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

PORTLAND DEVELOPMENT CORPORATION
Board Meeting

DATE: January 19, 2017
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 December 15, 2016 meeting.

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

4. Review and vote to recommend to City Council proposed amendments to the Brownfields Revolving Loan Fund guidelines.

5. Treasurer's Report – December 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.

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

7. Next Meeting Date: February 16, 2017.

Drew Swenson, Board President

Portland Development Corporation

December 15, 2016

A meeting of the Board of Directors of the Portland Development Corporation was held on Thursday, December 15, 2016 at 4:00 p.m. in Room 209 of Portland City Hall. Present from the Board were Directors Tim Agnew, Shelley Carvel, Jed Harris, Jon Jennings, Chip Martin, Barry Sheff, and Mayor Ethan Strimling. Director Heather Sanborn arrived shortly after the meeting started as noted herein. Directors not able to attend: Jess Knox, Jere Shaw, and Drew Swenson. 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

In President Swenson's absence, Board Treasurer Mr. Agnew chaired the meeting, noting that many members had a hard stop at 5:30.

Mr. Agnew welcomed new Board member Jed Harris to his first Board meeting and introductions were then made.

Mr. Agnew then noted that for the first time in Board history it has over $3 Million in active loans outstanding.

Item #2: Review and accept Minutes of previous meeting held on October 20, 2016.

On motion made and seconded, the Board voted 6-0-1 (Harris abstained) to accept the Minutes as presented. (Please see note at the end of these minutes regarding this item.)

<u>Item #3: Loan items:</u>

a) **<u>Review and vote on new loan request from Santa Fe Express LLC d/b/a Portside Learning Center at1976 Washington Ave.</u>**

b) **<u>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.</u>**

c) **<u>Review and update of loan to 747 Congress St. LLC</u>**

<u>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.</u>

Mr. Agnew noted that the Board would first hear general overviews of each loan request in public session, followed by questions/answers, and would then go into executive session to review and discuss proprietary information. After this executive session, the Board would then come back into public session and vote on the items. During the executive session, the public needs to leave the meeting and can wait and come back, or Ms. Hanig can get in touch with the loan applicants after the meeting.

Loan request from Santa Fe Express LLC

Ms. Hanig said that this loan request is to assist with the purchase of real estate at 1976 Washington Avenue, home of the Portside Learning Center, a day care which has been in operation since 1985. Loan applicants Nicole and Peter Hoglund are seeking to purchase the business and the building in which it operates, from the current owners Marlene Martin, who originally started the business in 1985, and Annette Hoglund, who joined as a partner in 2003. She then introduced Nicole and Peter Hoglund.

Mr. Hoglund thanked the Board for their reviewing this loan request to purchase both the real estate and the business, which is a family business originally starting at the Riverton School. They are purchasing the business from his mother, Annette Hoglund, and her best friend Marlene Martin. There have been many success stories from this business, as well as many opportunities to sell but they wanted to keep this in the family.

Ms. Hoglund said that she would be running the business, having been involved with it for 30 years – mostly as a volunteer. They have been working on this acquisition for two years to get to this point. The business has gone through recession and growth and described the day care center's operations with over 50 children.

(Ms. Sanborn joined the meeting at this time.)

Ms. Hoglund continued saying that she is honored and ready to keep the business running and in the family, with her inlaws to continue to be involved. She also noted that they have 7 employees.

Mr. Jennings asked about projected increase in revenue for 2017, and Mr. Hoglund said that the Center will be run for growth, noting that there have been no rate increases in two years. Ms. Hoglund added that the plan for growth is that there are many businesses in the area, noting that the Center does not have any children from LL Bean employees, and that they will also be working with Verizon and Hannaford.

Mayor Strimling said of the 51 now enrolled, are any low income income residents. Ms. Hoglund said that 9 are subsidized by the State, with the maximum at 15 students. Each room has a different rate, with rooms including an infant room – maximum of 8 infants with a waiting list, toddler room, preschool room, and before/after school room.

Mr. Agnew asked about plans to expand classes, and Ms. Hoglund said that plans include to offer more classes for, for example, mindfulness, Spanish, and yoga – noting the pre-k is a growth area for the Center.

Loan request and Grant request from Adele Masengo Designs, Inc.

Ms. Hanig introduced this noting that this is a loan request and a Business Assistance Program grant for job creation request. Ms. Ngoy is planning to purchase Antoine's Taylor Shop & Formal Wear at 435 Congress Street; the current owner is retiring. This business has been operating in the downtown for over 20 years. The loan funds will assist with the business purchase, inventory, working capital, and the creation of one full-time job for a low/moderate income Portland resident. Ms. Hanig then introduced Adele Ngoy and friend David Currier who is an attorney.

Ms. Ngoy thanked the Board for their reviewing this request, and then described her background. She obtained her college degree in Fashion Design and Teaching Fashion in the Democratic Republic of the Congo (DRC). Ms. Ngoy said she later taught at the college and operated a small and very successful business that employed a number of seamstresses designing and making clothing for the DRC elites. She came to the US in 2000 as a refugee with her three children when a civil war broke out and it became too dangerous for her to stay. She immediately found work, and for the last six years has worked as the Alterations Manager for David's Bridal at the Mall, while doing design work on the side.

Ms. Sanborn asked about a marketing plan, and Ms. Ngoy indicated that she would work with area schools, particularly around Prom times. Mr. Currier also noted that she is networked with bridal shop owners to work with for alterations/designs.

Mr. Sheff asked about the lease, and Ms. Ngoy indicated that it is a five-year lease, with a five-year renewal.

Ms. Carvel asked about employment levels, and Mr. Currier said that one to start, and and a second employee based upon demand.

Mr. Agnew asked about experience managing the business end, i.e., finances. Mr. Currier indicated that he will keep the books, pay bills, and do the tax returns.

Mr. Martin asked if she would maintain the current name of the business, and Ms. Ngoy indicated that she would.

Mr. Agnew, noting no further questions or comments, said that Board would now go into executive session to review proprietary information on both loan requests, during which time the public needs to leave the meeting. The public can return after the executive session is over.

On motion then made and seconded, the Board voted unanimously at approximately 4:35 p.m. to go into executive session pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119-A to review proprietary information and loan monitoring for:

- Loan request from Santa Fe Express LLC, d/b/a Portside Learning Center;
- Loan request from Adele Masengo Designs, Inc., d/b/a Antoine's Tailor Shop & Formal Wear;
- Review and update of approved loan to 747 Congress Street LLC; and,
- **Item #2 on Agenda:** Review of requested charge off for loan to Nova Star Cruises; and, remainder of two loans to Eastman Industries.

At approximately 5:15, the Board came out of executive session.

Loan request from Santa Fe Express, LLC: On motion then made and seconded, the Board voted unanimously to approve the loan request on the terms and conditions as recommended by staff and the Loan Underwriter.

Loan request from Adele Mesango Designs, Inc.: On motion made and seconded, the Board voted unanimously to approve the loan request on the terms and conditions as recommended by staff and the Loan Underwriter.

Business Assistance Program for job creation grant request from Adele Mesango Designs, Inc.: On motion made and seconded, the Board voted unanimously to approve the loan and grant request on the terms and conditions as recommended by staff and the Loan Underwriter.

Nova Star Cruises Loan Charge Off: On motion made and seconded, the Board voted unanimously to charge off $152,274.35 for this loan as recommended by staff.

Two Loans to Eastman Industries Charge Off: On motion made and seconded, the Board voted unanimously to table this item.

Noting the time, consensus of the Board was to table items #5 and #6.

Ms. Sanborn then noted that the meeting minutes of the October 20, 2016, Board meeting, did not have the final vote for the loan request from Forefront Brick South at Thompson's Point – only motion made and seconded to approve the loan request. Ms. Paulette recalled that she believed the vote was unanimous and would check her notes to confirm and then add the actual vote taken. (Post note: the vote was unanimous and the Minutes have been updated to reflect this.)

There being no further business, the meeting was then adjourned at 5:25 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: January 12, 2017

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 loans 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.

ADDITIONAL MODIFICATIONS FOR CONSIDERATION

In contrast to the City's guidelines for its various loan programs, FAME's regs for REDRLP have allowed for 100% refinancing and for financing of downpayments. While the City's REDRLP guidelines don't address financing of downpayments, unlike our other loan program guidelines (e.g., Portland Business Program, Micro Business Loan Program) which have language prohibiting it, they do address refinancing in that it is allowed only if the project includes a business expansion component that is at least 25% over the debt amount to be refinanced (as with other City loan programs).

Staff is asking the PDC to consider allowing and incorporating into the updated REDRLP, a) partial financing of downpayments, and b) 100% refinancing. This would provide greater flexibility in this one City loan program for the activities, both of which are consistent with FAME's rules and regs for REDRLP. Recent projects presented to staff represented each of these situations. Both projects in staff's view and in the consulting underwriter's view had merit and benefit to the City of Portland.

REDRLP RECAP

REDRLP funds are granted by FAME to regional and municipal entities for the purpose of creating or retaining jobs through 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.

As of December 31, 2016, $70,000 of those new funds remain for future loans, as all the rest have been awarded. There is also $153,410 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 $223,410. As for REDRLP funded loans that are under management, there are 11 loans representing $898,287 of original principal with 767,424 in outstanding principal.

RECOMMENDATION

Staff recommends that the PDC approve the modifications to the REDRLP guidelines as shown on the draft redlined version, including the allowance of the use of loan proceeds as partial donwpayment on other loans and 100% refinancing when all criteria are met per section H under Eligible Activities. In all circumstances, projects will come before the PDC for its consideration and approval.

ATTACHMENTS

Draft redlined version of City of Portland REDRLP guidelines
Clean version of proposed guidelines

FAME Regional Economic Development Revolving Loan Program (REDRLP) 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);

~~F.~~G. Use of loan proceeds as partial downpayment on other loans;

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

~~I.~~J. 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 Department~~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.

FAME Regional Economic Development Revolving Loan Program (REDRLP) 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 $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::

- 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 one hundred (100) or fewer employees, or annual sales of $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 advanced information systems advanced telecommunications, energy and environmental products and services;

C. Value-added natural resource 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 significantly engaged in export of goods or services to locations outside Maine;

F. A business that dedicates significant resources to research and development activities;

G. Other businesses with fifteen (15) or fewer employees,

H. Quality child care project;

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

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

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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. Use of loan proceeds as partial downpayment on other loans;

H. Refinance existing debt if the following criteria are met:
   - 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;
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   2. May not be utilized for the purchase of undeveloped land.

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B. Up to a 20-year amortization 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:

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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;
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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.

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: January 12, 2017
RE: **PROPOSED GUIDELINES FOR THE PORTLAND BROWNFIELDS REVOLVING LOAN FUND (P-BRLF)**

PURPOSE

Guidelines are needed for the recently capitalized Portland Brownfields Revolving Loan Fund (P-BRLF), which received a grant of $800,000 from the Environmental Protection Agency. When the first Portland Brownfields RLF was funded by EPA, guidelines were approved for that program in September of 2001. Those guidelines had minor amendments incorporated in July 2007 (extending the Program to be city-wide) and again in November 2008 (adding a fee for requested amendments to loan terms). Staff is proposing substantial modifications to those original guidelines to meet today's EPA requirements, and is seeking the PDC's approval and recommendation to the City Council for its approval.

PROPOSED EDITS AND ADDITIONS

With assistance from recently contracted Qualified Environmental Professionals (QEP), Kelly Race of TRC and Jedd Steinglass of Woodard and Curran, to provide technical assistance to staff for administration of the P-BRLF, staff has redlined the 2001 guidelines. There are substantial edits and additions to enhance clarity and reflect the many EPA requirements and comprehensive process involved in applying for and utilizing a Brownfields loan or grant for site remediation. You may find it easier to review the clean updated guidelines rather than the redlined version. Both are attached to this memo for your consideration

The sections with the most modifications are Ineligible Activites, Financing Terms and Application Review Criteria. Staff is hoping to have either Kelley Race or Jedd Steinglass at the PDC meeting to answer any questions that you may have on the proposed changes, as many are quite technical and/or required by EPA rules and regulations for use of Brownfields funds.

RECOMMENDATION

Staff recommends approval of the proposed changes to the 2001 Brownfields Guidelines for the new P-BRLF, for recommendation to the City Council for its approval.

ATTACHMENTS

- Clean proposed updated guidelines;
- Redlined format of proposed modifications to 2001 guidelines.

PORTLAND BROWNFIELDS CLEANUP REVOLVING LOAN FUND

Amended to be applicable City-wide and passed by the City Council on 7/16/07.

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

The Portland Brownfields Cleanup Revolving Loan Fund (BCRLF) provides loans and subgrants to assist those interested in remediating and redeveloping Brownfields sites within the City of Portland. Brownfields are abandoned, idled or underused industrial or commercial properties with real or perceived environmental contamination. The funding for this program comes from the U.S. Environmental Protection Agency (EPA) and is authorized by the City of Portland.

1. Program Goal

To assist in financing the cleanup of Brownfields sites within the City of Portland, thereby making these properties available for redevelopment and contributing to the revitalization of the community, creation of jobs, improving the environment and eliminating the public health risks associated with these sites.

2. Program Objectives

(a) To create an incentive for private investment in Brownfields properties/sites within the City of Portland;
(b) To safely clean up Brownfields properties based on end use in order to facilitate their sustainable use;
(c) To foster development and implementation of financial and administrative approaches that can support self-sustaining efforts to facilitate Brownfields cleanup efforts; and
(d) To prevent the creation or spread of contamination on or between properties to protect the public health by minimizing exposure to toxic materials in the environment.

3. Program Description

This program is designed to encourage the cleanup of eligible Brownfields sites and activities associated with removing, mitigating, or preventing the release, or threat of a release, of a hazardous substance, pollutant, or contaminant from Brownfields sites. Assistance is provided through low interest loans as well as subgrants (to non-profits and the City of Portland).

4. Program Budget

The funding for the Portland Brownfields Cleanup Revolving Loan Fund is provided by the U.S. Department of Environmental Protection and authorized by the Portland City Council.

5. Project Threshold Requirements:

(a) The property to be assisted is located within the City of Portland.
(b) The project applicant or owner must owe no outstanding property taxes, fees, judgments, or liens to the City;
(c) The property must meet the definition of a Brownfield and be enrolled in the Maine Voluntary Response Action Program (VRAP) for site cleanup;
(d) The property must have had adequate environmental assessments completed in order to understand site conditions and necessary remediation (e.g. Phase I Environmental Site Assessment and/or Phase II Environmental Site Assessment);
(e) The site meets the EPA eligibility requirements;
(f) The project applicant or owner is not a generator or transporter of contamination to the site;
(g) The project applicant or owner is not currently suspended, debarred or otherwise ineligible to participate in Federal financial assistance programs; and
(h) The project applicant or owner is not in environmental non-compliance with Federal or State agencies.

6. Eligible Applicants/Entities

(a) Publicly owned, either directly by a municipality or indirectly through a quasi- public entity such as a community development corporation; or
(b) Privately-owned by current or prospective commercial property owners, banks, developers, non-profits, etc.;
(c) Applicant must own or be in the process of obtaining ownership at the time of application.

7. Eligible Activities

Cleanup actions associated with removing, mitigating, or preventing the release or threat of a release of a hazardous substance, pollutant or contaminant including:

(a) Preparation of a Community Relations Plan (CRP), Analysis of Brownfields Cleanup Alternatives (ABCA); public meeting to present the ABCA; and preparation of meeting minutes;
(b) Fences, warning signs or other security or site control precautions;
(c) Drainage controls;
(d) Stabilization of berms, dikes or impoundments or drainage or closing lagoons;

(e) Capping of contaminated soils;
(f) Using chemicals and other materials to retard the spread of the release or mitigate its effects;
(g) Excavation, consolidation, or removal of contaminated soils from drainage or other areas ;
(h) Removal of drums, barrels, tanks, or other bulk containers that contain or may contain hazardous substances, pollutants or contaminants;
(i) Containment, treatment, disposal, or incineration of hazardous materials;
(j) Provision of alternative water supply where necessary immediately to reduce exposure to contaminated household water;
(k) Site monitoring activities, including sampling and analysis, that are necessary during the cleanup process, including determination of effectiveness of a cleanup;
(l) Costs associated with meeting public participation, worker health and safety, and interagency coordination requirements;
(m) Costs associated with removal activities including demolition and/or site preparation that are part of site cleanup; and
(n) Environmental Insurance Premiums.

8. Ineligible Activities

(a) Pre-cleanup environmental response activities (i.e. site assessment, identification, and characterization); however, the Lead Agency may request EPA approval for limited site assessment on a case-by-case basis when necessary to ensure protection of the environment and public health through cleanup action;
(b) Monitoring and data collection necessary to apply for, or comply with environmental permits under other federal and state laws, unless such a permit is required as a component of the cleanup action;
(c) Development activities that are not removal actions (e.g. construction of a new facility or marketing of property);
(d) Job training unrelated to performing a specific cleanup at a site covered by a loan or subgrant;
(e) To pay for a penalty or fine;
(f) To pay a federal cost share requirement (for example, a cost-share required by another Federal subgrant) unless there is specific statutory authority;
(g) To pay for response costs at a Brownfields site for which the recipient of the subgrant or loan is potentially liable under CERCLA Section 107;
(h) To pay a cost of compliance with any federal law, excluding the cost of compliance with laws applicable for cleanup; and
(i) Unallowable costs (e.g. lobbying and fund raising) under applicable OMB Circulars.

9. **Financing Terms:**

The following terms will guide the actions of the Portland Development Corporation (PDC):

(a) Loan amount for eligible cleanup activities will be limited to the balance of the loan fund but will be negotiated based on project redevelopment needs. Subgrants for eligible cleanup activities up to $200,000**;**
(b) Maximum loan term up to 5 years; The actual term is negotiable on a case-by-case basis, and may include a longer amortization period with a balloon at the end of the designated term. All projects must justify the need for the maximum term;
(c) Interest rate will be determined by the PDC, though Brownfields loans are usually lent at a lower interest rate;
(d) Brownfields site, business assets, outside collateral, and/or personal guaranties may be required as security;
(e) Evidence of a cost share of at least 20% of the loan or subgrant amount will be required of all Applicants/Borrowers;
(f) Cost share monies will be specifically utilized for eligible cleanup activities;
(g) As applicable, Borrower/Subgrantee will be required to utilize Davis Bacon Wage compliance requirements and provide backup verifying compliance;
(h) Loan/Subgrant drawdown requests with sufficient backup of eligible cleanup activities will be reimbursed at 80% of the request to ensure 20% cost share is met prior to final drawdown;
(i) Origination fee of $500 for a loan request and $300 for a subgrant request;
(j) Legal fees for drafting loan documents;

10. Requests for Amendment to Loan Terms

A one percent fee will be applied for requests for amendments to loan terms, as well as costs for legal fees and recording fees associated with preparing any additional loan documents/modifications. The one percent fee will be based on the current loan balance at the time of the request. This one percent fee will be applied to those loan amendments which require the PDC Assistant Secretary to bring the request to the PDC Board of Directors based on substantive changes.

The PDC Assistant Secretary has the discretion to determine whether requested loan amendments should be brought to the Board or done administratively. If done administratively, the PDC Assistant Secretary will confer with the Business Programs Manager and the Associate Corporation Counsel to determine the fee based on hourly rates of pay, as well as recording fees and legal hourly fees.

11. Underwriting Criteria

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

(a) Location of the Brownfields site within the City of Portland;
(b) Necessity of loan funds to make the project economically feasible.
(c) Analysis of credit reports and financial documents as well as budget feasibility analysis provided by the RLF Site Manager (Qualified Environmental Professional) to assess that applicant is not a cleanup and/or business risk.

12. Application Review Criteria

The PDC, with input and recommendations made by the Maine Department of Environmental Protection, EPA, City's QEP and the City's Economic Development Department (EDD), will review project proposals to determine eligibility and negotiate with applicant(s) to determine the least amount of public resources necessary to make the project(s) feasible.

The loan approval process shall be carried out efficiently and pragmatically to insure loans are approved in a timely manner, cleanup plans are implemented and redevelopment projects are completed on schedule to maximize the community benefit goals of the projects. The actions to be taken are:

(a) The applicant will meet with the City and City's QEP to discuss the project;
(b) Applicant will complete the City's RLP Application and provide supporting documentation for review by the EDD and QEP;
(c) The City's QEP and Maine DEP will review the environmental assessments and cleanup plan summary. If the Applicant's site cleanup activities and preliminary project costs are eligible, the City's QEP will prepare a summary memo (approval or denial) for review by the Maine DEP, the EPA and the EDD.
(d) The underwriter will proceed with the review and analysis of the financial components of the loan application and prepare a report for the PDC with recommended terms and conditions;
(e) The PDC will be presented with the loan report and, based on an analysis of the financial qualifications of the applicant and the merits of the project, the PDC will vote to approve or disapprove of the loan/subgrant request, including terms and conditions;
(f) The EDD will prepare a loan commitment letter for the Applicant/Borrower, including terms and conditions;
(g) Once the commitment letter is fully executed:

    1) The Applicant/Borrower and their QEP will prepare a Draft Community Relations Plan (CRP) and Draft Analysis of Brownfields Cleanup Alternatives (ABCA). The Draft CRP and Draft ABCA will be submitted to the Maine DEP and EPA for approval and comment. Upon comment receipt and

incorporation, the draft ABCA will be presented at a public hearing and will be subject to a 30-day public comment period;

2) The City attorney will draft loan documents which will include but not be limited to the loan agreement, promissory note, mortgage agreement and any other documentation as necessary.

(h) Based on the CRP, a final draft of the ABCA is prepared by the Applicant/Borrower, which incorporates comments received by Maine DEP, EPA and the public. ;
(i) Once the CRP and ABCA has been finalized, the Applicant/Borrower prepares a Scope of Work for the cleanup activities, including a detailed budget and work schedule, a Health and Safety Plan, and a Quality Assurance Project Plan (the QAPP will need to be reviewed by Maine DEP and EPA, prior to finalization); and
(j) The loan agreement, promissory note, mortgage agreement, and any other loan documents are signed. Any loan fees are paid.

The City will request the following information from the Applicant to make the loan or subgrant determination:

Applicant Information

(a) Applicant Overview: name, location, principal owners/stockholders, type of business and products or services, date established;
(b) Financial Overview: historical financial statements for the past three years, most recent quarter and copies of appropriate IRS Tax Returns;
(c) Management Overview: resumes of principals; and
(d) Credit References: financial institutions and other creditors.

Site Conditions

(a) Environmental assessments (e.g.,Phase I and II in accordance with American Society for Testing and Materials (ASTM) Standards);
(b) Information regarding the status of the Applicant/ as a potentially responsible party at the site;
(c) Information on environmental compliance history;
(d) Information on whether or not the Applicant is currently or ever has been subject to any penalties resulting from environmental non-compliance at the site;
(e) Information on whether or not the Applicant is a generator or transporter of contamination at the site; and
(f) Information on whether or not the Applicant falls under a statutory exemption from liability; or that the EPA could use its enforcement discretion and not pursue the party as a responsible party under CERLA if the Applicant is currently the owner/operator of the site.

Cleanup Plan

Cleanup Plan Summary: cleanup plan including a technical description of work to be done, eligible cleanup activities and costs estimates for cleanup and project redevelopment. Cleanup Plan should also document other funding sources for cleanup and eligible activities to be utilized for cost share.

Redevelopment Plan

(a) Financing Project: a description of the cleanup project and the reuse plan;
(b) Business Plan: a description of the business goals, strategies and action plans; and
(c) Financial Plan: pro-forma financial statements which demonstrates the economic viability of the project and identifies the sources of repayment for the loan.

Community Benefits

- Employment Impact: number of current and new jobs, wage levels and job training anticipated to be generated from the cleanup and redevelopment of the site.
- Investment Impact: Serves as an incentive for investment in Brownfields areas.
- Housing Units: Available for the creation of Housing Units located in Brownfields areas.

PORTLAND BROWNFIELDS CLEANUP REVOLVING LOAN FUND

Amended to be applicable City-wide and passed by the City Council on 7/16/07.

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

The Portland Brownfields Cleanup Revolving Loan Fund (BCRLF) provides loans and subgrants to assist those interested in remediating and redeveloping Brownfields sites within the City of Portland. Brownfields are abandoned, idled or underused industrial or commercial properties with real or perceived environmental contamination. The funding for this program comes from the U.S. Environmental Protection Agency (EPA) and is authorized by the City of Portland.

1. Program Goal~~s~~

(a) ~~To finance the removal of CERCLA hazardous substances from Brownfields sites within the City of Portland~~.
(b) ~~To demonstrate the feasibility of establishing a sustainable revolving loan fund program~~ To~~to~~ assist in financ~~e~~ing the cleanup of Brownfields sites within the City of Portland, ~~properties~~, thereby making these properties available for redevelopment and contributing to the revitalization of the community, creation of jobs, improving the environment~~,~~ and eliminating the public health risks associated with these sites.
~~(c) To assist the remediation and redevelopment of Brownfields sites within the City of Portland.~~

2. Program Objectives

(a) To create an incentive for private investment in ~~the~~ Brownfields properties/sites ~~areas~~ within ~~of~~ the City of Portland;
(b) To ~~assess and~~ safely clean up Brownfields properties based on end use in order to facilitate their sustainable use;
(c) To foster development and implementation of financial and administrative approaches that can support self-sustaining efforts to facilitate Brownfields cleanup efforts; and
(d) To prevent the creation or spread of contamination on or between properties to protect the public health by minimizing exposure to toxic materials in the environment.

3. Program Description

This program is designed to encourage the cleanup of eligible Brownfields sites and activities associated with removing, mitigating, or preventing the release, or threat of a release, of a hazardous substance, pollutant, or contaminant from Brownfields sites. Assistance is provided through low interest loans as well as subgrants (to non-profits and the City of Portland).

4. Program Budget

The funding for the Portland Brownfields Cleanup Revolving Loan Fund is provided by the U.S. Department of Environmental Protection and authorized by the Portland City Council.

5. Project Threshold Requirement:

(a) The property to be assisted is located within the City of Portland.
(b) The project applicant or owner must owe no outstanding property taxes, fees, judgments, or liens to the City;
(c) The property must meet the definition of a Brownfield and be enrolled in the Maine Voluntary Response Action Program (VRAP) for site cleanup;
(d) The property must have had adequate environmental assessments completed in order to understand site conditions and necessary remediation (e.g. Phase I Environmental Site Assessment and/or Phase II Environmental Site Assessment);
~~(b)~~(e) The site meets the EPA eligibility requirements;
~~(c)~~(f) The project applicant or owner is not a generator or transporter of contamination to the site;
~~(d)~~(g) The project applicant or owner is not currently suspended, debarred or otherwise ineligible to participate in Federal financial assistance programs; and
~~(e)~~(h) The project applicant or owner is not in environmental non-compliance with Federal or State agencies.

6. Eligible Applicants/Entities

(a) Publicly owned, either directly by a municipality or indirectly through a quasi- public entity such as a community development corporation; or
(b) ~~(b)~~ Privately-owned by current or prospective commercial property owners, banks, developers, non-profits, etc.;
(c) Applicant must own or be in the process of obtaining ownership at the time of application.

7. Eligible Activities

Cleanup actions associated with removing, mitigating, or preventing the release or threat of a release of a hazardous substance, pollutant or contaminant including:

(a) Preparation of a Community Relations Plan (CRP), Analysis of Brownfields Cleanup Alternatives (ABCA); public meeting to present the ABCA; and preparation of meeting minutes;

~~(a)~~(b) Fences, warning signs or other security or site control precautions;

~~(b)~~ (c) Drainage controls;
(d~~c~~) Stabilization of berms, dikes or impoundments or drainage or closing lagoons;
(e~~d~~) Capping of contaminated soils;
(f~~e~~) Using chemicals and other materials to retard the spread of the release or mitigate its effects;
~~(f)~~ (g) Excavation, consolidation, or removal of ~~highly~~ contaminated soils from drainage or other areas ~~the site~~;
(h~~g~~) Removal of drums, barrels, tanks, or other bulk containers that contain or may contain hazardous substances, pollutants or contaminants;
(i~~h~~) Containment, treatment, disposal, or incineration of hazardous materials;

(j~~i~~) Provision of alternative water supply where necessary immediately to reduce exposure to contaminated household water~~;~~
(k~~j~~) Site monitoring activities, including sampling and analysis, that are necessary during the cleanup process, including determination of effectiveness of a cleanup; and
(l~~k~~) Costs associated with meeting public participation, worker health and safety, and interagency coordination requirements.
(m) Costs associated with removal activities including demolition and/or site preparation that are part of site cleanup
(n) Environmental Insurance Premiums.

8. Ineligible Activities

(a) Pre-cleanup environmental response activities (i.e.~~, such as~~ site assessment, identification, and characterization); however, the Lead Agency may request EPA approval for limited site assessment on a case-by-case basis when necessary to ensure protection of the environment and public health through cleanup action.

(b) ~~Cleanup of a naturally occurring substance, products that are part of the structure of and result in exposure within residential building or business or community structures (e.g. interior lead-based paint contamination or asbestos which results in indoor exposure), or public or private drinking water supplies that have deteriorated through ordinary use – except as determined on a site-by-site basis and approved by the U.S. EPA Headquarters, consistent with CERCLA 104(1)(3) and (4);~~

(c) Monitoring and data collection necessary to apply for, or comply with environmental permits under other f~~F~~ederal and state laws, unless such a permit is required as a component of the cleanup action; and

(d) Development activities that are not removal actions (e.g. construction of a new facility or marketing of property).

(e)Job training unrelated to performing a specific cleanup at a site covered by a loan or subgrant;

(f)To pay for a penalty or fine;

(g)To pay a federal cost share requirement (for example, a cost-share required by another Federal subgrant) unless there is specific statutory authority;

(h)To pay for response costs at a Brownfields site for which the recipient of the subgrant or loan is potentially liable under CERCLA Section 107;

(i)To pay a cost of compliance with any federal law, excluding the cost of compliance with laws applicable for cleanup;

(j)Unallowable costs (e.g. lobbying and fund raising) under applicable OMB Circulars.

9. **Financing Terms:**

The following terms will guide the actions of the ~~Downtown Portland Corporation~~Portland Development Corporation (PDC):

(a) Loan amount for eligible cleanup activities will be limited to the balance of the loan fund but will be negotiated based on project redevelopment needs. Subgrants for eligible cleanup activities up to $200,000**;**

(b) Maximum loan term up to ~~will be~~ 5 years; The actual term is negotiable on a case-by-case basis, and may include a longer amortization period with a balloon at the end of the designated term. All projects must justify the need for the maximum term.

~~(c)~~ (c) Interest rate will be determined by the ~~Downtown Portland Corporation~~PDC, though Brownfields loans are usually lent at a lower interest rate;

(d) Brownfields site, business assets, outside collateral, and/or personal guaranties may be required as security;

(e) Evidence of a cost share of at least 20% of the loan or subgrant amount will be required of all Applicants/Borrowers;

(f) Cost share monies will be specifically untilized for eligible cleanup activities;

(g) As applicable, Borrower/Subgrantee will be required to utilize Davis Bacon Wage compliance requirements and provide backup verifying compliance;

(h) Loan/Subgrant drawdown requests with sufficient backup of eligible cleanup activities will be reimbursed at 80% of the request to ensure 20% cost share is met prior to final Drawdown.

(i) Origination ~~Application~~ fee ~~structure~~ of $500 for a loan request and $300 for a subgrant request. ~~shall be determined by the Downtown Portland Corporation;.~~

(j) Legal fees for drafting loan documents;

10. Requests for Amendment to Loan Terms:

A one percent fee will be applied for requests for amendments to loan terms, as well as costs for legal fees and recording fees associated with preparing any additional loan documents/modifications. The one percent fee will be based on the current loan balance at the time of the request. This one percent fee will be applied to those loan amendments which require the PDC Assistant Secretary ~~Commercial Loan Officer~~ to bring the request to the ~~DPC~~ PDC Board of Directors based on substantive changes.

The ~~Commercial Loan Officer~~ PDC Assistant Secretary has the discretion to determine whether requested loan amendments should be brought to the Board or done administratively. If done administratively, the ~~Commercial Loan Officer~~ PDC Assistant Secretary will confer with the Business Programs Manager and the Associate Corporation Counsel ~~the Economic Development Division Director~~ to determine the fee ~~and the fee will then be determined~~ based on hourly rates of pay, as well as recording fees and legal hourly fees.

11. Underwriting Criteria:

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

(a) Location of the ~~in a~~ Brownfields site within the City of Portland;
(b) ~~(b)~~ Necessity of loan funds to make the project economically feasible ~~and at the same time has a high potential for economic success~~.
(c) Analysis of credit reports and financial documents as well as budget feasibility analysis provided by the RLF Site Manager (Qualified Environmental Professional) to assess that applicant is not a cleanup and/or business risk.

12. Application Review Criteria

The ~~Downtown Portland Corporation~~PDC, with input and recommendations made by ~~both~~ the Maine Department of Environmental Protection, EPA, City's QEP and the City's Economic Development Department (EDD) ~~Planning and Urban Development Department~~, will review project proposals to determine eligibility and negotiate with applicant(s) to determine the least amount of public resources necessary to make the project(s) feasible.

The loan approval process shall be carried out efficiently and pragmatically to insure loans are approved in a timely manner, cleanup plans are implemented and redevelopment projects are completed on schedule to maximize the community benefit goals of the projects. The actions to be taken are:

(a) The applicant will meet with the City and City's QEP to discuss the project;
(b) Applicant will complete the City's RLP Application and provide supporting documentation for review by the EDD and QEP;
(c) The City's QEP and Maine DEP ~~epartment of Environmental Protection~~ will review~~s~~ the environmental assessments and cleanup plan summary. If the Applicant's ~~Borrower,~~ site cleanup activities and preliminary project costs are eligible ~~under the plan~~, the~~n~~ City's QEP will prepare a summary memo (approval or denial) for review by ~~the~~ the Maine DEP~~epartment of Environmental Protection~~, the EPA and the EDD. ~~prepares an Approval memo signed by both themselves and the Planning and Urban Development Department authorizing the Borrower to prepare a draft Engineering Evaluation Cost Analysis (EE/CA). The Planning and Urban Development Department will then prepare a Community Relations Plan (CRP) and the Downtown Portland Corporation~~
(d) The underwriter will proceed with the review and analysis~~ze~~ of the financial components of the loan application and prepare a report for the PDC with recommended terms and conditions;
~~(a)~~
~~(b)~~(e) The PDC will be presented with the loan report and, b~~B~~ased on an

~~favorable~~ analysis of the financial qualifications of the applicant and the merits of the project, the ~~Downtown Portland Corporation~~ PDC will vote to approve or disapprove of the loan/subgrant request including terms and conditions ~~prepares a loan approval memo~~;

~~(c) Based on the loan approval memo, the Downtown Portland Corporation in cooperation with the Maine Department of Environmental Protection establishes the loan terms and conditions;~~

(f) The EDD will prepare a loan commitment letter for the Applicant/Borrower , including terms and conditions.

(g) Once the commitment letter is fully executed,

1. The City attorney will draft loan documents which will include but not be limited to the loan agreement, promissory note, mortgage agreement and any other documentation as necessary; and
2. The Applicant and their QEP will prepare a Draft Community Relations Plan (CRP) and Draft Analysis of Brownfields Cleanup Alternatives (ABCA). The Draft CRP and Draft ABCA will be submitted to the Maine DEP and EPA for approval and comment. Upon comment receipt and incorporation, the draft ABCA will be presented at a public hearing and will be subject to a 30-day public comment period;

~~(d) The loan approval memo and loan terms and conditions are preliminarily approved by the Downtown Portland Corporation;~~

~~The Downtown Portland Corporation approves the loan subject to a 30-day public comment period on the draft EE/CA and the completion and acceptance of the EE/CA and CRP by the Planning and Urban Development Department~~EDD;

~~(e)~~

~~(f) The loan documents are prepared (e.g., loan agreement, promissory note, mortgage agreement and other credit enhancement agreements);~~

~~(g) The Maine Department of Environmental Protection and the EPA (at their discretion) review the draft EE/CA;~~

~~(h) The EPA Community Relations Coordinator approves the CRP and the Planning and Urban Development Department implements the CRP which includes a 30-day public comment period on the draft EE/CA;~~

~~(i)~~(h) Based on the CRP, a final draft of the ~~EE/~~ABCA is prepared by the Applicant/Borrower, which incorporates comments received by MaineDEP, EPA and the public. ~~and the Maine Department of Environment Protection prepares a Response Summary of public comments and issues an RLF Decision Document noting the cleanup alternative chosen~~;

~~(j)~~(i) Once the CRP and ABCA has been finalized, ~~Based on the RLF Decision Memo~~, the Applicant/Borrower prepares a Scope of Work for the cleanup activities, including a detailed budget and work schedule, a Health and Safety Plan, and a Quality Assurance Project Plan (the QAPP will need to be reviewed by Maine DEP and EPA, prior to finalization); and

~~(k)~~(j) The loan agreement, promissory note, mortgage agreement, and any other ~~credit enhancement agreements~~ loan documents are signed. Any loan fees are paid.

The City will request the following information from the Applicant to make the loan or subgrant ~~this~~ determination:

Applicant Information

(a) Applicant Overview: name, location, principal owners/stockholders, type of business and products or services, date established;
(b) Financial Overview: historical financial statements for the past three years, most recent quarter and copies of appropriate IRS Tax Returns;
(c) Management Overview: resumes of principals; and
(d) Credit References: financial institutions and other creditors.

Site Conditions

(a) Environmental assessments (e.g., Phase I and II~~)~~ in accordance with American Society for Testing and Materials (ASTM) Standards);
(b) Information regarding the status of the Applicant/~~borrower~~ as a potentially responsible party at the site;
(c) Information on environmental compliance history;
(d) ~~Provide i~~Information on whether or not the Applicant is currently or ever has been subject to any penalties resulting from environmental non-compliance at the site;
(e) ~~Provide i~~Information on whether or not the Applicant is a generator or transporter of contamination at the site; and
(f) ~~Provide i~~Information on whether or not the Applicant falls under a statutory exemption from liability; or that the EPA could use its

enforcement discretion and not pursue the party as a responsible party under CERLA if the Applicant is currently the owner/operator of the site.

Cleanup Plan

Cleanup Plan Summary: cleanup plan including a technical description of work to be done, eligible cleanup activities and costs estimates for cleanup and project redevelopment. Cleanup Plan should also document other funding sources for cleanup and eligible activities to be utilized for cost share.

Redevelopment Plan

(a) Financing Project: a description of the cleanup project and the reuse plan;
(b) Business Plan: a description of the business goals, strategies and action plans; and
(c) Financial Plan: pro-forma financial statements which demonstrates the economic viability of the project and identifies the sources of repayment for the loan.

Community Benefits

- Employment Impact: number of current and new jobs, wage levels and job training anticipated to be generated from the cleanup and redevelopment of the site.

- Investment Impact: Serves as an incentive for investment in Brownfields areas.

- Housing Units: Available for the creation of Housing Units located in Brownfields areas.

Portland Development Corporation
Preliminary Draft Operating
Report FY17
For Month Ending
12/31/2016

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		194	33.7%	381
Postage	300	52	66	22.1%	234
Travel, Training, Meetings	4,000		2,699	67.5%	1,301
Contractual Services	10,500		1,096	10.4%	9,404
Operating Transfer to Fin.	9,647		0	0.0%	9,647
Advertising	2,000		1,300	65.0%	700
Auto Expense Reimb.	100		0	0.0%	100
Printing & Binding	650	103	537	82.6%	113
Office Supplies	750		363	48.4%	387
Total FY17 Expenditures	**28,522**	**155**	**6,255**	**21.9%**	**22,267**

Expenditures this month:	
Postage	General Courier Services
Printing and Binding	Print and engraving

Downtown Portland Corporation
Schedule of Loans Receivable
For the Month Ending December 31, 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):						
7065	1545	Injac Properties, Inc.	6/10/2016	7/1/2021	122,500	0	122,500	$105,611
7158	1561	Forefront Brick South, LLC	11/18/2016	12/1/2026	100,000	0	100,000	$100,000
		Sub-Total PBF (UDAG)						**$205,611**
		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	$24,740
6502	1436	Portland Food Cooperative	6/4/2014	10/1/2021	130,000	0	130,000	$105,057
		Sub-Total PBF (Bonds/CIP Restricted)						**$159,004**
		Portland Micro Capital Fund 271 (UDAG/Unrestricted):						
5708	1438	Veranda Asian Market LLC	4/19/2012	4/1/2017	50,000	0	50,000	$8,524
5837	1341	Back Bay Skate	9/10/2012	9/1/2017	12,500	0	12,500	$2,605
6113	1379	EcoHome Studio, LLC	4/11/2013	4/1/2018	15,000	0	15,000	$4,323
6120	1380	Portland Trading Co. LLC	4/26/2013	8/1/2018	15,000	0	15,000	$13,554
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	$26,939
6635	1464	Damiak's Bakery, LLC	10/16/2014	11/1/2019	25,000	0	25,000	$15,442
7092	1547	Vin Bar, LLC	7/26/2016	9/2/2021	50,000	0	50,000	$46,643
		Sub-Total Micro Capital Fund						**$118,910**
		Portland Business Fund Fund 274 (CIP/Unrestricted):						
6597	1458	Back Cove School	8/29/2014	9/1/2019	55,000	0	55,000	$39,901
6786	1487	RAIN Management, LLC	4/16/2015	7/1/2020	60,000	0	60,000	$53,913
6828	1505	Poplar & Co., LLC	6/5/2015	10/1/2022	37,500	0	37,500	$32,252
6868	1512	Billdotcom, LLC	8/29/2015	9/1/2022	102,500	0	102,500	$98,937
7091	1546	Skunk Ape, LLC	7/21/2016	8/1/2023	75,000	0	75,000	$72,325
		Sub-Total PBF (Bonds/CIP Unrestricted)						**$297,327**
		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	$39,030
6598	1459	Browne Trading CO.	9/3/2014	10/1/2019	83,333	0	83,333	$50,737
6692	1475	Maine & Loire LLC	12/30/2014	1/1/2020	45,000	0	45,000	$28,576
6784	1485	SB & LC Properties, LLC	4/6/2015	5/1/2020	101,200	0	101,200	$97,140
6485	1429	Evo Rock & Fitness Portland	4/14/2014	11/1/2024	132,954	0	132,954	$110,904
6973	1524	Auto-Care, LLC	2/5/2016	3/1/2021	32,500	0	32,500	$30,674
7029	1533	BayCycle	5/13/2016	9/1/2023	20,000	0	20,000	$18,999
7103	1548	Cakeworks, Inc.	8/5/2016	9/1/2022	62,500	0	62,500	$60,356
7157	1560	Forefront Brick South, LLC	11/18/2016	12/1/2026	250,000	0	250,000	$250,000
		Sub-Total FAME Fund						**$767,424**
		FAME SSBCI 279:						
5836	1340	251 Woodford Street LLC	8/31/2012	9/1/2017	165,000	0	165,000	$132,096
5748	1327	Fermentation & Distillation	4/25/2012	10/1/2017	165,000	0	165,000	$35,828
6199	1390	Inn at Diamond Cove LLC	7/10/2013	7/1/2018	200,000	0	200,000	$170,788
6867	1511	Billdotcom, LLC	8/19/2015	9/1/2022	92,500	0	92,500	$89,284
		Sub-Total FAME SSBCI						**$427,996**
		Real Estate Investment Fund 271(UDAG/Unrestricted):						
6104	1378	McCuda, LLC	4/19/2013	4/1/2018	200,000	0	200,000	$175,694
		Sub-Total RE Invest						**$175,694**
		Brownfields Loan Fund 278						
6555	1457	Forefront Partners, LP	7/30/2014	2/1/2020	200,000	0	200,000	$166,839
		Sub-Total Brownfields						**$166,839**
		Grand Total Loans				**0**	**2,907,922**	**$2,323,191**
		Allowance for uncollectable loans at 15%						$348,479
		Total with Allowance for uncollectable loans:						**$1,974,712**

CITY OF PORTLAND, MAINE
PORTLAND DEVELOPMENT CORPORATION
DELINQUENCY REPORT
MONTH ENDING DECEMBER 31, 2016

1/11/2017

Loan	Payment Past Due	# of Payments	# of Days Past Due[1]	Outstanding Principal Balance	# of Times Past Due In Last 12 Reports (excluding present mo.)
Back Bay Skate	$239	1	31	$2,379	12
Back Cove School	$180	0.25	31	$41,781	12
Damiak's Bakery, LLC	$478	1	22	$14,990	12
Eastman Industries	$8,900	20	611	$29,208	12
Eastman Industries	$8,900	20	611	$29,208	12
Portland Trading Co.	$7,247	25	765	$13,554	12
SB & LC	$725	1	16	$97,140	7
Skunk Ape LLC/Big Jay's	$1,096	1	20	$72,325	0
Studio Management Corp.	$2,962	6	184	$5,385	12
Veranda Asian Market[2]	$955	1	31	$7,608	12
TOTALS:	**$31,681**			**$313,577**	

[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 December on January 5th

Portland Development Corporation
Preliminary Cash Management Report
12/31/2016

	CIP		UDAG	FAME	FAME	Brown-		Year-to-Date					
			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
Cash Bal. Beginning of Reporting Mo.	**240,709**	**53,034**	**459,006**	**299,012**	**504,363**	**334,883**	**1,891,007**						
Plus:													
Principal payments received	1,202	1,719	4,740	5,364	5,260	1,490		18,649	10,900	36,360	29,110	31,075	7,327
Interest payments received from loans	433	1,826	1,909	3,305	1,935	487		3,007	8,312	11,069	14,332	10,778	2,561
Interest Income					130	86						744	502
Other Income/Adjustments													
Pass Through From FAME/SSCBI													
Sub-Total Cash Available	**242,344**	**56,579**	**465,655**	**307,680**	**511,689**	**336,947**	**1,920,893**	**21,656**	**19,212**	**47,429**	**43,441**	**42,598**	**10,391**
Less:													
FAME Annual Admin. Fee; Invoices													
Disbursements - Loans/PDAP Grants			(2,449)	(4,270)									
Sub-Total Cash Available:	**242,344**	**56,579**	**463,206**	**303,410**	**511,689**	**336,947**	**1,914,174**						
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)			(11,069)										
BAP Grants													
Used for Administration													
Total Ending Loan/Grant Cash Bal.	**242,344**	**56,579**	**202,328**	**303,410**	**511,689**	**336,947**	**1,653,296**						

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.	$10,000	6/16/2016 and 8/11/2016	1
Union Bagel Co.	$10,000	6/16/2016	1
Buoy Local - Not Using Grant	($10,000)		-1
Adele Masengo Designa, Inc.	$5,000	12/15/2016	1
Balance of Funds Available:	**$0**	**Total Jobs:**	**11**

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**		

(1/11/2017)