Gregory A. Mitchell
Director, Economic Development Department

PORTLAND DEVELOPMENT CORPORATION
Board Meeting

DATE: October 19, 2017
TIME: 4:00 p.m.
LOCATION: Room 209, Basement Conference Room
Portland City Hall

A G E N D A

1. Chair's comments.

2. Review and accept Minutes of September 28, 2017 meeting.

3. Review and vote on PEDPIP Grant Application from the City of Portland Office of Economic Opportunity.

4. Review and approval of Memorandum of Understanding between PDC and EDD for BAP grant application

5. Treasurer's Report – September 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.

6. Annual Meeting of Board:
   a) Election of Officers – President, Treasurer, Secretary
   b) Accepting Annual Report for FYE17 and vote to forward to Corporator as a communication.
   c) Setting Date for Annual Meeting of Corporator as November 20, 2017
   d) Any other business that may come before the Board.

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

8. Next Meeting Date: November 16, 2017.

Tim Agnew/Board Treasurer

Minutes

Portland Development Corporation

September 28, 2017

A meeting of the Board of Directors of the Portland Development Corporation was held on Thursday, September 28, 2017 at 4:00 p.m. in Room 24 of Portland City Hall. Present from the Board were Board President Drew Swenson and Directors Tim Agnew, Shelley Carvel, Jed Harris, Chip Martin, Heather Sanborn, Jere Shaw (arriving shortly after meeting started as noted herein), Barry Sheff, and Mayor Ethan Strimling. Directors Jon Jennings and Ovid Santoro could not be present. 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.

Item #1: President's Comments

President Swenson advised the Board that the Nominating Committee of the City Council has recommended the appointment of two new PDC Board Directors – Matthew Vieth and Tom Dunne – to the City Council at its October 2 meeting. They would replace two of the three Directors whose terms expire 9/30/2017 – Barry Sheff, Jere Shaw, and himself. After discussion, Mr. Sheff said that he would continue to serve on the Board until his replacement is appointed by the Council.

President Swenson then noted that applications for the PEDPIP Matching Grant program are due by September 29th. It is anticipated that there could be more than a handful of applications and requested volunteers for a sub-committee to review the applications and make a recommendation to the full Board. Directors Agnew, Harris, and Sheff volunteered.

Lastly, President Swenson said that at the October 19 meeting of the Board, it will hold its Annual Meeting, at which time new officers are nominated and appointed for President, Treasurer, and Secretary. He asked any Board Director interested in an officer position to contact him or Greg Mitchell. President Swenson noted that he would not be able to attend the October 19 Board meeting and said that it has been a pleasure serving on this Board for the past six years.

Item #2: Review and accept Minutes of August 31, 2017 meeting.

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

Item #3: Discussion and vote regarding the Development Action Grant (DAG) Program

President Swenson said that this program has just over $43,000 left in it and is used for public infrastructure projects that the Planning Board requires of a development.

Ms. Hanig said that a subcommittee had reviewed the DAG guidelines for amendments, but, after learning of the limited funds remaining, decided it did not make sense to move forward on any amendments or to re-allocate additional PDC funds for the program.

(Director Shaw joined the meeting at this time.)

Ms. Hanig said that staff is looking for a vote from the Board regarding consensus to not use PDC funds and communicate this to the City Council. The City Council could then decide if it wants to continue funding the DAG program as it had when it was originally created with CIP funding.

President Swenson added that there have been no new applications for this Grant program in over two years. He also noted that, of late, when public infrastructure is required, the City provides materials and the developer provides the labor. This seems to be working out for projects.

Mr. Agnew made a motion to not recommend transferring additional PDC funds from its portfolio to the DAG program and report that to the City Council; Mr. Sheff seconded the motion.

Ms. Sanborn said that this DAG program is difficult to navigate through and would support its discontinuance. She asked if the $43K would stay with the DAG or be transferred for loans.

Mr. Agnew recommended that the $43K be transferred back in to the UDAG fund it came from and recommend to the City Council to not be further funded.

(Mayor Strimling left the meeting for a call.)

President Swenson added that because there have been no new applications for over two years, he thought the City Council would support the program's termination.

Mr. Agnew withdrew his motion and Mr. Sheff withdrew his second. Mr. Agnew made a new motion to transfer the remaining DAG funds back into the UDAG loan fund and recommend to the City Council the program be terminated due to lack of use. Mr. Sheff seconded the motion, and the motion passed unanimously – 8-0.

Item #5: Review and vote to recommend to the City Council applying for and accepting additional Brownfields Assessment Grant Funds from the US EPA

President Swenson suggested taking this up out of order, as the Mayor would like to be present for Item #4; the Board concurred.

Ms. Hanig said that, if awarded the $200,000, these grant funds can used be for Phase I and Phase II Environmental Site Assessments (ESA) only, not clean-up. The PDC's closed out funds can be used for clean-up. Staff is looking for a recommendation from the Board to the Council to apply, and if granted, accept and appropriate the grant funds.

Mr. Shaw asked about the $200,000 figure, and Ms. Hanig said that that is the limit by US EPA.

Mr. Harris asked if there were any matching funds involved, and Ms. Hanig indicated in the negative, adding that these grant funds would be used to pay directly to the firm who conducts the ESAs.

On motion made and seconded, the Board voted 7-0-1 (Sheff abstained) to recommend to the City Council applying, and if awarded, accepting, and appropriating the Brownfield Grant funds.

Item #6: Review and vote to approve staff applying for additional CDBG funds for the Business Assistance Grant Program for Job Creation.

Ms. Hanig said that she is looking for a vote from the Board for staff to apply for additional funds for the BAP program. This would not need to go to the City Council. She also noted that she has not used the previous round of funding (has many interested in that round of funds) because of the current requirement in the PDC BAP guidelines of employing a Portland resident, which may be unconstitutional. This will be discussed during Item #4. If successful with this new application, the new funds would be available July 2018.

Mr. Sheff made a motion to recommend that staff apply for another round of CDBG funding for the BAP program; Ms. Sanborn seconded the motion.

Mr. Shaw asked why only $100,000 would be applied for, and Ms. Hanig said that this CDBG funding is very competitive and felt that the PDC would be in a better position to apply for level funding as it has been awarded in the past.

(Mayor Strimling rejoined the meeting.)

Ms. Sanborn asked how much was applied for in the previous round, and Ms. Hanig indicated $118,000.

Mr. Shaw suggested that staff apply for more than the $100,000 due to there being now a waiting list for the funds.

The Board discussed the amount to apply for given that it is competitive with social service agencies, the Planning Department, and Public Works public infrastructure projects to name a few. With the PDC now having $108,543 in the previous round of funding not yet spent, consensus of the Board was to round the amount requested to $144,457.

On motion made and seconded, the board voted 8-0-1 (Mayor Strimling abstained) for staff to apply for $144,457 for this next round of funding for the BAP.

Item #4: Review and vote to recommend to the City Council to amend the guidelines for the Business Assistance Grant Program for job creation.

Note: Pursuant to 1 M.R.S.A. 405(6)(E), the Board may go into executive session to consult with its attorney concerning the legal rights and duties of the Board.

President Swenson recommended that the Board go into executive session to consult with its attorney Michael Goldman concerning the legal rights and duties of the Board.

In response to Mayor Strimling, Mr. Goldman said that is a topic that can be discussed in executive session for the PDC's attorney to discuss and advise the Board on how to move forward.

George Rheault, a member of the audience, asked if the meeting would be opened for public comment.

President Swenson said that this Board has not opened its meetings for public comment, and Mr. Goldman added that this Board is not required to take public comment on any matter. Certain committees are required to follow City Council rules, but this Board is not subject to that per Statute, its Bylaws, or Articles of Incorporation.

On motion made and seconded, the Board voted unanimously to go into executive session at approximately 4:53 pursuant to 1 M.R.S.A. 406(6)(E) to consult with its attorney regarding amending the guidelines for the Business Assistance Grant for job creation.

(Mr. Harris had to leave the meeting at 5:15.)

At approximately 5:40 the Board came out of executive session.

Ms. Sanborn made a motion to accept the recommendation from staff to amend the BAP guidelines to take out the Portland residency requirement and forward this to the City Council for approval, noting that this could be revisited after the City receives the results of an Employment Disparity Study.

Mr. Sheff seconded the motion.

Mr. Shaw said that this supports businesses and employees.

Mayor Strimling said that he would not support the motion. This program helps businesses to get employees hired. It has been in place for 5 years without a problem. Even though this is Federal money, the City pays Federal taxes and he felt the Portland residency requirement should remain.

President Swenson, noting public in attendance, asked Mr. Goldman if opening the meeting for public comment would set a precedent, and Mr. Goldman indicated that it would not set precedent.

A motion was made and seconded to provide an opportunity for public comment, with public comment limited to 2 minutes per person. A vote was taken on the motion and it passed 6-2 (Carvel, Shaw).

George Rheault of Bayside said that there was no issue with privileges and immunities clause of the Constitution and this program.

There being no further public comment, President Swenson closed the public comment session.

A vote was then taken on the motion and it passed 6-2 (Martin and Mayor Strimling).

Item #7: Treasurer's Report – August 2017 – Tim Agnew

On motion made and seconded, the Board voted unanimously at approximately 5:52 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 discuss/monitor any of the loans listed on the Confidential Delinquency Report. At approximately 6:00 p.m., the Board came out of executive session.

Item #8: Other items to be discussed.

Ms. Hanig said that the awards subcommittee met and has come up with a slate for this year's awards, including a new award called "New Business of the Year". The slate has been recommended as follows:

- Economic Development Achievement Award – Eimskip;
- Business of the Year Award – Bristol Seafood;
- Small Business of the Year Award – Think Tank CoWorking; and,
- New Business of the Year Award – Fork Food Lab.

A motion was made and seconded to approve of the recommendations for the four awards.

Mr. Agnew said that the Committee felt it important to establish the "New Business of the Year Award" to recognize a new, young, interesting business. It also discussed the possibility of formulating guidelines for the awards, which may involve another subcommittee.

A vote was then take on the motion and it passed unanimously.

There being no further business to come before the Board, the meeting was then adjourned at approximately 6:05 p.m.

Respectfully, Lori Paulette

Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: Portland Development Corporation
FROM: Nelle Hanig, Business Programs Manager
CC: Greg Mitchell, Economic Development Director
DATE: October 12, 2017

SUBJECT: **City of Portland Office of Economic Opportunity (OEO) Seeking $15,000 Grant from the Portland Economic Development Plan Implementation Program (PEDPIP)**

Overview

The City's Office of Economic Opportunity (OEO) is seeking a $15,000 PEDPIP grant to assist with a project to develop concrete strategies and a measurable plan to integrate immigrants into the community and foster economic growth. The PEDPIP funds will serve as a match to a Gateway's for Growth (GFG) grant award to the City of Portland under the leadership of OEO and in partnership with the Portland Regional Chamber. Portland was selected as one of eight communities in the U.S. to receive this award by the Partnership for a New American Economy and Welcoming America.

Julia Trujillo is the Executive Director of OEO. She notes in her application that "OEO is fully aware that over the last five years, there have been numerous community planning dialogues and processes related to immigrant integration, but very few actionable solutions." It is her view that the City and the Chamber "are uniquely positioned to engage a broad representation of stakeholders and the public at large in order to coordinate and bring into action a common immigrant integration strategy, as a major pillar to the broader economic development plan for the city."

The project for which OEO is seeking funding will have three basic elements: participatory constituent engagement, sound facilitation to set measurable strategies and outcomes with tangible targets, and a focus on building upon existing socio-economic plans to strengthen the City's socio-economic agenda.

Budget

This project will cost $30,650. The GFG award is providing $12,500 and the John T. Gorman Foundation another $2,500. The OEO will provide $650 and a PEDPIP grant for $15,000 will round out the remainder of what is needed. The bulk of the funds will be used for the development and implementation of a technology platform to survey a community that speaks many different languages and for a facilitator.

Timing

The strategic plan will be completed and published by September of 2018.

Consistency with PEDPIP Objectives and Work Plan

The retention and attraction of human capital is vital to strengthening the region's economy while maintaining quality of life for all its residents. The Chamber's Case for Growth and the PEDPIP 2016-2017 Work Plan highlight workforce development and talent attraction. In the Work Plan, one of the Actions to achieve this is to "Overcome barriers to employment with strategies, programs and services."

Staff Recommendation

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

Available PEDPIP Funds

The PEDPIP budget for FY 2018 is $37,900. Any funds that are left over from this round will be made available for the March 2018 round, with applications due March 30th.

Attachments

PEDPIP application from the City's Office of Economic Opportunity

Date: September 29, 2017

APPLICATION INFORMATION

Organization Name: City of Portland's Office of Economic Opportunity

Organization Structure: x **Public**

Address: 389 Congress St, Portland, ME 04101, Suite 26

Website: https://www.portlandmaine.gov/2108/Office-of-Economic-Opportunity

Primary Contact Person at Organization: Julia Trujillo Luengo

Phone Number: 207-874-8432

Email Address: jtrujillo@portlandmaine.gov

PROJECT INFORMATION

A. Project Description*
As it relates to PEDPIP Objectives or Work Plan

The City of Portland, under the leadership of the Office of Economic Opportunity (OEO) and in partnership with the Greater Portland Chamber of Commerce (referred here as the Chamber), has been selected as one of eight communities by the nationally recognized Partnership for a New American Economy and Welcoming America to receive the *Gateways for Growth* (GFG) three tier award. This great opportunity supports local governments, like the City of Portland, businesses and business leaders, like the Portland Regional Chamber of Commerce (referred as the Chamber), and civic leaders develop concrete strategies to integrate immigrants and foster economic growth.

This opportunity will help OEO and the Chamber develop strategies to be accessible and inclusive to all residents. It is not about any individual policy or group of immigrants, but is meant to be used as a community-wide planning tool that welcomes and integrates all members of the community in order to put together an ambitious agenda together.

The three-tier support from GFG consists of tailored technical assistance, customized data analysis to reflect Portland's needs and a funding award of $12,500. While this is a significant first step to set the core foundation and framework for the Office of Economic Opportunity, it is not sufficient to undergo a robust, meaningful, measurable plan moving forward. PEDPIP's support would ensure that the strategic planning process has three basic elements of success: a participatory constituent engagement process; a sound facilitation to set measurable strategies and outcomes, with concrete timelines and tangible targets informed by constituent feedback; and finally, that it builds upon existing socio-economic plans to strengthen the city's socio-economic agenda.

OEO is fully aware that over the last five years, there have been numerous community planning dialogues and processes related to immigrant integration but very few actionable solutions. Moreover, while these community forums and research have offered some value, for the most part, they have failed to translate into local or regional initiatives or any measurable outcomes. So why is this different?

Urgency: Maine is the oldest and whitest state in the U.S. with one of the country's lowest birth rates. Like the rest of Maine, Portland faces an urgent challenge: slow population growth, an aging workforce and a tight labor market with skilled labor shortages. Therefore, we face a socio-economic imperative: to attract and retain even more talent to Portland. This is a pivotal moment for the City of Portland and the region's Chamber of Commerce to form an intentional partnership that aligns the newly created OEO's vision and plan with the Chamber's overall efforts and its *Case for Growth Initiative* and the City's PEDPIP Work Plan.

Tangible Solution at our Door Step: The Chamber's *Case for Growth* as well as PEDPIP 2016-2017 Work Plan identify the retention and attraction of human capital as a key strategy to uphold the region's growth rate while maintaining a good quality of life for all its residents. "Immigrants," says well-known philanthropist Jamie Merisotis, "no matter their qualifications, run our economy".

The international talent that has arrived in Maine since 2010, particularly in Portland, is young, skilled and motivated. They offer an effective tangible solution to the demographic challenge Portland faces. Their average age is 27, compared to 43.6 among native born; 52% have a bachelor's degree or above, compared to 28% among their native counterparts and 42% are enrolled in college or graduate school, compared to 27.8% among the native population. The rise of immigrant talent into the City has grown dramatically, particularly since 2013. The New Mainer's Resource Center's (NMRC) - who links many employers to foreign born highly skilled talent - enrollment has more than doubled from 204 participants in 2013 to 438 at the close-out of 2016. Immigrants stemming from the Great African Lakes' region and other African nation-states have increased significantly over the last three years. In 2015-2016, 76% of NMRC's participants came from Central Africa, followed by Middle Easterns (10%), Eastern Africans (3%), Latin Americans (3%) and others (8%). Almost 50% of Portland Public Schools' students have at least one foreign-born parent. There are sixty (60) languages spoken in the district at large. According to the Home Language Survey results, in 2013 a total of 2,174 students spoke a language other than English. In contrast, in May 2017, the count increased to 2,273, which comprised a 33% of the total student population

Accountability: The City of Portland (COP) and the Greater Portland Chamber of Commerce (GPCC) are uniquely positioned to engage a broad representation of stakeholders and the public at large in order to coordinate and bring into an action a common immigrant integration strategy, as a major pillar to the broader economic development plan of the City. The majority of prior community dialogues and processes have been led by the philanthropic or non-profit sector. Municipal government and private sector have not taken a significant leadership role, which has hindered a broad based, systemic impact. This newly formed intentional and symbiotic partnership would be an unprecedented opportunity to align efforts into a cross-sector coordinated approach and expand their distinct impact to achieve collective results.

As explained above, one of the most notable costs of so many community dialogues is fatigue by stakeholders. For that reason, OEO plans to move away from the "traditional" feedback processes with focus groups or task forces. Instead, our first step would be to engage the beneficiaries/stakeholders in a broad-based, interactive participatory feedback process. The goal is to reach 500 + voices from the immigrant and diverse communities via an interactive experience/game through a partnership with the Engagement Lab at Emerson College. The intention is to maximize the naturally intuitive engaging qualities of transformational games/games for change to mitigate language barriers while seeking input from the community in an exciting, new, intergenerational experience that helps shape the immigrant integration vision of the region. The interactive experience will help us learn of effective community services and engagement opportunities, possibilities for improvement and/or needs for other resources. This, in turn, will be the catalyst to inform a quantitative immigrant integration agenda. A road map that adapts the principles of MIPEX to the local agenda in order to compare apples to apples, avoid duplication and enhance effectiveness by addressing gaps and capitalize on what's working. A cross-sector multi-ethnic task force will be charged with responding to the stakeholder feedback; building on existing best local practices and initiatives guiding the prioritization process and tracking these efforts. The intent is for the task-force to follow a similar approach as the Portland's (the City) Disability Advisory Committee; which was recently restructured to include a selection criteria and prioritization process.

As a result of PEDIP's support, OEO will:

1. Work with the GFG Team at a Partnership for a New American Economy to produce Portland based Economic Research Briefs related to immigrant integration and its crucial role in economic growth (See samples of first cohort of cities to receive this support, here)
2. Ensure Stakeholder Engagement – "broadening the brushstroke" to include 500+ stakeholders in a meaningful participatory process as described above.
3. Lead a Comprehensive Strategic Process and Plan (aligned with PEDPIP Work Plan, Action 2.1) with measurable strategies, quantifiable outcomes, concrete targets and defined timelines – following a similar methodology to MIPEX. Some of the central themes will include:

    - Workforce Development Improvement (PEDPIP Work Plan, Action #2 *Workforce Development and Talent Attraction*)
    - Talent Retention and Attraction (PEDPIP Action Plan #2 *Workforce Development and Talent Attraction)*
    - Overcoming Barriers to Employment with Strategies, Programs, and Services (PEDPIP Work Plan, Action 2.2)
    - Business Creation and Recruitment (PEDPIP Work Plan, Actions 6 & 7 *Business Permitting and Retention*)

4. Engage racially diverse and immigrant community members and stakeholders on Case for Growth Initiative and PEDPIP Work Plan.

5. Support private-public partnerships and cross-sector collaboration to solve complex challenges that may hinder the city and the region's current economic growth and long-term prosperity.
6. Visualize and bring into action IT approaches to civic engagement
7. Expose and engage Maine's future workforce (youth) to the possibilities in civic engagement, IT, education, social work, business, economic and other related fields associated with this overarching strategic planning process and available to them to achieve a quality of life right here in Portland.

In closing, it is clear that Portland has all the ingredients needed to thrive and put forth an ambitious immigrant integration agenda that is participatory, inspirational, meaningful, diverse and quantifiable. An agenda that strives for excellence and optimizes every pathway so that our region can grow and where all Portlanders can thrive. With your support and the GFG partnership, we are confident we can transform our city, our region, and the lives of so many.

PROJECT FUNDING

Grant Amount Requested $15,000

Applicant Match $12, 500 **Match Source:** Gateways for Growth Award

$2,500 **Match Source**: John T. Gorman Foundation

Total Cost of Project $30,000

PROJECT TIMELINE

Completion and publication of OEO's Strategic Plan by September 2018

BUDGET

Deliverables and Associated Costs

1) Community Workshop - Conduct a 3-hour workshop open to all interested stakeholders to clearly understand the problem and present design considerations for the game.

2) Paper Prototyping -Build a series of game prototypes on paper that we will test in Portland with stakeholders.

3) Development - Incorporate all input into a modification of the basic architecture of @Stake. Staying within the basic structure of the game -- a multiplayer, turn-based mobile game -- adapt the skin (visual design) and content (characters, scenarios) to meet the needs of the Office of Economic Opportunity.

4) Deploy - Facilitate the game's use within a set number of gatherings with target users to assure that the game is meeting the requirements.

5) Report – Extract data and issue instructions and a summary/report (approx 15 pages) to inform strategic plan process.

6) Recruit and form Task Force

7). Secure facilitator, analyze data from engagement process and other data points, translate into strategic priorities and identify existing or newly created strategies to reach established goals.

8) Publish OEO's Strategic Plan.

Total Cost: $30,000

*****Please note that the Project Description contains multiple hyperlinks. If you wish to receive the application electronically, please email jtrujillo@portlandmaine.gov

EXPENSES	$ Amount	Funding Source
Strategic Planning Process Design (Participatory Stakeholder Feedback)	$25,000	Gateways for Growth Grant PEDIP Grant
Strategic Planning Process Facilitation	$5,000	J T Gorman Grant PEDIP Grant
Refreshments	$500	Office of Economic Opportunity
Supplies	$150	Office of Economic Opportunity
Retreat location	$0	City of Portland Facilities
Total	$30,650	

Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: Portland Development Corporation (PDC)
FROM: Nelle Hanig, Business Programs Manager
CC: Greg Mitchell, Economic Development Director
DATE: October 12, 2017

SUBJECT: **Approval of Memorandum of Understanding for Grant Application Seeking Business Assistance Program for Job Creation (BAP) Funding**

OVERVIEW

At the last PDC meeting, the Board gave its approval for the Economic Development Department (EDD) to submit an application for a Community Development Block Grant (CDBG) to fund a fifth round of the Business Assistance Program for Job Creation (BAP). As an attachment to the application, staff would like to include a Memorandum of Understanding (MOU) between the PDC and the EDD to clarify the partnership we have for implementing the Program. It has been determined that MOUs strengthen an application, earning extra points from the CDBG application review committee.

Specifically, that EDD staff is responsible for administration of the Program, including marketing, intake, qualifying and analyzing applications (with assistance from an underwriter), presentation of qualified applications to the PDC Board, and follow-up with successful applicants on a quarterly basis to check on job creation and assist with grant draw down.

The PDC board is responsible for reviewing qualified applications and underwriting reports submitted to them by the EDD staff and underwriter. At the PDC's monthly meetings, the board will discuss the qualified applications and approve grants to those applicants it determines worthy of awards, that is, costs are reasonable, businesses are deemed to be financially stable and likely to create the proposed number of jobs, with 100% being made available to LMI individuals.

RECOMMENDATION

Staff recommends approval of the Memorandum of Understanding to be signed by the PDC President or Secretary.

MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN THE ECONOMIC DEVELOPMENT DEPARTMENT
AND THE PORTLAND DEVELOPMENT CORPORATION

This Memorandum of Understanding (MOU), dated as of the ____ day of _____________, 2017, is made by and between the City of Portland's Economic Development Department (EDD) and the Portland Development Corporation (PDC), a 501(C)(3) quasi-municipal organization formed by the City of Portland in January 1991.

Whereas, the EDD is the primary staff to the PDC and its Board of Directors; and,

Whereas, the eleven (11) member PDC board has oversight for the City's commercial loan programs, its public infrastructure grant program and four previously funded rounds of the *Business Assistance Programs for Job Creation* (BAP); and,

Whereas, the EDD and PDC will be applying for Community Development Block Grant (CDBG) funds to re-capitalize the BAP to make available grants of up to $20,000 to new and expanding Portland businesses to assist with job creation for LMI individuals and contingent upon a dollar for dollar private match; and,

Whereas, the EDD staff will administer the BAP and bring qualified applications for grants to the PDC Board for its review and approval,

Now, therefore, the parties agree as follows:

1. <u>Application for CDBG Funding</u>
The EDD and the PDC will apply for CDBG funds in the amount of $150,000 for the BAP.

2. <u>Role of EDD</u>
The EDD will provide administration of the BAP, including preparation of the application form, marketing, meeting with interested businesses, qualifying and analyzing applications received (with assistance from an underwriter), presentation of qualified applications to the PDC board for review and approval, and follow-up with successful applicants on a quarterly basis to check on job creation and assist with grant draw down.

3. <u>Role of PDC</u>
The PDC board will review qualified applications and underwriting reports submitted to them by the EDD staff and underwriter. At the PDC's monthly meetings (third Thursday of each month), the board will discuss the projects proposed from the qualified applications and approve grants to those applicants it determines have project costs that are reasonable, businesses that are deemed financially stable and likely to create the proposed number of jobs, with 100% being made available to LMI individuals. Preference will be given to those applicants who will provide skills training for their hires. In some cases the PDC will be reviewing loan requests for applicants who need a City loan to help meet the required private match.

<u>4. Program Funds</u>
The EDD and PDC are seeking $150,000 to re-capitalize the BAP, of which at least $145,000 will be directed to fund grants to new and existing Portland businesses. No more than $5,000 will be used to cover the cost of a qualified underwriter (for analysis of business plans, financial statements and budgets).

IN WITNESS WHEREOF, the parties have signed this MOU as of the date and year written above.

WITNESS: **ECONOMIC DEVELOPMENT DEPARTMENT**

___________________________________ By:_______________________________________
Gregory A. Mitchell, its Director

WITNESS: **PORTLAND DEVELOPMENT CORPORATION**

___________________________________ By:_______________________________________
Shelley Carvel, its Secretary

Portland Development Corporation
Preliminary Draft Operating
Report FY18
For Month Ending
9/30/2017

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	10	3.3%	290
Travel, Training, Meetings	4,000	74	74	1.9%	3,926
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	15	2.3%	635
Office Supplies	750	38	158	21.0%	592
Total FY18 Expenditures	**28,522**	**112**	**257**	**0.9%**	**28,265**

Expenditures:	
Travel, Training, Meetings	Meeting Refreshments
Office Supplies	Various

Downtown Portland Corporation
Schedule of Loans Receivable
For the Month Ending September 30, 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	$57,779
7158	1561	Forefront Brick South, LLC	11/18/2016	12/1/2026	100,000	$0	100,000	$94,519
		Sub-Total PBF (UDAG)						**$152,298**
		Portland Business Fund 272 (Restricted - CIP):						
7124	1554	Creative Portland	10/11/2016	11/1/2023	25,000	$0	25,000	$20,902
6502	1436	Portland Food Cooperative	6/4/2014	10/1/2021	130,000	$0	130,000	$96,238
		Sub-Total PBF (Bonds/CIP Restricted)						**$117,140**
		Portland Micro Capital Fund 271 (UDAG/Unrestricted):						
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	$1,896
6120	1380	Portland Trading Co. LLC	4/26/2013	8/1/2018	15,000	$0	15,000	$12,290
6501	1435	Sur Lie Wine Bar, LLC	5/2/2014	9/1/2021	37,335	$0	37,335	$22,734
6635	1464	Damiak's Bakery, LLC	10/16/2014	11/1/2019	25,000	$0	25,000	$11,682
7092	1559	Vin Bar, LLC	7/26/2016	9/2/2021	50,000	$0	50,000	$41,667
		Sub-Total Micro Capital Fund						**$92,236**
		Portland Business Fund Fund 274 (CIP/Unrestricted):						
6597	1458	Back Cove School	8/29/2014	9/1/2019	55,000	$0	55,000	$35,018
6828	1505	Poplar & Co., LLC	6/5/2015	10/1/2022	37,500	$0	37,500	$32,677
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	$64,248
		Sub-Total PBF (Bonds/CIP Unrestricted)						**$228,595**
		FAME Fund 277:						
5862	1351	Peaks Island Fuel	10/1/2012	10/1/2017	61,000	$0	61,000	$49,918
6531	1450	North Atlantic, Inc.	6/23/2014	1/1/2020	75,000	$0	75,000	$34,589
6598	1459	Browne Trading CO.	9/3/2014	10/1/2019	83,333	$0	83,333	$38,197
6692	1475	Maine & Loire LLC	12/30/2014	1/1/2020	45,000	$0	45,000	$15,110
6784	1485	SB & LC Properties, LLC	4/6/2015	5/1/2020	101,200	$0	101,200	$95,018
6485	1429	Evo Rock & Fitness Portland	4/14/2014	11/1/2024	132,954	$0	132,954	$101,323
6973	1524	Auto-Care, LLC	2/5/2016	3/1/2021	32,500	$0	32,500	$29,110
7029	1533	BayCycle	5/13/2016	9/1/2023	20,000	$0	20,000	$17,369
7103	1548	Cakeworks, Inc.	8/5/2016	9/1/2022	62,500	$0	62,500	$56,433
7176	1565	Adele Masengo Designs, Inc.	1/6/2017	2/1/2022	15,000	$0	15,000	$14,256
7157	1560	Forefront Brick South, LLC	11/18/2016	12/1/2026	250,000	$0	250,000	$236,297
		747 Congress LLC	1/25/2017	7/1/2022	150,000	$150,000		$0
7276	1580	Union Bagel	6/20/2017	7/1/2020	46,000		46,000	$43,709
7293	1582	Wallace James	7/14/2017	8/1/2022	100,000		100,000	$97,126
		Sub-Total FAME Fund						**$828,455**
		FAME SSBCI 279:						
5748	1327	Fermentation & Distillation	4/25/2012	10/1/2017	165,000	$0	165,000	$8,450
6199	1390	Inn at Diamond Cove LLC	7/10/2013	7/1/2018	200,000	$0	200,000	$165,873
7233	1570	KODA, LLC	3/31/2017	4/1/2027	100,000	$0	100,000	$98,839
6867	1511	Billdotcom, LLC	8/19/2015	9/1/2022	92,500	$0	92,500	$87,225
		Sub-Total FAME SSBCI						**$360,387**
		Real Estate Investment Fund 271(UDAG/Unrestricted):						
6104	1378	McCuda, LLC	4/19/2013	4/1/2018	200,000	$0	200,000	$169,624
		Sub-Total RE Invest						**$169,624**
		Brownfields Loan Fund 278						
6555	1457	Forefront Partners, LP	7/30/2014	2/1/2020	200,000	$0	200,000	$154,846
		Sub-Total Brownfields						**$154,846**
		Grand Total Loans				**$150,000**	**2,784,322**	**$2,103,580**
		Allowance for uncollectable loans at 15%						$315,537
		Total with Allowance for uncollectable loans:						**$1,788,043**

Cash Management Report
9/30/2017

	CIP		UDAG	FAME	FAME	Brown-	Brown-	
	272	274	271		SSBCI	field 1	field 2	
			(Unrestricted)	277	279	278	280	
	Restricted	Unrestricted	Loans/Grants					TOTAL
Cash Bal. Beginning of Reporting Mo.	**269,748**	**134,012**	**472,686**	**318,679**	**688,014**	**340,448**	**-**	**2,223,587**
Plus:								
Principal payments received	2,236	2,347	28,296	10,912	3,806	1,528		
Interest payments received from loans	400	1,501	2,594	3,979	2,021	450		
Interest Income					399	197		
Other Income/Adjustments		-347	(17)	625	(60)			
Pass Through From FAME/SSCBI								
Sub-Total Cash Available	**272,383**	**137,513**	**503,559**	**334,195**	**694,180**	**342,623**	**-**	**2,284,453**
Less:								
FAME Annual Admin. Fee; Invoices								
Disbursements - Loans/PDAP Grants							(286)	
Sub-Total Cash Available:	**272,383**	**137,513**	**503,559**	**334,195**	**694,180**	**342,623**	**(286)**	**2,284,167**
Less Reserves for:								
Beautification Program (EC0301)			(72,000)					
PEDPIP Fund Commitments thru FY16			(51,033)					
PEDPIP Fund FY17 Commitments			(33,676)					
PEDPIP Fund FY18 Commitment			(37,900)					
Portland Dev. Action Grant (EC0302)			(43,287)					
Transfers not yet recorded (UDAG Int)			(6,378)					
BAP Grants								
Used for Administration								
Total Ending Loan/Grant Cash Bal.	**272,383**	**137,513**	**259,285**	**334,195**	**694,180**	**342,623**	**(286)**	**2,039,894**

	Year-to-Date						
	Principal/Interest						
	CIP		UDAG				
	Restricted	Unrestricted	Unrestricted	FAME	SSBCI	Brnfld 1	Brnfld 2
Cash Bal. Beginning of Reporting Mo.							
Plus:							
Principal payments received	5,064	5,893	46,400	25,280	135,386	3,006	0
Interest payments received from loans	1,161	3,320	6,378	10,519	5,482	950	0
Interest Income					894	486	0
Other Income/Adjustments							0
Pass Through From FAME/SSCBI							
Sub-Total Cash Available	**6,224**	**9,213**	**52,778**	**35,799**	**141,762**		**0**
Less:							
FAME Annual Admin. Fee; Invoices							
Disbursements - Loans/PDAP Grants							
Sub-Total Cash Available:							
Less Reserves for:							
Beautification Program (EC0301)							
PEDPIP Fund Commitments thru FY16							
PEDPIP Fund FY17 Commitments							
PEDPIP Fund FY18 Commitment							
Portland Dev. Action Grant (EC0302)							
Transfers not yet recorded (UDAG Int)							
BAP Grants							
Used for Administration							
Total Ending Loan/Grant Cash Bal.							

Brownfield Grant 2:	800,000
Less Admin. Reserve:	-100,000
Sub-Total:	700,000
Less Expenses to Date:	(6,113)
Total Avail for Grants/Loans:	693,887
Expenses Reimb to Date:	5,827
Difference of:	(286)

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**

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**

Portland Development Corporation

Board of Directors
Fiscal Year End 2017 Annual Report

The Economic Development Department provides the primary staff support to the Portland Development Corporation (PDC) with legal assistance from Corporation Counsel. The Economic Development Department is responsible for marketing and administration of the PDC's Commercial Loan and Grant Programs and marketing City-owned real estate to attract private sector investment.

The PDC Board of Directors met eight times over the course of the fiscal year, not including its Annual Awards Reception held on November 17, 2016 – detailed further below. It is noted that the PDC invested over $920,000 in FY17 in 18 businesses and economic development projects, which leveraged over $11.9 Million in private sector funds associated with creating 40 jobs and retaining 17 jobs. FY17 loan activity included a public to private investment ratio of 1:13.

FY14, FY15, FY16, and FY17 Loan and Grant Activity Totals:

	FY14	**FY15**	**FY16**	**FY17**
No. of Loans Made	7	8	5	10
Total Amt. of Funds Lent	$814,289	$607,033	$370,000	$873,500
Total Private Investment Leveraged	$48,505,172	$3,467,095	$1,139,361	$11,439,338
Jobs Created	65	40	8	40
Jobs Retained	13	55	11	17
No. of Dev. Action Grants	3	1	0	0
Total Amt. of Grants	$75,000	$10,650	$0	0
No. of Business Assistance Grants for Job Creation	5	8	7	1
Total Amt. of Grants	52,200	$140,000	$100,000	0
Jobs Created	6	13	20	0
No. of Portland Econ. Dev. Plan Implementation Grants	3	8	3	8
Total Amt. of Grants	$43,309	$98,820	$37,300	$48,331
PDC Total Investment	**$984,798**	**$856,503**	**$502,300**	**$926,831**

<u>PDC Fiscal Year 2017 Loan and Grant Detailed Activity</u>

FY17 Loans Closed

FY17 was a year in which the PDC loan portfolio grew with ten loans closed for a total of $873,500 which is more than double that of the previous year. The PDC's loans invested in nine Portland businesses – one business received two different loans - thereby retaining 17 jobs and creating 40 new jobs. In addition, these loans leveraged over $11.4 Million in private commercial investment. Types of businesses provided loan assistance included five food retailers, Creative Portland, Thompson's Point, hospitality, tailoring, and a preschool education center.

During the past seven years, FY10 through FY17, the PDC has extended 56 loans for a total of over $4.2 Million, while leveraging over $71 Million in private investment and creating and retaining over 480 jobs.

PDC Loan Portfolio

For the first time in PDC history, its outstanding loan portfolio exceeds $2.8 Million. At of the end of FY17, the PDC has 37 loans outstanding. This loan portfolio of $2.8 Million leverages $34.1 Million in private investment in Portland, for a leverage of $12 of private funds to each dollar of public funds. These loans also retained 93 jobs and created 177 jobs, and include a diverse mix of PDC investments in businesses noted above, as well as a paddle boat business on Portland's waterfront, energy, fitness, retail, and service.

As a result of a successful grant application, beginning in 2012, funds from the U.S. Treasury's State Small Business Credit Initiative (SSBCI) became available to the City as a lending source. Through FY2017, the PDC has utilized $922,500 in SSBCI funds for loans to six Portland businesses. Since the SSBCI Program expired in early 2017, all of the loan funds, once paid off by the borrowers, become the City's, expanding the PDC loan pool by what will likely be over $1 million.

PDC Lending History

Since its inception in 1991, the PDC has made 159 loans to diverse businesses including manufacturing (e.g., breweries and biosciences), restaurants, retail, and service, among others. The following table provides an overall view of the activities:

Total Amounts of Funds Lent:	**$10,086,535**
Leveraged Amount of Private Financing:	**$117,538,400**
Jobs Retained:	**1,282**
Jobs Created:	**779**
16 Loans Defaulted*	**$689,094**

*****Default amount of $689,094 is 6.8% of total amount of funds lent.

Brownfields Grant Award from the United States Department of Environmental Protection (EPA)

The City of Portland applied for a Brownfields Grant from the EPA during FY2016. At the beginning of FY17, the City was awarded a grant up to $800,000 to support loan and grant investments in environmental site cleanup. The City Council accepted and appropriated these funds to recapitalize the Brownfields Revolving Loan and Grant Program. The funds will be used as loans to for-profit developers, and, if desired, as grants to non-profits for the clean-up of Brownfields sites throughout the City.

Brownfield Grants:

During FY2017, the PDC approved two Brownfield Grants as follows:

1. $12,000 was granted to the City of Portland to cover the cost of Phase I Environmental Site Assessments (ESA) on six City-owned properties in Bayside that the City was getting ready to market for sale. Phase I ESAs provide the potential to enhance the marketability of the properties as they will provide information to interested buyers about site contamination.

2. A $180,000 grant was approved for Children's Odyssey (CO), a non-profit preschool primarily for children with developmental challenges, to assist with the environmental cleanup of the Reed School where CO is moving to in order to accommodate growth.

Portland Economic Development Plan Implementation Program (PEDPIP) Grant Fund

The PEDPIP Grant Fund was created during FY12 to provide grant funds to invest in economic development projects and programs that carry out Portland's Economic Development Vision and Plan ("Plan"), and its companion Work Plan which is updated every two years. Grants must be matched by an equal or greater dollar amount from funding sources other than the PDC.

The PEDPIP grants fund planning studies and other "soft" costs associated with economic development projects and programs that advance the initiatives spelled out in the Plan and current work plan. PEDPIP does not invest in "hard" costs for public infrastructure or private development projects. Its focus is on expenditures for economic development projects and programs.

The PEDPIP program was capitalized by PDC funds in the amount of $250,000 in FY12. The maximum grant amount was originally $75,000. During FY2015, the PDC Board recommended to the City Council, and the City Council approved, amending the maximum grant amount to $15,000, and establishing a yearly cap at the beginning of each fiscal year at 10% of available/uncommitted, unrestricted PDC loan funds beginning with FY16.

Since its inception through FY17, the PDC Board approved grants in the total amount of $407,345 as follows:

Portland Community Chamber for Growing Portland Initiative
Creative Portland for the following projects:

- Branding Portland
- LiveWork Website Update
- Creative Economy Metrics
- Artspace Survey
- Creative Map and Guide
- Creative Space (inventory, web-based clearing house, resource guides)
- UNESCO Creative Cities Application
- Work in Place Summit
- Green Light Series Finale
- Update to Portland Cultural Plan
- Portland Performing Arts Festival
- Portland Community Chamber for Scorecard Updates (2014; 2015)
- City of Portland staff to participate in the Maine International Trade Center Mission to Iceland and UK
- Portland Community Chamber for Startup and Create Week (2014; 2015)
- World Affairs Council for its Celebrate Immigration Initiative
- City of Portland/Portland Community Chamber – Industry Sector Research Conducted by the Maine Center for Business and Economic Research
- City of Portland – Greater Portland Economic Development Corporation (GPEDC) - Maine International Trade Center/Invest in Maine Program
- Cultivating Communities/Local Food Cluster Acceleration Project (Withdrawn by applicant)
- Cooperative Development Institute – Institutional Food Service and Procurement
- Maine Center for Enterprise Development – Top Gun Overhaul and Preflight

- Maine Convention Center Collaborative – Feasibility Study for Convention Center
- Portland Buy Local – Host Community Forum to Strengthen Portland's Economy
- Maine Center for Enterprise Development – E*Next Pilot Project
- Portland Downtown – Parking Study
- Portland Downtown – Walking Tour
- Maine College of Art – Campus Master Plan
- GPCOG – Portland Food Launch and Festival
- Women United Around the World – Vocational Training Program for Immigrant Women

Business Assistance Grant Program for Job Creation

The Business Assistance Program for Job Creation offers grants to new and expanding Portland businesses for projects that result in the creation of permanent net new jobs for low/moderate income Portland residents. A private match is required in an amount that is at least equal to the grant requested. The maximum grant amount request per recipient is $20,000. For every $10,000 of grant funds, one full-time permanent job must be created.

This program was originally capitalized with $100,000 from Community Development Block Grant (CDBG) funds and launched in May 2012. It was re-capitalized by the CDBG program in FY14 and FY16 with an additional $100,000 each of those years.

During FY16, seven grants were awarded for a total amount of $100,000. Grants approved since the Program's inception through FY16 total $$325,000 to 20 recipients, resulting in the creation of 70 full-time jobs. The program has provided assistance to a diverse group of start-up and existing businesses, ranging from restaurants, bakeries, and a food production incubator, to clothing manufacturer/retailer, pharmacy, IT services, music venue, bicycle sales and services, and auto repair.

During FY17, a grant of $5,000 was awarded to Cakeworks.

PDC Annual Awards Program

At the 21st Annual Awards Reception on November 17, 2016, the PDC provided awards for Small Business of the Year, Business of the Year, and an Economic Achievement Award – as follows:

- The ***Small Business of the Year*** award was given to ***Maine Standard Biofuels***

  Maine Standard Biofuels (MSB), incorporated in 2006, is Maine's only full-service used cooking oil collector and biodiesel manufacturer. The company collects used vegetable oil from over 900 restaurants throughout Northern New

England and refines it into clean burning biodiesel, high performance cleaners, and other bio-based products in its Portland bio-refinery. These products are drop in replacements for their conventional petroleum counterparts.

The company also delivers high performance biodiesel fuel and bioheat heating oil blends throughout the greater Portland region to hundreds of people and businesses. Notable customers include Oakhurst Dairy and Casco Bay Lines, and anyone can buy his or her biodiesel direct from the source at MSB's Riverside Street bio-refinery.

MSB is proud to be a community-centric company that focuses on social and environmental sustainability, as much as profit. MSB has contributed to various community causes, including being a sponsor of Ripple Effect's Over the Edge fundraiser in 2015 and adopting a portion of Portland Trails' Presumpscot River Trail in 2017. MSB employs fifteen Mainers and was a PDC Loan client.

- The ***Business of the Year*** award was given to ***Diversified Communications***

  Diversified Communications is a growing global media company with headquarters in Portland, ME and divisions in Australia, Canada, Hong Kong, Singapore, and the United Kingdom. Its mission is to connect, educate, and strengthen business communities through broadcasting, digital products, publications, conferences and trade shows – with Seafood Expo Global, Seafood Expo North America, and the International WorkBoat Show among its largest events.

  Diversified's global team is 800 strong, with 200 employed by the Portland office - most work on site in the remodeled, sun-filled, six-story office environment with a two-story fitness center. Diversified is among the largest employers in downtown and continues to grow and provide opportunities for current staff, while also attracting and hiring new talent. Since 2006, it is among the *Best Places to Work in ME* and has placed in the top three, two years running.

  Diversified Communications also gives back to the community by offering annual paid volunteer-time to employees, by contributions to various non-profit organizations nominated by employees, as well as its long-standing fund-raising program that includes a company match to support both MaineShare and United Way.

- The ***Economic Development Achievement*** award was given to the ***Maine College of Art***

  A longstanding institution in Portland, founded in 1882 as part of the Portland Society of Art, its first diplomas were awarded in the 1920s. In 1972, the School's name was changed to the Portland School of Art, and its first Bachelor of Fine Arts degrees (BFA) were awarded in 1975.

In 1992, the College was renamed Maine College of Art (MECA) to better identify its status as a degree-granting, New England institution. In 1993, MECA purchased the five-story landmark Porteous Building at 522 Congress Street, an early catalyst in the Downtown Arts District. Since the 1990s, the College has invested more than $22M in the Porteous Building and its holdings in Portland also include 51 Oak Street – an 80-bed residence hall, and The Shepley Apartments, a 60-bed facility – both within a block of the Porteous Building, as well as other leases for student housing and classrooms, the newest of which is 380 Cumberland Avenue.

It is one of 42 private, nonprofit, independent art colleges in the country. It awards the BFA degree in eleven studio majors, including Digital Media, Woodworking and Furniture Design, Photography, and the newest program, Textile and Fashion Design. The Master of Fine Arts (MFA) degree launched in 1998 and the K-12 art education certificate program received State approval in 2014 to become the Master of Arts in Teaching (MAT). In 2016, MECA acquired the Salt Institute for Documentary Studies and has been granted approval from the New England Association of Schools and Colleges and the National Association of Schools of Art and Design to add the Salt Graduate Certificate in Documentary Studies as its fourth degree program. More than 50% of its 2,200 graduates live in Maine, the vast majority in Portland as business owners, artists, designers and entrepreneurs. Currently, there are 490 BFA, MAT, and MFA degree students and more than 1,700 youth and adults in Continuing Studies. MECA employs 90 full- and part-time faculty and has 165 employees in total.

Summary

The PDC looks forward to continuing to assist in providing and leveraging investment in Portland area businesses. With grant programs, its loan portfolio growing, and loan funds available to invest, the PDC would like to thank the City Council for its continued support.

PDC Board of Directors: Mayor Ethan Strimling
Drew Swenson, President
Tim Agnew, Treasurer
Shelley Carvel, Secretary
Jed Harris
Jon Jennings, City Manager
Dennis Martin
Heather Sanborn
Ovid Santoro
Jere Shaw
Barry Sheff

PDC Staff:	Greg Mitchell, Economic Development Director Nelle Hanig, Business Programs Manager Lori Paulette, Senior Executive Assistant Michael Goldman, Associate Corporation Counsel

PORTLAND DEVELOPMENT CORPORATION
Balance Sheet
June 30, 2017

(Preliminary and Subject to Audit)

ASSETS		
Cash		$ 2,195,016
Due from other governments		1,110
Accounts receivable		620
Loans receivable	$ 2,418,750	
Allowance for uncollectible loans	(362,911)	2,055,840
TOTAL ASSETS		$ 4,252,585
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	$ 12,466	
Accrued salaries	177	
Total Liabilities		$ 12,642
Fund Equity:		
Reserves		
Loans Receivable	$ 2,118,614	
Economic Development Fund	74,638	
Unrestricted UDAG	428,942	
Restricted CIP	267,802	
Unrestricted CIP	128,911	
FAME	334,910	
EPA Revolving Loan Fund (Brownfield)	340,941	
FAME SSBCI	547,889	
Brownfield Grants	(2,705)	
Total Fund Equity		4,239,942
TOTAL LIABILITIES AND FUND EQUITY		$ 4,252,585

PORTLAND DEVELOPMENT CORPORATION
Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended
June 30, 2017

(Preliminary and Subject to Audit)

Revenues and Financing Sources		
Federal Grants	$ 102,844	
State Grants	523,500	
Application Fees	8,735	
Interest Received on Loans	115,563	
Investment Interest Income	6,149	
Operating Transfers In	25,469	
Total Revenues and Financing Sources		$ 782,260
Expenditures		
Administrative Services	$ 37,653	
Bad Debt Expense	71,080	
Contractual Services	17,806	
Land Improvements	25,000	
Operating Transfers Out	48,121	
Total Expenditures		199,661
Excess (deficiency) of revenues over expenditures		$ 582,599
Fund Balance, June 30, 2016, restated		3,657,343
Fund Balance, June 30, 2017		$ 4,239,942