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

PORTLAND DEVELOPMENT CORPORATION
Board Meeting

DATE: August 31, 2017
TIME: 4:00 p.m.
LOCATION: Room 24, Basement Conference Room
Portland City Hall

A G E N D A

1. President's comments.

2. Review and accept Minutes of July 20, 2017 meeting.

3. Loan Items:
   a) Review and vote on new loan request from Ice It! LLC, at 502 Stevens Avenue.
   NOTE: The Board will go into executive session pursuant 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119—A to discuss and monitor proprietary information for the above.

4. Treasurer's Report – July 2017 – Tim Agnew
   a) Monthly Administrative Budget Report
   b) Cash Management Report
   c) Schedule of Loans Receivable
   d) Listing of Grants approved through the BAP Program and PEDPIP for FY2017 and 2018
   e) Confidential 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 Report.

5. Discussion regarding Development Action Grant Program.

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

7. Next Meeting Date: September 21, 2017.

Drew Swenson, Board President

Minutes

Portland Development Corporation

July 20, 2017

A meeting of the Board of Directors of the Portland Development Corporation was held on Thursday, July 20, 2017 at 4:00 p.m. in Room 209 of Portland City Hall. Present from the Board were Board President Drew Swenson and Directors Tim Agnew, Shelley Carvel, Jon Jennings, Chip Martin, Ovid Santoro, and Jere Shaw. Directors Jed Harris, Heather Sanborn, Barry Sheff, and Mayor Ethan Strimling were not able to attend. Present from the City staff were Business Programs Manager Nelle Hanig, Economic Development Director Greg Mitchell, and Senior Executive Assistant Lori Paulette. Also present was PDC loan underwriter Vin DiCara.

Item #1: President's Comments

President Swenson welcomed new Board Director Ovid Santoro, and introductions were then made.

President Swenson then noted that the Annual Business Awards event is coming up, generally held in place of the Board's meeting in November. He said that the annual standard practice is for a sub-committee to be formed of up to 3 Board members to discuss possible awardees with staff for a recommendation to the Board. This usually takes one or two sub-committee meetings and asked Board members who are interested to contact Nelle Hanig.

President Swenson then noted that three Board members are termed out as of 9/30/2017 but can serve until their replacements are appointed by the City Council. Those three are Jere Shaw, Barry Sheff, and himself. He encouraged Board members to recruit replacements to apply through the City Clerk's office. Any questions can be directed to Greg Mitchell.

Mr. Agnew asked about residency requirements, and Ms. Hanig said that with the remaining Board members the residency requirement is met.

Lastly, President Swenson said that Item #5 does not require a vote, rather it is a communication to the Board.

Item #2: Review and accept Minutes of June 15, 2017 meeting.

Mr. Shaw requested an amendment to Item #2 on page 1, last line, to change "Mr. Shaw said that the Guidelines . . . ." to "Mr. Sheff said that the Guidelines . . .."

On motion then made and seconded, the Board then voted 5-0-3 (Martin, Santoro, and Sheff abstained) to accept the minutes as amended.

Item #3: Review and vote on new loan request from Auto Care, LLC, at 1041 Ocean Avenue. NOTE: The Board will go into executive session pursuant to 1 M.R.S.A. 405(6)(F) AND 5 M.R.S.A. 13119-A to discuss proprietary information.

Ms. Hanig said that the owner of Auto Care, LLC, Joseph Hatungimana, owns the property at 1041 Ocean Avenue as of last year, and a PDC loan was granted in February 2016 for fit-up and machinery in the amount of $32,500. Mr. Hatungimana is now applying for an additional loan of $25,500 for a $30,000 project, with Mr. Hatungimana investing $4,500 of his own. The project is to pave the gravel driveway to the repair garage, renovate the customer waiting room, and erect a fence as a buffer between the garage and the next door residential neighbor. It is being recommended that, should the Board approve this loan with conditions as outlined in the confidential material, the new loan be consolidated with the existing loan. She then introduced Mr. Hatungimana.

Mr. Hatungimana thanked the Board for its consideration of this loan request. Mr. Hatungimana described first paying rent for his business location, and then purchasing the property and doing fit up and purchasing machinery. He then described how he now, for a majority of the time, picks up and drops off customers because of the lack of a nicer waiting area. He would like to renovate that area, as well as pave, and erect a fence. Mr. Hatungimana also noted that he is working alone, as the extra employee was not contributing as much as he had expected; he now contracts with this employee as needed.

Ms. Hanig added that Mr. Hatungimana was the recipient of a BAP Grant for Job Creation, approved by the PDC 4/21/2016, and has met the obligations as of this time for hiring of an employee and maintaining the position for one year..

Ms. Carvel asked about the projections, particularly doing the work solely by the owner, and Mr. Hatungimana said that he expects revenues to continue to increase.

Mr. Santoro suggested perhaps finding a young intern to assist, and suggested the use of more social media for advertising, as well as offering current customers a discount for bringing in new customers.

Seeing no further comments or questions, on motion made and seconded, the Board voted unanimously at approximately 4:45 to go into executive session pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119-A to discuss proprietary information of the loan applicant. At approximately 5:22 the Board came out of executive session.

Mr. Shaw made a motion to approve the loan as presented with an amendment to reduce the loan amount to no more than $18,500 in new money, and withhold the paving funding pending the provision of invoices to Ms. Hanig for paving and then paving funds can be released to Mr. Hatungimana. Mr. Martin seconded the motion. A vote was then taken and the motion passed unanimously (7-0).

There being no further business, the meeting adjourned at 5:25 p.m.

Respectfully, Lori Paulette

Portland Development Corporation
Preliminary Draft Operating
Report FY18
For Month Ending
7/31/2017

Operating transfer from EDF **28,522**

Total Funds Available **28,522**

FY18 Expenditures	Budget	Current Month	Year to Date	Percent of Budget	Balance
Administrative Services	575	0	0	0.0%	575
Postage	300	0	0	0.0%	300
Travel, Training, Meetings	4,000	0	0	0.0%	4,000
Contractual Services	10,500	0	0	0.0%	10,500
Operating Transfer to Fin.	9,647	0	0	0.0%	9,647
Advertising	2,000	0	0	0.0%	2,000
Auto Expense Reimb.	100	0	0	0.0%	100
Printing & Binding	650	0	0	0.0%	650
Office Supplies	750	0	0	0.0%	750
Total FY18 Expenditures	**28,522**	**0**	**0**	**0.0%**	**28,522**

Preliminary Cash Management Report
7/31/2017

	CIP		UDAG	FAME	FAME	Brown-	Brown-		Year-to-Date						
			271		SSBCI	field 1	field 2		Principal/Interest						
	272	274	(Unrestricted)	277	279	278	280		CIP		UDAG				
	Restricted	Unrestricted	Loans/Grants					TOTAL	Restricted	Unrestricted	Unrestricted	FAME	SSBCI	Brnfld 1	Brnfld 2
Cash Bal. Beginning of Reporting Mo.	**266,158**	**128,911**	**460,663**	**373,127**	**552,478**	**339,065**	**1**	**2,120,403**							
Plus:															
Principal payments received	1,507	1,676	14,097	4,742	7,009				1,507	1,676	14,097	4,742	#REF!	7,009	0
Interest payments received from loans	447	935	2,119	3,755	2,143				447	935	2,119	3,755	#REF!	2,143	0
Interest Income													0	0	0
Other Income/Adjustments		-106	7	646											0
Pass Through From FAME/SSCBI							3,893								
Sub-Total Cash Available	**268,113**	**131,416**	**476,886**	**382,269**	**561,630**	**339,065**	**3,894**	**2,163,272**	**1,955**	**2,611**	**16,216**	**8,496**	**#REF!**		**0**
Less:															
FAME Annual Admin. Fee; Invoices															
Disbursements - Loans/PDAP Grants				(100,000)			(1,110)								
Sub-Total Cash Available:	**268,113**	**131,416**	**476,886**	**282,269**	**561,630**	**339,065**	**2,784**	**2,062,162**							
Less Reserves for:															
Beautification Program (EC0301)			(72,000)												
PEDPIP Fund Commitments thru FY16			(52,486)												
PEDPIP Fund FY17 Commitments			(33,676)												
Portland Dev. Action Grant (EC0302)			(43,287)												
Transfers not yet recorded (UDAG Int)															
BAP Grants															
Used for Administration															
Total Ending Loan/Grant Cash Bal.	**268,113**	**131,416**	**275,437**	**282,269**	**561,630**	**339,065**	**2,784**	**1,860,713**							

Bal. of Unrestricted/Uncommitted Funds ao 7/1/17:		379,676
PEDPIP Cap for FY18 (ao 7/1/2017) at 10% of above:		37,900
PEDPIP Commitments for FY18 to date:	0	37,900

Downtown Portland Corporation
Schedule of Loans Receivable
For the Month Ending July 31, 2017

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	$77,725
7158	1561	Forefront Brick South, LLC	11/18/2016	12/1/2026	100,000	$0	100,000	$95,799
		Sub-Total PBF (UDAG)						**$173,523**
		Portland Business Fund 272 (Restricted - CIP):						
7124	1554	Creative Portland	10/11/2016	11/1/2023	25,000	$0	25,000	$22,479
6502	1436	Portland Food Cooperative	6/4/2014	10/1/2021	130,000	$0	130,000	$98,218
		Sub-Total PBF (Bonds/CIP Restricted)						**$120,697**
		Portland Micro Capital Fund 271 (UDAG/Unrestricted):						
5708	1438	Veranda Asian Market LLC	4/19/2012	8/1/2017	50,000	$0	50,000	$2,030
5837	1341	Back Bay Skate	9/10/2012	9/1/2017	12,500	$0	12,500	$1,967
6113	1379	EcoHome Studio, LLC	4/11/2013	4/1/2018	15,000	$0	15,000	$2,446
6120	1380	Portland Trading Co. LLC	4/26/2013	8/1/2018	15,000	$0	15,000	$12,626
6501	1435	Sur Lie Wine Bar, LLC	5/2/2014	9/1/2021	37,335	$0	37,335	$24,021
6635	1464	Damiak's Bakery, LLC	10/16/2014	11/1/2019	25,000	$0	25,000	$12,022
7092	1559	Vin Bar, LLC	7/26/2016	9/2/2021	50,000	$0	50,000	$43,195
		Sub-Total Micro Capital Fund						**$98,307**
		Portland Business Fund Fund 274 (CIP/Unrestricted):						
6597	1458	Back Cove School	8/29/2014	9/1/2019	55,000	$0	55,000	$37,669
6828	1505	Poplar & Co., LLC	6/5/2015	10/1/2022	37,500	$0	37,500	$29,937
6868	1512	Billdotcom, LLC	8/29/2015	9/1/2022	102,500	$0	102,500	$96,652
7091	1546	Skunk Ape, LLC	7/21/2016	8/1/2023	75,000	$0	75,000	$65,814
		Sub-Total PBF (Bonds/CIP Unrestricted)						**$230,072**
		Creative Economy Fund 271 (UDAG/Unrestricted):						
5615	1308	Studio Management Corp.	1/20/2012	2/1/2017	26,000	$0	26,000	$3,949
		Sub-Total Creative Economy Fund						**$3,949**
		FAME Fund 277:						
5862	1351	Peaks Island Fuel	10/1/2012	10/1/2017	61,000	$0	61,000	$50,048
6531	1450	North Atlantic, Inc.	6/23/2014	1/1/2020	75,000	$0	75,000	$35,170
6598	1459	Browne Trading CO.	9/3/2014	10/1/2019	83,333	$0	83,333	$41,069
6692	1475	Maine & Loire LLC	12/30/2014	1/1/2020	45,000	$0	45,000	$21,460
6784	1485	SB & LC Properties, LLC	4/6/2015	5/1/2020	101,200	$0	101,200	$96,073
6485	1429	Evo Rock & Fitness Portland	4/14/2014	11/1/2024	132,954	$0	132,954	$104,262
6973	1524	Auto-Care, LLC	2/5/2016	3/1/2021	32,500	$0	32,500	$29,161
7029	1533	BayCycle	5/13/2016	9/1/2023	20,000	$0	20,000	$17,797
7103	1548	Cakeworks, Inc.	8/5/2016	9/1/2022	62,500	$0	62,500	$57,056
7176	1565	Adele Masengo Designs, Inc.	1/6/2017	2/1/2022	15,000	$0	15,000	$14,544
7157	1560	Forefront Brick South, LLC	11/18/2016	12/1/2026	250,000	$0	250,000	$239,497
		747 Congress LLC	1/25/2017	7/1/2022	150,000	$150,000		
7276	1580	Union Bagel	6/20/2017	7/1/2020	46,000		46,000	$46,000
7293	1582	Wallace James	7/14/2017	8/1/2022	100,000		100,000	$100,000
		Sub-Total FAME Fund						**$852,137**
		FAME SSBCI 279:						
5836	1340	251 Woodford Street LLC	8/31/2012	9/1/2017	165,000	$0	165,000	$121,250
5748	1327	Fermentation & Distillation	4/25/2012	10/1/2017	165,000	$0	165,000	$14,645
6199	1390	Inn at Diamond Cove LLC	7/10/2013	7/1/2018	200,000	$0	200,000	$166,395
7233	1570	KODA, LLC	3/31/2017	4/1/2027	100,000	$0	100,000	$99,249
6867	1511	Billdotcom, LLC	8/19/2015	9/1/2022	92,500	$0	92,500	$87,225
		Sub-Total FAME SSBCI						**$488,764**
		Real Estate Investment Fund 271(UDAG/Unrestricted):						
6104	1378	McCuda, LLC	4/19/2013	4/1/2018	200,000	$0	200,000	$170,775
		Sub-Total RE Invest						**$170,775**
		Brownfields Loan Fund 278						
6555	1457	Forefront Partners, LP	7/30/2014	2/1/2020	200,000	$0	200,000	$157,852
		Sub-Total Brownfields						**$157,852**
		Grand Total Loans				**$150,000**	**3,025,322**	**$2,296,075**
		Allowance for uncollectable loans at 15%						$344,411
		Total with Allowance for uncollectable loans:						**$1,951,664**

Portland Economic Development Implementation Program	
FY2018 Grant Funding Available:	**$37,900**
Current Round of Applications Due:	**9/29/2017 at 3:00 p.m.**

Portland Economic Development Implementation Program			
FY2017 Grant Funding Available:	**$48,331**		
Grantee Approved	**Grant Amount**	**Date Approved**	**Project**
Portland Downtown	$7,155	10/20/2016; Amt Amended 3	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
Maine College of Art	$3,676	5/25/2017	Campus Master Plan
GPCOG	$5,000	5/25/2017	Portland Food Launch & Festival
Women United Around the World	$10,000	5/25/2017	Vocational Training Program for Immigrant Women
Total Approved:	**$48,331**		
Balance of Funds Available:	**$0**		

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**

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: July 17, 2017
RE: **Portland Development Action Grant (DAG) Funds**

This memo is a communication to the PDC on the Development Action Grant (DAG) component of the Portland Development Action Program. It is being presented as a discussion item at this time.

OVERVIEW
Portland Development Action Program mainly provides grant assistance for public infrastructure known as the Development Action Grant (DAG). A list of all DAG recipients is attached to this memo. The other component of the Program is for loan assistance through project-specific bond issues to stimulate major development projects on the Peninsula. It has been used only once to assist the Maine College of Art with its acquisition of the Porteous Building on Congress Street. That loan has since been paid back in full.

A PDC Committee composed of volunteers board members Tim Agnew, Barry Sheff and Chip Martin met to consider modifications to the public infrastructure grants. After meeting and proposing some modifications to the Portland Development Action Program guidelines, these were to be presented at the PDC meeting in June. It turned out that time ran out on what was a packed agenda so this item was not addressed.

This may have been for the best as staff realized a few days before the meeting that just $43,387 remained in the fund for infrastructure grants. Staff emailed the PDC Committee members that were in town (Mr. Agnew and Mr. Sheff) with this information. Mr. Martin was away on vacation. As President of the Board, Drew Swenson was also included on this email. The email addressed the funding challenge, that is, whether to recommend to the PDC dissolving the grant component of the program once the remaining $43,387 is granted or potentially approving use of PDC's loan funds to recapitalize it.

HISTORY OF FUNDING SOURCES
The history of funding sources for the DAG was explained in that email as follows: When the program was created, the Council provided Capital Improvement Funds (CIP) for the infrastructure grants. Over time a total of $875,000 in CIP funds was used. When those funds ran out, the PDC provided $128,000 from its UDAG loan funds with the Council's approval. Then in 2014, an additional $56,000 in UDAG funds were moved (from the Unrestricted Fund) into the Program by the PDC. To date $184,000 of UDAG loan funds have been invested in the Program, with $43,387 remaining.

COMMITTEE CONSENSUS
The consensus from Mr. Agnew, Mr. Sheff and Mr. Swenson was to leave the DAG guidelines as they are until the money runs out. They were not in favor of a financial appropriation from the PDC loan funds to recapitalize the DAG. Following PDC Board discussion, staff would draft a communication from the PDC regarding its position on this matter to be provided to the City Council.

Development Action Grants Approved from Inception to June 2017

Recipient	Date	DAG Amount	Infrastructure	Location
Jelin Industrial	Jan-94	$10,780	Sidewalks	27 Pearl Street
Joe Malone	May-95	$15,000	Sidewalks	Middle Street/Hampshire to India
Tracy-Causer	Apr-96	$14,000	Sidewalks, curbing, trees	Fore and Center Strets
City of Portland	Apr-96	$160,000	Sidewalks	Cumberland and Elm
City of Portland	Jun-96	$100,000	Sidewalks; lighting; landscaping	Cumberland and Elm
A&M Partners (WL Blake)	Nov-97	$13,450	Sidewalks and curbing	13 Franklin Street
Landfall, LLC (Shipwreck & Cargo)	May-98	$15,267	Sidealks and curbing	205-207 Commercial Street
Giclee	Nov-98	$13,350	Sidewalks	51-53 York Street
ARI	Nov-98	$14,600	Sidewalks	23-25 Middle Street
City/Coastal Bank	Jun-99	$150,000	Street Widing/Traffic Improvements	Doubletree Hotel/Congress Street
SALT Institute	Jul-99	$8,000	Sidewalks	Exchange Street
Amato's	Apr-00	$20,800	Sidewalks, curbing, drain	India Street
Peggy & Eric Cianchette	Jun-00	$50,000	Sidwalks, curbing	Commercial Street
Olympia Equity Investors	Oct-00	$49,276	Sidwalks, curbing	Commercial Street
Marginal Holdings	Apr-01	$9,000	Traffic Upgrades	87 Marginal Way
Portland Harbor Hotel	Sep-01	$34,000	Sidewalks	468 Fore Street
Atlantic Bayside	Jul-02	$25,000	Sidewalks	Marginal Way/Salt Shed
Olympia Equity Inc	Jul-02	$25,000	Sidewalks	Commercial and Franklin St.
75 York St, LLC	Oct-03	$6,326	Sidewalks	75 York Street
Cumberland YMCA	Feb-06	$16,100	Sidewalks	231 High Street
A & M Partners	May-05	$25,000	Sidewalks	59-75 Washington Avenue
Bayside Ventures	Feb-06	$21,400	Sidewalks, street lights	63 Marginal Way
Chestnut Street Lofts	Feb-06	$20,700	Sidewalks	Chestnut Street
Olympia Investors	Jul-06	$7,031	Sidewalks	300 Fore Street
Becky's Diner	Jun-07	$10,192	Sidewalks	Commercial Street
Atlantic Bayside Trust	Apr-08	$25,000	Sidewalks, street lights	Marginal Way
Maine Historical Society	Feb-09	$25,000	Sidewalks	Congress Street
Bayside Ventures (Ptld Hall)	Jul-09	$25,000	Sidewalks	Congress Street
Baxter Library LP	Oct-09	$25,000	Electrical lines/storm drainage pipes	Congress Street
Portland Bowl LLC	May-10	$25,000	Sidewalks, street lights	Alder Street
Salebaan Motors, Inc.	Aug-10	$4,550	Sidewalks	St. John Street
Random Orbit	Nov-10	$4,734	Sidewalks	Congress Street
Press Hotel	Oct-13	$25,000	Sidewalks, curbing	Exchange Street
Cow Plaza	Apr-14	$25,000	Sidewalks, curbing, street lights	Fore and Union Streets
HOME	Dec-14	$6,827	Water Line (serving all retail in garage)	Temple Street Garage
Total:		$1,018,556		