Minutes
Portland Development Corporation
Remote Zoom Meeting
Held on March 7, 2024

A remote meeting, via Zoom, of the Portland Development Corporation (PDC) Board of Directors was held at 12:00 p.m. on Thursday March 7, 2024. Present from the Board of Directors were President James Dowd and Directors Sam Dargan, Eamonn Dundon, Blaine Grimes, Nathan Henry, Kierston Van Soest (arrived after vote on Minutes) and Beverly Werber. Director Krista Cole, Thomas Mitchell, Councilor April Fournier, and City Manager Danielle West could not be present. Present from City staff were Associate Counsel Avery Dandreta, ARPA Program Manager Kaela Gonzalez, Business Programs Manager Nancy Martin, Associate Counsel Amy McNally, Principal Administrative Officer Lori Paulette, and Housing and Economic Development Director Greg Watson. Also present was PDC Underwriter David McLaughlin.

Item #1: President's Comments

President James Dowd thanked everyone for attending this special meeting.

Item #2: Review and accept Minutes of the February 15, 2024 meeting:

On a motion made by Mr. Henry and seconded by Mr. Dundon, the Board voted 5-0-1 (Ms. Grimes abstained) to approve the meeting Minutes of February 15, 2024.

Item #3: Review and vote on a new loan application from Biodiversity Research Institute, 276 Canco Road.

Ms. Martin thanked the Board for attending this special meeting and introduced Biodiversity Research Institute (BRI), a non-profit 501(c)3 organization, and provided background information on a previous loan awarded to Biodiversity in 2021 by the PDC in the amount of $200,000, which is in good standing. BRI is now requesting a loan of $250,000 to provide gap financing to build a new condominium unit. Ms. Martin invited David Evers, Executive Director, to speak on behalf of BRI, which has been located in Portland for the past 10 years. Mr. Evers summarized BRI's work with government agencies, locally and federally, and renewable energy industries with permitting work. BRI added 10 staff members over the past year, and is projected to hire 14 more staff members this year. Some staff members are currently working remotely, with 17 office spaces needed to bring them to Portland and provide office space for new employees.

Ms. Grimes asked Mr. Evers if they predict the same pace of growth over the following years. Mr. Evers would like to pace out their growth, highlighting their current work and plans for manageable growth over time. Mr. Evers feels as though they have enough work ahead with offshore wind and carbon credit projects to pace continued expansion.

Mr. Henry would like Mr. Evers to explain his plans to remain with the organization and if there is a succession plan considering the length of these loans. Mr. Evers explained how his team has been planning for succession and have been involved with thinking into the future 10, 20 years ahead.

Mr. Dundon asked Mr. Evers to talk about why they are building and not considering leasing options. Mr. Evers explained his desire to have the equity that owning the building provides, and the stability that owning allows. He also appreciates their current location with a large parking lot and surrounding wooded area.

Mr. McLaughlin asked Mr. Evers to touch on managing risk and cost overruns, and secondly why Mr. Evers is putting up a personal guarantee for a non-profit organization. Mr. Evers addressed his relationship with the developer, American Building Group, and his confidence with his knowledge of previous work and acknowledgment that construction costs can change and that he has witnessed this developer handle these challenges well. Secondly, Mr. Evers explained that for the last 25 years, after founding the company out of college, he is accustomed and comfortable with providing a personal guarantee because it is something that he does frequently and is confident considering the amount and diversity of revenue streams and where the company stands from a cash standpoint.

Mr. Dowd asked Mr. Evers if possible, could he explain the projected revenue stream and whether January and February had been on target. Mr. Evers explained their fiscal year with the Internal Revenue Services, how the flow of expenses and income comes in and that they are on track to make projections.

Mr. Henry would like Mr. Evers to elaborate on working capital to support the seasonality of their work. Mr. Evers explained his strategy for building up cash and increasing their buffer to handle this buildout and the expenses that also are slated to occur.

Mr. Dowd wanted to know if furniture is included in the buildout, and Mr. Evers said that it was not built into these loan numbers. He plans to use operating funds for the furniture and also to utilize unused furniture for the remaining amount, estimating that furniture may cost around $20,000.

On a motion made by Ms. Grimes and seconded by Mr. Dundon, the Board voted 7-0 to go into executive session pursuant to1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119—A at 12:27 p.m.

At 12:49 p.m. the Board returned to the public session.

On a motion made by Ms. Grimes and seconded by Mr. Henry, the Board voted 7-0 to approve a $250,000 loan to Biodiversity Research Institute as recommended by staff and underwriter, with the following amendments to remove the conditions of: the personal guarantee of David Evers; requiring 4/30/24 financial statements and confirmation of current debt service coverage ratio; and, the assurance that borrower does not have cost overrun risk

Item #4: Other items to be discussed/brought up by Board Directors and/or staff.

There being no further business, on motion made by Mr. Dundon and seconded by Ms. Van Soest, the Board voted 7-0 to adjourn at 12:52 p.m.

Respectfully, Kaela Gonzalez