FINAL

**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