PORTLAND DEVELOPMENT CORPORATION
Board Meeting

DATE: Thursday, August 17, 2023
TIME: 4:00 PM
LOCATION: 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
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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
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AGENDA

1. President's Comments

2. Review and accept Minutes of June 15, 2023, meeting.

   a. See attached draft Minutes for review and approval.

3. Review and vote on new loan application from Matcha Mood, 654 Congress Street.

   a. See confidential Memorandum 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 possible vote on proposed guidelines for 2023 ARPA funded Microenterprise Grant Program.

   a. See attached Memorandum and proposed guidelines.

5. Staff update on marketing/outreach.

   a. See attached marketing tool.

6. Review and discuss updated Post Loan Closing Service Guidelines for feedback and possible vote to adopt.

   a. See attached Memo and draft proposed Guidelines.

7. Treasurer's Report - June 30, 2023.

   a. See attached report for:
      - 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.

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

9. Next regular meeting date: September 21, 2023.

Minutes
Portland Development Corporation
Remote Zoom Meeting
Held on June 15, 2023

A remote meeting, via Zoom, of the Portland Development Corporation (PDC) Board of Directors was held at 4:00 p.m. on Thursday, June 15, 2023. Present from the Board were Directors Krista Cole, Sam Dargan, James Dowd, Jeff Hicklin, Thomas Mitchell – arriving shortly after the meeting started, and Beverly Werber. Directors Eamonn Dundon, Blaine Grimes, Councilor April Fournier, Kierston Van Soest, and Danielle West could not be present. Present from the City staff were Interim Housing and Economic Development Director Mary Davis, Business Programs Manager Nancy Martin, Associate Corporation Counsel Amy McNally, and Principal Adm. Officer Lori Paulette. Also present was Loan Underwriter David McLaughlin.

Item #1: Presidents Comments

Mr. Dowd noted that in President's absence, he would chair the meeting on her behalf. He then suggested that without a quorum at this time, but expects Mr. Mitchell momentarily, the Board review the Treasurer's Report. Should the Board want to review the confidential Delinquency Report, this can be done when there is quorum to vote to go into executive session.

Ms. Paulette noted that the Cash Management Report is now on two pages, with the second page reserved for the Brownfield Funds. This shows there is just under $3.9 Million in available Brownfield funds, which includes $3 Million awarded and available as of 10/2022 for clean-up funds for both grants and loans, and $500,000 in assessment funds awarded and available as of 10/2023 for Phase I and Phase II environmental assessments and planning for clean-up.

Mr. Dargan noted that there are reserves in the Brownfields Funds and asked if there was any concern about those not being used, and Ms. Paulette indicated there was not a concern. If the funds do not get used for projects in reserves and approved by the Board, those reserve funds can be used as new projects come up, while also noting that the new funds recently approved by the USEPA in the last two columns can also be used for projects approved by the Board but not yet funded. Lastly, the Brownfield Loan of $200,000 to Forefront Partners closed 5/31/2023.

Also, the loan to Forefront Partners for the Rink project for $200,000 closed 5/31/2023, and the reserve for $200,000 in fund 271 is for the Longfellow Hotel project which is the Agenda today for a loan amendment.

On the administrative budget report, Mr. Dargan asked about the "Operating Transfer to Fin." item for $9,647, and Ms. Paulette noted that that is transfer to the City's Finance Department who does some of the back office operations for the PDC.

There were no further questions.

Mr. Mitchell joined the meeting at this time.

Item #2: Review and vote on draft meeting Minutes for Board meeting held on May 18, 2023.

On motion made by Mr. Hicklin, seconded by Ms. Cole, the Board voted 6-0 to accept the Minutes as published.

Item #3: Longfellow Loan Amendment.

Ms. Martin summarized the request noting that the Board approved a $200,000 loan for the Longfellow Hotel project due to cost overruns caused by the Pandemic. The Commitment letter was executed, with the applicant noting later that he did not catch that loan funds would be disbursed upon completion of construction, which GPCOG also included in its Commitment letter. The applicant is requesting the removal of this condition, which GPCOG has agreed to. Staff and underwriter are recommending that the loan funds be deposited into an escrow account at Maine Community Bank, with the PDC staff having the sole authority to disburse funds from that account. This would be subject to the Bank reporting that the project is in compliance and with concurrence from the third-party construction firm. Staff is also recommending that the first six months of the loan be interest payments only.

Mr. McLaughlin added that CEI has also agreed to removal of this loan condition.

Chair Dowd asked if the PDC does construction loans, and Mr. McLaughlin said it does not and gave the example of the Clam Shack requesting a construction loan solely from the PDC, and the PDC does not work with building contractors as part of the process. In this case for the Longfellow Hotel, there is a bank involved, and the PDC is participating in the construction lending.

Ms. Martin noted that in the loan guidelines, construction is allowed. The PDC funds will go into escrow and staff will disburse subject to review and compliance.

Mr. Hicklin also noted that in the Clam Shack example, it was leasing the land underneath.

Chair Dowd suggested that the loan guidelines be reviewed to perhaps make it clear that the City does not do construction loans on its own but rather does participate with a lead lender in a construction project.

Ms. Davis also noted that the City's money is intended as gap financing and going in with a lead lender.

Chair Dowd noted consensus and if Board members felt a need to go into an executive session for this. Seeing that the Board did not feel a need, he asked for a motion.

Mr. Dargan made a motion to approve the loan amendment as recommended by staff and underwriter. Ms. Cole seconded the motion, and a vote was then taken and it passed 6-0.

Item #4: Review and discuss proposed Post Loan Closing Services Guidelines for feedback and possible vote to adopt.

Ms. Martin said that this came up at the last Board meeting regarding process on how to pursue delinquent loans. This draft in the packet is taken from a draft from Mr. McLaughlin, and then noted the last sentence of the first paragraph to give staff flexibility to administer this, in tandem with other lenders, and keep the Board updated.

Ms. Werber asked about loan write-offs, and Ms. Martin said that this draft does not include verbiage in that regard but that can be inserted for Board review in its next iteration.

Ms. Paulette added that any loan write-offs do need Board approval to have it in the record, but any documents filed in the Cumberland Registry of Deeds remain and do not get discharged.

Mr. Dargan liked the flexibility for this to be administratively handled and to understand the financials of the loan recipient. He asked if this was in place before, and whether staff thinks it could have helped with delinquencies.

Mr. McLaughlin said that it formalizes the process and would make for a more disciplined structure.

Mr. Mitchell also liked the flexibility and suggested there be some concrete examples like up to certain time extensions of loan terms, etc.

Staff and Board further discussed, noting that giving staff flexibility to administer is important and some examples should also be included, i.e., up to 12-month extensions one or two times administratively, 50% of loan term extension, etc.

Mr. Dowd agreed with the flexibility and example just noted above, and he is also hearing 50% extension of terms, and to include write-off language. Regarding the latter, Mr. Dowd noted that he also heard issues concerning collateral, liens, etc., so further clarification on that would be helpful.

Item #6: Other items to be discussed/brought up the Board Directors and/or staff.

Ms. Werber asked about the tentative scheduling of the Awards event, and Ms. Paulette indicated that Ocean Gateway could have staffing issues June 27th. Also, because of July and August and vacation schedules, and because of not being able to use Ocean Gateway during September and October because of the cruise ship season, the event could either be held in November or come Spring 2024.

Consensus of the Board was to move forward with a November event.

Item #5: 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.

Mr. Hicklin made a motion to go into executive session pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119-A to review and monitor the loans listed in the Delinquency Report, and Mr. Dargan then seconded the motion.

Mr. Dowd noted for the public that the Board would now go into executive session, after which session, the meeting would be adjourned and no further action would be taken.

Mr. Dowd then asked for a vote on the motion and it passed 6-0 at approximately 4:50 p.m.

At approximately 5:10 p.m. the Board came out of executive session. On motion made by Ms. Cole, seconded by Mr. Hicklin, the Board then voted 6-0 to adjourn.

Respectfully, Lori Paulette

TO:	President Blaine Grimes and PDC Board Members
FROM:	Nancy Martin, Business Programs Manager
CC:	Mary Davis, Interim Director, HEDD
DATE:	Aug 2, 2023
RE:	2023 ARPA Microenterprise Grant Program Proposal

OVERVIEW

The Microenterprise Grant Program administered since June of 2020 was funded by the Community Development Block Grant through the Cares Act (CDBG-CV). With these funds, 74 small businesses were assisted using about $270,000.

In the spring of 2022 a new Microenterprise Grant Program was launched, funded by the American Rescue Plan Act (ARPA). That program closed once funds were depleted in April, 2022, having made 48 grants out of 66 applications. (Some applications were incomplete or duplicate.) The average grant size of the 2022 ARPA Microenterprise Grant Program was $5,468 for an approximate total of $260,000 in ARPA funds used. Of the awardees, 4 were non-profits and the rest were for-profits.

The Department of Housing and Economic Development currently has roughly $100,000 in ARPA leftover from the 2022 Microenterprise Grant program, as well as $300,000 available from the second round of ARPA funds, for a total of approximately $400,000 currently available. Staff recommends reserving approximately $25,000 for underwriting, translation, and related administrative expenses.

MODIFICATIONS TO 2022 PROGRAM

Staff deployed a survey of 2022 ARPA Microenterprise Grant recipients to understand the impact of the program and consider changes to the 2023 program. The substantive modifications to the 2023 program are:

- One single grant amount of $5,000, regardless of previous funding from the City.
- Require that non-profit organizations serve low-income populations to qualify.
- Expand eligible use of funds to include business development and support investments such as business-related training, hardware and software.

- Provide technical support to applicants in preparing their applications, and to awardees after the application process, through webinars, email/phone, and FAQs.

RECOMMENDATION

Staff recommends approval of the proposed Microenterprise guidelines.

ATTACHMENTS

ARPA Microenterprise Guidelines – Redlined format
ARPA Microenterprise Guidelines - Clean
Key Survey Findings of 2022 ARPA Microenterprise Grant recipients
Outreach Plan

Based on 2022 guidelines, updated August 2023

ARPA Microenterprise Grant Program (MGP)

Program Description

The City of Portland's Microenterprise Grant Program (MGP) is targeted to Portland businesses, existing and new, that have been or are being impacted by the pandemic. To be eligible, the business must have seven (7) or fewer employees (including the owner(s)) and the business owner(s) must be low/moderate income.* This program is open to for-profit and nonprofit businesses. If the applicant is a non-profit, the organization must serve low-income populations.

City Microenterprise grants are provided on a reimbursement basis for demonstrated payments made by the awardee for eligible activities after the date of award. These grant funds can only be used for items not already paid for by other governmental or private grants or loans. In other words, funds may not be used for costs where other assistance has already been provided for the same item/use and there is no demonstrated unmet need. (For example, this grant cannot pay for January rent payment if grant funds from another source are being used for the same month, but in that case this grant could be used for February rent.)

Program Objective

The stabilization and growth of small businesses in Portland that have been negatively impacted by the COVID-~~ovid~~19 pandemic and its ensuing economic challenges.~~.~~

Funding Source

American Rescue Plan Act (ARPA)

Grant Funding

~~New Microenterprise Grant Applicants (have never received a Microenterprise Grant)~~

- Maximum grant of $5,000~~7,500 per microenterprise that operates out of leased commercial space (costing at least $500/month).~~
- ~~Maximum grant of $3,500 per microenterprise that does not operate out of leased commercial space (e.g., is home based or provides services elsewhere).~~

~~Previous Microenterprise Grant Recipients~~

- ~~Maximum grant of $2,500 if previously received $5,000 grant;~~
- ~~Maximum grant of $5,000 if previously received $2,500 grant and operates out of leased commercial space (costing at least $500/month);~~
- ~~Maximum grant of $1,000 if previously received $2,500 grant as a home-based business.~~

Program Requirements/Eligibility

- Owner(s) must be low/moderate income*;
- Business can have no more than seven (7) employees, including the owner;
- Business must be located within the City of Portland;
- Owner is unable to finance business expenses on his/her own;
- Applicant does not owe outstanding property taxes, fees, or judgments to the City and property must be free of all City liens and encumbrances.

Based on 2022 guidelines, updated August 2023

Eligible Funding Activities:
Rent, utilities, inventory, equipment, insurance, payroll (not including owner) and other working capital needs. Grant funds can also be used for investments in business development support and services such as enrollment in business-related courses, hardware, software.

- Examples: Accounting software subscription; online or in-person business course; marketing; purchase of point-of-sale systems or software.

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Ineligible Activities:

- Wages for business owner(s) and family members of the business owner(s);
- Refinance existing debt;
- Down payment for other financing;
- Use of grant funds for activities other than those that are noted as eligible.

Application Review Criteria
The Portland Development Corporation (PDC), the City's lending and granting board, will weigh the following criteria, but has the discretion to base its approval on other considerations as well:

- Completeness of application package (all required submittals);
- Business has been negatively impacted by COVID-19 pandemic:
- If business has employees, company profile of number of employee, wages and benefits;
- Personal credit report.

Required Submittals

- City of Portland ARPA Microenterprise Program Application;
- Signed commercial lease, if business is in a leased space, noting monthly or annual rate and CAM charges for NNN leases;
- Personal financial statement - from all owners of the business with 20% ownership or greater;
- Two most recent federal tax returns;~~Completed federal tax returns from 2019 and 2020 or 2020 and 2021 (if available);~~
- Current Balance Sheet;
- Current Profit and Loss;
- Business plan if a startup;

Application and Approval Process
The online application form will begin accepting applications on XX, 2023 and will be located on this website: https://www.portlandmaine.gov/252/Microenterprise-Grant. The City's Housing and Economic Development Department is responsible for administration of the ARPA funded Microenterprise Grant Program. Applications are submitted to staff for eligibility review and may be analyzed by an underwriter. Potential applicants can access technical assistance for assistance in determining eligibility and in submitting an application by contacting the City's Business Program Manager, Nancy Martin, at nmartin@portlandmaine.gov or (207) 756-8019. Eligible requests are presented to the Portland Development Corporation (PDC) for its

Based on 2022 guidelines, updated August 2023

review and approval. Once approved, applicants must participate in a short online workshop to review the grant guidelines, reimbursement process, eligible uses of funds, and how to obtain additional resources if needed. Funding is provided on a reimbursement basis for approved uses. ~~and requires participation in a 30-minute online orientation.~~

Sunset Provision
Program terminates when the grant funds are depleted.

* Low/moderate income is defined by the U.S. Department of Housing and Urban Development as 80% of median household income. A chart showing qualified income levels is below:

*FY 2023 Income Limits - Effective June 15, 2023

Number in Household	1	2	3	4	5	6	7	8
Low/Moderate Income 80%	$66,250	$75,700	$85,150	$94,600	$102,200	$109,750	$117,350	$124,900

Portland, ME HUD Metro FMR Area

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Program Objective

The stabilization and growth of small businesses in Portland that have been negatively impacted by the COVID-19 pandemic and its ensuing economic challenges.

Funding Source

American Rescue Plan Act (ARPA)

Grant Funding

- Maximum grant of $5,000

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Portland, ME HUD Metro FMR Area

Key Findings from ARPA Grant Recipient Survey

As of August 2, 2023

Emails gathered from application intake form. Surveys sent to those who received grant funds from the 2022 program.

- Survey sent to 48 email addresses on July 27; second email sent August 1
- Response rate: 10 out of 48, or approximately 20%

Responses received from:

Pat Keane Mastering

Portland Parks Conservancy

Reiki Community Health and Wekkbeing

Studio Shappy

Portland by the Foot

Green Hand Bookshop

Yardie Ting LLC

Tealight Studios

A Company of Girls

Sit Stay Forever

Bouncebacks received from:

Just Home Services

Muse Global Group

High Thrive Therapy

Ruby’s West End

“How did you use the ARPA Microenterprise Grant Funds?”

Pay rent (4)

Purchase inventory (2)

Purchase equipment (5)

Payroll (3)

Utilities (1)

Build website (1)

Obtain legal services (1)

Purchase materials (1)

Advertising (1)

Insurance (1)

Business expenses (1)

Purchase supplies (1)

“What would have happened if you did not receive this grant?”

I would have had to close my business (2)

I would have had to sell off inventory or equipment (2)

I would have had to lay off staff (2)

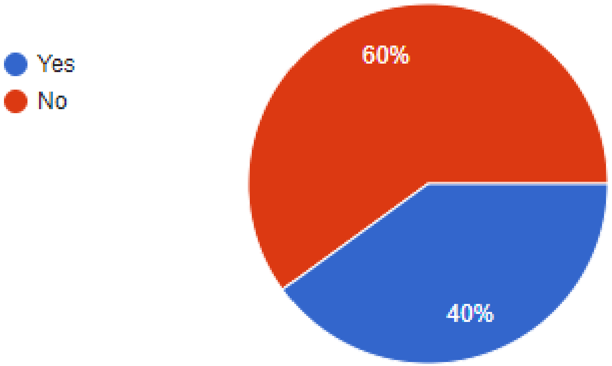
I would have had to reduce staff hours (2)

Startup would have been delayed by a year or more (1)

Keeping my business open would have been very difficult (1)

“Did you receive other grant funds for pandemic relief?”

10 responses



“Please share amount and source”

4 responses

PPP Loan 2020: $15,600; PPP Loan 2021: $15,665

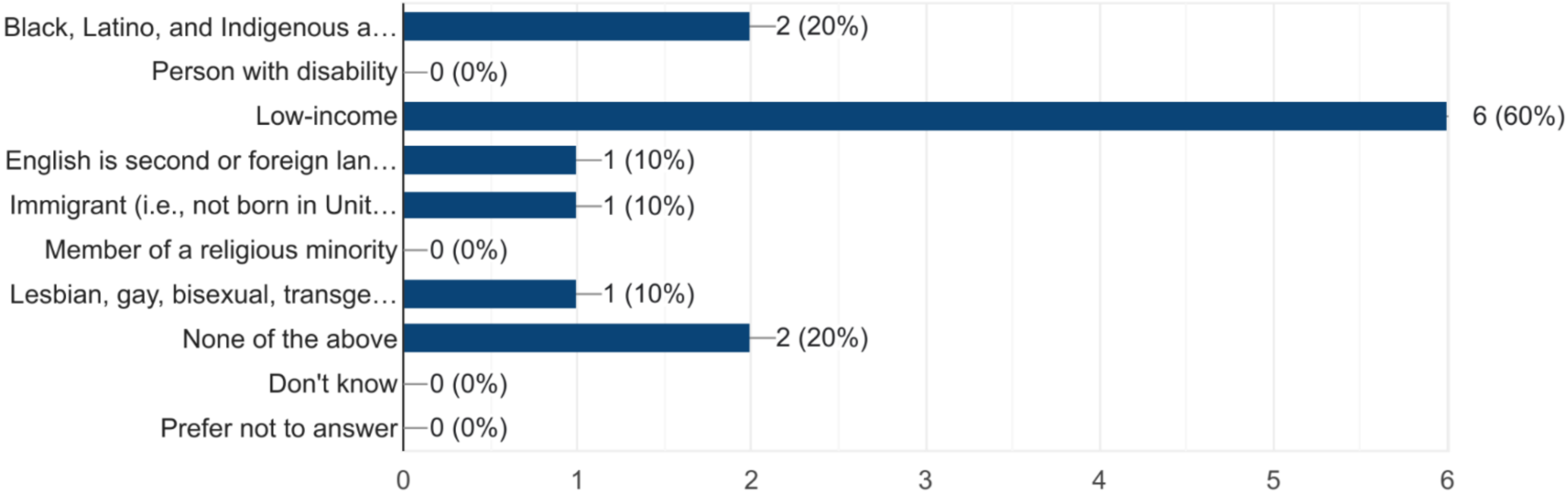
State of Maine (DECD/GPCOG) - $23594.33

SBA 27,000

PPP Loan for 17,300.00 ; Greater Portland Council Of Governments $6,358

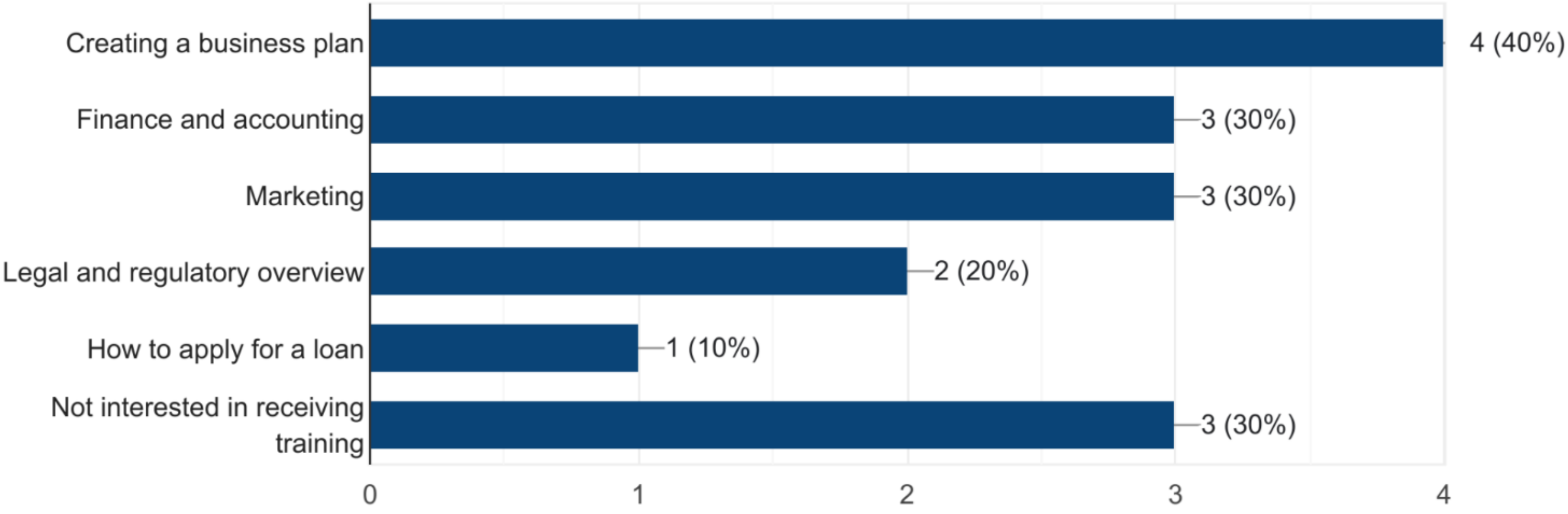
While the pandemic impacted millions of American households and businesses, some of its most severe impacts fell on low-income and under-served...asure our progress in increasing economic equity.

10 responses



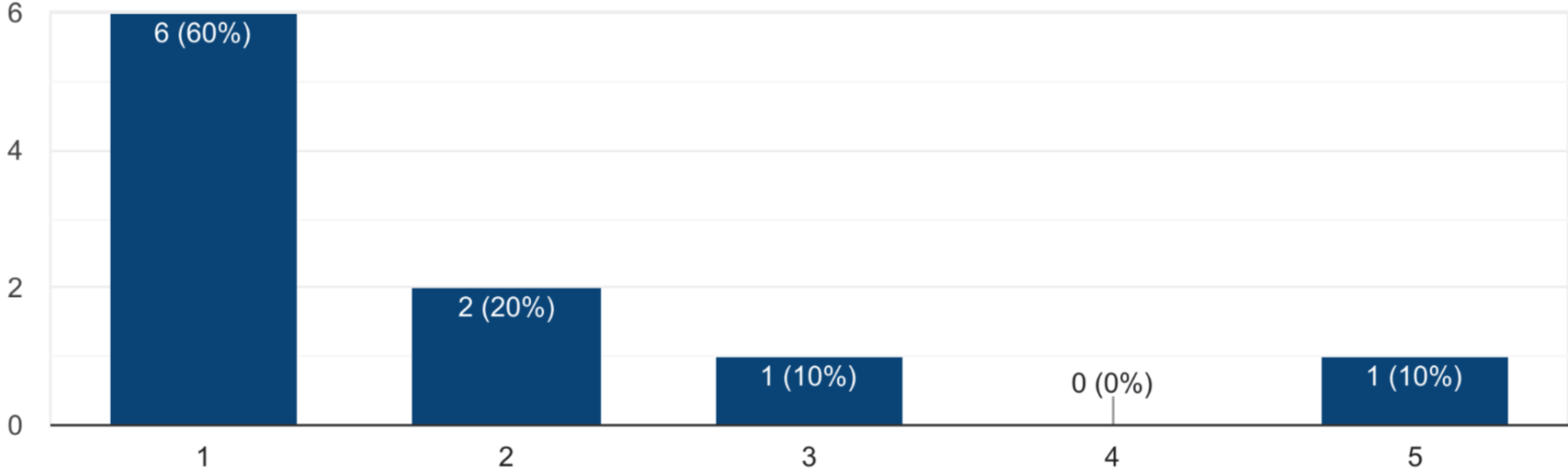
Would you be interested in receiving training to help your business? If so, please suggest topics below (check all that apply).

10 responses



On a scale from 1 to 5, with 1 being Very Easy, how was the application process to apply for the ARPA Microenterprise Grant from the City?

10 responses



How could the grant **application process** be improved?

4 responses

It was actually really easy.

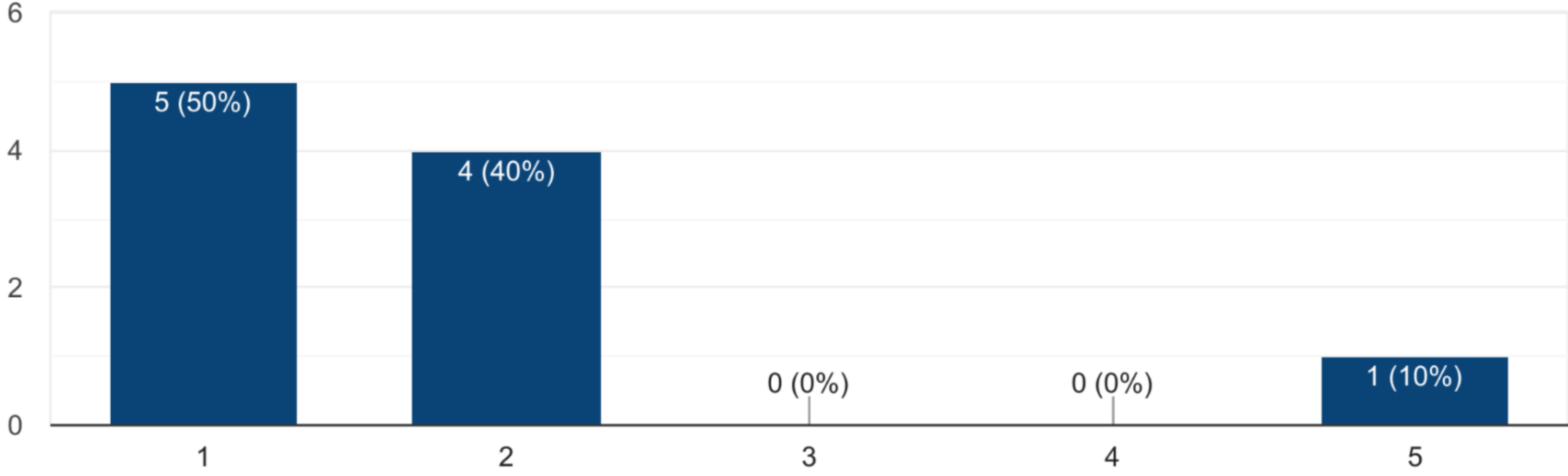
HARD TO SAY - I GOT VERY GOOD HELP FROM NELLE HANIG AND KAELA GONZALEZ - VERY THANKFUL TO BOTH OF THEM!

Limit the number of separate items needed to submit

All good

On a scale from 1 to 5, with 1 being Very Easy, how easy was the reimbursement/fund transfer process from the City?

10 responses



How could the City's ARPA Microenterprise grant **reimbursement/fund transfer process** be improved?

4 responses

I'm not sure it was pretty easy to receive the funds.

DIRECT DEPOSIT/ACH CAPABILITY

Rewrite a simpler invoice for reimbursement

All good

Overall, how could the City's ARPA Microenterprise grant program have been better?

5 responses

I was really good. I'm not sure how you could improve upon it.

I'M JUST GRATEFUL TO HAVE FOUND IT! I GOT VERY GOOD SUPPORT AS NOTED ABOVE.

It was much easier and more straightforward than the state-based grants I applied for. Thank you for the help!!!

We were VERY thankful for the help! It came at a critical time for us!

All good

Draft outreach plan for 2023 ARPA Microenterprise Grant

Objectives:

- Share program guidelines in advance so potential applicants have time to prepare their materials.
- Offer assistance to those who need help accessing the application and/or submitting an application.
- Ensure that potential applicants in the underserved communities that we are trying to support are aware of this opportunity.

Approach:

- Work with City's Communications staff to issue news alert and/or press release
- Translate program guidelines
- Send program guidelines to our stakeholder list (below) with a request that they share with their members.

Organization	**Contact Name**	**Email Address**
CEI/Women's Business Center	Sarah Guerette	sarah.guerette@ceimaine.gov
CEI/StartSmart	John Scribner	john.scribner@ceimaine.org
GPCOG	Paul Johnson	pjohnson@gpcog.org
Immigrant Welcome Center	Anna Child and Reza Jalali	reza@welcomeimmigrant.org, anna@welcomeimmigrant.org
Anjambo Africa		amjamboafrica1@gmail.com
Natural Helpers		oeo@portlandmaine.gov
SCORE	Nancy Strojny	nancy.strojny@scorevolunteer.org
SBDC	Peter Harriman	peter.harriman@maine.edu
Portland Chamber of Commerce	Quincy Hentzel, Eamonn Dundon	qhentzel@portlandregion.com, edundon@portlandregion.com
Portland Adult Ed	Abbie Yamamoto, Liz Love	yamamm@portlandschools.org., lovee@portlandschools.org

Third Place		info@thethirdplace.me
Black Chamber of Commerce	Joshua Brister	badge@placeholder
Black Owned Maine	Rose Barboza	rose@blackownedmaine.com

Business Support Programs

Department of Housing and Economic Development

City of Portland

July 6, 2023

The City of Portland provides comprehensive assistance to businesses at every state of development and growth. Whether at the start up phase, expansion, or relocation to Portland, streamlined business support services are designed to maintain and expand Portland’s reputation as a great place to do business.

Portland’s business support programs include: Brownfields Land Revitalization (grants and loans for assessment and remediation); Business Loans and Grants; and Tax Increment Financing.

Mission

The Housing and Economic Development Department is focused on cultivating a healthy and vibrant economic climate, including the working waterfront, as well as fostering housing development opportunities in the City of Portland. We strive to maintain and grow a diversified tax base that supports strong employment opportunities while positioning Portland to compete in the global marketplace.

Business Financing

Grants

- Microenterprise
- Child Care Providers
- Artist Relief Fund

Loans

- 60/30/10
- Microbusiness / Creative Economy
- Real Estate Development
- Regional Economic Development Loan Program (FAME)

portlandmaine.gov/BusinessFinancing

The Portland Development Corporation (PDC) is the City's business lending and granting board.

Since its inception in 1991, the PDC has achieved:

- More than 200 loans disbursed
- More than $12 million in funds lent
- More than $128 million in private financing leveraged

We want to work with you!

The City's loans are made to startups and existing businesses, and may range from as little as $10,000 to as much as $200,000.

Businesses are encouraged to establish relationships with banks/credit unions, and to access conventional financing whenever possible.

Our loans are intended to assist when there's a financing gap or when businesses are not yet able to access conventional financing.

Fixed interest rates are generally a point or two above the rates offered by the banking community, and are determined by the Portland Development Corporation.

We currently have over $3 million in loans deployed, with $2 million available for additional lending.

Current clients include:

- Rosemont Bakery
- Evo Rock and Fitness
- Forefront Partners (Thompson's Point developer)
- Portland Food Co-op
- Longfellow Hotel

Nancy L. Martin, Business Programs Manager

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207-756-8019

TO:	President Blaine Grimes and PDC Board Members
FROM:	Nancy L. Martin, Business Programs Manager
CC:	Mary Davis, Interim Director, HEDD
DATE:	August 4, 2023
RE:	Updated Post-Loan Closing Guidelines

Background:

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, which was then shared at the June 15, 2023, PDC meeting. Based on feedback from PDC Board members from that meeting, an updated draft of guidelines is attached for review and possible adoption.

Recommendation:

Staff recommends consideration and possible adoption of the attached guidelines.

Attachment: Updated Proposed Post Closing Service Guidelines (redlined)

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 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 one time administratively and do not require PDC Board approval. Administrative modifications will be reported to the PDC Board. Subsequent loan modifications and loan write off requests are subject to PDC Board for 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 HEDD Director.
4. Loan modifications that may be done administratively by staff may include a one-time extension of up to 50% of the loan term, interest-only payments of up to 12 months, or deferment of principal and interest payments of up to 12 months ~~Any loan modifications, such as 3 or 6 month deferment,~~ and 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.

~~7.~~8. Loan write-off requests will be brought to the PDC Board for approval. Consideration will be made of the borrower's attempts to repay, borrower reporting, borrower's financial situation, and any other relevant factors.

Portland Development Corporation
Preliminary Draft Operating
Report FY2023
For Month Ending
6/30/2023

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	256		44.5%		319
Postage	300		0	0		0.0%		300
Travel, Training, Meetings	4,000		0	0		0.0%		4,000
Contractual Services	10,000		0	3,960		39.6%		6,040
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**		**0**	**13,996**		**49.1%**		**14,526**

CASH MANAGEMENT REPORT

Period Ending June 30,2023

(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.	**371,012**	**159,559**	**548,693**	**694,065**	**642,339**	**2,415,667**					
Plus:											
Principal payments received	1,239	371	5,355	8,083	6,240		5,279	6,915	52,108	8,083	9,463
Interest payments received from loans	77	233	1,174	1,894	3,132		1,012	12,402	10,843	27,708	25,110
Interest Income	-				1,272		0	0	0	0	6,561
Other Income/Adjustments	-466										
Pass Through From FAME/SSCBI/EPA											
Sub-Total Cash Available	**371,862**	**160,163**	**555,222**	**704,041**	**652,982**	**2,444,270**	**6,291**	**19,316**	**62,951**	**35,791**	**41,134**
Less:											
FAME Annual Admin. Fee; Invoices											
Disbursements - Loans/Grants			-200,000								
Sub-Total Cash Availab (Munis)	**371,862**	**160,163**	**355,222**	**704,041**	**652,982**	**2,244,270**					
Less Reserves for:											
Beautification Program (EC0301)			(72,000)								
Transfers not yet recorded (UDAG Int)			(10,843)								
Fund 280 Reserve for Administration											
Total Ending Loan/Grant Cash Bal.	**371,862**	**160,163**	**272,379**	**704,041**	**652,982**	**2,161,426**					

BROWNFIELD FUNDS CASH MANAGEMENT REPORT

Period Ending June 30, 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.	**470,554**	**355,690**	**8,469**	**3,000,000**	**500,000**	**4,334,713**		
Plus:								
Principal payments received	1,860	1,060					5,439	0
Interest payments received from loans	117	970					1,285	10,950
Interest Income	879	540					4,090	814
Other Income/Adjustments/ Fees		2,000						
Pass Through From FAME/SSCBI/EPA								
Sub-Total Cash Available	**473,411**	**360,260**	**8,469**	**3,000,000**	**500,000**	**4,342,140**	**10,814**	**11,764**
Less:								
FAME Annual Admin. Fee; Invoices								
Disbursements - Loans/Grants	-27,212							
Sub-Total Cash Available:(Munis)	**446,199**	**360,260**	**8,469**					
Less Reserves for:								
Reserve for Commitments	-155,876	(250,000)	(8,469)					
Fund 280 Reserve for Administration		(33,651)						
Total Ending Loan/Grant Cash Bal.	**290,322**	**76,609**	**0**	**3,000,000**	**500,000**	**3,866,931**		

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:

Youth and Family Outreach/PHA Clean-Up Loan: $250,000

Portland Development Corporation
Schedule of Loans Receivable
For Month Ending June 30, 2023

				----Committed/Disbursed Funds-----			
Case ID	**Account No. & Name**	**Date of Loan**	**Maturity Date**	**Original Loan**	**Not Yet Disb.**	**Total Disb .**	**Outstanding Princ. Bal.**
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	Portland Business Fund 271 (UDAG/Unrestricted):						
30124	Rosemont Market, Inc.	8/8/2019	9/1/2022	$150,000	0	$150,000	$93,521
30179	Forefront Brick South, LLC	11/18/2016	12/1/2026	$100,000	$0	$100,000	$47,385
30400	Friends and Family	3/10/2023	4/1/2027	$50,000	$0	$50,000	$48,583
30423	Longfellow Property, LLC	6/26/2023	7/1/2030	$200,000	$0	$200,000	$200,000
	Sub-Total PBF (UDAG)						**$389,489**
	Portland Business Fund 272 (Restricted - CIP):						
30230	Portland Food Cooperative	6/4/2014	10/1/2021	$130,000	$0	$130,000	$23,138
	Sub-Total PBF (Bonds/CIP Restricted)						**$23,138**
	Portland Micro Capital Fund 271 (UDAG/Unrestricted):						
30267	Back Bay Skate	9/10/2012	9/1/2017	$12,500	$0	$12,500	$0
30250	Portland Trading Co. LLC	4/26/2013	8/1/2018	$15,000	$0	$15,000	$8,272
30118	Vin Bar, LLC	7/26/2016	9/2/2021	$50,000	$0	$50,000	$2,388
							$10,659
	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	
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	$4,700
30119	Quattrucci & Rouda, LLC	3/19/2019	4/1/2029	$100,000	$0	$100,000	$59,629
30400	AAA Rue Marchie, d/b/a Timber	3/28/2023	4/1/2028	$40,000	$0	$40,000	$39,493
	Sub-Total PBF (Bonds/CIP Unrestricted)						**$121,322**
	FAME Fund 277:						
30198	Auto-Care, LLC	2/5/2016	3/1/2021	$32,500	$0	$32,500	$18,567
30191	BayCycle	5/13/2016	9/1/2023	$20,000	$0	$20,000	$1,615
30061	Forefront Brick South, LLC	11/18/2016	12/1/2026	$250,000	$0	$250,000	$119,862
30217	Evo Rock & Fitness Portland	4/14/2014	11/1/2024	$132,954	$0	$132,954	$24,675
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	$4,095
30120	Calendar Sailing Company	5/2/2019	6/1/2024	$50,000	$0	$50,000	$36,002
30127	Gallery Acquisition Co. Inc.	5/16/2019	6/1/2026	$75,000	$0	$75,000	$38,317
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	$58,014
30416	Forefront Partners I, LP	5/31/2023	5/31/2033	$200,000	$0	$200,000	$200,000
	Sub-Total FAME Fund						**$632,552**
	FAME SSBCI 279:						
30107	Biodiversity Research Institute	3/26/2021	4/1/2026	$200,000	$0	$200,000	$188,505
30086	Driscoll Child Dev. Center	5/5/2021	6/1/2026	$60,000	$0	$60,000	$45,052
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	$129,294
30068	688 Forest Ave., LLC	12/21/2021	1/1/2027	$168,000	$0	$168,000	$163,823
	Sub-Total FAME SSBCI						**$555,728**
	Brownfields Loan Fund 278 and 280						
30222	Forefront Partners, LP/Fund 278	7/30/2014	2/1/2025	$200,000	$0	$200,000	38,366
	Forefront Partners I, LP/Fund 280	5/31/2023	4/30/2033	$129,294	$200,000	$0	$0
30072	Forefront Partners I, LP/Fund 280	4/12/2018	1/1/2032	$350,000	$0	$350,000	$331,361
	Sub-Total Brownfields						**$369,727**
	Grand Total Loans				**$200,000**	**$3,080,204**	**$2,102,614**
	Allowance for uncollectable loans at 15%						$315,392
	Total with Allowance for uncollectable loans:						**$1,787,222**