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

PORTLAND DEVELOPMENT CORPORATION
Board Meeting

DATE: December 15, 2016
TIME: 4:00 p.m.
LOCATION: Room 209, 2nd Floor
Portland City Hall

A G E N D A

1. President's comments

2. Review and accept Minutes of October 20, 2016 meeting.

3. Loan items:
   a) Review and vote on new loan request from Santa Fe Express LLC d/b/a Portside Learning Center at1976 Washington Ave.
   b) Review and vote on new loan request from Adele Masengo Designs Inc. d/b/a Antoine's Tailor Shop & Formal Wear at 435 Congress St.
   c) Review and update of loan to 747 Congress St. LLC

   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 these loans.

4. Review and vote to charge off loans to:
   a) Nova Star Cruises; and,
   b) Remainder of Two Loans to Eastman Industries

   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 these loans.

5. Review and vote to recommend to City Council proposed amendments to REDLP guidelines.

6. Treasurer's Report – November 2016 – Tim Agnew
   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.)
   e) Listing of Grants approved through the BAP Program and PEDPIP for FY2016.

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

8. Next Meeting Date: January 19, 2017.

Drew Swenson, Board President

Minutes – DRAFT FOR NH AND GM REVIEW/EDITS

Portland Development Corporation

October 20, 2016

A meeting of the Board of Directors of the Portland Development Corporation was held on Thursday, October 20, 2016 at 4:00 p.m. in Room 209 of Portland City Hall. Present from the Board was Board President Barry Sheff, and Directors Tim Agnew, Shelley Carvel, Jon Jennings, Chip Martin, Heather Sanborn, Mayor Ethan Strimling, and Drew Swenson. Directors not able to attend: Neil Kiely, Jess Knox, and Jere Shaw. Present from the City staff were Associate Corporation Counsel Michael Goldman, Business Programs Manager Nelle Hanig, Economic Development Director Greg Mitchell, and Senior Executive Assistant Lori Paulette. Also present was the PDC Loan underwriter consultant Vin DiCara.

Item #1: President's Comments

Due to the lengthy Agenda, President Sheff waived the comments.

Item #2: Review and accept Minutes of previous meeting held on August 11, 2016.

On motion made and seconded, the Board voted 6-0-2 (Martin, Sheff abstained) to accept the Minutes as presented.

Item #3: Review and vote on PEDPIP Requests Received from:

a) **Maine Convention Center Collaborative (MCCC);**
b) **Portland Downtown (PD) (2 Applications);**
c) **Portland Buy Local (PIBCA);**
d) **Maine Center for Enterprise Development (MCED); and,**
e) **Convention and Visitors Bureau**

President Sheff said that the Board would hear 3- to 5-minute presentations from the applicants. After each applicant, the Board may have questions, and then go on to the next applicant.

In response to Mayor Strimling, Ms. Hanig provided a brief summary of the PEDPIP Grant program, noting that it provides grant funds to the City and non-profit projects assisting in implementing the Work Plan of the Portland Economic Development Vision and Plan ("Plan"). PEDPIP has been in existence for three years, and FY2017 implemented new program changes as authorized by the Council, specifically, that applicants have a deadline to apply for grant funding by September 30th. Should there be additional grant funds left after these applications are reviewed and funds granted, there is another deadline to apply by 3:00 PM on the last day of March that falls on a weekday.

MCCC

Steve Hewins, President of MCCC, said that the organization was formed March 2016 to research and determine the feasibility of building a convention center in Portland. He noted that Board Directors also present today were Chris Hall, Lynn Tillotson, and Bruce Wennerstrom. A convention center has long been discussed for Portland, and there have been prior feasibility studies but they are outdated. This grant application would provide seed funding for the feasibility study, expected to cost over $200,000 to $300,000. He closed by saying that Portland, ME is the 104th largest metropolitan statistical area in the US with a population of 526,000+ people. Of America's top 104 municipalities, 97 operate convention centers while 7 do not – with most of the 97 convention centers publicly owned. MCCC has the desire and belief that Portland should have one.

Mayor Strimling asked if private funding had been raised and, if not, questioned whether that should be done first then come to the City. Mr. Hewins said that within six months it should have a portion of the private funding raised, which would include Federal funds, GPCOG, Foundations, etc. He sees Portland's future convention center as also publicly owned and run, for example, like Metro or an Authority.

Ms. Sanborn asked if the $15,000 grant requested would go to operating costs, and Mr. Hewins said that it would all go to the feasibility study.

Mr. Agnew suggested that if the grant were awarded, it be conditioned on raising, for example, $50,000 of private funds first.

Portland Downtown (PD)

Representing PD was its Executive Director Casey Gilbert, and its Downtown Experience Liaison Amy Geren. Ms. Gilbert noted that PD made two different PEDPIP applications – one for the Parking Study for $15,000 and another for $2,500 for Implementation of the Walking Tour. Both applications align with the Work Plan goals. The Walking Tour program would be developed through a partnership with USM's Tourism and Hospitality program, providing the public with self-guided walking tour brochures with highlighted Downtown Portland points of interest. The brochures would be distributed to the CVB, Chamber of Commerce, and other organizations.

Ms. Gilbert said that the second application is for the parking study to create an inventory of current supply and demand for the Old Port and East End and to revisit recommendations from the 2008 Peninsula Transit Study.

Mayor Strimling asked about the walking tour brochures and if they would be translated for the various languages spoken here. Ms. Geren said that PD has a list of languages and this is being considered.

Mr. Swenson asked if this would be a software application you could download, and Ms. Geren said that it could be downloaded from their website as a PDF.

Ms. Sanborn said that the projected cost is $55,000 but the City's RFP is at $25K. Ms. Geren said that the RFP area, should the PDC Board approve this grant request of $15,000, would be expanded to include PD's entire area of the Downtown; the current study area for the RFP is the Old Port and East End.

Mayor Strimling asked about duplication of services, and Mr. Jennings said that it would not be a duplication - only an expansion of the study area. The results of the study would provide the City and PD with a baseline of what is available, what is needed, and an implementation plan.

PIBCA

Jenn Thompson, Program Manager at PIBCA which has 460+ members, said that local businesses are facing challenges, most particularly with rents that have gone up by 22% from 2015. More than half of PIBCA's members have noted concern with this increase. PIBCA would like to take look at this concern and others to find options for the local businesses to thrive. PIBCA has been working with the USM Muskie School to compile examples of policies that have strengthened similar sized local economies in different communities in the US. There seems to be many potential solutions, and PIBCA is requesting $5,000 in Grant Funds to host a community forum to explore policies that could strengthen Portland's economy, while promoting Portland's overall growth. The forum would be free and open to the public to give feedback on 4-5 policies that would be presented in detail. A report would then be released six weeks after the event, and PIBCA would invite the Mayor, City Council, and other key Portland stakeholders to a roundtable discussion of the findings from the event and implications for future policy development.

Mr. Jennings asked about the structure of the forum, and Ms. Thompson that it would be one afternoon from 1:00 to 5:00 beginning with opening presentations and a keynote speaker, followed by 4-5 breakout sessions with facilitators to explore each policy idea in greater detail, and then get the group back together to review highlights, share feedback on the various policies, and discuss next steps.

Ms. Carvel asked about the four to five policies, and Ms. Thompson noted examples of policy discussions to include rent, broadening business ownership, condo styles, and negotiating leases.

President Sheff asked about engaging the City Council, and Ms. Thompson said that she has been talking with some City Councilors and the Mayor and will keep them updated on the forum for participation.

MCED

Lee Cheever, Operations Manager for MCED, and Terry Johnson of SysSoln, LLC which provided MCED with the proposal for the E*Next pilot project, presented this application to the Board.

Ms. Cheever said that since the mid-1990's, MCED has been a virtual incubator for entrepreneurs, with its Top Gun Program the most well-known with 30 graduating last year around the state, with Portland at the hub. Those entrepreneurs now need assistance to transition to systemize their businesses and move them forward, and this program would provide resources and expertise at lower costs. The program would target companies over $500,000 in revenue that are facing challenges in scaling to grow, but lack the business acumen to do so.

Ms. Sanborn mentioned the Scale-Up program, and Ms. Cheever described the differences, particularly that Scale-Up is for smaller businesses.

Ms. Sanborn asked about the Portland connection, and Mr. Johnson said that four of the five businesses identified for this pilot program are on the Portland peninsula.

Ms. Carvel asked if there was a fee to be in the program for entrepreneurs, and Ms. Cheever said that there is $750.00 fee to enter.

Ms. Carvel asked MCED where they would go for funding if they were not successful here, and Ms. Cheever said that they would talk with businesses and community sponsors, as well as legal and accounting firms.

Mr. Agnew asked if they applied to MTI for a cluster grant, and Ms. Cheever said that they decided not to because MTI is evaluating its strategic direction.

CVB

Lynn Tillotson, CVB Executive Director, and Robert Witkowski, Media Relations and Creative Director for CVB presented the application.

Ms. Tillotson said that the application is to create a tourism awareness campaign, which has been on the ED Work Plan since 2014. The Maine Tourism Association (MTA) provided extra funding for a grant match of $50,000. The campaign will be designed to target and educate local residents and community stakeholders on the importance of tourism and its effects on the economy, to change misconceptions about tourism, and the value it provides to communities around the State.

Mr. Martin asked if the CVB has taken a stance on the AirBnB issue. Ms. Tillotson said that the CVB has not come up with an official statement. It could be a good thing but it also needs regulations. She also noted that they do bring in people who spend money, while also noting that the hotels have not been affected.

Mr. Jennings asked about the scope of the campaign, i.e., is it Portland centric or Greater Portland. Ms. Tillotson said that it is not Portland centric, while also noting that she has the flexibility to choose businesses and people to focus some of the campaign on Portland.

Mayor Strimling asked if other communities have contributed, and Ms. Tillotson said that they have not, noting that the MTA is membership based. The MTA started the campaign and the CVB wants to piggyback on it. People are talking about how tourism helps, and she can target half of the businesses to be used in the campaign to be from Portland.

Mr. Witkowski added that there is a disconnect on the value of tourism, and this campaign will give Portland a presence. It will also highlight the multiplier effect of tourism dollars.

Mr. Jennings asked if there was data backing up negative feelings about tourism, and Ms. Tillotson said that the backup is anecdotal.

President Sheff thanked the applicants, and the Board would now discuss the applications and prioritization of projects.

Mr. Mitchell highlighted the spreadsheet in the packet which staff created as a guide for the Board. He noted the Funding Priority column that has a 1 to 3 priority, with 1 being the highest priority, together with the last column with staff recommendation for funding levels related to PEDPIP Guidelines.

Ms. Sanborn asked about the parking study, with the request of $15,000 and staff's recommendation of $5,000. Ms. Hanig referred to p. 2 of her memo where it notes staff recommends the $5,000 because there is already $25,000 in City funding for this project through the Downtown TIF.

Mr. Agnew noted that this is Portland centric and important for the City; other City funding for this study is legitimate.

Mayor Strimling said that he is also inclined not to go with staff recommendation and go with full funding at $15,000.

Mr. Swenson said that the Parking Study and MCED are more deserving and could assist in job creation, and is less inclined for the CVB request.

Mr. Martin said that he would like to fully fund the walking tour.

Ms. Sanborn agreed and questioned why tourism awareness was on the work plan. Mr. Mitchell noted that it was on two previous Work Plans and is now ready to take up. Tourism greatly impacts Portland and Maine.

Mayor Strimling said that to grant funds to the CVB, he needs to be sure Portland is involved and how it is important to the state. Regarding the MCCC project, he thought that the private sector should take the lead; maybe raise $100,000 first. He also noted that he does want a Convention Center, but it is not a top priority unlike PD's and PIBCA's projects.

Mr. Jennings said that the Convention Center does needs public investment. Regarding PD's project, he would recommend fully funding both, adding that he would like to see an app for the walking tour further investigated. Regarding PBCA, he would recommend funding at $2,500, and fully funding the MCED project. Regarding the CVB project, he does not see this as within the City's purview.

Mr. Martin agreed that MCCC should receive some grant funds.

Mr. Agnew said that he would be supportive of funding the MCCC project at $15,000, but they first should raise, for example, $50,000. He would also support PD's projects. Regarding PIBCA, it was a one day event and not a priority, but could support it at a lower amount. Regarding the MCED project, he could support it at a lower amount because it is not all in Portland, suggesting maybe up to $10,000. Regarding the CVB application, he did not see it as Portland centric and would not support it.

Ms. Carvel agreed with Mr. Agnew on the CVB application. She also noted that the PIBCA project was a one day event and not a priority.

Ms. Sanborn noted that, for the Walking Tour, apps generally do not work and that PDFs or websites are more mobile friendly.

Mr. Jennings made a motion to grant $10,000 to MCCC, with MCCC first raising the $50,000 cash match; Ms. Sanborn seconded the motion. Mr. Agnew said that he would support the motion, but could also go with $15,000 to MCC. President Sheff asked for a vote on the motion and it passed unanimously.

Ms. Carvel made a motion not to grant funds for the CVB tourism awareness campaign. Mr. Swenson seconded the motion and it passed unanimously.

Mr. Jennings made a motion to grant $15,000 to PD for the parking study. Ms. Sanborn seconded the motion. President Sheff said that this was not a priority for him. He then asked for a vote on the motion and it passed 7-0-1 (Sheff abstained).

Ms. Sanborn made a motion to grant $2,500 to PD for the walking tour. Mr. Martin seconded the motion, and it passed unanimously.

Mayor Strimling made a motion to grant $5,000 to PIBCA; Ms. Sanborn seconded the motion. A vote was then taken on the motion and it failed 4-4 (Agnew, Carvel, Jennings, Swenson not in favor)

Mr. Jennings made a motion to grant $2,500 to PIBCA; Ms. Carvel seconded the motion. A vote was then take on the motion and it passed 5-3 (Sanborn, Swenson, Strimling not in favor).

Ms. Carvel made a motion to grant $7,500 to MCED; Mr. Martin seconded the motion. A vote was then taken on the motion and it passed 6-2 (Jennings, Swenson).

Mr. Jennings made a motion to reserve the balance of grant funds ($10,831) for the March round of funding; Ms. Carvel seconded the motion.

Mayor Strimling asked if applicants could re-apply for the same project, which he would rather not see; Mr. Goldman said that he would have to take a look at the guidelines.

Ms. Sanborn noted that all applications were robust and would rather grant all the funding now.

Mr. Martin said that he would support the motion, as there may be other organizations out there that did not know about this grant funding.

Mr. Jennings said that he would work with staff for broader distribution and communication of the grant program.

A vote was then taken on the motion, and it passed 5-3 (Sanborn, Sheff, Swenson).

Item #6: Review and vote on change to past approved Business Assistance Program (BAP) for Job Creation for Trims and Fade, 64 Auburn Street

Ms. Hanig said that her memo in the packet clarifies the issue. It has been difficult for Trims and Fade to find full time employment for a low-to-moderate Portland resident. She described the problem with employees remaining on the job.

(Directors Sanborn and Swenson had to leave the meeting at this point.)

Mr. Webb then thanked the Board for reviewing this and also described the issues he has been having with finding and keeping low-to-moderate Portland residents on the job, as well as their working full-time hours of 33.5, which HUD defines as a full-time job. When he first opened in 2012 he had 3 Portland resident employees and that has consistently gone down, with 2015 seeing no Portland residents employed.

Mr. Webb closed saying that the BAP grant was successful, but recent issues of finding resident Portland employees have been extremely difficult. He moved his original location on Auburn Street to Warren Avenue, adding that he wants to remain in Portland.

President Sheff noted for the Board that the recently amended BAP guidelines provide for more flexibility. The Board could either re-characterize Trims and Fade as a microenterprise – which does meet HUD requirements for a microenterprise; or, use the claw back option requiring the return of grant funds. Under the first option, President Sheff also noted that the grant funds did assist the low moderate income co-owners with starting a business and creating a job for one of them from the time the business opened in Sept. of 2012 to the present.

Mr. Jennings made a motion to convert Trims and Fade to a microenterprise; Mr. Agnew seconded the motion. A votes was then taken on the motion and it passed unanimously.

Item #5: Loan Items:

a) **Review and vote on new loan request from Forefront Brick South at Thompson's Point;**
b) **Review and update of loan to 747 Congress Street LLC**
Note: Pursuant to 1 M.R.S.A. 405(6)(F) and 5 MR.S.A. 13119-A, the Board may go into executive session to review proprietary information.

Loan Request from Forefront Brick South at Thompson's Point

Ms. Hanig said that the loan request is for $350,000 to assist with the renovation of the Brick South Building into a 35,000 sq. ft. event venue, which, if approved, the source of funds would be $250,000 from new REDLP funds, and $100,000 from UDAG funds. This is due to the REDLP program guidelines having the maximum loan amount at $250,000. She then introduced Chris Thompson and Jed Troubh representing Forefront Brick South.

Mr. Thompson said that he has been working on the Thompson's Point development project since 2009. He currently has a Brownfields Loan from the PDC which assisted in cleaning the area, particularly the area used for the ice skating rink, which also saw some events during this past Summer. The Brick South building of 35,000 sq. ft. is on the Historic Register. The proposed redevelopment of this space is for an events center, which the feasibility study they had done for this was stronger than they expected. This events center would hold 2,500 people and associated support space.

Mayor Strimling asked why PDC funding is needed. Mr. Thompson said that they do have bank financing, together with an SBA 504 with restrictions, and have already invested private funds for site work. The PDC funds would assist to provide renovation funding for the historic building, while also noting that a privately-owned event venue is unusual.

Ms. Carvel asked about timing of the project and parking. Mr. Thompson estimated the project to be done by the end of Feb. 2017. Then the Flower Show is anticipated to be held there in March. Parking is all surface and off-site shuttle.

Mayor Strimling asked about the TIF for Thompson's Point, and Mr. Thompson said that the TIF CEA is activated/triggered when the Assessed Value increases by $5 Million. There has been a lot of roadway and site work to build, and the TIF helped to secure the financing. It is anticipated that the first CEA payment would be in FY2018.

Mr. Jennings noted for the record that he is no longer affiliated with Thompson Point development and sold all his interest in it and did not feel he had any conflict of interest. He does have an interest with Jed Troubh in a business in South Portland, but, again, feels no conflict of interest. The Board concurred.

There being no further questions, a motion was then made and seconded at approximately 6:25 to go into executive session pursuant to 1 M.R.S.A. 405(6)(F) and 5 MR.S.A. 13119-A to review proprietary information. At approximately 6:35 p.m., the Board came out of executive session.

A motion was then made and seconded to approve the loan to Forefront Brick South on the terms and conditions as provided by staff and the loan underwriter.

Noting the time, President Sheff recommend that the Board table Items 5(b); 6; 7; the Board concurred.

Item #9: Annual Meeting of Board

a) Election of Officers – President, Treasurer, Secretary

On motion made and seconded, the Board voted unanimously for the officer slate of Drew Swenson, President; Tim Agnew, Treasurer; and, Shelley Carvel, Secretary.

b) Accepting Annual Report for FYE16 and vote to forward to Corporator as a communication.

On motion made and seconded, the Board voted unanimously to accept the Annual Report for FYE16 and forward to the Corporator as a communication.

c) Setting date for Annual Meeting of Corporator as November 7, 2016

Mayor Strimling requested the date for this meeting be set as November 21 due to upcoming elections.

On motion made and seconded, the Board voted unanimously to set the date for the Annual Meeting of the Corporator as November 21, 2016.

Item #10: Awards Committee Recommendations

On motion made and seconded, the Board voted 5-1 (Martin) to accept the recommendations of the Awards Committee, namely: Maine College of Art for Economic Development Achievement Award; Diversified Communications for Business of the Year Award; and, Maine Standard Biofuels for Small Business of the Year Award.

There being no further business, the meeting was then adjourned at 6:40 p.m.

Respectfully,

Lori Paulette

Economic Development Department
Gregory A. Mitchell, Director

TO: President Drew Swenson and PDC Board Members

FROM: Nelle Hanig, Business Programs Manager

CC: Greg Mitchell, Economic Development Director

DATE: December 7, 2016

RE: **DRAFT GUIDELINE MODIFICATIONS FOR REGIONAL ECONOMIC DEVELOPMENT REVOLVING LOAN PROGRAM (REDRLP)**

PURPOSE

The Finance Authority of Maine (FAME) has updated and modified the rules for REDRLP. To be consistent with these changes, staff has drafted modifications to the City's REDRLP guidelines, and is seeking the PDC's approval of them and its recommendation to the City Council for approval.

PROPOSED MODIFICATIONS

Overall, FAME's changes to the REDRLP rules allow for larger loans, and to a wider range of eligible business types and sizes. These changes are reflected in a redlined version of the City's REDRLP guidelines and are attached to this memo for the PDC's consideration. The substantive updates are as follows:

- Maximum loan amount to $350,000 instead of $250,000;
- Size of eligibile business to 100 or fewer employees or annual sales of $10,000,000 instead of 50 or fewer employees or annual sales of $5,000,000;
- The types of eligible businesses increased to include:
    - A business significantly engaged in commercial and mixed-use real estate and community facilities, and
    - A business significantly engaged in serving tourists, such as in the area of outdoor recreation, culture, heritage and hospitality;
- Other businesses with 15 or fewer employees instead of 10 or fewer employees.

REDRLP RECAP

REDRLP funds are granted by FAME to regional and municipal entities throughout the State of Maine for the purpose of making loans to Maine businesses. On behalf of the City, the Economic Development Department successfully applied for new REDRLP funds in 2015. In July of that year the City was awarded a new REDRLP grant of $600,000.

To date, $85,000 of those new funds remain for future loans, as all the rest have been awarded. There is also $131,682 in second generation REDRLP funds available for lending. Second generation funds represent those that have already been lent out and paid back with interest. This brings the available balance of REDRLP funds to $216,682. As for REDRLP funded loans that are under management, there are 10 loans representing $532,684 in outstanding principal. The outstanding principal will change shortly as one loan of $29,208 is anticipated to be charged off and a new loan of $150,000 will close.

ATTACHMENT

Redlined version of City of Portland REDRLP guidelines

FAME Regional Economic Development
Loan Program (REDLP) Guidelines

Amended by Corporator at 11/17/08 Meeting adding an amendment for Requests for Amendment to Loan Terms.

Amended by Corporator at 10/17/11 Meeting.

Program Description

The Regional Economic Development Loan Program (REDLP) provides loans to Portland businesses for the purpose of creating or retaining jobs and stimulating economic growth and development in the City. The Program provides individual loans up to ~~$250,000.~~ $350,000.

Program Requirements

A. Business to be assisted must be located in the City of Portland

B. Maximum loan amounts, though City reserves the right to finance less relative to project cost: ~~is as follows~~:
   ~~1) Loans of less than $50,000 may be for the total amount of new funds being provided to a borrower;~~
   ~~2) Loans of $50,000 to $100,000 may not exceed one half (1/2) of the net new funds being provided to a borrower;~~
   ~~3) Loans over $100,000 may not exceed one third (1/3) of the net new funds being provided to a borrower.~~

   - Up to 50% of total project cost, for projects from $50,000 up to a maximum loan amount of $350,000;
   - 100% of total project cost, for projects less than $50,000;
   - 100% of total project cost for quality child care projects up to a maximum loan amount of $350,000.

C. The project applicant or owner cannot owe outstanding property taxes, judgments, or fees to the City of Portland, and must be free of all City liens and encumbrances.

D. Borrower is unable to obtain funding for the project from other public and private sources including the personal resources of the owners of the business borrowing from the fund.

Eligible Businesses

Sole proprietorships, partnerships, limited liability companies, and corporations which own, lease, or rent commercial property within the City of Portland.

Business has ~~fifty (50)~~ one hundred (100) or fewer employees, or annual sales of ~~$5,000,000~~ $10,000,000 or less, **and** it consists of or involves at least one of the following categories:

A. Advanced manufacturing technologies, such as value-added wood products and specialty fabricated metal and electronic products~~;~~, precision manufacturing and use of composites or advanced materials;

B. Technologies, such as ~~A~~advanced information systems ~~technologies, such as~~ advanced telecommunications, energy and environmental products and services;

C. Value-added ~~Advanced biological and~~ natural resource~~s~~ enterprises and biological and natural resource technologies, such as aquaculture, marine technology, agriculture, forestry products and biotechnology;

D. Converting from defense dependencies;

E. A business s~~S~~ignificantly engaged in export of goods or services to locations outside ~~the state~~ Maine;

F. A business that d~~D~~edicates significant resources to research and development activities;

G. Other businesses with ~~ten (10)~~ fifteen (15) or fewer employees~~; and~~,

H. Quality child care project;~~.~~

I. A business significantly engaged in commercial and mixed-use real estate and community facilities; or

~~H.~~J. A business significantly engaged in serving tourists, such as in the area of outdoor recreation, culture, heritage and hospitality.

Eligible Activities:

A. Renovation, improvement, reconstruction, or restoration of commercial space;

B. Leasehold improvements;

C. Purchase of machinery and equipment, furniture and fixtures, and other fixed assets;

D. Permanent working capital (e.g., inventory and receivables);

E. Soft costs related to a larger project including architectural, engineering, legal, accounting, and other professional services;

F. Purchase of existing business (which has a positive economic impact on jobs and/or tax base);

G. Refinance existing debt if the following criteria are met:
   - Project must include a business expansion component that is at least 25% over the debt amount to be refinanced. (As an example, for a $50,000 project, the expansion must be at least $12,500 of the total project cost.);
   - Should improve the financial condition of the business by measurably reducing its debt service;
   - Borrower must be current on all payments of its debt for the last twelve months;
   - Loan proceeds must be used for a legitimate business purpose;
   - Same collateral and debt service coverage requirements need to be met as with any other loan request to the Portland Development Corporation (PDC), the City's lending board;
   - Refinancing of existing secured loans will require that the previously held collateral be released to the PDC as security. (This does not preclude the PDC from requiring additional collateral if it is necessary to properly secure the new loan.);
   - When refinancing credit card debt, it must be determined that the credit card debt was used for business and not personal purposes;
   - As part of the due diligence process, the existing lender confirms that it is unwilling or unable to modify the terms of the existing debt.

H. Acquisition of fishing vessels, marine-related machinery and equipment, licenses and permits;

I. Acquisition of existing real estate (including land and buildings) or construction of new buildings with the following restrictions:

   1. Financing for owner-occupied real estate only. This is defined as property which is 51% or more occupied by the owner's business(es). Financing of speculative real estate acquisitions or non-owner occupied properties is not eligible;

   2. May not be utilized for the purchase of undeveloped land.

Financing Terms

The following terms will generally guide the actions of the Portland Development Corporation (PDC), the City's lending board:

A. Loan amount will be limited to a maximum of ~~$250,000~~ $350,000;

B. Up to a 20-year~~Maximum~~ amortization ~~loan term of 20 years~~ with a maximum 10-year balloon;

C. Interest rate will be determined by the PDC;

D. Business asset collateral and/or personal guaranties will be required;

E. Origination fee structure to be determined by the PDC but generally not to exceed one (1) percent of the loan amount.

Underwriting Criteria:

Project review will include, but not be limited to the following factors:

A. Has a positive impact on creating or retaining jobs and businesses in the City;

B. Private investment, relative to public loan funds, is maximized;

C. Necessity of public funds to make the project economically feasible;

D. Project has a high potential for economic success;

E. Return on public investment in the form of projected property taxes, or, in the case of a tax exempt entity, fees in lieu of property taxes;

F. Highest level of lease occupancy commitment.

The following information will be required for consideration of a loan request:

1. Loan application;
2. Statement of project scope, including relevant plans and specifications;
3. Brief history of business and owners/managers;
4. For existing businesses, historical financial information to consist of three years of financial statements and/or tax returns;
5. Personal financial statements and tax returns of personal guarantors;
6. Projected financial information;
7. Any available market data demonstrating the project's economic feasibility, including, if necessary, appraisals;
8. Option on land, title opinion letter, or lease agreement;

9. Letters of commitment for all financing, with terms and conditions;
10. If applicable, letters of intent from prime tenants to lease, with rates and terms;
11. Appraisals to determine the value of real estate assets when those assets are securing a loan.

Applications and Approval Process

Submit signed loan application with all requested materials to the City's Economic Development Deplaw~~ivision~~, Portland City Hall, Room 308.

The PDC reviews and approves loan requests.

Requests for Amendment to Loan Terms:

A maximum one (1) percent fee may be applied for requests for amendments to loan terms for consulting, recording and legal fees associated with preparing any additional loan documents/modifications. The one (1) percent fee will be based on the current loan balance at the time of the request.

The Economic Development Director has the discretion to determine whether requested loan amendments should be brought to the PDC or addressed administratively, with follow up communication to the Board.

Portland Development Corporation
Preliminary Draft Operating
Report FY17
For Month Ending
11/30/2016

Operating transfer from EDF	**28,522**

Total Funds Available	**28,522**

FY17 Expenditures	Budget	Current Month	Year to Date	Percent of Budget	Balance
Administrative Services	575	132	194	33.7%	381
Postage	300		14	4.7%	286
Travel, Training, Meetings	4,000	2,686	2,699	67.5%	1,301
Contractual Services	10,500	639	1,096	10.4%	9,404
Operating Transfer to Fin.	9,647		0	0.0%	9,647
Advertising	2,000	1,300	1,300	65.0%	701
Auto Expense Reimb.	100		0	0.0%	100
Printing & Binding	650	209	434	66.8%	216
Office Supplies	750	236	363	48.4%	387
Total FY16 Expenditures	**28,522**	**5,202**	**6,100**	**21.4%**	**22,422**

Expenditures during Nov. 2016	
Administrative Services	Annual Fee for Credit Services; Filing Fee
Travel, Training, Meetings	Awards: Catering, Linen Rental, Floral Arrangement
Contractual Services	Rental of Ocean Gateway - Staff Costs
Advertising	Annual Ad in CVB Guide; 3 Awards
Printing and Binding	Awards: Brochure Hand Out and Welcome Poster
Office Supplies	Various

Downtown Portland Corporation
Schedule of Loans Receivable
For the Month Ending November 30, 2016

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	$151,274
7065	1545	Injac Properties, Inc.	6/10/2016	7/1/2021	122,500	0	122,500	$111,623
7158	1561	Forefront Brick South, LLC	11/18/2016	12/1/2026	100,000	0	100,000	$100,000
		Sub-Total PBF (UDAG)						**$362,898**
		Portland Business Fund 272 (Restricted - CIP):						
3763	955	Eastman Industries	4/19/2012	4/6/2017	34,800	0	34,800	$29,208
7124	1554	Creative Portland	10/11/2016	11/1/2023	25,000	0	25,000	$25,000
6502	1436	Portland Food Cooperative	6/4/2014	10/1/2021	130,000	0	130,000	$107,025
		Sub-Total PBF (Bonds/CIP Restricted)						**$161,233**
		Portland Micro Capital Fund 271 (UDAG/Unrestricted):						
5708	1438	Veranda Asian Market LLC	4/19/2012	4/1/2017	50,000	0	50,000	$9,429
5837	1341	Back Bay Skate	9/10/2012	9/1/2017	12,500	0	12,500	$2,831
6113	1379	EcoHome Studio, LLC	4/11/2013	4/1/2018	15,000	0	15,000	$4,584
6120	1380	Portland Trading Co. LLC	4/26/2013	8/1/2018	15,000	0	15,000	$13,678
6302	1411	Pachanga, LLC	11/6/2013	12/1/2016	14,000	0	14,000	$881
6501	1435	Sur Lie Wine Bar, LLC	5/2/2014	9/1/2021	37,335	0	37,335	$27,331
6635	1464	Damiak's Bakery, LLC	10/16/2014	11/1/2019	25,000	0	25,000	$16,742
7092	1547	Vin Bar, LLC	7/26/2016	9/2/2021	50,000	0	50,000	$46,643
		Sub-Total Micro Capital Fund						**$122,119**
		Portland Business Fund Fund 274 (CIP/Unrestricted):						
6597	1458	Back Cove School	8/29/2014	9/1/2019	55,000	0	55,000	$41,781
6786	1487	RAIN Management, LLC	4/16/2015	7/1/2020	60,000	0	60,000	$54,274
6828	1500	Poplar & Co., LLC	6/5/2015	10/1/2022	37,500	0	37,500	$32,555
6868	1512	Billdotcom, LLC	8/29/2015	9/1/2022	102,500	0	102,500	$99,210
7091	1546	Skunk Ape, LLC	7/21/2016	8/1/2023	75,000	0	75,000	$72,871
		Sub-Total PBF (Bonds/CIP Unrestricted)						**$300,690**
		Creative Economy Fund 271 (UDAG/Unrestricted):						
5615	1308	Studio Management Corp.	1/20/2012	2/1/2017	26,000	0	26,000	$4,385
		Sub-Total Creative Economy Fund						**$4,385**
		FAME Fund 277:						
5862	1351	Peaks Island Fuel	10/1/2012	10/1/2017	61,000	0	61,000	$51,799
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	$40,351
6598	1459	Browne Trading CO.	9/3/2014	10/1/2019	83,333	0	83,333	$52,081
6692	1475	Maine & Loire LLC	12/30/2014	1/1/2020	45,000	0	45,000	$30,043
6784	1485	SB & LC Properties, LLC	4/6/2015	5/1/2020	101,200	0	101,200	$97,551
6485	1429	Evo Rock & Fitness Portland	4/14/2014	11/1/2024	132,954	0	132,954	$111,770
6973	1524	Auto-Care, LLC	2/5/2016	3/1/2021	32,500	0	32,500	$30,868
7029	1533	BayCycle	5/13/2016	9/1/2023	20,000	0	20,000	$19,423
7103	1548	Cakeworks, Inc.	8/5/2016	9/1/2022	62,500	0	62,500	$51,111
7157	1560	Forefront Brick South, LLC	11/18/2016	12/1/2026	250,000	0	250,000	$250,000
		Sub-Total FAME Fund						**$764,206**
		FAME SSBCI 279:						
5836	1340	251 Woodford Street LLC	8/31/2012	9/1/2017	165,000	0	165,000	$133,619
5748	1327	Fermentation & Distillation	4/25/2012	10/1/2017	165,000	0	165,000	$38,752
6199	1390	Inn at Diamond Cove LLC	7/10/2013	7/1/2018	200,000	0	200,000	$172,066
6867	1511	Billdotcom, LLC	8/19/2015	9/1/2022	92,500	0	92,500	$89,531
		Sub-Total FAME SSBCI						**$433,967**
		Real Estate Investment Fund 271(UDAG/Unrestricted):						
6104	1378	McCuda, LLC	4/19/2013	4/1/2018	200,000	0	200,000	$176,258
		Sub-Total RE Invest						**$176,258**
		Brownfields Loan Fund 278						
6555	1457	Forefront Partners, LP	7/30/2014	2/1/2020	200,000	0	200,000	$169,873
		Sub-Total Brownfields						**$169,873**
		Grand Total Loans				**0**	**3,073,333**	**$2,495,628**
		Allowance for uncollectable loans at 15%						$374,344
		Total with Allowance for uncollectable loans:						**$2,121,284**

CITY OF PORTLAND, MAINE
PORTLAND DEVELOPMENT CORPORATION
DELINQUENCY REPORT
MONTH ENDING NOVEMBER 30, 2016

12/2/2016

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	$478	2	61	$2,830	12
Back Cove School	$1,200	1.5	61	$41,781	11
Damiak's Bakery, LLC	$955	2	61	$16,742	12
Eastman Industries	$8,455	19	580	$29,208	12
Eastman Industries	$8,455	19	580	$29,208	12
Nova Star Cruises	$40,580	13	396	$151,274	12
Portland Trading Co.	$6,957	24	734	$13,678	12
SB & LC	$725	1	30	$97,551	6
Studio Management Corp.	$2,468	5	153	$5,385	12
Veranda Asian Market[2]	$955	1	30	$9,429	12
TOTALS:	**$71,228**			**$397,085**	

[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 November on December 7th

Portland Development Corporation
Preliminary Cash Management Report
11/30/2016

	CIP		UDAG	FAME	FAME	Brown-		Year-to-Date Principal/Interest					
	272	274	271	277	SSBCI 279	field 278		CIP		UDAG			
	Restricted	Unrestricted	(Unrestricted) Loans/Grants			(PET)	TOTAL	Restricted	Unrestricted	Unrestricted	FAME	SSBCI	Brnfld
Beginning Cash Bal. July 1, 2016	**239,393**	**50,089**	**544,010**	**287,934**	**495,723**	**332,823**	**1,949,972**						
BAP Funds from prior round:													
Plus:													
Principal payments received	927	1,875	10,616	4,797	6,549	1,437		17,447	9,181	31,620	23,746	25,815	5,837
Interest payments received from loans	389	1,070	1,931	2,010	1,966	541		2,574	6,486	9,160	11,027	8,843	2,074
Interest Income					124	83						614	416
Other Income/Adjustments													
Pass Through From FAME/SSCBI				250,000									
Sub-Total Cash Available	**240,709**	**53,034**	**556,557**	**544,742**	**504,363**	**334,883**	**2,234,288**	**20,021**	**15,667**	**40,780**	**34,774**	**35,273**	**8,326**
Less:													
FAME Annual Admin. Fee; Invoices													
Disbursements - Loans/PDAP Grants			(97,551)	(245,730)									
Sub-Total Cash Available:	**240,709**	**53,034**	**459,006**	**299,012**	**504,363**	**334,883**	**1,891,007**						
Less Reserves for:													
Beautification Program (EC0301)			(72,000)										
PEDPIP Fund Commitments thru FY16			(61,191)										
PEDPIP Fund FY17 Reserve (capped at			(48,331)										
Portland Dev. Action Grant (EC0302)			(68,287)										
Transfers not yet recorded (UDAG Int)			(9,160)										
BAP Grants													
Used for Administration													
Total Ending Loan/Grant Cash Bal.	**240,709**	**53,034**	**200,036**	**299,012**	**504,363**	**334,883**	**1,632,037**						

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

Bal. of Unrestricted/Uncommitted Funds ao 7/1/16:		**483,308**
PEDPIP Cap for FY17 (ao 7/1/2016) at 10% of above:		**48,331**
PEDPIP Commitments for FY17 to date:	37,500	**10,831**

Business Assistance Grant Program for Job Creation - FY2015/2016			
Prior Round Funds Available:	**$5,000**	**Admin:**	**$713**
FY2016 Grant Funding Available:	**$100,000**		
		Date	**Jobs**
Grantee/Grant Approved	**Grant Amount**	**Approved**	**Funded**
Forq Food Lab	$10,000	12/17/2015	1
Auto-Care LLC	$10,000	4/21/2016	1
Swallowtail Farm	$20,000	4/21/2016	2
Buoy Local	$10,000	5/19/2016	1
VinBar, LLC	$20,000	5/19/2016	2
Bella Maine, LLC	$20,000	5/19/2016	2
Cakeworks, Inc.	$5,000	6/16/2016	1
Union Bagel Co.	$10,000	6/16/2016	1
Buoy Local - Not Using Grant	($10,000)		-1
Cakeworks, Inc.	$5,000	8/11/2016	
Balance of Funds Available:	**$5,000**	**Total Jobs:**	**10**

Portland Economic Development Implementation Program			
FY2017 Grant Funding Available:	**$48,331**		
Grantee Approved	**Grant Amount**	**Date Approved**	**Project**
Portland Downtown	$15,000	10/20/2016	Parking Study
ME Convention Center Collaborative	$10,000	10/20/2016	Convention Center Feas. Study
ME Center for Entrepreneurial Dev.	$7,500	10/20/2016	E*Next Pilot Project
Portland Buy Local	$2,500	10/20/2016	Community Forum to Strength Local Businesses
Portland Downtown	$2,500	10/20/2016	Walking Tour Guide
Total Approved:	**$37,500**		
Balance of Funds Available:	**$10,831**		