PORTLAND DEVELOPMENT CORPORATION
Board Meeting

DATE: Thursday, June 15, 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. 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/89823745701?pwd=aDZxdENhdW9yb2w2Yk9KWlVwS2V6Zz09
Passcode: 881382
Or One tap mobile :
+13126266799,,89823745701#,,,,*881382# US (Chicago)
+16469313860,,89823745701#,,,,*881382# US
Or Telephone:
Dial(for higher quality, dial a number based on your current location):
+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
+1 309 205 3325 US
+1 360 209 5623 US
+1 386 347 5053 US
+1 507 473 4847 US

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+1 669 900 6833 US (San Jose)
+1 689 278 1000 US
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Webinar ID: 898 2374 5701
Passcode: 881382
International numbers available: https://portlandmaine-gov.zoom.us/u/kdLoRuAIRJ

AGENDA

1. President's Comments

2. Review and accept Minutes of May 18, 2023, meeting.

   a. See attached draft meeting Minutes.

3. Review and vote on proposed amendment to loan conditions for loan to Longfellow Property, LLC, 754 Congress Street.

   a. See confidential Memo and backup.

   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 the above loan application. After the executive session, the Board will vote in public session.

4. Review and discuss proposed Post Loan Closing Service Guidelines for feedback and possible vote to adopt.

   a. See attached Memo and draft proposed Guidelines.

5. Treasurer's Report - May 31, 2023.

   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.

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

Minutes
Portland Development Corporation
Remote Zoom Meeting
Held on May 18, 2023

A remote meeting, via Zoom, of the Portland Development Corporation (PDC) Board of Directors was held at 4:00 p.m. on Thursday, May 18, 2023. Present from the Board were Directors Sam Dargan, Eamonn Dundon, James Dowd, Blaine Grimes, Jeff Hicklin, Thomas Mitchell (arriving shortly after meeting started as noted herein), Kierston Van Soest, and Beverly Werber. Directors Krista Cole, Councilor April Fournier, and Danielle West could not be present. Present from the City staff were Interim Housing and Economic Development Director Mary Davis, ARPA Grant Adm. Kaela Gonzalez, Business Programs Manager Nancy Martin, Associate Corporation Counsel Amy McNally, and Principal Adm. Officer Lori Paulette.

Item #1: Presidents Comments

President Grimes noted that this is Mr. Dargan's first Board meeting since being appointed by the City Council to fill former Director Julie Viola's seat, and the same for the new staff member Nancy Martin who started May 8th. Introductions were then made.

Item #2: Review and vote on draft meeting Minutes for Board meeting held on February 16, 2023.

On motion made by Mr. Hicklin, seconded by Mr. Dowd, the Board voted 4-0-3 (Dargan, Hicklin, Werber abstained) to accept the Minutes as published.

Item #3: Review and vote on new Remote Participation Policy.

President Grimes noted that this proposed Policy would allow for the Board to conduct its meetings either Remote, Hybrid, or in person at the Board's discretion and asked if there were any questions.

Mr. Dundon asked about the return in person to meet at City Hall.

Ms. Davis noted that there are three rooms in City Hall that allow for hybrid meetings, with the technology still being fine-tuned and staff to be trained. The advantage to remote meetings allows for easier access to participate and achieving a quorum. Council Committees continue to meet remotely, and she also noted that other various Boards are adopting the same policy.

(Mr. Mitchell joined the meeting at this time.)

President Grimes suggested that the Board continue remote at this time and determine times when meeting in person could work, or perhaps a schedule of remote and/or in person meetings be arranged.

On motion made by Mr. Hicklin, seconded by Mr. Dundon, the Board voted 8-0 to adopt the Remote Participation Policy.

Item #4: Treasurer's Report

a) Monthly Administrative Budget Report
b) Cash Management Report
c) Schedule of Loans Receivable
d) 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.

Ms. Paulette noted that the administrative budget is running below budget at this time; the Cash Management Report shows $2.3 Million available to lend or Brownfields grant; and the Schedule of Loans Receivable shows 32 active loans representing over $2.68 Million in total loans, with $1.7 outstanding principal balance. Next month, the Cash Management Report will include the $3 Million awarded for Brownfield Revolving Loan Fund, as well as the recently awarded up to $500,000 in Brownfield Assessment Grant Funds. Regarding the Delinquency Report, she would review this at the Board's request but it would need to go into executive session. The Board's consensus was to do this when there are no further items to discuss.

Item #5: Other Items to be discussed/brought up by Board Directors and/or staff.

Ms. Paulette noted that the PDC Awards Subcommittee (Krista Cole, Blaine Grimes, and Beverly, with Sam Dargan attending and not voting due to being new in the area, and staff Kaela Gonzalez and Lori Paulette) met twice to come up with a slate of award recipients to recommend to the PDC Board based on the attached criteria, namely:

- Economic Development Achievement - Children's Museum & Theatre of Maine
- Business of the Year (50 or more employees) - Bissell Brothers Brewery
- Small Business of the Year (under 50 employees) - Bangs Island Mussels
- PDC Client of the Year - Portland Food Co-op
- Legacy Award - Intermed

Ms. Grimes offered her thanks for staff who put together a list of potential companies. It has been since 2019 since we have offered this type of event, where companies bring along employees and we gather to celebrate their accomplishments. Over the course of two meetings, the Committee was able to narrow down the businesses that met the criteria.

Ms. Weber noted that there was lively discussions regarding the motivation that lends to employees of recognized companies, and thought that there was wonderful consensus by the Committee about the nominations presented today.

Ms. Paulette said that it could be possible to do this in June and will keep the Board apprised.

A motion was then made by Ms. Werber, seconded by Ms. Van Soest to approve the nominations as presented. The President then asked for a vote on the motion which passed 8-0.

Item #4(d) 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.

President Grimes noted for the public that once the Board goes into executive session, it will adjourn when done with no further public meeting; therefore, the Zoom meeting will be done once the Board goes into executive session.

On motion made by Mr. Dargan, seconded by Ms. Werber, the Board voted 8-0 at approximately 4:27 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 and monitor the Delinquency Report.

At approximately 4:45 p.m., the Board came out of executive session and the meeting was then adjourned.

Respectfully, Kaela Gonzalez and Lori Paulette

City of Portland | Housing and Economic Development Department
Mary P. Davis, Interim Director

MEMORANDUM

TO: PDC President Blaine Grimes and Board Members

FROM: Nancy L. Martin, Business Programs Manager

CC: Mary Davis, Interim Department Director
Lori Paulette, Principal Administrative Officer

DATE: June 9, 2023

SUBJECT: Review and discuss proposed 'Post Closing Service Guidelines' for feedback and possible vote to adopt.

OVERVIEW:

At the February 16, 2023 meeting of the Portland Development Corporation, the Board had a discussion regarding delinquent loans as part of the Confidential Delinquency Report that was discussed in Executive Session. Staff indicated that they would create guidelines to share with the Board for feedback and possible adoption.

These guidelines will create a consistent process for loan services, especially delinquent loans.

RECOMMENDATION:

Staff recommends review and adoption of the Post Closing Service Guidelines.

Attachment: Proposed Post Closing Service Guidelines

PORTLAND DEVELOPMENT CORPORATION

POST CLOSING SERVICE GUIDELINES

The goal of these guidelines is to respond timely on any loan relationships that are either past due or are believed to be experiencing financial problems. Current financial information and borrower reporting will be key considerations. Portland Development Corporation will work closely with other participating lenders as appropriate, and will be required where there is an intercreditor agreement and/or share the same collateral position. Portland Development Corporation (PDC) should have the same servicing plan as the other participating lenders given the shared business risk. Any loan modifications granted consistent with these guidelines may be done administratively and do not require PDC Board approval.

1. A log of loan covenants will be kept to assure ongoing monitoring of those requirements. This list is expected to be short and will typically include the financing reporting requirements. Annual financial reporting by the borrower's and guarantors should occur on all loans over $50,000. The loan relationship manager will document the file with a memo confirming compliance, financial progress or address any concerns.
2. Follow-up, by phone, with any accounts that are 20 days past due in payment. Ask if there are any changes or issues that are negatively impacting their business and why they are past due. If nothing raises concern, get a commitment for making payment, which should be very short term. Suggest that the borrower ask their bank to schedule automatic payments to the city.
3. If the account becomes 30 days past due, without an agreement, a letter should be sent to the borrower requesting payment of past due amount within 14 days (and current financial information if aged), or a meeting to explain their plan with current financial information. Current financial information should, at minimum, include the prior fiscal year business and guarantors tax returns and balance sheet statements, and the year to date management prepared profit and loss statement and balance sheet. The letter will be signed by the Housing and Economic Development Director (HEDD).
4. Any loan modifications, such as 3 or 6 month deferment, should only be considered based on an analysis of current financial information to include a repayment analysis. Any modification should only be considered if the borrower and other lenders are also making reasonable modifications as well.
5. If the loan relationship manager expects a second warning or final demand letter will likely be issued, a review of the collateral documents with Corporation Counsel should be done along with a discussion of the best course of action given PDC's collateral position, and the status of similarly situated lenders, before sending a final warning letter or demand for full payment.
6. If an account becomes 60 days past due with no acceptable agreement, and the recommendation from the review outlined in Paragraph 5 above is to proceed with collection action, then a final warning letter from the HEDD director should be sent indicating that demand for full payment will be made if not paid current within 14 days.
7. A demand for full payment and collection should occur within 90 days, if all prior efforts to work with the borrower have not brought acceptable results. This letter will be signed by Corporation

Counsel and will inform the borrower that the next step will be a collection of collateral or a lien on property, as applicable according to the specific loan covenants.

Portland Development Corporation
Preliminary Draft Operating
Report FY2023
For Month Ending
5/31/2023

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		29	256		44.6%		319
Postage	300		0	0		0.0%		300
Travel, Training, Meetings	4,000		0	0		0.0%		4,000
Contractual Services	10,000		540	4,020		40.2%		5,980
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		0	48		7.4%		602
Office Supplies	750		0	85		11.3%		665
Total FY2023 Expenditures	**28,522**		**569**	**14,056**		**49.3%**		**14,466**

CASH MANAGEMENT REPORT

April and May 2023 - Preliminary and Subject to Change

			UDAG	**FAME**	**FAME**		**Year-to-Date**				
	CIP		271		**SSBCI**		**Principal/Interest**				
	272	274	**(Unrestricted)**	277	279		**CIP**		**UDAG**		
	Restricted	**Unrestricted**	**Loans/Grants**			**TOTAL**	**Restric.**	**Unrestric.**	**Unrestric.**	**FAME**	**SSBCI**
							272	274	271	277	279
Cash Bal. Beginning of Reporting Mo.	**361,400**	**106,639**	**557,112**	**851,238**	**624,220**	**2,500,609**					
Plus:											
Principal payments received	3,684	10,194	8,276	26,960	7,174		11,466	34,299	27,346	207,683	20,753
Interest payments received from loans	2,555	1,433	2,485	6,421	6,885		3,136	4,059	9,266	25,687	21,979
Interest Income					2,113						3,343
Other Income/Adjustments											
Pass Through From FAME/SSCBI/EPA											
Sub-Total Cash Available	**367,640**	**118,266**	**567,873**	**884,619**	**640,391**	**2,578,790**	**14,603**	**38,358**	**36,612**	**233,370**	**46,074**
Less:											
FAME Annual Admin. Fee; Invoices											
Disbursements - Loans/Grants				(200,000)							
Sub-Total Cash Available:	**367,640**	**118,266**	**567,873**	**684,619**	**640,391**	**2,378,790**					
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)			(9,266)								
Reserve for Commitments			-200,000								
Fund 280 Reserve for Administration											
Total Ending Loan/Grant Cash Bal.	**367,640**	**118,266**	**225,916**	**684,619**	**640,391**	**2,036,832**					

BROWNFIELD FUNDS CASH MANAGEMENT REPORT

April and May 2023 - Preliminary and Subject to Change

	Brown-field 1 278-Closeout	Brown-field 2 280-RLF	Brown-field 3 281-Assess	Brown-Field 10/2022 RLF	Brown-Field 10/2023 Assessment	Total	Brown-field 1 278-Closeout YTD	Brown-field 2 280-RLF YTD
Cash Bal. Beginning of Reporting Mo.	**470,468**	**789,867**	**12,906**	**3,000,000**	**500,000**	**4,773,241**		
Plus:								
Principal payments received	1,733	156					12,836	12,775
Interest payments received from loans	245	3,903					1,167	9,980
Interest Income	1,582	160					1,764	162
Other Income/Adjustments								
Pass Through From FAME/SSCBI/EPA								
Sub-Total Cash Available	**474,028**	**794,086**	**12,906**	**3,000,000**	**500,000**	**4,781,020**	**15,767**	**22,917**
Less:								
FAME Annual Admin. Fee; Invoices								
Disbursements - Loans/Grants	-31,464	(38,471)						
Sub-Total Cash Available:	**442,564**	**755,616**	**12,906**					
Less Reserves for:								
Reserve for Commitments	-155,876	(611,259)						
Fund 280 Reserve for Administration		(33,651)	-12700					
Total Ending Loan/Grant Cash Bal. 12/31/2014:	**286,688**	**110,706**	**206**	**3,000,000**	**500,000**	**3,897,599**		

Fund 278 Commitments Remaining:

Youth and Family Outreach Clean-Up Grant: $150,000
Portland Housing Authority - Phase II ESA for Keily Property - Remaining Balance: $729
Bayside Bush Watson Project Phase II ESA - Remaining Balance: $5,147

Fund 280 Commitments Remaining:

Portland Housing Authority - Phase II Front St Project Grant - Remaining Balance: $161,259
Youth and Family Outreach/PHA Clean-Up Loan: $250,000
Forefront Partners I LP Clean Up Loan: $200,000

Portland Development Corporation
Schedule of Loans Receivable
For Month Ending May 31, 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	$8,330
30118	Vin Bar, LLC	7/26/2016	9/2/2021	$50,000	$0	$50,000	$3,833
							$12,189
	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	$0
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	$61,629
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)						**$125,431**
	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	$1,894
30061	Forefront Brick South, LLC	11/18/2016	12/1/2026	$250,000	$0	$250,000	$124,182
30217	Evo Rock & Fitness Portland	4/14/2014	11/1/2024	$132,954	$0	$132,954	$25,977
30317	CAG RE, LLC	8/15/2018	9/1/2023	$50,000	$0	$50,000	$8,372
30133	Maine Family Services	2/8/2019	3/1/2024	$25,000	$0	$25,000	$6,324
30120	Calendar Sailing Company	5/2/2019	6/1/2024	$50,000	$0	$50,000	$36,557
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	$124,537
30378	Gulf of Sashimi	10/19/2022	11/1/2027	$65,000	$0	$65,000	$59,255
30416	Forefront Partners I, LP	5/31/2023	5/31/2033	$200,000	$0	$200,000	$200,000
	Sub-Total FAME Fund						**$645,464**
	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	$29,053
30071	Wynsum, LLC	11/5/2021	12/1/2026	$131,250	$0	$131,250	$129,620
30068	688 Forest Ave., LLC	12/21/2021	1/1/2027	$168,000	$0	$168,000	$164,266
	Sub-Total FAME SSBCI						**$559,389**
	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
	Forefront Partners I, LP/Fund 280	5/31/2023	4/30/2033	$200,000	$200,000	$0	$0
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				**$200,000**	**$2,885,204**	**$1,933,232**
	Allowance for uncollectable loans at 15%						$289,985
	Total with Allowance for uncollectable loans:						**$1,643,247**