# **PORTLAND DEVELOPMENT CORPORATION**
## **Board Meeting**

**DATE:** Thursday, September 21, 2023
**TIME:** 4:00 PM
**LOCATION:** Meeting will be held via Zoom.

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)
+1 346 248 7799 US (Houston)
+1 360 209 5623 US
+1 386 347 5053 US
+1 507 473 4847 US
+1 564 217 2000 US
+1 669 444 9171 US
+1 669 900 6833 US (San Jose)
+1 689 278 1000 US
+1 719 359 4580 US
+1 253 205 0468 US
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 August 17, 2023, Board meeting.

   a. See attached draft meeting Minutes.

3. Staff verbal update on marketing/outreach.

   a. See attached marketing consent form.

4. Treasurer's Report - August 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.

5. Annual Meeting of Board

   a. Election of Officers - President, Treasurer, Secretary
   Review of Draft Annual Report for FYE2023 and vote to forward it to the Corporator (City Council) as a communication.
   Vote to set the date for the Annual Meeting of the Corporator as October 16, 2023.
   Any other business that may come before the Board.

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

7. Next meeting date: October 19, 2023.

**Minutes**
**Portland Development Corporation**
**Remote Zoom Meeting**
**Held on August 17, 2023**

A remote meeting, via Zoom, of the Portland Development Corporation (PDC) Board of Directors was held at 4:00 p.m. on Thursday, August 17, 2023. Present from the Board were Directors Sam Dargan, James Dowd, Eamonn Dundon, Blaine Grimes, Kierston Van Soest, and Beverly Werber. Directors Krista Cole, Councilor April Fournier, Jeff Hicklin, Thomas Mitchell, and Danielle West could not be present. Present from the City staff were Interim Housing and Economic Development Director Mary Davis, ARPA Program Manager Kaela Gonzalez, Business Programs Manager Nancy Martin, Associate Corporation Counsel Amy McNally, and Principal Adm. Officer Lori Paulette. Also present was Loan Underwriter Matthew Bounopane.

**Item #1: Presidents Comments**

President Grimes waived the comments.

**Item #2: Review and vote on draft meeting Minutes for Board meeting held on June 15, 2023.**

On motion made by Mr. Dowd, seconded by Mr. Dundon, the Board voted 4-0-2 (Grimes, VanSoest abstained) to accept the Minutes as published.

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

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

Ms. Martin introduced the loan application request from Matcha Mood, noting that it was referred to the City by Gorham Savings Bank. This will be a start-up business, owned and operated by two sisters, Sarochinee and Phuntira Tiparos, with a recently signed lease at 654 Congress Street. She noted they have experience in the restaurant industry, and this start-up would specialize in serving matcha (i.e., Japanese green tea) based beverages and snacks. The loan request is for $50,000, with $5,000 borrower equity, for a total project cost of $55,000. She then introduced Sarochinee Tiparos who could be present today.

Ms. Tiparos thanked the Board and noted she has been in the area since 2012 and been in the restaurant business for several years and currently working as a relationship banker. This Matcha Mood start-up has been a long-time dream and she then described the health benefits of this specialized restaurant which is growing in various markets.

Ms. Werber asked about the demographic target of customers, and Ms. Tiparos indicated that to be 15- to 65-year olds.

Mr. Dowd asked about staffing the business, and Ms. Tiparos indicated she and her sister would be staffing it full-time. As it gets busier, they would hire part-time employees as needed.

Ms. Grimes asked if it would be open 7 days a week, and Ms. Tiparos indicated in the affirmative, from 8:00 a.m. to 4:00 p.m.

Ms. VanSoest asked about any difficulty with permitting and build out, and Ms. Tiparos noted that the City has been very helpful and they are awaiting a final walk through.

President Grimes asked about timing for opening, and Ms. Tiparos indicated that to be approximately middle of September.

Seeing no further questions or comments, Ms. Grimes advised Ms. Tiparos that the Board would now be going into executive session, after which it would come back to the public meeting and vote on the loan request.

On motion then made by Ms. Van Soest, seconded by Ms. Werber, the Board voted 6-0 to go into executive session at approximately 4:13 p.m. pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119-A. At approximately 4:31 p.m., the Board came out of executive session by motion made by Mr. Dowd, seconded by Mr. Dundon, and passed 6-0.

On motion made by Mr. Dowd, seconded by Ms. Werber, the Board voted 6-0 to approve the loan as recommended by staff and underwriter, but with 6-months of interest only payments (versus 3 months), followed by monthly principal and interest payments for 84 months (versus 60 months), with loan closing contingent on the cafe securing all necessary permits and food license.

**Item #4: Review and possible vote on proposed guidelines for 2023 ARPA-funded Microenterprise Grant Program.**

Ms. Martin said this proposed program has been updated from the 2022 ARPA-funded Microenterprise Grant Program based on feedback from surveys sent to recipients of the 2022 program and staff recommendations. The proposed updates are as follows:

- both for- profit and non-profit businesses are eligible, with non-profits having operating expenses of less than $150,000 and serving low-income populations to qualify;
- it is reimbursement-based grant program for demonstrated payments made by the awardee for eligible activities after the date of the award;
- can apply for up to $5,000;

- eligible expenses also include business development support and support investments, such as business-related training, hardware, and software;
- staff to provide technical support to applicants in preparing their applications, and to awardees after the application process through webinars, email/phone, and FAQ.

Mr. Dundon inquired if an applicant needed to show economic harm from the Pandemic or when the business was in operation, and Ms. Martin noted that no proof was needed and, per the guidelines, the grants serve the targeted low-income population which experienced disproportionate impacts from the pandemic.

Mr. Dundon asked if a cannabis-based business would be eligible, and Ms. Gonzalez indicated that staff would err on the side of caution and not have cannabis-based businesses eligible since this program is using Federal funds and where, under Federal law, production and sale of cannabis is illegal.

President Grimes said that with the first and second rounds of previous funding, there were different maximum grant amounts to get to as many businesses as possible, and she noted that she was fine with this round maximum amount being $5,000.

Ms. Werber asked about problems/issues for the first two rounds, and Ms. Gonzalez said that sometimes uploading documents was a challenge for applicants, and then for staff, obtaining the needed documents.

President Grimes asked about how applicants prove that grant funds can only be used for items not already paid for by other governmental or private grant, or loans. Ms. Gonzalez said they have to attest to that as part of the application.

Mr. Dundon asked about a launch date, and Ms. Davis said that it would be after Labor Day – mid-September.

On motion then made by Mr. Dundon, seconded by Ms. Van Soest, the Board voted 6-0 to approve the Guidelines as drafted.

**Item #5: Staff update on marketing/outreach.**

Ms. Martin noted that this will be a regular item on the agenda, and, of late, she has been doing outreach to bank and community partners, i.e., Gorham Savings Bank, Bangor Savings Bank, and the Portland Chamber of Commerce. She then showed her marketing presentation she uses (and in the Board packet).

President Grimes said that one-to-one relationships are great to develop, with Mr. Dargan agreeing - bankers and lenders are an important element to get the word about the PDC programs.

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

Ms. Martin indicated that, based on Board feedback at its June 15 meeting, staff is presenting redlines, with the main update to include that staff may administratively do a one-time loan modification, after which further modifications to a loan and/or write off would need Board approval.

Mr. Dowd asked about write-offs and collateral, with Ms. Davis noting that write-offs generally maintain the mortgage the City has in place at the Registry of Deeds so then when selling, they would need to come to the City to process any discharge.

Mr. Dargan said that the guidelines are clear on what can and cannot be done administratively.

Mr. Dargan then made a motion to adopt as amended. Ms. Van Soest seconded the motion and it passed 6-0.

**Item #7: Treasurer's Report – June 30, 2023.**

This item was not discussed.

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

Ms. Paulette confirmed the date of the Annual Business Awards to be Wednesday, November 15, 2023, from 4:30 to 6:30 p.m. and noted that she sent that appointment to all.

Ms. Davis also noted that she anticipates interviews with candidates for the Department Director to begin next week.

There being no further business/discussion, on motion made by Mr. Dundon, seconded by Mr. Dowd, the Board voted 6-0 to adjourn the meeting at approximately 5:25 p.m.

Respectfully, Lori Paulette

**Agreement for use by The City of Portland in MARKETING MATERIALS**

The City of Portland uses a variety of marketing/outreach platforms including social media (Facebook, Twitter, Instagram, LinkedIn), traditional media (local/national radio, television & print news; trade journals), digital media (web-based publications, podcasts) and City publications (website, newsletters, annual report, presentations). The City loves to amplify the work it does to support Portland businesses, and we welcome the opportunity to collaborate with you to tell your story. If you would like some assistance on how to best describe your relationship with the City, please contact:

**Jessica Grondin, Director of Communications & Digital Services**

**E-Mail: jgrondin@portlandmaine.gov | Phone: 207-756-8173**

We are proud to work with you and want to highlight your business in the City's marketing materials. To be included, please complete the following:

| Name | Email Address | Business/Company/DBA Name |
|---|---|---|
| | | |

Business Address

*I/We agree to allow the City of Portland to use the following information/materials for the purposes of marketing and reporting, including the marketing/outreach platforms outlined at the top of this document and in outreach to potential media platforms:*

My name, company name, and background/business information:

☐ Yes ☐ No

Photography of our Company, its products, staff, customers, etc., as taken by/on behalf of City of Portland or provided by the Company, with written confirmation of exclusive rights thereto.

☐ Yes ☐ No

*I/We agree to allow the City of Portland to state that we received:*

General business assistance such as training, technical assistance, or advising:

☐ Yes ☐ No

A business loan(s) or grant(s):

☐ Yes ☐ No

Signature

Date of signature

**Portland Development Corporation**
**Preliminary Draft Operating**
**Report FY2024**
**For Month Ending**
**8/31/2023**

| | |
|---|---|
| **Operating transfer from EDF** | **39,122** |
| | **------------** |
| **Total Funds Available** | **39,122** |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | **Current** | **Year to** | | **Percent** | | |
| **FY2023 Expenditures** | **Budget** | | **Month** | **Date** | | **of Budget** | | **Balance** |
| Administrative Services | 11,175 | | 10,800 | 10,800 | | 96.6% | | 375 |
| Postage | 300 | | 0 | 0 | | 0.0% | | 300 |
| Travel, Training, Meetings | 8,000 | | 0 | 0 | | 0.0% | | 8,000 |
| Contractual Services | 6,000 | | 325 | 325 | | 5.4% | | 5,675 |
| Operating Transfer to Fin. | 9,647 | | 0 | 0 | | 0.0% | | 9,647 |
| Advertising | 2,500 | | 0 | 0 | | 0.0% | | 2,500 |
| Auto Expense Reimb. | 100 | | 0 | 0 | | 0.0% | | 100 |
| Printing & Binding | 650 | | 0 | 0 | | 0.0% | | 650 |
| Office Supplies | 750 | | 63 | 63 | | 8.4% | | 687 |
| | | | | | | | | |
| **Total FY2023 Expenditures** | **39,122** | | **11,188** | **11,188** | | **28.6%** | | **27,934** |

## FY 24 PDC CASH MANAGEMENT REPORT/Non-Brownfield Program

**(Preliminary and Subject to Change)**

| August 2023 | UDAG | | CIP | | CIP | | FAME | | FAME SSBCI | | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 271 | | 272 | | 274 | | 277 | | 279 | | |
| | Unrestricted Loans/Grants | | Restricted | | Unrestricted | | | | | | |
| **Beginning Balance** | **355,418** | | **373,178** | | **164,758** | | **708,413** | | **658,605** | | **2,260,372** |
| **Additions** | MTD | YTD | MTD | YTD | MTD | YTD | MTD | YTD | MTD | YTD | |
| Principal payments received | 5,648 | 7,698 | 1,247 | 2,491 | 2,394 | 6,161 | 12,538 | 15,729 | 2,601 | 5,730 | |
| Interest payments received from loans | 1,985 | 2,275 | 69 | 142 | 509 | 1,338 | 4,825 | 6,007 | 2,059 | 4,553 | |
| Interest Income | | - | - | - | | - | | - | - | - | |
| Other Income/Adjustments | | - | | - | | - | | - | | - | |
| Pass Through From FAME/SSCBI | | - | | - | | - | | - | | - | |
| **Deductions** | | | | | | | | | | | |
| FAME Annual Admin. Fee; Invoices | | | | | | | | | | | |
| Disbursements - Loans/Grants | | | | | | | | | | | |
| **Ending Cash Balance (Munis)** | **363,051** | | **374,494** | | **167,661** | | **725,776** | | **663,265** | | **2,294,248** |
| Less Reserves for: | | | | | | | | | | | |
| Beautification Program (EC0301) | (72,000) | | | | | | | | | | |
| Transfers not yet recorded (UDAG Int) | (2,275) | | | | | | | | | | |
| | | | | | | | | | | | |
| **Adjusted Ending Cash Balance** | **288,775** | | **374,494** | | **167,661** | | **725,776** | | **663,265** | | **2,219,972** |

# FY 24 PDC CASH MANAGEMENT REPORT - BROWNFIELD PROGRAM

**(Preliminary and Subject to Change)**

| **August 2023** | **Brownfield 1** | | **Brownfield 2** | | **Brownfield 3** | | **Brownfield 10/22/2022** | | **Brownfield 10/22/2022** | | **TOTAL** |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 278 | | 280 | | 281 | | RLF | | Assessment | | |
| | **Unrestricted Loans/Grants** | | **Restricted** | | **Restricted/Assessments** | | | | | | |
| **Beginning Balance** | **448,846** | | **558,298** | | **12,426** | | **3,000,000** | | **500,000** | | **4,519,569** |
| **Additions** | MTD | **YTD** | MTD | **YTD** | MTD | **YTD** | MTD | **YTD** | MTD | **YTD** | |
| Principal payments received | 1,871 | 3,737 | 1,066 | 2,130 | | - | | - | | - | |
| Interest payments received from loans | 106 | 218 | 963 | 1,930 | | - | | - | | - | |
| Interest Income | | - | - | - | | - | | - | - | - | |
| Other Income/Adjustments | | - | | - | | - | | - | | - | |
| Pass Through From FAME/SSCBI/EPA | | - | | - | | - | | - | | - | |
| **Deductions** | | | | | | | | | | | |
| FAME Annual Admin. Fee; Invoices | | | | | | | | | | | |
| Disbursements - Loans/Grants | | | | | -4,421 | | | | | | |
| **Ending Cash Balance (Munis)** | **450,823** | | **560,328** | | **8,004** | | **3,000,000** | | **500,000** | | **4,519,156** |
| Less Reserves for: | | | | | | | | | | | |
| Reserve For Commitments | (153,632) | | (450,000) | | (7,700) | | | | | | |
| Fund 280 Reserve for Administration | | | (31,239) | | | | | | | | |
| **Adjusted Ending Cash Balance** | **297,192** | | **79,089** | | **304** | | **3,000,000** | | **500,000** | | **3,876,585** |

9/14/2023

**Portland Development Corporation**
**Schedule of Loans Receivable**
**For Month Ending August 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 | $89,324 |
| 30179 | Forefront Brick South, LLC | 11/18/2016 | 12/1/2026 | $100,000 | $0 | $100,000 | $45,633 |
| 30400 | Friends and Family | 3/10/2023 | 4/1/2027 | $50,000 | $0 | $50,000 | $46,702 |
| 30423 | Longfellow Property, LLC | 6/26/2023 | 7/1/2030 | $200,000 | $0 | $200,000 | $200,000 |
| | **Sub-Total PBF (UDAG)** | | | | | | **$381,660** |
| | **Portland Business Fund 272 (Restricted - CIP):** | | | | | | |
| 30230 | Portland Food Cooperative | 6/4/2014 | 10/1/2021 | $130,000 | $0 | $130,000 | $20,656 |
| | **Sub-Total PBF (Bonds/CIP Restricted)** | | | | | | **$20,656** |
| | **Portland Micro Capital Fund 271 (UDAG/Unrestricted):** | | | | | | |
| 30250 | Portland Trading Co. LLC | 4/26/2013 | 8/1/2018 | $15,000 | $0 | $15,000 | $7,352 |
| 30118 | Vin Bar, LLC | 7/26/2016 | 9/2/2021 | $50,000 | $0 | $50,000 | $218 |
| | | | | | | | **$7,570** |
| | **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 | $1,474 |
| 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 | $4,400 |
| 30119 | Quattrucci & Rouda, LLC | 3/19/2019 | 4/1/2029 | $100,000 | $0 | $100,000 | $54,517 |
| 30400 | AAA Rue Marchie, d/b/a Timber | 3/28/2023 | 4/1/2028 | $40,000 | $0 | $40,000 | $38,744 |
| | **Sub-Total PBF (Bonds/CIP Unrestricted)** | | | | | | **$116,635** |
| | **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 | $0 |
| 30061 | Forefront Brick South, LLC | 11/18/2016 | 12/1/2026 | $250,000 | $0 | $250,000 | $112,737 |
| 30217 | Evo Rock & Fitness Portland | 4/14/2014 | 11/1/2024 | $132,954 | $0 | $132,954 | $23,574 |
| 30317 | CAG RE, LLC | 8/15/2018 | 9/1/2023 | $50,000 | $0 | $50,000 | $4,590 |
| 30133 | Maine Family Services | 2/8/2019 | 3/1/2024 | $25,000 | $0 | $25,000 | $0 |
| 30120 | Calendar Sailing Company | 5/2/2019 | 6/1/2024 | $50,000 | $0 | $50,000 | $35,438 |
| 30127 | Gallery Acquisition Co. Inc. | 5/16/2019 | 6/1/2026 | $75,000 | $0 | $75,000 | $35,770 |
| 30125 | Zootility Co. | 8/7/2019 | 9/1/2024 | $150,000 | $0 | $150,000 | $122,022 |
| 30378 | Gulf of Sashimi | 10/19/2022 | 11/1/2027 | $65,000 | $0 | $65,000 | $58,017 |
| 30416 | Forefront Partners I, LP | 5/31/2023 | 5/31/2033 | $200,000 | $0 | $200,000 | $200,000 |
| | **Sub-Total FAME Fund** | | | | | | **$610,715** |
| | **FAME SSBCI 279:** | | | | | | |
| 30107 | Biodiversity Research Institute | 3/26/2021 | 4/1/2026 | $200,000 | $0 | $200,000 | $183,456 |
| 30086 | Driscoll Child Dev. Center | 5/5/2021 | 6/1/2026 | $60,000 | $0 | $60,000 | $44,391 |
| 30085 | Flores Restaurant LLC | 6/9/2021 | 7/1/2026 | $38,000 | $0 | $38,000 | $27,862 |
| 30071 | Wynsum, LLC | 11/5/2021 | 12/1/2026 | $131,250 | $0 | $131,250 | $128,638 |
| 30068 | 688 Forest Ave., LLC | 12/21/2021 | 1/1/2027 | $168,000 | $0 | $168,000 | $163,012 |
| | **Sub-Total FAME SSBCI** | | | | | | **$547,359** |
| | **Brownfields Loan Fund 278 and 280** | | | | | | |
| 30222 | Forefront Partners, LP/Fund 278 | 7/30/2014 | 2/1/2025 | $200,000 | $0 | $200,000 | $32,752 |
| | Forefront Partners I, LP/Fund 280 | 5/31/2023 | 4/30/2033 | $200,000 | $200,000 | $0 | |
| 30072 | Forefront Partners I, LP/Fund 280 | 4/12/2018 | 1/1/2032 | $350,000 | $0 | $350,000 | $328,161 |
| | **Sub-Total Brownfields** | | | | | | **$360,913** |
| | **Grand Total Loans** | | | | **$200,000** | **$3,067,704** | **$2,045,507** |
| | Allowance for uncollectable loans at 15% | | | | | | $306,826 |
| | **Total with Allowance for uncollectable loans:** | | | | | | **$1,738,681** |

**Portland Development Corporation**

**Board of Directors**

**Fiscal Year End 2023**

**Annual Report**

The Housing and Economic Development Department provides the primary staff support to the Portland Development Corporation (PDC) Board of Directors, with legal assistance from Corporation Counsel. The Department is also responsible for marketing and administration of the PDC's Commercial Loan and Grant Programs.

The PDC Board of Directors met remotely via Zoom six times over the course of the fiscal year.

During FY2023, the PDC provided commercial loans to five businesses for a total of $555,000, as well as one Brownfield loan of $200,000 which was approved by the Board in FY2022 and which closed during FY2023. The PDC also approved two Brownfield Grants totalling $51,500. See the table on the following page for loan and grant activity for F2019 through FY2023.

| | | FY19 | FY2020 | FY2021 | FY2022 | FY 2023 |
|---|---|---|---|---|---|---|
| **No. of Commercial Loans Made** | | 6 | 5 | 3 | 3 | 5 |
| Total Amt. of Funds Lent | | $320,000 | $434,000 | $298,000 | $425,250 | $555,000 |
| Total Private Investment Leveraged | | $1,882,700 | $1,423,475 | 2,206,000 | $4,280,759 (inc. Brownfield Loan/Grant Leveraging) | $27,260,249 |
| Jobs Created | | 21 | 2 | 8 | 4 | 30 |
| Jobs Retained | | 7 | 125 | 40 | 6 | 10 |
| **No. of Brownfield Grants/ Loans** | | 1 | 1 | 2 | 1 Loan and 1 Grant Not Closed as FYE2022 | 2 Grants |
| Total Amt. of Grants/ Loans | | $125,000 | $125,000 | $250,000/Loan $150,000/ Grant | $200,000/Loan (closed FY2023); $200,000/ Grant | $51,500 |
| **No. of Business Assistance Grants for Job Creation** | | 9 | 13 | 0 | 20 | 0 |
| Total Amt. of Grants | | $140,000 | $200,000 | 0 | $330,000 | |
| Jobs Created | | 14 | 20 | 0 | 33 | |
| **COVID-19 Rapid Response Micro Loans** | | | 1 for $10,000 | 16 for $141,500 | 5 for $40,000 | 0 |
| **COVID-19 Microenterprise Grants** | | | 4 @ $2,500 each or $10,000 total | 66 for $230,000 | 5 for $17,500 | 0 |

| | | | | | | |
|---|---|---|---|---|---|---|
| **COVID-19 ARPA Microenter-prise Grants** | | | | | 51 for $272,500 | 0 |
| **COVID-19 Business Assistance Grants for Job Creation** | | | | 2 for $12,500 | Discontinued | |
| **PDC Total Investment** | | **$615,000** | **$779,000** | **$1,082,000** | **$1,485,250** | **$606,500** |

**<u>PDC Fiscal Year 2023 Loan and Grant Detailed Activity</u>**

***FY2023 Loans Closed***

The FY2023 PDC loan portfolio grew with 5 commercial loans closed for a total of $555,000, helping to retain 10 jobs and create 30 new jobs. These loans leveraged over $27.2 Million in private commercial investment. Types of businesses provided loan assistance included a hotel, two restaurants, a seafood wholesaler, and a permanent ice rink at Thompson's Point.

***Commercial and COVID-19 Loans***

From FY2010 through FY2023, the PDC has extended 107 loans for a total of just over $7.4 Million, while leveraging just over $113 Million in private investment and creating/retaining 837 jobs.

***PDC Loan Portfolio***

As of the end of FY2023, the PDC active loan portfolio exceeds $2.1 Million with 33 loans under management. This loan portfolio of $2.1 Million leverages $44.9 Million in private investment in Portland, for a leverage of $21 of private funds invested to each dollar of public funds invested, a 21:1 ratio. These loans helped to create/retain 275 jobs, and include a diverse mix of PDC investments in businesses noted above, as well as a paddle boat company on Portland's waterfront, fitness, retail, recreation, Thompson's Point, and service businesses. It is also noted that of the 33 loans under management, 6 are to the immigrant community.

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 Finance Authority of Maine (FAME), with the City as a participating lending source for those funds via a partnership and pass-through with the Finance Authority of Maine. To date, 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 became the City's, expanding the PDC loan pool by just under $1 million.

During FY2023, FAME was awarded additional SSBCI funding from the U.S. Treasury Department, and the City is once again a participating lending source for that new funding source via a similar partnership and pass-through arrangement.

***PDC Lending History***

**Since its inception in 1991**, the PDC has made 209 loans to diverse businesses including manufacturing (e.g., breweries and biosciences), hospitality, restaurants, retail, child care, sports/fitness, biodiversity research, and service, among others. The following table provides an overall view of the activities:

| | |
|---|---|
| **Total Amount of Funds Lent:** | **$13,230,285** |
| **Leveraged Amount of Private Financing:** | **$198,187,090** |
| **Jobs Retained:** | **1,541** |
| **Jobs Created:** | **858** |
| **COVID-19 Loans/Jobs Rehired/Retained:** | **78** |
| **18 Loans Defaulted*** | **$753,899** |

*****Default amount of $753,899 is 5.7% of the total amount of funds lent. This is less than half of the 15% capital reserve provisioned for this purpose.

***COVID-19 Microenterprise Grant Programs***

**CDBG Microenterprise Grant Program:** This Grant Program provided grants of up to $5,000 for Portland businesses that operate out of leased commercial space and $2,500 to other Portland microenterprises, including home-based businesses, that have been and/or are being impacted by the COVID 19 crisis. Startups were also eligible given that they were opening during this challenging period.

This Grant Program started towards the end of FY2020, with the PDC Board approving four Grants at $2,500 each.

During FY2021, the PDC Board approved grants for 66 businesses in the total amount of $230,000, and, during FY2022, the PDC Board approved grants for 5 businesses totaling $17,500, at which time funding ran out.

***ARPA Microenterprise Grant Program***

**ARPA Microenterprise Grant Program:** This Grant Program, created during FY2022, provided grants of up to $7,500 for Portland businesses that operate out of leased commercial space and $3,500 to other Portland microenterprises, including home-based businesses, that have been and/or are being impacted by the COVID 19 crisis. Startups were also eligible given that they were opening during this challenging period.

If a business applied for a grant under this program, and had been previously approved for either a $5,000 or $2,500 grant under the CDBG Microenterprise Grant Program, the business would be eligible for $2,500 if it previously received $5,000, or $5,000 if it previously received $2,500.

The PDC approved Grants to 51 businesses in the amount of $272,500, at which time the funds were depleted. It is anticipated that in FY2024, with additional ARPA funding the City received, an updated ARPA-funded Microenterprise Grant program will be launched.

***COVID-19 Business Assistance Program for Job Creation (Rehire) Grant Program***

This Grant Program provides up to $10,000 in grant funding to small businesses for rehiring up to four full-time employees or jobs that were on the payroll just before the COVID-19 crisis. The Program provided a total of $12,500 in grant funds to two businesses during FY2021. Because other COVID-19 programs proved to be more helpful to businesses, this program received very few applications. Consequently, the additional funding for this program was moved to the Microenterprise Grant program which better met the needs of small businesses.

***Business Assistance Program for Job Creation – Non COVID-19 Program***

The Business Assistance Program (BAP) 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 individuals. A private match is required in an amount that is at least equal to the grant requested. The maximum grant amount 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 the Community Development Block Grant (CDBG) 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, an additional $108,543 for FY18, $145,000 for FY19, $200,000 for FY2020, and $205,000 for FY2022. Combined with leftover BAP funds from previous allocations, funding for FY2022 totaled $330,000, and the PDC Board approved 20 grants to businesses totaling this amount and associated with creating 33 jobs.

Grants awarded since the Program’s inception (FY12 through FY2022) were made to 70 recipients, including over 15 to the immigrant community, resulting in the creation of 150 jobs. The program has provided assistance to a diverse group of start-up and existing businesses including restaurants, bakeries, food production, clothing and textile manufacturers, pharmacy, computer services, music venue, bicycle sales/service, hair salons, auto repair, and home health care services.

Although this program has not been funded for FY2023, staff will monitor CDBG funding opportunities for the City and apply for funding this program at the appropriate time.

***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 FY2017, the City was awarded a grant of $800,000 to support loan and grant investments in environmental site cleanup. The City was awarded an additional $500,000 in cleanup funds and $200,000 in assessment funds during FY18. During FY2021, the City applied for additional Brownfield grant funds and received $480,850 in cleanup funds. In FY2022, the City applied for additional clean-up grant funding and was awarded up to $3,000,000 in cleanup funds during the latter part of FY2022. In addition, during FY2023, the City applied for and was awarded up to $500,000 in assessment funds.

The City Council accepted and appropriated these funds to recapitalize the Brownfields Revolving Loan and Grant Program and a Brownfield Assessment Program. The revolving loan funds are used as loans to for-profit developers, and, in some cases, as grants to non-profits for clean-up of Brownfields sites throughout the City. The assessment funds will cover the cost of Phase I and Phase II Environmental Site Assessments in Portland.

Brownfield actions of FY18, FY19, FY2020, FY2021, FY2022, and FY2023:

1. In FY2018, a loan of up to $350,000 was approved and provided to Forefront Partners I LP for engineering and clean-up/remediation connected to projects on Thompson's Point. Those projects included the East Loop Road (to the future Children's Museum and Theatre building), a Pavilion, and a Hotel.

2. Again, in FY2018, a $170,000 grant was approved for Children's Museum & Theater of Maine (CMTM), a non-profit organization which purchased a 1.12 acre property (Lot 7) on Thompson's Point. This grant assisted with remediation and cleanup of the site. In this $14 Million project, CMTM constructed a 3-story 29,000 sq. ft. building on that property with outdoor play areas and opened to the public late June 2021.

3. In FY2019, a $125,000 grant was approved for the Portland Housing Authority (PHA) to assist with remediation/cleanup costs for contaminated property at 58 Boyd Street. Once remediated, PHA moved forward with the $13 Million project and developed a six-story, 55-unit mixed income residential building with multi-family affordable apartments (65% low income), which opened November 2020.

4. In FY2019, the PDC recommended to the City Council, and the City Council approved, that Phase I and Phase II Environmental Assessments from the Assessment Fund received from USEPA in 2018 (Fund 281) can now be approved administratively, rather than brought to the PDC Board for approval. If assessments are to use Brownfields Closeout funds (Fund 278), staff will bring these requests to the Board for approval, as it has done in the past.

5. In FY2020, a $125,000 grant was approved for the PHA to assist with cleanup costs for demolishing 50 units of public housing on Front Street (in the East Deering neighborhood) that are the end of their useful life. In their place, 105 units of affordable mixed-income apartments (for those earning less than 60% of Area Median Income) will be constructed with a significant amount of open space for use by residents. Total project costs for both Phase 1 and Phase 2 is estimated at $20.5 Million.

6. In FY2021, a Brownfields remediation/cleanup loan of $250,000 and grant of $150,000 was approved for Youth and Family Outreach for their renovation and construction project at 337 and 331 Cumberland Avenue, in partnership with the Portland Housing Authority. The Project is a mixed income 5-story, 60-unit apartment building, with a 10,000 sq. ft. child care/education facility on the first floor. These loan and grant funds will assist with the remediation/cleanup of hazardous building materials and urban fill type contaminants in the soil, at a total estimated cost of $2 million.

7. In FY2022, a Brownfields remediation/cleanup grant of $200,000 was approved for Portland Housing Authority's second phase of its Front Street project. This phase includes the demolition of 22 units of public housing in eight buildings to be replaced with 45 units in one building for tenants with less than 60% of median income, aged 55+ or disabled. As noted earlier, total project costs for both Phase I and Phase 2 are estimated at $20.5 Million.

8. In FY2022, a Brownfields remediation/cleanup loan of $200,000 was approved for Forefront Partners for Lot 13 on Thompson's Point, the former Suburban Propane/Northern New England Passenger Rail Authority parcels. The end result will be the renovation of an existing 5,300 sq. ft. brick office building and construction of an approximately 450-space parking garage.

9. In FY2023, a Brownfields assessment grant of $20,800 was approved for Portland Housing Development Corporation for the third phase of its affordable housing project on Front Street, which phase will include 8 homeownership units in 2 buildings.

10. In FY2023, a Brownfields assessment grant of $30,700 was approved for Tom Watson & Co., LLC for the Bayside Center Project for redevelopment of 89 Elm Street, 196 Lancaster Street, and the City of Portland Oxford Street Shelter. The total project cost for this work is estimated at $61,400.

***Portland Economic Development Plan Implementation Program (PEDPIP) Grant Fund***

**<u>History:</u>**

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 have funded 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 initially capitalized by PDC loan funds in the amount of $250,000 in FY12. The maximum grant amount was originally $75,000. By the end of 2014, the full $250,000 had been awarded in PEDPIP grants. During FY2015, the PDC Board recommended to the City Council, and the Council approved, re-capitalizing PEDPIP by establishing a yearly cap at the beginning of each fiscal year using 10% of Unrestricted PDC loan funds that were available/uncommitted, beginning with FY16. They also amended the maximum grant amount to $15,000.

Since its inception through FY19, the PDC Board approved grants in the total amount of $465,245 as follows:

Portland Community Chamber for the following projects:
- "Why Portland" Videos
- Growing Portland Initiative
- Scorecard Updates (2014; 2015)
- Startup and Create Week (2014; 2015)

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

- Hire Professional "Experience Design" Consultant/Cultural Application

Portland Performing Arts Festival
City of Portland - Staff participation in the Maine International Trade Center Mission to Iceland and UK
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/ Maine International Trade Center/Invest in Maine Program
City of Portland – Office of Economic Opportunity for the following projects:
– Develop Strategies and Measurable Plan to Integrate Immigrants
– Create Professional Connector Program/Jobs for New Mainers
World Affairs Council for its Celebrate Immigration Initiative
Cooperative Development Institute – Institutional Food Service and Procurement
Maine Center for Enterprise Development for the following projects:
– Top Gun Overhaul and Preflight
– E*Next Pilot Project
Maine Convention Center Collaborative/Portland Community Chamber – Feasibility Study for Convention Center
Portland Buy Local – Host Community Forum to Strengthen Portland's Economy
Portland Downtown for the following projects:
– Parking Study
– 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
Maine Immigrant Rights Coalition – Create Database/Immigrant Economic Opportunity Network
Maine Crafts Association – Gallery at 519 Congress Street for Maine Craft Artists, and a Hub for Education, and Culture
Portland Adult Education – New Mainers Resource Center Education Assistance

***PEDPIP Program Discontinued in FY2020***

The PDC Board recommended to the City Council discontinuation of this Program because, having been in existence for over 7 years, it produced what it had intended – to help facilitate the implementation of the primary objectives of the August 2011 Vision and Plan to stimulate private sector investment and growth. The Council voted to discontinue the program at its September 16, 2019, meeting.

**PDC Annual Awards Program**

Due to the COVID-19 Pandemic, the Annual Awards Program has not been held since December of 2019.

The PDC and City staff will bring this event back in FY2024, which will be its 25th Annual Event to honor five businesses for their contributions to the local economy. Anticipated awards to be given out include: Economic Development Achievement, Business of the Year, Small Business of the Year, PDC Client of the Year, and the Legacy Award.

**Summary**

The PDC looks forward to continuing to assist in providing and leveraging investment in Portland area businesses and development projects. 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:***

Councilor April Fournier
Krista Cole
Sam Dargan
James Dowd, Treasurer
Eamonn Dundon
Blaine Grimes, President
Jeffery Hicklin, Secretary
Thomas Mitchell
Kierston Van Soest
Beverly Werber
Danielle West, City Manager

***PDC Staff:***

Mary Davis, Interim Housing and Economic Development Director
Nancy Martin, Business Programs Manager
Kaela Gonzalez, ARPA Program Manager
Lori Paulette, Principal Adm. Officer
Michael Goldman, Interim Corporation Counsel

**PORTLAND DEVELOPMENT CORPORATION**
**Statement of Net Position**
**June 30, 2023**

**(Preliminary and Subject to Audit)**

| | | |
|---|---|---|
| Assets | | |
| Cash | | $ 3,042,467 |
| Accounts receivable | | 3,663 |
| Loans receivable | $ 2,096,090 | |
| Allowance for uncollectible loans | (316,900) | 1,779,190 |
| Total assets | | $ 4,825,320 |
| Liabilities and Fund Equity | | |
| Liabilities: | | |
| Accounts payable | $ 2,145 | |
| Total liabilities | | $ 2,145 |
| Fund equity: | | |
| Reserves | | |
| Loans receivable | $ 1,779,190 | |
| Economic Development Fund | 104,618 | |
| Unrestricted UDAG | 367,155 | |
| Restricted CIP | 371,863 | |
| Unrestricted CIP | 160,163 | |
| FAME | 693,523 | |
| EPA Revolving Loan Fund (Brownfield) | 446,868 | |
| FAME SSBCI | 653,084 | |
| Brownfield grants | 246,711 | |
| Total fund equity | | 4,823,175 |
| Total liabilities and fund equity | | $ 4,825,320 |

**PORTLAND DEVELOPMENT CORPORATION**
**Statement of Revenues, Expenditures,**
**and Changes in Fund Balance**
**For the Year Ended**
**June 30, 2023**

**(Preliminary and Subject to Audit)**

| | | |
|---|---|---|
| Revenues and Financing Sources | | |
| Federal grants | $ 429,475 | |
| Application fees | 7,550 | |
| Interest received on loans | 89,310 | |
| Investment interest income | 28,674 | |
| Total revenues and financing sources | | $ 555,010 |
| Expenditures and Other Charges | | |
| Administrative services | $ 8,685 | |
| Net payments to contractors | 285,548 | |
| Adjustments to allowances | 100,407 | |
| Total expenditures and other charges | | 394,640 |
| Excess (deficiency) of revenues over expenditures | | $ 160,370 |
| Fund balance, June 30, 2022 | | 4,662,805 |
| Fund balance, June 30, 2023 | | 4,823,175 |