PORTLAND DEVELOPMENT CORPORATION
Board Meeting

DATE: Thursday, May 16, 2024
TIME: 4:00 PM
LOCATION: This meeting will take place remotely using Zoom.

This meeting will be held remotely pursuant to the Remote Meeting Policy adopted by the Portland Development Corporation and as authorized under 1 M.R.S. 403-B. Allow your computer to install the free Zoom app to get the best meeting experience. If you are not able to attend live, a recording will be available in the Agenda Center following the meeting.

The Portland Development Corporation Board meeting is not required to take public comment, and this will continue during remote meetings.

Meeting will be held via Zoom.

Please click the link below to join the webinar:

https://portlandmaine-gov.zoom.us/j/85229414013?pwd=N2tESU9mMmUzZ000T1F4cVErZTRnQT09
Passcode: 272505
Or One tap mobile :
+13126266799,,85229414013# US (Chicago)
+16469313860,,85229414013# US
Or Telephone:
Dial(for higher quality, dial a number based on your current location):
+1 312 626 6799 US (Chicago)
+1 646 931 3860 US
+1 929 205 6099 US (New York)
+1 301 715 8592 US (Washington DC)
+1 305 224 1968 US
+1 309 205 3325 US
+1 386 347 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
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+1 346 248 7799 US (Houston)
+1 360 209 5623 US
Webinar ID: 852 2941 4013
International numbers available: https://portlandmaine-gov.zoom.us/u/kiIXpoqU0

AGENDA

1. President's comments

2. Review and accept Minutes of April 18, 2024 meeting

   a. See attached meeting minutes.

3. Review and vote on draft letter of support for the City's application to the U.S. Department of Energy for grant proceeds to incentivize energy efficiency upgrades.

   a. See attached Memorandum and draft letter of support.

4. Verbal Updates on the following items:

   a. Marketing

   b. Arts District and potential economic incentives.

   c. Islamic-compliant loans.

5. Treasurer's Report - April 30, 2024

   a. Monthly Administrative Budget Report

b. Cash Management Report

c. Schedule of Loans Receivable

d. Confidential Delinquency Report; update on loan modifications, if any.
Note: Pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119—A, the Board may go into executive session to discuss/monitor any of the loans listed on the Report.

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

7. Next Regular Meeting Date: June 20, 2024

Minutes
Portland Development Corporation
Remote Zoom Meeting
Held on April 18, 2024

A remote meeting, via Zoom, of the Portland Development Corporation (PDC) Board of Directors was held at 4:00 p.m. on Thursday, April 18, 2024. Present from the Board of Directors were Directors Sam Dargan, Eamonn Dundon, Nathan Henry, Thomas Mitchell, Kierston Van Soest, and Beverly Werber. President James Dowd, Directors Krista Cole, Blaine Grimes, Councilor April Fournier, and Danielle West could not be present. Present from City staff were Associate Counsel Avery Dandreta, ARPA Project Coordinator Kaela Gonzalez, Business Programs Manager Nancy Martin, Associate Counsel Amy McNally, Principal Administrative Officer Lori Paulette, and Housing and Economic Director Greg Watson. Also present was PDC Underwriter Matthew Buonopane.

Item #1: Presidents Comments

President James Dowd is not in attendance tonight; Director Kierston Van Soest will Chair tonight's meeting.

Item #2: Review and vote on draft meeting Minutes for Board meeting held on March 21, 2024.

On motion made by Ms. Werber, seconded by Mr. Mitchell, the Board voted 4-0-2 (Mr. Dargan and Mr. Dundon abstained) to accept the meeting Minutes of March 21, 2024 as published.

Item #3: Review and vote on a new loan application from Another Round, located at 549 Congress Street.

Mr. Dundon informed the Board that he is recusing himself from this agenda item as advised by City Counsel and will rejoin after this item has been discussed.

Ms. Martin introduced the loan request from Another Round LLC, a board game bar located at 545 Congress Street in the amount of $225,000, which is slated to open early Summer 2024. Owner, Harry Sultan, is seeking this loan to provide a cushion for opening costs. Mr. Sultan explained to the Board the inspiration behind his business and how this would be the first business in Portland of its kind. Working out of an owner-occupied space, he is looking for help with increased construction costs and would like the help with cash flow as he gets started.

Ms. Werber asked Mr. Sultan what the projected seating capacity is, which he says will be between 43-48 people. Mr. Dargan wants clarification on the two projections, which he believes one is quite conservative and the other, provided to the bank, is more realistic. Mr. Sultan would like to operate as though this may be a difficult start and wants to know what things would look like if business does not ramp up quickly. Mr. Henry wanted to know why Gorham Savings Bank was not an option for the working capital. Mr. Sultan originally did not plan to buy the space and instead planned to lease; however, due to the loan being tied to the lease limit, buying was the better option. At this time the debt ratio to equity does not support the additional funds from Gorham Savings Bank, as he understands it. Given the unique model, Ms. Van Soest wanted to know how Mr. Sultan determined some of the assumptions regarding the business. Mr. Sultan consulted with other board game bars/cafes and derived his model from those conversations. Mr. Henry would like to know what Mr. Sultan's dream structure on loan terms would be, in which Mr. Sultan answered with a term of 5-7 years with an amortization schedule of 20 years, to help employ good staff and keep a solid cash flow.

On a motion made by Mr. Henry and seconded by Ms. Werber, the Board voted 5-0 to go into executive session at approximately 4:20 p.m. pursuant to 1 M.R.S.A. 405(6)(F) and 5

M.R.S.A. 13119—A to discuss proprietary information regarding the above loan application. At approximately 4:36 p.m. the Board came out of executive session.

On a motion made by Mr. Henry and seconded by Mr. Dargan, the Board voted 5-0-1 (Mr. Dundon abstained) to approve the Another Round loan with a 5 year term and 20 year amortization in the amount of $225,000.

Item #4: Review and vote to recommend to the City Council approval of proposed Bylaws amendment.

Ms. Martin introduced two proposed amendments to the Bylaws; the first to allow the City Manager to appoint his/her designated representative in Article IV Section 4.4, as well as a housekeeping amendment to update the Department name in Article VI Section 6.8, as detailed in the backup materials.

On a motion made by Ms. Werber, seconded by Mr. Henry, the Board voted 6-0 to approve and recommend the proposed amendments to the City Council.

Item #5: Review and recommendation to the City Council approval of participation in FAME funding portal.

Ms. Martin is asking for the PDC to consider reviewing and recommending the City's participation in the Finance Authority of Maine's (FAME) new online funding portal, called Maine Funding Network, to the City Council.

The Maine Funding Network would standardize applications, foster collaboration between FAME lenders, and remove barriers for applicants. The portal is in the testing phase and for the first year there will be no participation fee, although FAME does anticipate a fee in the future to share the network costs. Included in the backup materials is a draft Participation Agreement which still needs review and approval from the Information Technology Department.

Ms. Werber wants to know if the City can opt out at some point, to which Ms. Martin said that we would be proposing that language in the participation agreement. Mr. Dundon wants to know if we know what kind of fee could be expected; Ms. Martin's understanding that any fee would not be a burden, and would just cover the administrative costs. Mr. Dargan commented that he did not see a service level agreement and expressed concern over potential risks since the user experience would be out of the City's control. Ms. Martin appreciates the idea of a standard or common application that makes it easier for applicants, but also has concerns about this funding portal increasing workload past the capacity of the City's ability to provide timely and effective review of applications. Mr. Henry believes that FAME has the ability to make this a successful venture, and would like to know if the Brownfields loan will become part of this at some point. Ms. Martin does not think that we will be able to offer the Brownfield loans on this portal.

On a motion made by Mr. Henry and seconded by Mr. Dargan, the Board voted 6-0 to approve recommendation to the City Council for participation in the FAME funding portal.

Item #6: Staff Verbal Update

Ms. Martin began with a marketing update, first informing the Board that the City of Portland is a municipal sponsor of the Build Maine Conference on June 5 and 6, 2024, located in Skowhegan this year. All staff and Board members can register and attend for free and, please let staff know if you are interested in attending. Staff is working with the Sustainability Office and considering whether to apply for grant funding from the Department of Energy. The Housing and Economic Development Department is in the beginning stages of planning a newsletter. The City hosted a C-PACE (Commercial Property Assessed Clean Energy) meeting with several area banks and participating municipalities to talk through the program and answer questions that potential lenders may have.

Ms. Martin recapped the Brownfields Assessment Program Update memorandum located in the backup materials which highlights the projects that have benefited from this program. The 2020 Assessment Grant with $250,000 has been completely expended and closed out. About one third of the 2023 Assessment Grant with $500,000 has been utilized, these funds have been used for environmental assessments of potential or actual contaminated properties.

Item #7: Treasurer's Report - March 2024

a) Monthly Administrative Budget Report
b) Cash Management Report
c) Schedule of Loans Receivable
d) Confidential Delinquency Report - Note: Pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119—A, the Board may go into executive session to discuss/monitor any of the loans listed on the Report.

Ms. Paulette highlighted the administrative budget report which is on track, with 60% being expended. The City has 29 outstanding loans for a total of $3.1 million in principal with about $1 million being repaid. The PDC has approximately $2.1 million to lend. In the Brownfields loan portfolio, the PDC has $3.5 million to lend for assessment and clean up. Ms. Werber wants to know if Ms. Martin has any concerns regarding the Delinquency Report. The Board proposes to wait until the next meeting.

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

Board members did not have anything further to report.

Item #9: Next regular meeting date: May 16, 2024.

There being no further business, on motion made by Mr. Dargan, seconded by Mr. Henry, the Board voted unanimously to adjourn at 5:05 p.m.

Respectfully, Kaela Gonzalez

City of Portland | Housing and Economic Development Department
Gregory P. Watson, Director

MEMO

TO: President James Dowd and PDC Board Members
FROM: Nancy L. Martin, Business Programs Manager
CC: Greg Watson, Director, Housing and Economic Development Department
DATE: May 10, 2024
RE: Request to Authorize PDC Board President to sign a letter of support for the City's Application to the US Department of Energy.

OVERVIEW:

The City of Portland is planning to apply to the United States Department of Energy for a grant in support of energy efficiency and economic development.

The application will be a partnership between the Portland Development Corporation, the City's Office of Sustainability, and the City's Housing and Economic Development Department.

Applications are due May 31, 2024. The City's application will propose to use Department of Energy grant proceeds to capitalize a revolving loan fund, administered by the PDC, specifically for energy efficiency upgrades at attractive rates to incentivize energy efficiency upgrades.

RECOMMENDATION:

Staff recommend that the PDC vote to authorize the Board President to sign a letter of support on behalf of the Board of Directors.

ATTACHMENTS:

Draft Letter of Support from the PDC Board President

PORTLAND DEVELOPMENT CORPORATION

May 10, 2024

To Whom It May Concern:

I am pleased to submit this letter in support of the City of Portland's application to the U.S. Department of Energy from the Portland Development Corporation (PDC), a quasi-municipal organization formed by the City of Portland in January 1991.

The Portland Development Corporation (PDC) is staffed by Portland's Housing and Economic Development Department (HEDD). The Board of Directors is 9 volunteers that represent Portland's business community, as well as 2 representatives from City government. The PDC provides a continuum of financial assistance to businesses and industries throughout the city and works to institute economic development programs in Portland to ensure compliance with the City's goals, objectives, and requirements.

To this end, the PDC board will review qualified Clean Energy Revolving Loan Fund applications and underwriting reports submitted by the HEDD staff and underwriter. At the PDC's monthly meetings, the Board will discuss the proposed requests and will award financing to those applicants whose proposals meet the guidelines in support of qualifying clean energy investments.

The PDC reviews and approves all requests for commercial loans and grants from the City's business assistance program and has provided more than 209 Portland businesses with over $13 million in financial assistance since 1991. We look forward to the opportunity to support more Portland businesses and create incentives for clean energy improvements in the City of Portland.

Sincerely,

____

James Dowd
President of the Portland Development
Corporation Board of Directors

APPROVED BY CORPORATION COUNSEL

By: ___________________________________

Amy McNally, Assoc. Corporate Counsel

Portland Development Corporation
Preliminary Draft Operating
Report FY2024
For Month Ending
4/30/2024

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		0	10,919		97.7%		256
Postage	300		0	115		38.3%		185
Travel, Training, Meetings	8,000		0	8,000		100.0%		0
Contractual Services	6,000		0	3,488		58.1%		2,512
Operating Transfer to Fin.	9,647		0	9,647		100.0%		0
Advertising	2,500		0	308		12.3%		2,192
Auto Expense Reimb.	100		0	0		0.0%		100
Printing & Binding	650		0	576		88.6%		74
Office Supplies	750		0	272		36.3%		478
Total FY2023 Expenditures	**39,122**		**0**	**33,325**		**85.2%**		**5,797**

FY 24 PDC CASH MANAGEMENT REPORT/Non-Brownfield Program

(Preliminary and Subject to Change)

Period Ending: 04/30/2024	UDAG		CIP		CIP		FAME		FAME SSBCI		TOTAL
	271		272		274		277		279		
	Unrestricted Loans/Grants		Restricted		Unrestricted						
Beginning Balance	**405,502**		**388,416**		**188,191**		**790,580**		**701,261**		**2,473,950**
Additions	MTD	YTD	MTD	YTD	MTD	YTD	MTD	YTD	MTD	YTD	
Principal payments received	4,141	31,948	0	11,339	3,948	25,456	4,199	117,645	4,557	23,497	
Interest payments received from loans	2,351	22,377	0	507	655	5,044	2,410	26,447	1,620	22,613	
Interest Income	3,136	8,417	3,071	7,779	1,466	3,598	6,207	15,191	5,491	13,838	
Other Income/Adjustments		-		-		-		-		-	
Pass Through From FAME/SSCBI		-		-		-	-	-		-	
Deductions											
FAME Annual Admin. Fee; Invoices											
Disbursements - Expenses											
Disbursements - Loans/Grants											
Ending Cash Balance (Munis)	**415,130**		**391,487**		**194,261**		**803,398**		**712,930**		**2,517,205**
Less Reserves for: Loans		(200,000)						(250,000)		(225,000)	
Beautification Program (EC0301)	(72,000)										
Transfers not yet recorded (UDAG Int)	(22,377)										
Adjusted Ending Cash Balance	**120,753**		**391,487**		**194,261**		**553,398**		**487,930**		**1,747,828**

FY 24 PDC CASH MANAGEMENT REPORT - BROWNFIELD PROGRAM

(Preliminary and Subject to Change)

Period Ending: 04/30/2024	**Brownfield 1**		**Brownfield 2 (2016)**		**Brownfield 3**		**Brownfield 10/1/2022**		**TOTAL**
	278		280		281		280 RLF		
	Unrestricted Loans/Grants		**Restricted/Cleanup**		**Restricted/Assessments**		**Restricted/Cleanup**		
Beginning Balance	**465,483**		**540,719**		**490,439**		**2,997,631**		**4,512,030**
Additions	**MTD**	**YTD**	**MTD**	**YTD**	**MTD**	**YTD**	**MTD**	**YTD**	
Principal payments received	1,915	18,899	1,092	9,702		-		-	
Interest payments received from loans	62	778	938	8,567		-		-	
Interest Income	3,675	8,492	2,109	4,820		-		-	
Other Income/Adjustments		-		-		-		-	
Pass Through From FAME/SSCBI/EPA		-		-		-		-	
Deductions									
FAME Annual Admin. Fee; Invoices					(4,256)				
Disbursements -Other									
Ending Cash Balance (Munis)	**471,136**		**544,858.00**		**486,183**		**2,997,631**		**4,499,809**
Less Reserves for:									
Reserve For Commitments	(1,047)		(527,000)				(247,700)		
Fund 280 Reserve for Administration			(17,858)						
Adjusted Ending Cash Balance	**470,090**		**0**		**486,183**		**2,749,931**		**3,706,204**

Portland Development Corporation
Schedule of Loans Receivable
For Month Ending April 30, 2024

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	$81,171
30179	Forefront Brick South, LLC	11/18/2016	12/1/2026	$100,000	$0	$100,000	$37,529
30400	Friends and Family	3/10/2023	4/1/2027	$50,000	$0	$50,000	$39,562
30423	Longfellow Property, LLC	6/26/2023	7/1/2030	$200,000	$0	$200,000	$198,940
	Sub-Total PBF (UDAG)						$357,203
	Portland Business Fund 272 (Restricted - CIP):						
30230	Portland Food Cooperative	6/4/2014	10/1/2021	$130,000	$0	$130,000	$9,314
	Sub-Total PBF (Bonds/CIP Restricted)						$9,314
	Portland Micro Capital Fund 271 (UDAG/Unrestricted):						
30250	Portland Trading Co. LLC	4/26/2013	8/1/2018	$15,000	$0	$15,000	$5,668
							$5,668
	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	$1,404
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	$0
30316	Rankin WA, LLC	2/28/2022	2/1/2024	$5,000	$0	$5,000	$3,292
30119	Quattrucci & Rouda, LLC	3/19/2019	4/1/2029	$100,000	$0	$100,000	$40,463
30400	AAA Rue Marchie, d/b/a Timber	3/28/2023	4/1/2028	$40,000	$0	$40,000	$36,278
	Sub-Total PBF (Bonds/CIP Unrestricted)						$96,437
	FAME Fund 277:						
30198	Auto-Care, LLC	2/5/2016	3/1/2021	$32,500	$0	$32,500	$18,567
30061	Forefront Brick South, LLC	11/18/2016	12/1/2026	$250,000	$0	$250,000	$95,274
30217	Evo Rock & Fitness Portland	4/14/2014	11/1/2024	$132,954	$0	$132,954	$53
30127	Gallery Acquisition Co. Inc.	5/16/2019	6/1/2026	$75,000	$0	$75,000	$28,331
30125	Zootility Co.	8/7/2019	9/1/2024	$150,000	$0	$150,000	$122,197
30378	Gulf of Sashimi	10/19/2022	11/1/2027	$65,000	$0	$65,000	$37,753
30416	Forefront Partners I, LP	5/31/2023	5/31/2033	$200,000	$0	$200,000	$191,869
30442	Tiparos88 LLC (Matcha Mood)	9/28/2023	10/1/2030	$49,999	$0	$49,999	$36,287
	Sub-Total FAME Fund						$530,331
	FAME SSBCI 279:						
30107	Biodiversity Research Institute	3/26/2021	4/1/2026	$200,000	$0	$200,000	$182,206
30086	Driscoll Child Dev. Center	5/5/2021	6/1/2026	$60,000	$0	$60,000	$40,594
30085	Flores Restaurant LLC	6/9/2021	7/1/2026	$38,000	$0	$38,000	$21,765
30071	Wynsum, LLC	11/5/2021	12/1/2026	$131,250	$0	$131,250	$125,917
30068	688 Forest Ave., LLC	12/21/2021	1/1/2027	$168,000	$0	$168,000	$158,539
	Sub-Total FAME SSBCI						$529,020
	Brownfields Loan Fund 278 and 280						
30222	Forefront Partners, LP/Fund 278	7/30/2014	2/1/2025	$200,000	$0	$200,000	$17,540
	Forefront Partners I, LP/Fund 280	5/31/2023	4/30/2033	$200,000	$107,959	$92,041	$92,041
30072	Forefront Partners I, LP/Fund 280	4/12/2018	1/1/2032	$350,000	$0	$350,000	$319,492
	Sub-Total Brownfields						$429,072
	Grand Total Loans			**$3,122,703**	**$107,959**	**$3,014,744**	**$1,957,046**
	Allowance for uncollectable loans at 15%						$293,557
	Total with Allowance for uncollectable loans:						$1,663,489