by Sebago Technics, Inc. in July 2015 and identified recognized environmental conditions (RECs). Additional services in this proposal include survey and environmental services associated with the City of Portland's desire to acquire and subdivide the adjacent Cornell Street property, identified as Parcel 151A A021001. These services are required to complete a subdivision of land and parcel exchange with current parcel landowner J.B. Brown & Sons which will transfer portions of the Cornell Street Parcel in exchange for portions of the former Burt Company property. Additional services requested include a boundary survey and subdivision of land, and a Phase I ESA.

Background

Our (STI) 2015 Phase I ESA on the Burt Company parcel determined that site has a substantial environmental history including intrusive investigations completed in the 2005 to 2008 time frame. As a result of the prior investigations and coordination with the MDEP, a VRAP was filed at that time and approved with a "No Action Assurance Letter" issued. This VRAP and "No Action Assurance Letter" was specific to a certain development (Morrill's Crossing Project). While a "No Action Assurance Letter" was granted for the project, our communications with the Maine DEP have determined a new VRAP application will be required for the City of Portland's entity and potential re-use of the property.

As a result of our Phase I findings, the City of Portland would like proceed with a VRAP of that property to address the environmental conditions for future re-use of the land. The VRAP process is administered by the MDEP and provides an applicant with the opportunity to self-report REC's and work with the MDEP to develop a work plan and complete remediation of a site. When the remediation has been completed satisfactorily, the Department will issue a "Certificate of Completion" and a liability release to the applying party regarding all known and identified releases at the project site.

We have prepared the following scope of services and fee estimates to assist the City in the application process and participation in the MDEP VRAP. As part of our scope of work, we will also evaluate potential remediation scenarios and provide opinions of probable costs associated with remediation options. Our scope of work also assumes that the prior field investigations and analytical testing completed between 2005 and 2008 will be acceptable to the MDEP. Should additional field testing be required, our scope of work and fee's will need to be modified accordingly.

Scope of Services

Item 1

VRAP Application, and Maine DEP Coordination:

This Item provides the City of Portland a scope of work to provide assistance with submitting the site to MDEP's VRAP, potential remediation scenario cost analysis, Soil Management Plan and environmental covenants, and coordination between the City of Portland, MDEP, and STI. Prior to the property's potential redevelopment or transfer in ownership, we will coordinate with the City of Portland regarding proposed property redevelopment and prepare and submit a VRAP Application for the Burt Company property. A VRAP is a scope of work for remedial measures at a property. The plan is developed and submitted by a VRAP applicant's environmental consultant *after* the Phase I and II ESAs have been completed and the nature and extent of the contamination has been characterized. At this time, both Phase I and II ESAs have been completed on the property, with the property's remaining contamination previously characterized and delineated.

The scope of work associated with this process will include coordination with the City of Portland, preparing the VRAP Application, correspondence with the MDEP, presentation of the recent Phase I ESA and historical environmental documentation for the property, and coordination with MDEP to approve Soil Management Plans and VRAP documentation. Based on the existing site conditions concerning lead and arsenic contaminated soils identified in previous site investigations conducted by St. Germain & Associates. STI will evaluate potential remediation scenarios and provide cost estimates for the City of Portland for further evaluation. Once the VRAP application is completed and submitted to the MDEP, additional tasks may be required to complete the VRAP. Preparation of a Soil Management Plan for redevelopment and draft environmental covenant will be required by MDEP and is included within Item 1's scope of services.

Estimated Cost: $6,000.00

Item 2

Phase I Environmental Site Assessment-Cornell Street Property:

STI will perform a Phase I ESA on J.B. Brown's Cornell Street property identified as Parcel 151A A021001 on the City of Portland's assessing database. STI's Phase 1 ESA report will adhere to the American Society of Testing and Materials (ASTM) Standard E-1527-13. Following completion of the Phase I ESA, STI will provided recommendations for further site investigation (Phase II ESA) if applicable.

Estimated Cost: $2,000.00

Item 3

Survey Services:

STI will provide a current survey for the Cambridge Street 3 lot Amended Subdivision Plan located on lots 13 & 21, Block A shown on the City Tax Map 151.

Survey Scope to Include:

1) Re-trace the 2 lot boundaries based solely on the recorded plan in Plans.
2) Research Municipal and County records for the current deeds and possible conveyances.
3) Perform a field survey locating evidence of the lot boundaries and key site features.

4) Perform Office computations and prepare a plan depicting the results of the survey.
5) Set capped iron pins at unmarked lot corners to delineate the new lot division lines, or appropriate offset markers.
6) Update the plan to reflect the layout survey.
7) Prepare an amended subdivision plan of the three new lots.

Assumptions:

1) Our Report of Survey will be limited to the plan notes.
2) Datums will be NAD 83 Horizontal and City of Portland vertical Datum.
3) All Drainage easements will be based solely on those shown on the recorded drawing and observed structures.
4) Irons shown on the record plan were set delineating lot 2.

Estimated Cost: $6,000.00

Item 4

1 Cambridge Street Site Remediation Oversight and Documentation:

Prior to the property's transfer in ownership, STI will coordinate with the City of Portland to provide oversight and documentation of the proposed site remediation anticipated to include the soils impacted with elevated arsenic and lead levels above pertinent remedial action guidelines (RAGs). These soils are anticipated to remain or be relocated on the City of Portland's portion of the property, and covered to meet the VRAP requirements. This remediation plan is based on a previous redevelopment plan developed and submitted to VRAP in which nature and extent of this contamination has been characterized.

This scope of work includes coordination with the City of Portland, correspondence and coordination with MDEP to approve remediation plans, Soil Management Plans, field oversight during site remediation, and supporting VRAP documentation to verify remediation plans have been completed.

Estimated Cost: $6,400.00

STI proposes to perform the referenced scope of services on a time and materials basis with an estimated cost as detailed below. This estimate is based on the following task breakdown:

Item 1:	
VRAP Application and MDEP Coordination	$6,000.00
Item 2:	
Phase I Environmental Site Assessment	$2,000.00
Item 3:	
Survey and Subdivision Services	$6,000.00
Item 4:	
Site Remediation Oversight and Documentation	$6,400.00
Total Estimated Project Cost	**$20,400.00**

STI has prepared this cost estimate based on our experience with similar projects and the property's anticipated application to Maine DEP's VRAP. This proposal reflects no additional site investigations based on the existing environmental data available for the submission. This proposal assumes three (3) days in the field during remediation oversight.

As the investigation proceeds, it may be necessary to modify either our scope of services or budget as unforeseen issue(s) arise, or as changes in the site development program occur. This proposal is based on current known site conditions, with the scope of work pertaining to previous investigations and remediation scenarios previously approved by MDEP. In the event that this becomes necessary, we will discuss the issue(s) with you to obtain your authorization to proceed with work beyond the limits outlined herein.

Assumptions

The scope of services detailed above is based on findings and opinions as part of the Phase I ESA completed on the property by STI in July 2015, and existing site conditions concerning lead and arsenic contaminated soils identified in previous site investigations conducted by St. Germain & Associates.

Schedule

We are prepared to schedule the Phase I ESA and VRAP submission upon written authorization to proceed. We anticipate response from the Maine DEP within four weeks of written authorization to proceed.

As always, should you have any questions or require any additional data concerning this matter, please do not hesitate to contact us.

Sincerely,

SEBAGO TECHNICS, INC.

Grant E. Austin
Environmental Scientist

Owens A. McCullough, P.E., LEED-AP
Vice President, Engineering/Project Development

GEA/OAM:jag

ACCEPTED and AUTHORIZED
(Sebago Technics Job # 15426)

By ______________________________

Title ______________________________

Representing ______________________________

Date ______________________________

75 JOHN ROBERTS ROAD, SUITE 1A, SOUTH PORTLAND, MAINE 04106-6963 • 207.200.2100 • SEBAGOTECHNICS.COM

Sebago Technics, Inc.
P.O. Box 1339
Westbrook, Maine 04098

Opinion or Project Costs

SEBAGO
TECHNICS

VRAP Closure - Cambridge Street Opinion of Project Costs
Portland, Maine

Date:	**10/8/2015**
Project No.	**15426**
Prepared by:	**oam Sebago Technics, Inc.**
Area of Work	**7,500 s.f.**

Item	Unit	Quantity	Unit Cost $	Totals $	Division Total
Mobilization, General Conditions, Bonds & Contractor Security	ls	1	4,500.00	4,500.00	
Clearing	ls	1	2,500.00	2,500.00	
Erosion & Sediment Control	ls	1	5,000.00	3,500.00	**$10,500.00**
Earth Work					
12" Cover Soil, Grading/Shaping	cy	350	17.00	5,950.00	**$5,950.00**
Stormwater					
Allowance	ls	1	5,000.00	5,000.00	**$5,000.00**
Materials Testing/Construction Inspection					
QA/QC, materials testing/lab	ls	1	600.00	600.00	
Construction Inspection/Admin.	ls	1	5,000.00	5,000.00	
Design, Engineering & Bidding		1	5,000.00		**$5,600.00**
Landscaping					
Loam, Seed, and Mulch	s.f.	7,500	1.00	7,500.00	**$7,500.00**

Subtotal	**34,550.00**
15% Contingency	**5,182.50**
Total	**$39,733** – Est. Non-labor remediation costs

+ 20,400 – Sebago proposal
60,133
14,867 – Est. labor remediation costs
#75,000

Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: PDC President Barry Sheff and Board Memberts
From: Nelle Hanig, Business Programs Manager
Date: October 13, 2015
RE: PDC Committee Recommendations for Changes to PEDPIP Guidelines

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Overview of Draft

To date, it has been challenging to determine which applications are eligible for Portland Economic Development Plan Implementation Program (PEDPIP) grants. (See attached memos dated September 18, 2015.) The PDC Issues Committee (Barry Sheff, Tim Agnew, Chip Martin and Jess Knox) met twice to discuss modifications to the PEDPIP guidelines to better clarify project eligibility.

The resulting draft, in a redlined format, is attached for the PDC's review. The modifications attempt to make the guidelines easier to understand and more specific as to eligibility. The grant recipients would remain non-profit stakeholders and City agencies/organizations. Essentially, the draft guidelines focus on grant funding for projects that help to implement specific actions/activites in the current 2-Year Work Plan and bulleted actions in the Economic Development Vision and Plan. The funding priority is for implementing the Work Plan items. There remains some flexibility in that the two eligible activities noted are modified by the phrase "Projects related to…"

Not addressed in the proposed modifications are limits to the number of grants a project can seek, for example, if the project occurs annually can it apply for a grant each year, and whether grants can be used for events/conferences. Previously, an informal PDC policy was that a grant could provide seed money, that is, for the intial year of an event or project, but not for subsequent years.

Background

PEDPIP was originally established to assist non-profit partners and City agencies with implementation of the Portland Economic Development Vision and Plan and, specifically the Work Plan. The objective was for the City to share the implementation costs with others.

Please Note: The current 2014-2015 Work Plan for the Economic Development Vision and Plan will expire shortly. The City is working with its Plan partners (e.g., the Chamber, Creative Portland, Convention and Visitors' Buearu and others) to draft a 2016-2017 Work Plan. Its completion is anticipated early next year.

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.

Applications to Test Draft Guidelines

Staff has received several PEDPIP applications in the past few months (while PEDPIP decisions were on hiatus for the PDC and staff to address eligibility issues). In addition, there is a third application that the Economic Development Department anticipates submitting in the next month or two. All three are summarized below. They may be helpful in testing out the proposed modifications to the PEDPIP guidelines.

<u>Treehouse Institute</u>: Request for $15,000 grant to kick off the creation of the Portland Global Shapers Hub. "The Treehouse Community Innovation Fellows, guided by the Treehouse Institute's cofounder Adam Burk, will assemble talented young leaders to begin Portland's Global Shapers Hub. The Hub would identify a local issue to tackle, drawing inspiration from the effort of their peer hubs around the world. Portland's Hub will share the learning from their project with the community and peers all over the world. (See attached application for more detailed information on the project.)

<u>Maine Center for Entrepreneurial Development</u>: Request for $15,000 grant for a Top Gun Program overhaul. "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, Pitch Camp, 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 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.

<u>Minority and Women Owned Business Development</u>: Request for $15,000 to develop and implement a pilot program of workshops to help minorities (including immigrants and refugees) and women explore entrepreneurship and prepare to open businesses. The workshops would include Introduction to Self Employment (1 session), Basics of Starting a Business (3 sessions) and Developing a Business Plan (12 sessions).

Recommendations

The PDC Issues Committee recommends that the PDC Board approve and recommend to the City Council the proposed modifications to the PEDPIP guidelines.

Attachments

PDC Committee Memo dated 9/18/15
Redlined Draft of PEDPIP Guidelines
Clean Draft of PEDPIP Guidelines
List of Funded Projects

Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

To: PDC Issues Committee
From: Nelle Hanig, Business Programs Manager
Date: September 18, 2015
RE: PEDPIP Eligibility

Background

PEDPIP grant requests are the most challenging with respect to determining eligibility. The objective of the first Issues Committee meeting is to focus on PEDPIP to clarify grant eligibility possibly through modification(s) to PDC policy and/or guidelines for addressing future requests.

It is noted that there is a total of **$52,130** in available funds for PEDPIP grant requests in FY2015-2016 (July 1, 2015 – June 30, 2016). This represents the cap that was approved by the PDC and the City Council. The PEDPIP cap equals 10% of the PDC's Unrestricted Funds, determined at the beginning of each fiscal year (July 1st).

Eligibility Considerations

Currently, to determine eligibility staff takes into consideration the program guidelines, the Portland Economic Development Vision and Plan as well as the current Work Plan, and PDC policies. All are attached to this memo. The PEDPIP guidelines are fairly general which makes it difficult to use them as an initial filter for determining what may or may not be eligible. An overview of the guidelines is as follows:

Guidelines

The purpose:
… to fund planning studies and other "soft" costs associatied with economic development projects and programs that advance the initiatives spelled out in the plan (Portland Economic Development Vision and Plan).

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.

Eligible activities:
- 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.

PDC Policy

When the PEDPIP guidelines were written, a view that brought consensus among PDC board members was that a program grant could be used to seed an eligible project but not be used for sustained/repeat funding. As for new programs and events, each year there are hundreds of events in Portland presented by non-profits that promote the City and may enhance the downtown climate.

The questions that staff considers are: 1) Is the request for seed money for a new event or program, 2) Does the event or program provide direct benefit to the City, and, 3) Does it advance the initiatives spelled out in the Plan? If the event has previously received a PEDPIP grant, and/or been held in Portland before, is it really seed money being requested or sustaining support? On this point, staff has viewed it to be sustaining support and considered it not eligible for funding. For each PEDPIP grant request, Nelle and Greg have an eligibility discussion, and on some of the most difficult to determine, input is requested from the PDC Board President.

Portland Economic Development Plan Implementation Program (PEDPIP)
Program Guidelines

Description

The~~is~~ 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 ~~-~~specific 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.~~

Objective~~s~~

- 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 Source~~Source 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.

Application and Approval Process

Submit applications to the City's Economic Development Department, City Hall, Room 308 or nrh@portlandmaine.gov. The Portland Development Corporation reviews and approves 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 specific work plan actions addressed in the current 2-year Work Plan and/or the Portland Economic Development Vision and Plan.

Objective
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.

Eligible Activities

- Projects related to actions/activities noted in the current 2-Year Work Plan, the grant funding priority;
- Projects related to bulleted actions in the Economic Development Vision and Plan.

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.

Source of PEDPID Funds

The Portland Development Corporation (PDC) will utilize up to 10% of its Unrestricted Funds for PEDPIP grants. The annual PEDPIP allocation for grants will be set at the beginning of each fiscal year (July 1st).

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.

Application and Approval Process

Submit applications to the City's Economic Development Department, City Hall, Room 308 or nrh@portlandmaine.gov. The Portland Development Corporation reviews and approves all qualified grant requests.

Listing of PDC PEDPIP Projects and Grant Funds Awarded

- City of Portland
  - International Business Marketing with MITC and GPEDC - $10,000
  - MITC/Iceland-UK Trade Mission: $3,309
  - USM MCBER Industry Research: $19,360
- World Affairs Council
  - Celebrating Immigration: $15,000
- Creative Portland
  - UNESCO Creative Cities: $10,000
  - Work in Place Study: $5,000
  - Creative Space Program: $30,000
  - 2 Degrees Portland: $10,000
  - Branding Portland: $20,000
  - Website Redesign (liveworkportland.org): $16,500
  - Creative Economy Metrics: $1,500
  - Map & Guide: $5,835
  - Artist Survey: $5,750
- Portland Community Chamber
  - Scorecard Update: $8,000
  - Startup and Create Week 2014: $25,000
  - 2015 Scorecard: $9,460
  - Startup and Create Week 2015: $15,000
- Portland Regional Chamber
  - Slide Show on Successful Portland Entrepreneurs: $10,000
  - Growing Portland Collaborative: $40,000
- Portland Performing Arts Festival
  - Seed money for first festival: $40,000
- Cultivating Communities
  - Local Food Cluster Acceleration Project: $15,000
- Cooperative Development Institute
  - Institutional Food Service Plan: $15,000

(a/o 8/31/2015)

Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

To: PDC President Sheff and Board Members

From: Nelle Hanig, Business Programs Manager

Date: October 13, 2015

Re: Recommenations for By-Laws Modifications on Board Residency and Attendance

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OVERVIEW

The PDC Issues Committee, including Chip Martin, Tim Agnew and Jess Knox, met to discuss potential modifications to the PDC By-Laws. The focus was on residency and attendance, neither of which is addressed in the current PDC By-Laws.

RECOMMENDATION

The PDC Issues Committee recommends Board approval and recommendation to the City Council of modifications to the PDC By-Laws as follows:

Attendance
Should a PDC board member miss three regularly scheduled board meetings in a row or more than fifty percent (50%) of meetings in one year, the President is responsible for issuing a letter to that member asking that he/she consider relinquishing his/her seat on the PDC to another, or alternatively, that the member attend meetings going forward on a regular basis.

Residency
All PDC board members members must be Portland residents or owners of a business in Portland, with the exception of 3 appointments, not including the two ex-officio members (Mayor and City Manager).

Please Note: Should the proposed residency requirement be approved by the PDC and the City Council, current board members would not be subject to it.

ATTACHMENTS

PDC By-Laws
PDC Memo of August 17, 2015

BYLAWS OF PORTLAND DEVELOPMENT CORPORATION

ARTICLE 1
NAME, PRINCIPAL OFFICE, CORPORATE SEAL

Section 1.1. Name. The name of this corporation shall be the Portland Development Corporation.

Section 1.2. Principal Office. The principal office for the conduct of the activities of the corporation shall be located at Portland City Hall, 389 Congress Street, Portland, Maine.

Section 1.3. Corporate Seal. The corporate seal of the corporation shall be circular in form and shall bear the words and figures "Portland Development Corporation," the word "Maine" and the year of the corporation's incorporation. The form of such seal may be altered from time to time by the Board of Directors.

Section 1.4. Registered Office. The Registered Office of the Corporation is at 389 Congress Street, Portland, Maine. The address of the Registered Office may be changed from time to time by the Board of Directors or by the Registered Agent.

Section 1.5. Registered Agent. The Registered Agent of the Corporation is the person designated in the Articles of Incorporation, as amended from time to time by the Board of Directors.

ARTICLE II
PURPOSES

Section 2.1. General Purposes. The Corporation is organized and shall be operated on a non-profit basis to receive donations and contributions in support of the City of Portland economic development efforts that enhance and create business and employment opportunities including:

A. Implement and administer economic development programs which enhance business opportunities in the City of Portland and combat community deterioration;

B. Enhance employment opportunities for members of the Portland community by offering education and counseling services which support businesses in the City of Portland, thereby lessening the burdens of government;

C. Make recommendations to the City Council with respect to, but not limited to, bond and tax increment financing and the management, acquisition, disposal and general land use of City of Portland property;

D. Refer requests to acquire property via eminent domain to the City Council; and

E. Acquire, hold, own, manage, dispose or liquidate property, upon City Council approval, for the purpose of advancing economic development and promoting employment opportunities in the City of Portland;

Section 2.2. Powers. This Corporation shall have all such powers as are authorized to non-profit corporations by the Maine Nonprofit Corporations Act. The corporation shall neither have nor exercise any power, nor shall it engage directly or indirectly in any activity that would invalidate its status (i) as a corporation which is exempt from federal income taxation as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or (ii) as a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986, as amended.

Section 2.3. Prohibition of the Inurement of Assets and Income to Private Persons. The corporation is not organized for pecuniary profit and shall not have any capital stock. No part of its net earnings or of its principal shall inure to the benefit of any officer or director of the corporation, or any other individual, partnership or corporation, but reimbursements for expenditures or the payment of reasonable compensation for services rendered shall not be deemed to be a distribution of earnings or principal.

Section 2.4. Dissolution. If this Corporation is dissolved or its legal existence terminated, either voluntarily or involuntarily, or upon final liquidation of the Corporation, none of its assets shall inure to the benefit of any private individual, and all of its assets remaining after payment of all of its liabilities shall be distributed to one or more organizations which the Board of Directors then determines is qualified both as an exempt organization under Section 501(c)(3) of the Internal Revenue Code, and as an organization engaged in activities substantially similar to those of this Corporation (within the meaning of 13-B M.R.S.A. §407).

Section 2.5 Tax exempt Status. It is intended that the Corporation shall have and continue to have the status of a corporation which is exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986, as amended, or successor provisions of federal tax law (the "Internal Revenue Code") as an organization described in Section 501(c)(3) of such Code, and to which contributions are deductible under Section 170(c)(2) and 2055(a)(2) of the Internal Revenue Code which is other than a private foundation as defined in Section 509(A) of the Internal Revenue Code. The Articles of Incorporation and these Bylaws shall be construed accordingly, and all powers and activities shall be limited accordingly.

No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation; provided that the Corporation shall have the power to make an election under Section 501(h) of the Internal Revenue Code. Likewise, the Corporation shall not participate or intervene in any manner or to any extent in any political campaign on behalf of any candidate for public office. Furthermore, the Corporation shall not engage in any activities that are unlawful under applicable federal, state or local laws, including, but not limited to, activities prohibited for an exempt organization under Section

501(c)(3) of the Internal Revenue Code and regulations thereunder as they now exist or as they may hereafter be amended.

ARTICLE III
MEMBERSHIP

Section 3.1. Member. The sole member of the Corporation shall be the City of Portland, Maine. The sole member of the Corporation shall be referred to as the "Corporator" for the purposes of the Articles of Incorporation and these Bylaws.

Section 3.2 General. In addition to the other powers of the Corporator listed in Section 3.3 hereof, the Corporator shall have the responsibility for the election of the Board of Directors of the Corporation, which Board has the ultimate responsibility for governing the Corporation. The rights and responsibilities of the Corporator, may be changed from time to time by an amendment to the Articles of Incorporation (to the extent required by law) and by these Bylaws.

Section 3.3. Powers. The Corporator shall have only those rights set forth in the Articles of Incorporation, as restated in these Bylaws. Such rights are as follows:

A. The establishment of the size of the Board of Directors within the limits described in Section 4.2 hereof;

B. The election of Directors pursuant to Article IV hereof, with the exception of filling of a vacant Board seat as provided in Section 4.5 hereof;

C. The removal of Directors from the Board of Directors;

D. The amendment, restatement, or modification of the Articles of Incorporation or of the Bylaws of this Corporation;

E. The approval of the sale, lease, or other disposition (excluding by mortgage or pledge for purposes of security) of all, or substantially all, of the assets and property of the Corporation;

F. The dissolution of the Corporation or its merger with or consolidation with another corporation; and

G. Any other matter which a majority of the Board of Directors voting on the matter votes to submit to the Member.

Section 3.4 Annual Meetings. The Annual Meeting of the Corporator shall be held on such day in the month of September of each year at such place and time as shall be fixed by the Board of Directors. In the event of a failure for any reason to hold an Annual Meeting as aforesaid, any business which may properly be transacted at an Annual Meeting, including the election of Directors, may be transacted at a Special Meeting.

Section 3.5 Special Meetings. Special Meetings of the Corporator may be called at any time by the President or a majority of the Directors.

Section 3.6. Notice of Meetings. Notice of all meetings of the Corporator shall be given by the Secretary or in his or her absence or disability by the President, by mailing or emailing to the Corporator a written notice specifying the time and place of the meeting, such notice to be addressed to the Corporator and emailed or mailed (postage prepaid) at least five (5) but not more than fifty (50) days before the meeting.

Section 3.7. Action by Unanimous Consent. Any action required or permitted to be taken at a meeting of the Corporator may be taken without a meeting as long as consent in writing, setting forth the action so taken shall be signed by the Corporator, and filed with the minutes of the meetings of the Corporator.

Section 3.8. Manner of Acting. The act of the Corporator, present in person or by proxy at a meeting, shall be the valid act of the Corporator.

ARTICLE IV
BOARD OF DIRECTORS

Section 4.1. Management by Board. The affairs of the Corporation shall be managed by its Board of Directors, which may exercise all powers of the Corporation and do all lawful acts and things necessary or appropriate to carry out the purposes of the Corporation.

Section 4.2. Number of Directors; Eligibility. The Board of Directors shall consist of eleven (11) individuals, nine (9) of whom shall be Directors appointed by the Corporator through the Portland City Council and two (2) of whom shall be ex officio members of the Board pursuant to Section 4 of this Article.

Section 4.3. Nomination. The Corporator shall receive nominations from the Portland City Council Appointments Committee, which shall supplement its regular Committee recruitment efforts by advertising in the local media and by otherwise publicizing the vacancies as widely as possible.

Section 4.4. Ex Officio Members of the Board of Directors. There shall be two (2) individuals who shall each be deemed an ex officio member of the Board of Directors by virtue of his or her holding the position of (1) Mayor or City Council member of the City of Portland as appointed by the Corporation; and (2) City Manager of the City of Portland.

The provisions of these Bylaws contained in Section 5 regarding term of office, Section 3 regarding nomination of directors and Section 7 regarding vacancies shall not apply to said ex officio members. The City Manager shall be a member of the Board of Directors so long as he or she continues to serve in the office by virtue of which he or she was appointed; and the Mayor or City Council member shall be appointed annually; and said members shall enjoy all the rights, privileges and responsibilities of all other member of the Board of Directors, including, without limitation, voting privileges, except, however that no ex officio member may serve as President of the Board of Directors. The Board of Directors may take action by unanimous consent only with the consent of said ex officio member. Ex officio members shall be counted as Directors for purposes of determination of residency requirements in Section I of this Article. Ex officio members shall be entitled to the same indemnification rights available to all Directors under the law, these Bylaws or otherwise.

Section 4.5. Terms of Office. One (1) Director shall be initially appointed by the Corporator to hold office until the Second Annual Meeting of the Corporation following the incorporation of this Corporation; two (2) Directors shall be initially appointed by the Corporator to hold office until the Third Annual Meeting of the Corporator following the incorporation of this Corporation; and two (2) Directors shall be initially appointed by the Corporator to hold office until the fourth Annual Meeting of the Corporation following the incorporation of this Corporation. The Corporator shall specify the term of office for which each Director is initially appointed. Thereafter, Directors shall be appointed by the Corporator at Annual Meetings of the Corporation to serve as such for a term of three (3) years. Each Director shall serve until his or her successor shall be duly qualified and appointed. Directors shall be nominated prior to the Annual Meeting of the Corporation. No Director shall succeed himself or herself for more than two (2) full consecutive terms, provided that no term of less than three (3) years which is served directly in advance thereof shall be counted for purposes of this limitation.

Section 4.6. Voting. Each Director shall be entitled to one (1) vote.

Section 4.7. Vacancies. Any vacancy occurring on the Board of Directors may be filled by the Corporator by appointment of an individual qualifying and eligible for such position. A person appointed to fill a vacancy which occurs other than by reason of an increase in the number of Directors shall serve until the next Annual Meeting of the Corporator.

Section 4.8. Resignation. Any Director may resign at any time by giving written notice to the President of the Corporation. Such resignation shall take effect on the date of receipt or at any later time specified therein.

ARTICLE V
MEETINGS

Section 5.1. Annual Meeting. The Annual Meeting of the Board of Directors shall be held without call at the Board's Regular Meeting in the month of September, at the principal office of the Corporation or at some other place fixed by the President.

Section 5.2. Regular Meeting. Other Regular Meetings of the Board of Directors may be held, without call, at such place, date and time as shall be fixed from time to time by resolution of the Board of Directors.

Section 5.3. Special Meetings. Special Meetings of the Board of Directors may be called by such persons as are authorized by law to call Special Meetings. The place, date and time of the Special Meeting shall be fixed in the call therefor.

Section 5.4. Notice of Meetings. Notice of each Annual, Regular or Special Meeting of the Board of Directors shall be given by the person or persons calling the same or by the President or Secretary at least three (3) days in advance thereof. Notice may be given in writing, by email, by telephone, by oral statement or by any other means to the Directors in person or by delivery of a writing to the Director's residence or business address. Notice given in writing by mail shall be deemed given on the day that the same is deposited in the U.S. mails as first class mail, postage prepaid. Neither the business to be transacted thereat, nor the purposes of any Annual, Regular or Special Meeting of the Board of Directors need to be specified in the notice of such meeting, except when otherwise provided by law.

Section 5.5. Conduct of Meetings. The final actions of the Board of Directors shall be taken openly, and subject to provisions of the Maine Freedom of Access Act, deliberations of the Board shall be conducted openly, and the records of their actions shall be open to public inspection.

Section 5.6. Quorum. Six (6) Directors shall constitute a quorum for the transaction of business. The act of at least four (4) of the Directors present at a meeting of the Board of Directors at which a quorum is present shall be the act of the Board of Directors.

Section 5.7. Informal Action by Directors. Action of the Directors may be taken in accordance with the provisions of Section 708 of the Maine Nonprofit Corporations Act, Title 13-B M.R.S.A. In amplification of, and not in limitation of the foregoing, action taken by agreement of a majority of Directors shall be deemed action of the Board of Directors if all Directors know of the action taken and no Director makes prompt objection to such action. Objection by a Director shall be effective if written objection to any specific action so taken is filed with the Secretary of this Corporation within thirty (30) days of such specific action.

Section 5.8. Notice. Whenever under the provisions of the statutes, Articles of Incorporation or these Bylaws notice is required to be given to any Director, such notice must be given in writing by personal delivery, by email, mail, or by telephone, addressed to such Director at his or her address as it appears on the records of the Corporation, with postage or other delivery fees prepaid, or at his or her telephone number as it appears on the records of the Corporation. Notice by mail shall be deemed to be given at the time it is deposited in the United States mail.

Section 5.9. Indemnification. This corporation shall in all cases indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a Director, officer, employee or agent of this corporation, against expenses, including attorney's fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding to the maximum extent permitted by law, including, without limitation, 13-B M.R.S.A. §714 as it may be amended from time to time, and acts additional thereto and supplementary thereof, to which reference is made.

ARTICLE VI
OFFICERS AND AGENTS

Section 6.1. Officers. The officers of the corporation shall be chosen annually at the Annual Meeting of the Board of Directors, and shall be a President, a Treasurer and a Secretary. One individual may serve in more than one such office. The Board of Directors may also appoint one or more Assistant Secretaries and Assistant Treasurers.

Section 6.2. Term. Officers shall be elected for a term of one (1) year to serve until the next Annual Meeting of the Board of Directors or until their successors are duly chosen and qualified. Officers may succeed themselves for any period of years. The initial officers shall be appointed by the Board of Directors at their first meeting following incorporation to serve as such until the first Annual Meeting of the Board of Directors.

Section 6.3. Removal. Any officer of the corporation may be removed by the Board of Directors whenever in their judgment the best interests of the corporation will be served thereby.

Section 6.4. Vacancies. Any vacancy in any office (except the office of Director) may be filled by the Board of Directors.

Section 6.5. President. The President of the Corporation shall be elected from among the members of the Board of Directors, provided however that no ex officio member may be permitted to serve as President.

Section 6.6. Treasurer. The Treasurer shall be the chief financial officer of the corporation and, together with the Assistant Treasurer, shall have the responsibility for all corporate funds and securities and shall maintain full and accurate accounts of receipts and disbursements in a book or books kept for that purpose. The Treasurer shall perform such other duties as may be prescribed by the Board of Directors or the President, under whose supervision the Treasurer shall be.

Section 6.7. Secretary. The Secretary shall attend all meetings of Corporation and the Board of Directors and keep minutes of all meetings of the Corporation and the Board of Directors in a book or books kept for that purpose. The Secretary shall perform such other duties as may be prescribed by the Board of Directors or the President, under whose supervision the Secretary shall be. The Secretary, and any Assistant Secretaries, shall have authority to affix the corporate seal to any instrument which requires it, and when so affixed, it may be attested by the Secretary or by any Assistant Secretary.

Section 6.8. The Assistant Treasurer and Assistant Secretary. One (1) Assistant Secretary shall be appointed by the Board of Directors. The individual appointed Assistant Secretary shall be the Director of Economic Development Department of the City of Portland and shall be the principal staff person for the Corporation. The Assistant Secretary will have authority to execute documents on behalf of the Corporation should a Board officer not be available to do so. One (1) Assistant Treasurer shall be appointed by the Board of Directors. The individual appointed as the Assistant Treasurer shall be that individual who holds the position of Treasurer for the

City of Portland. The Assistant Treasurer shall, together with the Treasurer, have the responsibility for all corporate funds and securities and shall maintain full and accurate accounts of receipts and disbursements in a book or books kept for that purpose. The Assistant Treasurer shall have such other powers and duties as may be prescribed from time to time by the Board of Directors. Assistant Secretaries and Assistant Treasurers shall not be members of the Board of Directors.

Section 6.9. Other Employees. Other employees of the Corporation may be appointed by the Board of Directors, and if so appointed, shall be supervised by, and shall serve under the direction of the Assistant Secretary.

ARTICLE VII
ADOPTION, AMENDMENT

Section 7.1. Generally. These Bylaws may be amended or repealed or new Bylaws adopted only by the affirmative vote of the Corporator, provided, however, that the Bylaws may not be amended in such a way as to cause the Corporation to lose its status (i) as a corporation which is exempt from federal income taxation as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or (ii) as a corporation to which contributions are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986, as amended, or (iii) as a corporation described in Section 170(b)(1)(A)(vi) of the Internal Revenue Code of 1986, as amended.

Section 7.2. Amendments. These Bylaws may be amended solely by the Corporator.

ARTICLE IX
CONFLICT OF INTEREST

Section 8.1. Avoidance of Conflict or the Appearance of such Conflict. Every Director shall endeavor to avoid conflicts of interest or the appearance of such conflicts or impropriety as provided by state statute, by full disclosure at all times and by abstention in the appropriate circumstances.

Section 8.1. Disclosure. Any Director who has a direct interest in any matter to be considered by the Board shall fully disclose that interest to the Board. If a Director is unsure whether a direct interest exists in a particular matter or if the issue is otherwise raised in good faith, the Director shall disclose the pertinent facts to the Board, and the Board shall determine the issue.

Section 8.3. Abstention. When the Director has so disclosed and is deemed to have a direct interest in a matter, the Director shall abstain from voting on the matter and from otherwise participating in the decision-making process on the matter. Notation of the disclosure and abstention of the Director shall be recorded in the minutes.

Section 8.4. Direct Interest. For purposes of this Article, direct interest in a matter shall mean:

A. A substantial financial interest of the Director or of the spouse or dependent child of the Director;

B. A substantial financial interest of any employer, partner, associate, co-shareholder or other co-venturer of the Director;

C. A substantial financial interest of the Director in any entity which has a substantial financial interest in the matter; or

B. Any other substantial interest of the Director which the Director or the Board believes might reasonably impair the Director's ability to act independently.

ATTEST:

Gregory A. Mitchell

Gregory A. Mitchell DATE: October 28, 2011
Assistant Secretary

Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

To: PDC President Sheff and Board Members

From: Nelle Hanig, Business Programs Manager

Date: August 17, 2015

Re: PDC By-Laws - Recommendation to Establish a Committee to Discuss Possible PDC By-Law Amendments

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OVERVIEW

This memo is in response to a Portland Developmemt Corporation (PDC) Board member expressing an interest in amending PDC By-Laws to possibly address residency and attendance requirements. Currently, the PDC By-Laws do not require Board member residency, employment, or business ownership in the City of Portland. There is also no Board meeting attendance requirement.

An overview of other City of Portland Boards relative to these issues follows:

Portland Planning Board: Must be resident of Portland; no attendance requirement.

Creative Portland Board: Two-thirds of Board members must either reside, work, or own a business in Portland; no attendance requirement.

Portland Historic Preservaton Board: Must be resident of Portland; no attendance requirement.

Portland Land Bank Commission: Must be resident of Portland; no attendance requirement.

Portland Downtown District Board: Must be resident of Portland (with exception of 2 appointments); attendance is required at at least 50% of Board meetings in a fiscal year, or automatically terminated.

RECOMMENDATION

Staff recommends establishment of a PDC Board committee to consider whether any modifications to the PDC By-Laws are warranted.

Attachment: PDC By-Laws

Portland Development Corporation
Operating Report FY16
For Month Ending
9/30/2015

Operating transfer from EDF **28,522**

Total Funds Available **28,522**

FY16 Expenditures	Budget	Current Month	Year to Date	Percent of Budget	Balance
Administrative Services	575		0	0.0%	575
Postage	300		14	4.7%	286
Travel, Training, Meetings	4,000		0	0.0%	4,000
Contractual services	10,500	149	149	1.4%	10,351
Operating Transfer to Fin.	9,647		0	0.0%	9,647
Advertising	2,000		0	0.0%	2,000
Auto Expense Reimb.	100		0	0.0%	100
Printing & Binding	650		163	25.1%	487
Office Supplies	750		153	20.4%	597
			0		
Total FY16 Expenditures	**28,522**	**149**	**479**	**1.7%**	**28,043**

Expenditures:

Contractual Services	Underwriting consultant charges.

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

Cust #	Ln #	Account No. & Name	Date of Loan	Maturity Date	----Committed/Disbursed Funds----- Original Loan	Not Yet Disb.	Total Disb.	Outstanding Princ. Bal.
		Portland Business Fund 271 (UDAG/Unrestricted):						
6762	1482	Nova Star Cruises Limited	3/20/2014	5/1/2020	165,411	0	165,411	153,638
		Sub-Total PBF (UDAG)						**153,638**
		Portland Business Fund 272 (Restricted - CIP):						
4500	1127	Tomaks, LLC	3/27/2008	3/27/2016	75,000	0	75,000	60,190
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	34,516
6502	1436	Portland Food Cooperative	6/4/2014	10/1/2021	130,000	0	130,000	119,178
		Sub-Total PBF (Bonds/CIP Restricted)						**256,786**
		Portland Micro Capital Fund 271 (UDAG/Unrestricted):						
5708	1438	Veranda Asian Market LLC	4/19/2012	4/1/2017	50,000	0	50,000	
5837	1341	Back Bay Skate	9/10/2012	9/1/2017	12,500	0	12,500	$5,436
6113	1379	EcoHome Studio, LLC	4/11/2013	4/1/2018	15,000	0	15,000	8,151
6120	1380	Portland Trading Co. LLC	4/26/2013	8/1/2018	15,000	0	15,000	13,836
6133	1381	Maine Bio-Fuels, Inc.	5/24/2013	6/1/2018	25,000	0	25,000	14,510
6302	1411	Pachanga, LLC	11/6/2013	1/1/2016	14,000	0	14,000	6,918
6501	1435	Sur Lie Wine Bar, LLC	5/2/2014	9/1/2021	37,335	0	37,335	32,873
6635	1464	Damiak's Bakery, LLC	10/16/2014	11/1/2019	25,000	0	25,000	21,657
		Sub-Total Micro Capital Fund						**103,382**
		Portland Business Fund Fund 274 (CIP/Unrestricted):						
6597	1458	Back Cove School	8/29/2014	9/1/2019	55,000	0	55,000	49,240
6786	1487	RAIN Management, LLC	4/16/2015	7/1/2020	60,000	0	60,000	59,624
6828	1500	Poplar & Co., LLC	6/5/2015	10/1/2022	37,500	0	37,500	36,811
6868	1508	Billdotcom, LLC	8/29/2015	9/1/2022	102,500	0	102,500	102,212
		Sub-Total PBF (Bonds/CIP Unrestricted)						**247,886**
		Creative Economy Fund 271 (UDAG/Unrestricted):						
5615	1308	Studio Management Corp.	1/20/2012	2/1/2017	26,000	0	26,000	9,836
		Sub-Total Creative Economy Fund						**9,836**
		FAME Fund 277:						
5862	1351	Peaks Island Fuel	10/1/2012	10/1/2017	61,000	0	61,000	54,374
3763	956	Eastman Industries	4/19/2012	4/6/2017	34,800	0	34,800	29,208
6531	1450	North Atlantic, Inc.	6/23/2014	1/1/2020	75,000	0	75,000	50,433
6598	1459	Browne Trading CO.	9/3/2014	10/1/2019	83,333	0	83,333	70,156
6692	1475	Maine & Loire LLC	12/30/2014	1/1/2020	45,000	0	45,000	39,746
6784	1485	SB & LC Properties, LLC	4/6/2015	5/1/2020	101,200	0	101,200	100,491
6485	1429	Evo Rock & Fitness Portland	4/14/2014	11/1/2024	132,954	0	132,954	124,410
		Sub-Total FAME Fund						**468,818**
		FAME SSBCI 279:						
5836	1340	251 Woodford Street LLC	8/31/2012	9/1/2017	165,000	0	165,000	149,493
5939	1356	Apothecary By Design LLC	11/8/2012	11/1/2017	200,000	0	200,000	0
5748	1327	Fermentation & Distillation	4/25/2012	10/1/2017	165,000	0	165,000	79,076
6199	1390	Inn at Diamond Cove LLC	7/10/2013	7/1/2018	200,000	0	200,000	174,989
6867	1507	Billdotcom, LLC	8/19/2015	9/1/2022	92,500	0	92,500	92,240
		Sub-Total FAME SSBCI						**495,798**
		Real Estate Investment Fund 271(UDAG/Unrestricted):						
6104	1378	McCuda, LLC	4/19/2013	4/1/2018	200,000	0	200,000	184,061
		Sub-Total RE Invest						**184,061**
		Brownfields Loan Fund 278						
6555	1457	Forefront Partners, LP	7/30/2014	2/1/2020	200,000	0	200,000	190,176
		Sub-Total Brownfields						**190,176**
		Grand Total Loans				**0**	**2,718,833**	**2,110,380**
		Allowance for uncollectable loans at 15%						316,557
		Total with Allowance for uncollectable loans:						**1,793,823**

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

ao 10/7/2015

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	22	$5,436	10
The Back Cove School[2]	$790	1	30	$50,340	4
Damiak's Bakery, LLC	$478	1	30	$21,657	5
Eastman Industries	$2,225	5	153	$29,208	7
Eastman Industries	$2,225	5	153	$29,208	7
Maine Bio-Fuel, Inc.	$475	1	28	$14,510	3
Museum of African Culture	$2,287	21	607	$13,693	12
Nova Star Cruises	$3,122	1	22	$153,638	1
Portland Trading Co.	$4,928	17	518	$13,836	12
Studio Management Corp.	$494	1	30	$9,393	12
Veranda Asian Market[3]	$955	1	30	$21,738	12
TOTALS:	**$17,261**			**$362,656**	

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

[2]Paid half of September on 10/6/2015.

[3]Paid September on 10/5/2015.

Portland Development Corporation
Preliminary Cash Management Report
For Month Ending September 30, 2015

	CIP		UDAG	FAME	FAME	Brown-		Year-to-Date						Business Assistance Grant Prgrm for Job Creation-FY12**	Business Assistance Grant Prgrm for Job Creation-FY14
			271		SSBCI	field		Principal/Interest							
	272	274	(Unrestricted)	277	279	278		CIP		UDAG					
	Restricted	Unrestricted	Loans/Grants			(PET)	TOTAL	Restricted	Unrestricted	Unrestricted	FAME	SSBCI	Brnfld		
Beginning Cash Bal. Sept. 1, 2015	134,337	86,603	749,691	53,790	168,773	313,551	1,506,745							100,000	100,000
Plus:															
Principal payments received	2,246	1,354	6,004	3,840	154,660	1,463		6,936	2,473	19,800	10,233	163,137	4,230		
Interest payments received from loans	1,228	1,105	2,269	2,021	3,256	515		2,846	2,513	6,259	6,491	8,334	1,703		
Interest Income												115			
Other Income/Adjustments		(226)										925			
Pass Through From FAME SSCBI					92,500										
Sub-Total Cash Available	137,811	88,835	757,964	59,651	419,189	315,529	1,778,979	9,782	4,985	26,059	16,724	172,511	5,933		
Less:															
FAME Annual Admin. Fee; Invoices							-								
Disbursements - Loans/PDAP Grants			(36,807)												
FY15 Interest Income for PDC Budget															
Sub-Total Cash Available 6/30/2015:	137,811	88,835	721,157	59,651	419,189	315,529	1,742,172								
Less Reserves for:															
Beautification Program (EC0301)			(72,000)												
PEDPIP Fund FY15 Commitments not yet paid			(114,524)												
PEDPIP Fund FY16 Commitments not yet paid (capped at $52,130)			-												
Portland Dev. Action Grant (EC0302)			(68,287)												
Transfers not yet recorded (UDAG Int)			(6,259)												
BAP Grants														-100,000	-92,281
Used for Administration															-2,243
Total Ending Loan/Grant Cash Bal.	137,811	88,835	460,087	59,651	419,189	315,529	1,481,102							0	5,476

Loan Commitments:	
Nova Star Cruises	27,707
Total:	27,707

DAG Cmtmts:	68,287	(DAG Bal.)
Cow Plaza/Hyat	25,000	
Balance:	43,287	

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