PORTLAND DEVELOPMENT CORPORATION
Board Meeting

DATE: Thursday, November 14, 2024
TIME: 4:00 PM
LOCATION: This meeting will be held via Zoom.

Please click the link below to join the webinar:
https://portlandmaine-gov.zoom.us/j/82174835979?pwd=iqyk60mVcVT9xREq06fKhPUKdawkoH.1
Passcode: 352820
Or One tap mobile :
+13126266799,,82174835979# US (Chicago)
+16469313860,,82174835979# 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
+1 564 217 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
+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
Webinar ID: 821 7483 5979
International numbers available: https://portlandmaine-gov.zoom.us/u/kcNle1GpQy

AGENDA

1. President's comments

2. Review and vote on draft Meeting Minutes for Board Meetings held on:

   a. August 15, 2024 (attached)

   b. September 19, 2024 (attached)

   c. October 1, 2024 (attached)

   d. October 17, 2024 (attached)

3. Review and vote to restructure loan to Rosemont Market.

   a. **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 proprietary information regarding this loan. After the executive session, the Board will vote in public session.

4. Review and vote on letters of support for CDBG Grant applications for:

   a. Business Assistance Grant Program for Job Creation (see attached Memorandum and Draft Letter of Support)

   b. Microenterprise Grant Program (see attached Memorandum and Draft Letter of Support)

5. Treasurer's Report - October 31, 2024

   a. 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.

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

7. Next Regular Meeting Date: December 19, 2024

Minutes
Portland Development Corporation
Remote Zoom Meeting
Held on August 15, 2024

A remote meeting, via Zoom, of the Portland Development Corporation (PDC) Board of Directors was held at 4:00 p.m. on Thursday, August 15, 2024. Present from the Board of Directors were Directors Jonathan Berg, Blaine Grimes, Nathan Henry, Dena Libner, Thomas Mitchell, Kierston Van Soest, and Beverly Werber. President James Dowd and Directors Sam Dargan, Eamonn Dundon, and Councilor April Fournier 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 Matt Buonopane, and Housing and Economic Development Department intern Nguyen Lam.

Item #1: Presidents Comments

Director Van Soest opened the meeting and chaired as Board Treasurer due to the absence of Board President James Dowd.

Ms. Van Soest began with a notice sent out by the City Clerk announcing that five seats on the PDC with 3-year terms are available through 10/31/2027. Deadline to apply is 8/31/2024. These five seats include vacancies caused by the terming out of James Dowd and Blaine Grimes, who cannot reapply. The three others who can reapply are Eamonn Dundon, Thomas Mitchell, and Beverly Werber. All can continue to serve on the Board until their seats are filled and/or incumbents re-appointed by the City Council.

Ms. Van Soest welcomed Dena Libner to the Board, currently serving as Assistant City Manager, as the City Manager’s designee.

Ms. Van Soest thanked Krista Cole for her service on the Board from December 2021 through June 2024.

Item #2: Review and vote on draft meeting Minutes for Board meeting held on July 18, 2024.

On motion made by Ms. Werber, seconded by Mr. Henry, the Board voted 5-0-1 (Ms. Libner abstained) to accept the meeting Minutes of July 18, 2024 as published.

Item #3: Review and vote on new Loan Application Two Fat Cats Bakery, 144 State Street.

Mr. Berg recused himself from discussion on this item due to a potential conflict of interest.

Ms. Martin introduced this request by Two Fat Cats Bakery, for $40,000 to close a funding gap in the construction budget for a new bakery location at 144 State Street, owned by Stacy Begin and Matthew Holbrook. Ms. Martin introduced Stacy Begin, who provided background information regarding their business that started 20 years ago, with a main location at 195 Lancaster Street. A decision was made to close the South Portland location and to move into the old Mercy Hospital building, with expanded operations to fit the needs of the neighborhood, which will include a cafe and a small market area with prepared foods and some grocery essentials, with plans to open in mid-October. There have been some cost overruns due to the thick concrete flooring, increasing the costs for plumbing and electrical work. The Directors asked a few questions regarding staffing and employment opportunities and the closure of the South Portland location, which were all answered by Ms. Begin.

On a motion made by Ms. Grimes and seconded by Ms. Werber, the Board voted 7-0 to go into executive session at approximately 4:35 p.m. pursuant to 1 M.R.S.A. 405(6)(F) and 5

M.R.S.A. 13119-A to review proprietary confidential information for both Item #3 and Item #4, the two loan applications. At approximately 5:15 p.m. the Board of Directors returned to the public session.

On a motion made by Ms. Grimes and seconded by Mr. Henry, the Board voted 6-0-1 (Mr. Berg abstained) to approve the loan as recommended and presented in the amount of $40,000 to Two Fat Cats Bakery.

Item #4: Review and vote on new loan application from Mayhem Rage Room, storefront lease in Bayside is pending.

Ms. Martin introduced this request from Mayhem Rage Rooms LLC owned by Paul Taylor in the amount of $70,000. Mr. Taylor is planning to lease commercial space in the East Bayside neighborhood and operate a rage room, also known as a smash room. Ms. Martin introduced Mr. Taylor, who provided a more comprehensive description of his business plan. The Directors asked a few questions regarding the employment potential, insurance options, the size and layout of the space, anticipated flow of customers, and research of other similar successful businesses. Mr. Watson asked to hear further details on how materials are acquired for destruction. Mr. Taylor was able to provide answers on questions asked, and Ms. Martin was able to screen share the proposed layout for the space.

On a motion made by Mr. Henry and seconded by Ms. Werber, the Board voted 7-0 to approve the loan for $70,000 to Mayhem Rage Room as recommended and presented to the Board.

Item #5: Review and vote on recommendation to the City Council for amending the CDBG Job Creation Grant Guidelines.

Ms. Martin summarized the memorandum included in the backup documents, including the history of the grant program and highlighted changes for the new round of this program. The program was awarded a total of $105,000, of which $5,000 will be reserved for underwriting and related administrative expenses. The grant will offer for-profit Portland businesses up to $20,000 for the hiring of new employees that are low/moderate income and will require a private match equal to the grant requested. Ms. Martin made a few new minor edits prior to the meeting which were presented to the Board which will be redlined and shared in the posted materials. These included adding “construction” and “everything else” to ineligible activities, revising “property interest” language, and a change to make the minimum grant $10,000 as opposed to $5,000.

On a motion made by Mr. Berg and seconded by Mr. Mitchell, the Board voted 7-0 to approve and recommend to City Council the proposed amendments to the CDBG Job Creation Guidelines, including the additional edits as presented by Ms. Martin.

Item #6: Treasurer’s Report - July 31, 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 provided an overview of the monthly administrative report including one notable expenditure, recapped available funds in the non Brownfields funds and the Brownfields Revolving Loan Fund, and the number of active loans with the outstanding balance.

Item #7: Other items to be discussed/brought up by Board Directors and/or staff.

Ms. Paulette gave an update on the PDC Award Subcommittee, tasked with bringing to the Board proposals for the five awards as follows: Economic Development Achievement to Portland Ship Yard; Business of the Year to ImmuCell; Small Business of the Year to Portland Community Squash; PDC Client of the Year to Biodiversity Research Institute; and Legacy Award to DiMillo's on the Waterfront.

On a motion made by Ms. Grimes and seconded by Ms. Werber the Board voted 7-0 to approve the recommendations for the five PDC Business Awards.

Ms. Van Soest thanked Ms. Grimes for her six years of service on this Board and for her role as President, Treasurer and Secretary. Ms. Grimes opened a gift of appreciation, a framed picture of City Hall, citing her service from 2018-2024.

Item #8: Next regular meeting date: September 19, 2024.

There being no further business on a motion was made by Ms. Grimes and seconded by Ms. Werber, and the Board voted 7-0 to adjourn the meeting at 5:37 p.m.

Respectfully, Kaela Gonzalez

Minutes
Portland Development Corporation
Remote Zoom Meeting
Held on September 19, 2024

A remote meeting, via Zoom, of the Portland Development Corporation (PDC) Board of Directors was held at 4:00 p.m. on Thursday, September 19, 2024. Present from the Board of Directors were Board President James Dowd and Directors Jonathan Berg, Sam Dargan, Eamonn Dundon, Nathan Henry, Thomas Mitchell, and Beverly Werber. Directors Dena Libner, Kierston Van Soest, and Councilor April Fournier could not be present, and there is one vacancy at this time. 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 David McLaughlin.

Item #1: Presidents Comments

President James Dowd welcomed new Board members; Matthew Buonopane, Scott Kleiman, and Nikki Yanok who were appointed by the City Council on September 16, 2024. He noted that there is a 10-day waiting period on approved Council Orders, so their appointments take effect September 26, 2024. President Dowd also announced that this will be his last meeting serving on the Board.

Item #2: Review and vote on draft meeting Minutes for Board meeting held on August 15, 2024.

Item was tabled until more members at the August meeting can be present.

Item #3: Review and vote on Brownfields Assessment Funding Request of $70,000 from Hearts of Pine Soccer Team

Ms. Martin introduced a request from Hearts of Pine Soccer Team for up to $70,000 in Brownfields Assessment funds after encountering contaminated fill while working on field improvements at Fitzpatrick Stadium. The contaminated soil needs to be characterized in order to assess off-site disposal or appropriate on-site reuse options. Although there is sufficient funding in Assessment Fund 281 which is administratively managed by HEDD staff, the use of revolved program funds, or Post Closeout Program Income (PCPI), is more expedient and will allow the stockpile to be sampled and managed as quickly as possible. Current balance of PCPI funds stands at $481,388 and use of these funds requires Board approval. Ms. Martin introduced Gabe Huffman-Johnson, founder of Hearts of Pine, and Kevin Schohl, Hearts of Pine President, who spoke briefly on investments made to Fitzpatrick Stadium, including some stormwater and utility work resulting in contaminated soils. Emily Wassmer with TRC, the City's Qualified Environmental Professional, added that the hope is that the soil will be able to remain onsite with a proper covering system approved by the Maine Department of Environmental Protection. If not, the soil would be removed from the site and taken to a proper facility for disposal.

There were some questions raised by a few Board members, which were answered by Ms. Martin, Ms. Wassmer and Catherine Culley (Redfern Properties), regarding potential for additional funds and how they determined that the soils were contaminated to begin with.

On a motion made by Mr. Dundon and seconded by Ms. Werber the Board voted 7-0 to approve a grant of up to $70,000 from the PCPI fund to Hearts of Pine for Brownfields Assessment.

<u>Item #4: Review and vote on new loan application from Cultivating Community, 58 Boyd St, Suite A.</u>

Ms. Martin introduced a loan request in the amount of $80,000 from Cultivating

Community, a Portland-based non-profit, seeking bridge funding for a remediation project for the City of Portland's Community Garden Program, which is managed in partnership with the City's Parks, Recreation & Facilities Department. The organization has already secured U.S. Department of Agriculture (USDA) National Resource Conservation Service grant funding to bring Portland's gardens into safe growing standards after soil contamination was found this Spring. However, the USDA grant is reimbursable, so Cultivating Community has requested a loan of $80,000 to use for the upfront cost of project implementation and staff time.

Ms. Martin introduced Executive Director, Silvan Shawe, who introduced Cultivating Community, their mission, and the project that will transition the program from in-ground growing to raised beds.

Mr. Dowd and Mr. Mitchell raised questions regarding the proposed term, the interest rate, and the reimbursement process. There was some discussion regarding the interest rate and whether the PDC could lower the interest rate and be consistent with past decisions. Mr. Dargan asked for further clarification on reimbursement timing from the USDA grant.

On a motion made by Ms. Werber and seconded by Mr. Mitchell the Board voted 7-0 to approve a $80,000 loan at a 2% interest rate with a 2-year term to Cultivating Community.

Item #5: Review and vote on new loan application from Yardie Ting LLC, 28 Monument Square.

Ms. Martin introduced the loan request in the amount of $45,000 from Yardie Ting LLC to expand to a new space in the Portland Public Market. Yardie Ting is a female, immigrant, and minority owned Jamaican restaurant.

Ms. Martin introduced Shanna-Kay Wright, owner of Yardie Ting who summarized the desired use of funds which include for staffing, equipment, renovating the space, and working capital.

Ms. Martin asked Mr. McLaughlin to comment on his suggestion for obtaining life insurance to be used as collateral due to the vital nature of Ms. Wright's role in the business. There was some discussion by the Board regarding the proposed interest rate and the collateral recommendation.

On a motion made by Mr. Henry and seconded by Mr. Dundon, the Board voted 7-0 to approve the $45,000 loan to Yardie Ting, LLC at 7% interest for a five-year term, with the condition of the assignment of life insurance in the amount of the loan.

Item #6: Review and vote to approve 89 Elm Entity Change.

Mr. Berg communicated the need to recuse himself from discussion and vote due to conflict of interest prior to the introduction by Ms. Martin.

Ms. Martin introduced the request from Avesta Housing Development Corporation (AHDC) to reassign the Brownfields loan commitment approved at the July 18, 2024 meeting from Avesta 89 Elm LP to 89 Elm Street Apartments LLC at the request of Maine Housing. This action will maintain the same entity listed on the application and the tax-exempt bonds issued by the Tax Equity and Fiscal Responsibility Reform Act (TEFRA).

Michael Barton, with Reveler, was asked to further clarify why this change is needed. Mr. Barton and Mr. McLaughlin explained and confirmed that both entities are both 100% Avesta-owned and that from a credit perspective there is no change and Avesta continues to be the guarantor.

Mr. Dowd opened public comment. George Rheault was given three minutes to provide comment. There being no further comments, public comment was closed.

On a motion made by Mr. Dargan and seconded by Mr. Henry voted 5-0-2 (with Mr. Dowd and Mr. Berg abstaining) to approve the entity change from Avesta 89 Elm LP to 89 Elm Street Apartments LLC.

Item #7: Staff Update on marketing/outreach.

Ms. Martin shared three verbal updates. On Monday the City Council approved the Community Development Block Grant (CDBG) Job Creation Grant Program, participation in the FAME portal, and Matthew Buonopane, Scott Kleiman, and Nikki Yanok as three new PDC Board members.

The joint application by the Economic Development Department and the Sustainability Office to the Department of Energy for a Clean Energy Revolving Loan Fund was not successful.

Lastly, Ms. Martin informed the Board that the Department did not close on the Mayhem Rage Room loan approved by the Board at its August 15, 2024 meeting, as the applicant decided to go with a lender offering a lower interest rate. Ms. Martin may ask the Board to further discuss interest rates at a later date.

Ms. Paulette informed the Board that this is also Mr. Mitchell's last meeting as a PDC Board member, but requested attendance to the next meeting for a proper send off.

Item #8: Annual Meeting of the Board

Ms. Gonzalez presented the Board with highlights from the Draft Annual Report.

On a motion made by Mr. Mitchell and seconded by Mr. Henry the Board voted 7-0 to set the date of the Annual Meeting of the Corporator as October 21, 2024.

Mr. Dowd outlined the proposed slate of officers as follows; Ms. Van Soest as President, Mr. Dundon as Treasurer, and Ms. Werber as Secretary.

On a motion made by Mr. Dowd and seconded by Mr. Dargan the Board voted 7-0 to approve the Board Officers as proposed by Mr. Dowd.

Item #9: Treasurer's Report - August 31, 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.

This item was not discussed.

Item #10: Other items to be discussed/brought up by Board Directors and/or staff.

Ms. Werber asked for an update on the Arts District and any efforts that can be undertaken by the PDC to help with job creation for example. Ms. Martin and Mr. Watson spoke on the current efforts; such as a survey that has been recently circulated among the Arts District property owners, feedback that has been received, policy/regulatory options to help alleviate the appearance of disinvestment, and efforts to reach out to stakeholders.

Mr. Dundon voiced support for a larger discussion on interest rates.

Item #11: Next regular meeting date: October 17, 2024.

There being no further business on a motion was made by Mr. Dundon and seconded by Mr. Berg, and the Board voted 6-0 (Mr. Henry left prior to adjournment) to adjourn the meeting at 5:28 p.m .

Respectfully, Kaela Gonzalez

Minutes
Portland Development Corporation
Remote Zoom Meeting
Held on October 01, 2024

A special remote meeting, via Zoom, of the Portland Development Corporation (PDC) Board of Directors was held at 4:00 p.m. on Tuesday, October 01, 2024. Present from the Board of Directors were Board Directors Matthew Buonopane, Sam Dargan, Eamonn Dundon, Dena Libner, Nathan Henry, Beverly Werber, and Nikki Yanok. Directors Jonathan Berg,, Councilor April Fournier, Scott Kleiman, and Kierston Van Soest 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.

Item #1: Review and vote on amendment to loan terms for loan to Two Fat Cats, 144 State Street.

Mr. Dundon, began the meeting by announcing that he would be Chairing, as President Ms. Van Soest was not present.

Ms. Martin introduced Stacy Begin and Matthew Halbook as guarantors of the loan and explained that when the Board originally approved the loan to Two Fat Cats Bakery at the August 15, 2024 meeting, it was thought that the City would take a third position on the collateral, when in fact the City would take a fourth position. Ms. Martin is asking the Board to confirm and vote on this amendment so the City may close on the loan.

On a motion made by Mr. Henry and seconded by Ms. Werber, the Board voted 5-0-1 (Mr. Buonopane abstained) to approve the modification of taking a fourth position on the loan for collateral.

Item #2: Next regular meeting date: October 17, 2024.

There being no further business on a motion was made by Ms. Werber and seconded by Mr. Henry, and the Board voted 7-0 (Ms. Yanok joined the meeting at 4:05 p.m.) to adjourn the meeting at 4:07 p.m.

Respectfully, Kaela Gonzalez

Minutes
Portland Development Corporation
Remote Zoom Meeting
Held on October 17, 2024

A remote meeting, via Zoom, of the Portland Development Corporation (PDC) Board of Directors was held at 4:00 p.m. on Thursday, October 17, 2024. Present from the Board of Directors were Board President Kierston Van Soest and Directors Jonathan Berg, Eamonn Dundon, Scott Kleiman, Beverly Werber, and Nikki Yanok. Directors Matthew Buonopane, Sam Dargan, Nate Henry, Dena Libner, and Councilor April Fournier could not be present. Present from City staff were ARPA Project Coordinator Kaela Gonzalez, Business Programs Manager Nancy Martin, Associate Corporation Counsel Amy McNally, Principal Administrative Officer Lori Paulette, and Housing and Economic Development Director Greg Watson. PDC underwriters David McLaughlin and Liam Benson were also present.

Item #1: President's comments.

President Van Soest welcomed Director Scott Kleiman to the Board and thanked Thomas Mitchell for his three years of service.

Item #2: Review and accept Meeting Minutes.

The Meeting Minutes from September 19, 2024, and October 1, 2024, were tabled and will be taken up at a future meeting.

Item #3: Review and vote on loan application received from Salud Portland at 275B Marginal Way.

President Van Soest recused herself from this agenda item due to a potential conflict of interest. Mr. Dundon chaired. Ms. Martin introduced Paul Lewin from Salud Portland, PDC underwriters David McLaughlin and Liam Benson, and welcomed them to the discussion. After introductions, Ms. Martin highlighted the loan request from Salud Portland, a female-owned fitness studio in the East Bayside neighborhood. Mr. Lewin provided insight into their need to expand.

Mr. Lewin received and answered questions from the Board Directors regarding expected job creation and process, membership projections and needs, and additional overhead costs associated with expansion.

On a motion by Ms. Werber and seconded by Mr. Kleiman, the Board voted 5-0-1 (President Van Soest abstained) to go into executive session at 4:29 p.m. pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119—A.

At approximately 4:51 p.m. the Board returned to the public session.

On a motion by Mr. Berg and seconded by Ms. Werber, the Board voted 5-0-1 (Ms. Van Soest abstained) to approve the loan to Salud Portland for $137,500 at a 9% interest rate with the conditions set forth by the underwriter.

With the passing of the motion, President Van Soest returned to chair the meeting.

Item #4: Discussion of interest rates for PDC loans.

Ms. Martin invited the Board to engage in a broad discussion regarding interest rate setting, beginning with a brief history of why this item was brought before the Board and the current methodology of adding one percent to the Wall Street Journal Prime Rate when proposing rates. Mr. Watson spent a few minutes recapping some recent interest rate decisions made by the Board and some internal staff discussions. Mr. Kleiman recommended further analysis and research, before leaving the meeting at approximately 5:02 p.m. Ms. Yanok gave insight into Coastal Enterprise Inc.'s decision process to rate setting based on the funding source and expressed interest in seeing the PDC publicize the method used to determine interest rates to help promote equity while providing a basic understanding for applicants. Ms. Yanok recommended seeking guidance from Opportunity Finance Network and the Community Development Financial Institutions Fund. Ms. Paulette stated that the PDC pays an annual fee to the Finance Authority of Maine (FAME) and provided examples of previous loan rates on commercial and Brownfields loans. President Van Soest questions whether there is a guiding principle set forth by the PDC previously and asks that this item be brought back to the Board for further review and discussion.

Item #5: Staff verbal update.

Ms. Martin gave the Board updates on the number of Job Creation Grant Program applications received thus far, to expect to see a confidentiality form that will be circulated for Board members to review and sign, the upcoming Annual Business Award event on November 21, 2024, and lastly the Annual Meeting of the Corporator on October 21, 2024.

Item #6: Treasurer's Report - September 31, 2024

Ms. Paulette provided an overview of the Treasurer's Report, which includes the Monthly Administrative Budget Report, the Cash Management Report, and the Schedule of Loan Receivable which were provided in the meeting materials.

Item #7: Other Items to be discussed/bought up by Board Directors.

The Directors raised no other items for discussion.

Item #8: Next Regular Meeting Date: December 19, 2024.

There being no further business on a motion by Mr. Dundon and seconded by Mr. Berg, the Board voted 5-0 to adjourn the meeting at 5:19 p.m.

Respectfully, Kaela Gonzalez

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

MEMORANDUM

TO: President Kierston Van Soest and PDC Board Members
FROM Nancy L. Martin, Business Programs Manager
CC: Greg Watson, Director, Housing and Economic Development Department
DATE: November 14, 2024
RE: Request to authorize PDC President to sign letters of support for CDBG Applications

---

OVERVIEW:

Staff is planning to submit two applications to the City for Community Development Block Grant (CDBG) funding. One application is for a new round of Job Creation Grants, and the other for a new round of Microenterprise Grants.

RECOMMENDATION:

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

ATTACHMENTS:

Draft Letters of Support from the PDC President

389 Congress Street, Portland, ME 04101 – www.portlandmaine.gov – (207) 874-8683

PORTLAND DEVELOPMENT CORPORATION

November 14, 2024

To Whom It May Concern:

I am pleased to submit this letter in support of the City of Portland's Housing and Economic Development Department (HEDD) CDBG application from the Portland Development Corporation (PDC), a 501c3 quasi-municipal organization formed by the City of Portland in January 1991. The HEDD is the primary staff to the PDC and its Board of Directors, and the eleven (11) member PDC board has oversight for the City's loan and grant programs including previously funded rounds of the *Business Assistance Programs for Job Creation (BAP).*

The Portland Development Corporation provides a continuum of financial assistance to business and industry 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 BAP applications and underwriting reports submitted to them by the HEDD staff and underwriter. At the PDC's monthly meetings, the board will discuss the projects proposed in the qualified applications and will award grants to those applicants whose project costs are reasonable, whose businesses are deemed financially sustainable and likely to create the proposed number of jobs, with 100% of the grants provided to low/moderate income individuals. In some cases, the PDC will be reviewing loan requests for applicants who need a City loan to meet 50% of the total private match required by the BAP.

The PDC reviews and approves all requests for commercial loans and grants from the City's business assistance program and has provided nearly 300 Portland businesses with nearly $14 million in financial assistance since 1991. We look forward to the opportunity to support more Portland businesses and create jobs for low and moderate income individuals with this next round of CDBG funding.

Sincerely,

Kierston Van Soest
President of the Portland Development
Corporation Board of Directors

DRAFT

PORTLAND DEVELOPMENT CORPORATION

November 14, 2024

To Whom It May Concern:

I am pleased to submit this letter in support of the City of Portland's Housing and Economic Development Department (HEDD) CDBG application for the *Portland Microenterprise Grant and Training Program* from the Portland Development Corporation (PDC), a 501c3 quasi-municipal organization formed by the City of Portland in January 1991. The HEDD is the primary staff to the PDC and its Board of Directors, and the eleven (11) member PDC board has oversight for the City's loan and grant programs including previously funded rounds of Microenterprise grants, which have been funded by CDBG and American Rescue Plan Act (ARPA) sources. The PDC is particularly excited about the introduction this year of a business training curriculum to the program, which will ensure that the grantees receive increased business development skills.

The Portland Development Corporation provides a continuum of financial assistance to business and industry 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 *Portland Microenterprise Grant and Training Program* applications and underwriting reports submitted to them by the HEDD staff and underwriter. At the PDC's monthly meetings, the board will discuss the projects proposed in the qualified applications and will award grants to those applicants whose project costs are reasonable, whose businesses are deemed financially sustainable, with 100% of the grants provided to low/moderate income individuals.

The PDC reviews and approves all requests for commercial loans and grants from the City's business assistance program and has provided nearly 300 Portland businesses with nearly $14 million in financial assistance since 1991. We look forward to the opportunity to support more Portland businesses and create sustainable and lasting improvements to the City's Microenterprise ecosystem through the *Portland Microenterprise Grant and Training Program*.

Sincerely,

____

Kierston Van Soest
President of the Portland Development
Corporation Board of Directors

Portland Development Corporation
Preliminary Draft Operating
Report FY2025
For Month Ending
10/31/2024

Operating transfer from EDF **40,122**

Total Funds Available **40,122**

FY2025 Expenditures	**Budget**	**Current Month**	**Year to Date**	**Percent of Budget**	**Balance**
Administrative Services	11,175	$0	11,099	99.3%	76
Postage	300	$0	74	24.7%	226
Travel, Training, Meetings	9,000	$0	29	0.3%	8,971
Contractual Services	6,000	$1,040	2,860	47.7%	3,140
Operating Transfer to Fin.	9,647	$0	0	0.0%	9,647
Advertising	2,500	$364	364	14.5%	2,136
Auto Expense Reimb.	100	$0	0	0.0%	100
Printing & Binding	650	$60	190	29.2%	460
Office Supplies	750	$5	5	0.7%	745
Total FY2025 Expenditures	**40,122**	**$1,469**	**14,621**	**36.4%**	**25,501**

FY2025 PDC CASH MANAGEMENT REPORT/Non-Brownfield Program

(Preliminary and Subject to Change)

Period Ending: 10/31/24	UDAG		CIP		CIP		FAME		FAME SSBCI		TOTAL
	271		272		274		277		279		
	Unrestricted Loans/Grants		Restricted		Unrestricted		REDLP				
Beginning Balance	**248,294**		**402,457**		**209,328**		**690,459**		**526,461**		**2,076,999**
Additions	MTD	YTD	MTD	YTD	MTD	YTD	MTD	YTD	MTD	YTD	
Principal payments received	3,963	14,602	1,287	5,165	1,843	6,524	5,513	50,325	5,234	11,781	
Interest payments received from loans	3,402	10,266	9	80	157	933	5,537	10,343	2,675	8,419	
Interest Income	1,765	2,320	2,751	3,662	1,448	1,903	6,911	8,839	3,647	4,821	
Other Income/Adjustments		-		-		-		-		-	
Pass Through From FAME/SSCBI		-		-		-		-		-	
Deductions											
FAME Annual Admin. Fee; Invoices			Cultivating Comm				Two Fat Cats, blackbird loan fees				
Disbursements - Expenses				(79,429)			(2,929)				
Disbursements - Loans/Grants							(39,571)				
Ending Cash Balance (Munis)	**257,424**		**327,076**		**212,776**		**665,920**		**538,018**		**2,001,214**
Less Reserves for: Loans											
Beautification Program (EC0301)	(72,000)										
Transfers not yet recorded (UDAG Int)	(10,266)										
Adjusted Ending Cash Balance	**175,158**		**327,076**		**212,776**		**665,920**		**538,018**		**1,918,947**

FY2025 PDC CASH MANAGEMENT REPORT - BROWNFIELD PROGRAM

(Preliminary and Subject to Change)

Period Ending: 09/30/2024	**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	**482,434**		**386,808**		**374,997**		**2,996,428**		**4,240,667**
Additions	**MTD**	**YTD**	**MTD**	**YTD**	**MTD**	**YTD**	**MTD**	**YTD**	
Principal payments received	1,943	5,813	1,640	4,455		-		-	
Interest payments received from loans	34	120	1,266	3,486		-		-	
Interest Income	(52)	1,041	2,695	2,695		-		-	
Other Income/Adjustments		-		-		-		-	
Pass Through From FAME/SSCBI/EPA		-		-		-		-	
Deductions									
FAME Annual Admin. Fee; Invoices						(10,890)			
Disbursements -Other			-303,207				$	(38,307)	
Ending Cash Balance (Munis)	**484,360**		**89,202**		**364,107**		**2,958,121**		**3,895,790**
Less Reserves for:									
Reserve For Commitments	(20,247)		0				(2,847,795)		
Fund 280 Reserve for Administration									
Adjusted Ending Cash Balance	**464,114**		**89,202**		**364,107**		**110,326**		**1,027,748**

Portland Development Corporation
Schedule of Loans Receivable
For Month Ending October 31, 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	9/1/2029	$150,000	0	$150,000	$73,402
30179	Forefront Brick South, LLC	11/18/2016	12/1/2026	$100,000	$0	$100,000	$31,921
30400	Friends and Family	3/10/2023	4/1/2027	$50,000	$0	$50,000	$32,421
30423	Longfellow Property, LLC	6/26/2023	7/1/2030	$200,000	$0	$200,000	$198,113
30514	Longfellow Property, LLC	5/6/2024	7/1/2031	$182,688	$0	$182,688	$179,897
	Sub-Total PBF (UDAG)						$515,755
	Portland Business Fund 272 (Restricted - CIP):						
30568	Cultivating Community	10/17/2024	11/1/2026	$80,000	$0	$80,000	$80,000
30230	Portland Food Cooperative	6/4/2014	10/1/2021	$130,000	$0	$130,000	$1,531
	Sub-Total PBF (Bonds/CIP Restricted)						$81,531
	Portland Micro Capital Fund 271 (UDAG/Unrestricted):						
30250	Portland Trading Co. LLC	4/26/2013	8/1/2018	$15,000	$0	$15,000	$4,878
							$4,878
	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	$916
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
30316	Rankin WA, LLC	2/28/2022	2/1/2024	$5,000	$0	$5,000	$3,546
30119	Quattrucci & Rouda, LLC	3/19/2019	4/1/2029	$100,000	$0	$100,000	$29,539
30400	AAA Rue Marchie, d/b/a Timber	3/28/2023	4/1/2028	$40,000	$0	$40,000	$34,722
	Sub-Total PBF (Bonds/CIP Unrestricted)						$83,722
	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	$81,285
30127	Gallery Acquisition Co. Inc.	5/16/2019	6/1/2026	$75,000	$0	$75,000	$22,577
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	$23,260
30416	Forefront Partners I, LP	5/31/2023	5/31/2033	$200,000	$0	$200,000	$183,500
30530	Biodiversity Research Institute	8/22/2024	10/1/3031	$250,000	$0	$250,000	$250,000
30536	Blackbird Baking, d/b/a Two Fat Cats	10/1/2024	11/1/2031	$40,000	$0	$40,000	$40,000
	Sub-Total FAME Fund						$741,385
	FAME SSBCI 279:						
30107	Biodiversity Research Institute	3/26/2021	4/1/2026	$200,000	$0	$200,000	$174,959
30086	Driscoll Child Dev. Center	5/5/2021	6/1/2026	$60,000	$0	$60,000	$33,714
30085	Flores Restaurant LLC	6/9/2021	7/1/2026	$38,000	$0	$38,000	$17,900
30071	Wynsum, LLC	11/5/2021	12/1/2026	$131,250	$0	$131,250	$123,530
30068	688 Forest Ave., LLC	12/21/2021	1/1/2027	$168,000	$0	$168,000	$155,920
30527	Another Round	6/5/2024	8/1/2029	$225,000	$0	$225,000	$224,368
	Sub-Total FAME SSBCI						$730,391
	Brownfields Loan Fund 278 and 280						
30222	Forefront Partners, LP/Fund 278	7/30/2014	2/1/2025	$200,000	$0	$200,000	$5,896
30515	Forefront Partners I, LP/Fund 280	5/31/2023	4/30/2033	$200,000	$0	$200,000	$197,282
30072	Forefront Partners I, LP/Fund 280	4/12/2018	1/1/2032	$350,000	$0	$350,000	$312,842
	Sub-Total Brownfields						$516,020
	Grand Total Loans			**$3,712,438**	**$0**	**$3,712,438**	**$2,673,683**
	Allowance for uncollectable loans at 15%						$401,052
	Total with Allowance for uncollectable loans:						$2,272,630