Final, approved 09/22/2023

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