PORTLAND DEVELOPMENT CORPORATION
Board Meeting

DATE: Thursday, May 18, 2023
TIME: 4:00 PM
LOCATION: This meeting will take place remotely using Zoom.

This meeting will be held remotely pursuant to the Remote Meeting Policy adopted by the Portland Development Corporation and as authorized under 1 M.R.S. 403-B because of the existence of an emergency or urgent issue that requires the Committee to meet by remote methods. Allow your computer to install the free Zoom app to get the best meeting experience. If you are not able to attend live, a recording will be available in the Agenda Center following the meeting.

The Portland Development Corporation Board meeting is not required to take public comment, and this will continue during remote meetings.

Please click the link below to join the webinar:

https://portlandmaine-gov.zoom.us/j/82514504962?pwd=bEZRWWQ5L25uVE50U3Z4VnQydWNpdz09
Passcode: 283434
Or One tap mobile :
+13092053325,,82514504962# US
+13126266799,,82514504962# US (Chicago)
Or Telephone:
Dial(for higher quality, dial a number based on your current location):
+1 309 205 3325 US
+1 312 626 6799 US (Chicago)
+1 646 931 3860 US
+1 929 205 6099 US (New York)
+1 301 715 8592 US (Washington DC)
+1 305 224 1968 US
+1 253 215 8782 US (Tacoma)
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Webinar ID: 825 1450 4962
International numbers available: https://portlandmaine-gov.zoom.us/u/kcwdRZUBLo

AGENDA

1. President's Comments

2. Review and accept Minutes of February 16, 2023, meeting.

    a. See attached draft meeting Minutes.

3. Review and vote on new Remote Meeting Policy.

    a. See attached new Remote Meeting Policy.

4. Treasurer's Report

    a. Monthly Administrative Budget Report
    Cash Management Report
    Schedule of Loans Receivable
    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. Other Items to be discussed/brought up by Board Directors and/or staff.

6. Next Regular Meeting Date: June 15, 2023.

Minutes
Portland Development Corporation
Remote Zoom Meeting
Held on February 16, 2023

A remote meeting, via Zoom, of the Portland Development Corporation (PDC) Board of Directors was held at 4:00 p.m. on Thursday, February 16, 2023. Present from the Board were Directors Krista Cole, Eamonn Dundon, James Dowd, Councilor April Fournier, Blaine Grimes, Thomas Mitchell, and Kierston Van Soest. Directors Jeff Hicklin, Julie Viola, Beverly Werber, and Danielle West could not be present. Present from the City staff were Interim Housing and Economic Development Director Mary Davis, Associate Corporation Counsel Amy McNally, and Principal Adm. Officer Lori Paulette. Also present was Loan Underwriter David McLaughlin.

Item #1: Presidents Comments

President Grimes noted the Agenda included a Brownfields Assessment Grant and three new loan applications.

Item #2: Review and vote on draft meeting Minutes for Board meeting held on December 15, 2022.

On motion made by Mr. Dowd, seconded by Ms. Cole, the Board voted unanimously to accept the Minutes as published.

Item #3: Brownfield Assessment Grant Request

Ms. Davis first thanked David McLaughlin and Lori Paulette for their work in getting this Agenda and requests in final form for Board review, in lieu of the vacant Business Programs Manager position.

Ms. Davis noted that normally Brownfields Assessment Grant requests are handled administratively through Assessment Fund 281. With only approximately $5,000 uncommitted in that fund, staff is bringing this request to the Board using Program Income, Fund 278, which needs Board approval. Staff has applied for more assessment funding, up to $500,000, and hopes to hear soon from the USEPA on whether the application is successful. This application for Brownfields assessment funding is from Tom Watson LLC ("LLC") who recently purchased several properties in Bayside. Before making that purchase, the LLC applied to the City for Brownfields Assessments funds to conduct Phase I Environmental Site Assessments ("ESA") on all the properties. Staff reviewed and approved that application based on the public benefits of the project, and provided assessment funds from Fund 281 for just under $15,000. The current application is for Phase II ESAs for 196 Lancaster Street and 89 Elm Street, and a Hazardous Building Material Survey (HBMS) for the Oxford street Shelter property. Staff is recommending approval of 50% of the project costs. The total project cost is $61,400, so staff is recommending an assessment grant of up to $30,700.

Michael Barton, representing the LLC, thanked all for reviewing this request and described the project area in Bayside by showing a brief PowerPoint presentation. The Phase II ESAs would identify existing conditions and provide recommendations for remediation. The LLC is working with TRC Environmental Corporation in this project, as noted in the Scope of Services in the backup. The overall proposed development of the Bayside properties includes 200 units of new affordable housing, 300 units of new market rate housing, and 15,000 to 20,000 new retail space. Regarding the Oxford Street Shelter property, there are no plans at this time to redevelop or demolish it, but the HBMS will assist in planning for its future.

Mr. Dundon asked about the findings for the Phase I ESAs recently completed, and Mr. Barton indicated that they identified storage tanks, foundation issues, and hazardous building material. Now, the Phase II ESAs will assist with estimating remediation and clean-up costs to factor into the over project financing.

Ms. Grimes asked about next steps after this assessment work is done, and Mr. Barton said projected budgets would be created and then financing would be need to be secured for the clean-up. He noted that they may come back to the City for assistance in the form of a Brownfield clean-up loan.

Mr. Mitchell asked about the estimated costs of remediation for the subject property, and Mr. Barton indicated that it could probably be in the millions but the Phase II ESAs will help to further confirm the scope of contamination and costs to clean up.

Mr. Dowd, noting written public comment received, asked why no regular outreach or any community participation had been conducted yet.

Mr. Barton noted that he has recently been in touch with the Bayside Neighborhood Association, and they are planning a neighborhood meeting next week with them.

Mr. Dowd asked about the affordable housing portion of the project and who would be eligible, and Mr. Barton indicated that to be 100% affordable to those earning 60% or below of area median income as defined by Maine Housing.

Seeing no further comments/questions, President Grimes asked for a motion.

Councilor Fournier made a motion to approve the request as recommended by staff; Ms. Van Soest seconded the motion.

President Grimes opened the meeting for public comment.

Sarah Michniewicz, BNA President, noted that the LLC has now reached out to BNA and BNA looks forward to meeting with them. The project has great potential for Bayside, which is long overdue. She now understands that, regarding the future of the Oxford Street Shelter (OSS) which BNA was concerned about, it is not the subject here and, again, looks forward to BNA and the LLC working together.

George Rheault, Bayside resident, thanked the Board for the public comment opportunity. He stated concern for the future of the OSS where in the backup it noted that it could be demolished. The OSS property is the most famous building in Bayside, dating back to the late 1800's. Anywhere else in Portland, it could sell for $1 Million or more. He requested that more thought be given for its future in Bayside.

Seeing no further public comment, President Grimes closed the public comment session.

Mr. Dowd asked about other uses for the Program Income Brownfields Fund.

Ms. Paulette indicated that if this is approved today for up to $30,700, it would leave a balance of approximately $270,000 that could be used for lending/granting.

President Grimes then asked for a vote on the motion and it passed 4-3 (Cole, Dowd, Mitchell).

Item #4: Review and vote on the following new loan applications:

a. AAA Rue Marchie, LLC, d/b/a Timber Restaurant, 106 Exchange Street;

b. Longfellow Property, LLC, 754 Congress Street

c. Forefront Partners, I, LP, at Thompson's Point.

Executive Session: Pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119-A, the Board will go into executive session to discuss proprietary information regarding these three loan applications. After the executive session, the Board will vote in public session.

AAA Rue Marchie, LLC, d/b/a Timber Restaurant

Ms. Davis indicated that Timber Restaurant has been open for almost ten years, beginning May 2013. Over the course of the Pandemic, the restaurant has evolved. It currently employs three, including the owner Noah Talmatch. With plans to open the kitchen in the warmer months, from June through part of October, he is requesting loan assistance for updating the kitchen/refrigeration/compressor, as well as for working capital. The loan underwriter and staff are recommending a $40,000 loan over ten years at 7% interest.

Ms. Paulette said that Mr. Talmatch would have joined the meeting this afternoon but ran into a labor issue and had to help out at the restaurant. He noted to her that with his track record of close to ten years, that that would speak for itself and lead to a favorable recommendation.

Longfellow Property, LLC, 754 Congress Street

Ms. Davis noted that this request is from a Maine-based, family-owned hospitality group that is developing the Longfellow Hotel, set to open Summer 2023. The two major principals are brothers Anthony and Nate DeLois with a combined 25 years of experience. The hotel is currently under construction and 28% complete. The hotel had been in development since 2018, and then the Pandemic and hit and things came to a halt. Now, moving forward, there are cost overruns due to increases in the cost of materials. After review, the Underwriter and staff are recommending a $200,000 loan on terms and conditions noted in the write-up to the Board.

Nate Delois thanked Ms. Davis and the Board for their time. Prior to this current project, with his brother Anthony Delois, they purchased and redeveloped 747 Congress into the Francis Hotel in 2016. They received funding for that project from the PDC in 2016, which loan was paid in full late 2021.

Mr. Delois then described the current hotel project underway at 754 Congress and presented his screen with photos/renderings of the project. The interior work should be completed in approximately two weeks, including a lobby bar, café, and spa. They started to plan for this project in 2018 and then the Pandemic hit in 2019 which halted the project. Now in 2021, costs are higher which is the reason for this request. The hotel is anticipated to be finished with renovations late July/August. There has been a lot of media, most recently in *Vogue Magazine*, which has resulted in requests for more information.

Mr. Mitchell asked about CEI being a partner in this project, and Mr. Delois indicated that they are a partner and they have a great working relationship with CEI, noting that CEI was also a partner in the 747 Congress Street project.

Mr. Dowd inquired if Inclusionary Zoning is applied to this project, and Mr. Delois indicated that it is and they are paying the fee per room.

Forefront Partners, I, LP, at Thompson's Point

Ms. Davis noted that the redevelopment of the 30-acre Thompson's Point property has been underway for about nine years and continues, with about 30% completed including redevelopment of Brick North as mixed-used commercial, Brick South as event space, and outdoor pavilion for ice skating and concerts. The PDC has provided financial assistance over the years, including commercial and Brownfield loans, which all loans are up-to-date and current. This Rink project is a $6 Million project, and staff and Underwriter are recommending a $200,000 loan on terms and conditions as noted in the write-up.

Chris Thompson, representing Forefront, thanked all for their time and shared his screen with details and slides of the project. It is finalized with permitting and ready for construction. GPCOG is also a partner in this project.   He noted and thanked previous partnerships with the City and GPCOG for projects on Thompson's Point, both for the Brownfields assessment and clean up and commercial projects. This area of Thompson's Point has been successful with outdoor concerts and, in the Winter, ice skating. It is now time for a permanent, covered ice rink and this $6.5 Million project is being financed by Norway Bank, GPCOG, owners' equity, and this request from the PDC.

President Grimes, seeing no questions, advised the public that the Board would now go into executive session to discuss proprietary information for each loan, as well as review the delinquency report. After the executive session, the Board would come back to public session and vote on these loan requests.

On motion then made by Mr. Dundon 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 regarding these three loan applications with staff and underwriter, as well as to review the Delinquency Report. Councilor Fournier seconded the motion, and the Board voted 7-0 to go into executive session at approximately 5:02 p.m. At approximately 5:26 p.m., the Board came out of executive session.

AAA Rue Marchie, LLC, d/b/a Timber Restaurant

On motion made by Mr. Dundon, seconded by Councilor Fournier, the Board voted 7-0 to approve this loan request as recommended by staff and Underwriter.

Longfellow Property, LLC.

On motion made by Ms. Cole, seconded by Mr. Mitchell, the Board voted 7-0 to approve this loan request as recommended by staff and Underwriter.

Forefront Partners, I, LP

On motion made by Mr. Dowd, seconded by Ms. Cole, the Board voted 7-0 to approve this loan request as recommended by staff and Underwriter.

Item #5: Treasurer's Report – January 31, 2023

President Grimes noted that consensus of the Board was acceptance of the Report as presented.

On motion then made by Ms. Van Soest, seconded by Mr. Dundon, the Board voted 7-0 to adjourned the meeting at approximately 5:30 p.m.

Respectfully, Lori Paulette

<u>REMOTE PARTICIPATION POLICY</u>
<u>OF THE</u>
<u>PORTLAND DEVELOPMENT CORPORATION</u>

ADOPTED on _______________, 2023

Pursuant to 1 M.R.S. § 403-B, and after public notice and a hearing, the **Portland Development Corporation** hereby adopts the following policy to govern remote methods of participation in public proceedings or meetings (collectively, "meetings") of the **Portland Development Corporation Board of Directors** (hereinafter collectively referred to as the "Board").

In addition to conducting meetings with in-person participation, the Board conducts meetings with two other types of participation: remote and hybrid.

Remote meetings allow Board members and the public to participate only by telephonic or video technology allowing simultaneous reception of information, but may include other means necessary to accommodate disabled persons (referred to herein as "remote methods of participation"). Remote meetings will not be by text-only means such as e-mail, text messages, or chat functions.

Hybrid meetings allow Board members and the public to participate in-person or by remote methods of participation. Members of the Board are encouraged to participate in-person for hybrid meetings.

Prior to each meeting, the Chair or other presiding officer, in consultation with other members of the Board if appropriate and possible, will determine whether participation at a meeting will be in person, remote, or hybrid in as timely a manner as possible under the circumstances. Any Board member who is unable to attend a meeting in-person will notify the Chair or other presiding officer as far in advance as possible.

The public, City staff, and applicants before the Board will be provided a meaningful opportunity to attend a meeting via remote methods of participation when any member of the Board participates via remote methods or when remote methods are available and operational at a given Board meeting. If public input via remote methods is allowed or required at a meeting, an effective means of communication between the Board and the public will also be provided. The public will also be provided an opportunity to attend the meeting in person unless there is an emergency or urgent situation that requires the entire Board to meet only by remote methods.

Notice of all Board meetings will be provided in accordance with 1 M.R.S. § 406, and the City Charter, City Code or policy, if applicable. When the public may attend via remote methods, the notice will include the means by which the public may access the meeting remotely and will provide a method for disabled persons to request necessary accommodation to access the meeting. The notice will also identify the location where the public may attend the meeting in person. The Board will not restrict public attendance to remote methods except in the case of an emergency or urgent issue that requires it to meet using remote methods of attendance.

The Board will make all documents and materials to be considered by it during a meeting available, electronically or otherwise, to the public who attend remotely to the same extent customarily available to the public who attend in person, provided no additional costs are incurred.

All votes taken during a Board meeting using remote methods will be by roll call vote that can be seen and heard if using video technology, or heard if using audio technology only, by other members of the Board and the public. A member of the Board who participates remotely will be considered present for purposes of establishing a quorum and voting.

This policy will remain in force indefinitely unless amended by the Board.

Portland Development Corporation
Preliminary Draft Operating
Report FY2023
For Month Ending
4/30/2023

Operating transfer from EDF **28,522**

Total Funds Available **28,522**

			Current	Year to		Percent		
FY2023 Expenditures	**Budget**		**Month**	**Date**		**of Budget**		**Balance**
Administrative Services	575		0	227		39.5%		348
Postage	300		0	0		0.0%		300
Travel, Training, Meetings	4,000		0	0		0.0%		4,000
Contractual Services	10,000		0	3,480		34.8%		6,520
Operating Transfer to Fin.	9,647		0	9,647		100.0%		0
Advertising	2,500		0	0		0.0%		2,500
Auto Expense Reimb.	100		0	0		0.0%		100
Printing & Binding	650		13	48		7.3%		603
Office Supplies	750		0	85		11.3%		665
Total FY2023 Expenditures	**28,522**		**13**	**13,487**		**47.3%**		**15,036**

CASH MANAGEMENT REPORT

March 31, 2023 - Preliminary and Subject to Change

	CIP		UDAG	FAME	FAME	Brown-	Brown-	Brown-	
			271		SSBCI	field 1	field 2	field 3	
	272	274	(Unrestricted)	277	279	278-Closeout	280-RLF	281-Assess	
	Restricted	Unrestricted	Loans/Grants						TOTAL
Cash Bal. Beginning of Reporting Mo.	**361,400**	**146,083**	**603,013**	**842,388**	**622,035**	**473,843**	**785,807**	**5,371**	**3,839,940**
Plus:									
Principal payments received		556	2,271	6,065	852	3,689	3,081		
Interest payments received from loans			1,550	2,786	1,333	266	979		
Interest Income									
Other Income/Adjustments									
Pass Through From FAME/SSCBI/EPA									
Sub-Total Cash Available	**361,400**	**146,639**	**606,835**	**851,238**	**624,220**	**477,798**	**789,867**	**5,371**	**3,863,368**
Less:									
FAME Annual Admin. Fee; Invoices									
Disbursements - Loans/Grants		-40,000	-50,000			-7,330			
Sub-Total Cash Available:	**361,400**	**106,639**	**556,835**	**851,238**	**624,220**	**470,468**	**789,867**	**5,371**	**3,766,038**
Less Reserves for:									
Beautification Program (EC0301)			(72,000)						
PEDPIP Fund Commitments thru FY16			(32,767)						
PEDPIP Fund FY18 Commitment			(12,924)						
PEDPIP Fund FY19 Commitment			(15,000)						
Transfers not yet recorded (UDAG Int)			(6,781)						
Reserve for Commitments			-200,000	(200,000)		-156,640	(650,000)		
Fund 280 Reserve for Administration							(35,885)	-500	
Total Ending Loan/Grant Cash Bal.	**361,400**	**106,639**	**217,362**	**651,238**	**624,220**	**313,828**	**103,981**	**4,871**	**2,383,541**

	Year-to-Date Principal/Interest						
	CIP		UDAG			278	280
	Restric.	Unrestric.	Unrestric.	FAME	SSBCI	Brnfld 1	Brnfld 2
	272	274	271	277	279	278	280
Cash Bal. Beginning of Reporting Mo.							
Principal payments received	7,782	24,105	19,070	180,723	13,579	11,103	12,619
Interest payments received from loans	581	2,626	6,781	19,266	15,094	922	6,077
Interest Income					1,230	182	2
Other Income/Adjustments							
Pass Through From FAME/SSCBI/EPA							
Sub-Total Cash Available	**8,363**	**26,731**	**25,852**	**199,988**	**29,903**	**12,207**	**18,698**

Downtown Portland Corporation
For Month Ending April 30, 2023

Case ID	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):						
30124	Rosemont Market, Inc.	8/8/2019	9/1/2022	$150,000	0	$150,000	$94,710
30179	Forefront Brick South, LLC	11/18/2016	12/1/2026	$100,000	$0	$100,000	$49,364
30400	Friends and Family	3/10/2023	4/1/2027	$50,000	$0	$50,000	$49,583
	Sub-Total PBF (UDAG)						**$193,657**
	Portland Business Fund 272 (Restricted - CIP):						
30230	Portland Food Cooperative	6/4/2014	10/1/2021	$130,000	$0	$130,000	$24,454
	Sub-Total PBF (Bonds/CIP Restricted)						**$24,454**
	Portland Micro Capital Fund 271 (UDAG/Unrestricted):						
30267	Back Bay Skate	9/10/2012	9/1/2017	$12,500	$0	$12,500	$26
30250	Portland Trading Co. LLC	4/26/2013	8/1/2018	$15,000	$0	$15,000	$8,430
30118	Vin Bar, LLC	7/26/2016	9/2/2021	$50,000	$0	$50,000	$3,833
							$12,289
	Sub-Total Micro Capital Fund						
	Portland Business Fund Fund 274 (CIP/Unrestricted):						
30062	On Time Transportation	3/26/2018	4/1/2023	$10,000	$0	$10,000	$1,438
30076	Shangri-La Sichuan Cuisine	5/12/2021	4/1/2023	$5,000	$0	$5,000	$557
30070	Emerson, James (C19RR[Brick Trust])	5/21/2021	6/1/2023	$10,000	$0	$10,000	$10,000
30075	Dos Naciones LLC	3/3/2021	3/1/2023	$5,000	$0	$5,000	$5,000
30056	Sai Deep LLC/Back Bay Superette	1/5/2022	1/1/2024	$5,000	$0	$5,000	$2,500
30316	Rankin WA, LLC	2/28/2022	2/1/2024	$5,000	$0	$5,000	$5,000
30119	Quattrucci & Rouda, LLC	3/19/2019	4/1/2029	$100,000	$0	$100,000	$63,629
30400	AAA Rue Marchie, d/b/a Timber	3/28/2023	4/1/2028	$40,000	$0	$40,000	$39,864
	Sub-Total PBF (Bonds/CIP Unrestricted)						**$127,988**
	FAME Fund 277:						
30198	Auto-Care, LLC	2/5/2016	3/1/2021	$32,500	$0	$32,500	$18,973
30191	BayCycle	5/13/2016	9/1/2023	$20,000	$0	$20,000	$2,181
30061	Forefront Brick South, LLC	11/18/2016	12/1/2026	$250,000	$0	$250,000	$124,803
30217	Evo Rock & Fitness Portland	4/14/2014	11/1/2024	$132,954	$0	$132,954	$27,387
30317	CAG RE, LLC	8/15/2018	9/1/2023	$50,000	$0	$50,000	$10,306
30133	Maine Family Services	2/8/2019	3/1/2024	$25,000	$0	$25,000	$6,427
30120	Calendar Sailing Company	5/2/2019	6/1/2024	$50,000	$0	$50,000	$37,112
30127	Gallery Acquisition Co. Inc.	5/16/2019	6/1/2026	$75,000	$0	$75,000	$39,394
30125	Zootility Co.	8/7/2019	9/1/2024	$150,000	$0	$150,000	$123,034
30378	Gulf of Sashimi	10/19/2022	11/1/2027	$65,000	$0	$65,000	$59,255
	Sub-Total FAME Fund						**$448,872**
	FAME SSBCI 279:						
30107	Biodiversity Research Institute	3/26/2021	4/1/2026	$200,000	$0	$200,000	$188,800
30086	Driscoll Child Dev. Center	5/5/2021	6/1/2026	$60,000	$0	$60,000	$47,650
30085	Flores Restaurant LLC	6/9/2021	7/1/2026	$38,000	$0	$38,000	$29,770
30071	Wynsum, LLC	11/5/2021	12/1/2026	$131,250	$0	$131,250	$129,945
30068	688 Forest Ave., LLC	12/21/2021	1/1/2027	$168,000	$0	$168,000	$165,226
	Sub-Total FAME SSBCI						**$561,391**
	Brownfields Loan Fund 278 and 280						
30222	Forefront Partners, LP/Fund 278	7/30/2014	2/1/2025	$200,000	$0	$200,000	$40,226
30072	Forefront Partners I, LP/Fund 280	4/12/2018	1/1/2032	$350,000	$0	$350,000	$332,421
	Sub-Total Brownfields						**$372,647**
	Grand Total Loans				**$0**	**$2,685,204**	**$1,741,297**
	Allowance for uncollectable loans at 15%						$261,195
	Total with Allowance for uncollectable loans:						**$1,480,103**