PORTLAND DEVELOPMENT CORPORATION
Board Meeting

DATE: Thursday, January 16, 2025
TIME: 4:00 PM
LOCATION: This meeting will be held via Zoom.

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AGENDA

1. President's comments

2. Review and accept Meeting Minutes from the following dates:

    a. August 15, 2024

    b. December 19, 2024

3. Review and vote on revision to a loan request by Luna LLC, 275 Marginal Way.

    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. Treasurer's Report - December 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.

5. Other Items to be discussed/brought up by Board Directors

6. Next Regular Meeting Date: February 20, 2025

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 December 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, December 19, 2024. Present from the Board of Directors were Board President Kierson Van Soest and Directors Jonathan Berg, Matthew Buonopane, Sam Dargan, Eamonn Dundon, and Nikki Yanok. Board Directors Nate Henry, Scott Kleiman, Dena Libner, Beverly Werber, 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 Counsels Avery Dandreta and 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. Councilor Benjamin Grant was also in attendance.

Item #1: President's comments.

Mr. Dundon began the meeting by announcing that he would be Chairing, as President Ms. Van Soest was feeling under the weather.

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

a. **August 15, 2024**
b. **October 17, 2024**
c. **November 14, 2024**

On a motion by Mr. Berg and seconded by Ms. Van Soest the Board voted 6-0 to table the Meeting Minutes from August 15, 2024.

On a motion by Ms. Yanok and seconded by Ms. Van Soest the Board voted 4-0-2 (Mr. Buonopane and Mr. Dargan abstained) to approve the Meeting Minutes from October 17, 2024.

On a motion by Mr. Berg and seconded by Mr. Buonopane, the Board voted 4-0-2 (Ms. Van Soest and Ms. Yanok abstained) to approve the Meeting Minutes from November 14, 2024.

Item #3: Review and vote on a recommendation for the following loan applications:

a. **Luna LLC, 275 Marginal Way**

b. **Mandy & Matt's Cafe, 1160 Forest Ave**

c. **Moonbats Poster Shop, 615a Congress Street**

Ms. Martin introduced loan requests from Luna LLC, Mandy & Matt's Cafe, and Moonbats Poster Shop to the Board, beginning with Luna LLC with a $57,000 loan request from the female-owned startup coffee and smoothie shop that will open in the newly expanded Salud Studios space at 275 Marginal Way in Portland's East Bayside neighborhood. The loan request will cover startup costs, machinery and equipment, initial inventory, and build-out expenses. Ms. Martin introduced Naomi Hall, who answered questions regarding the drop-in childcare component, whether other resources were sought such as CEI and SCORE, and if there is an expectation of walk-in business outside of business derived from Salud Studios.

The next loan presented to the Board was a $150,000 request from Mandy & Matt's Cafe, which would be used to provide gap financing for real estate acquisition, with Kennebec Savings Bank as the lead lender, to purchase real estate located at 1160 and 1170 Forest Avenue. Matt and Mandy Lebel shared their restaurant experience and answered questions from the Board, including whether staff has been hired or is needed and available parking.

Lastly, Ms. Martin presented a loan request of $80,000 from Moonbats Poster Shop, a female-owned retail establishment located next to the State Theatre on Congress Street, in Portland's Arts District. Kimberly "Kehben" Grier has been operating the business for two years through sidewalk sales and plans to use the funds to purchase inventory, a vehicle, and marketing materials to expand operations into a brick-and-mortar space. Ms. Grier provided a brief introduction on her background/career history and vision for her business. The Board asked for more information on the leased space, the artists and inventory planned, and business hours. Mr. Watson asked Ms. Grier to elaborate on leveraging the proximity of the space to the State Theater and collaborating with visiting artists. Ms. Grier explained that there are often copyrighting issues with promoters of performing artists, but is exploring opportunities to capitalize on this opportunity.

On a motion by Mr. Dargan and seconded by Ms. Van Soest, the Board voted 6-0 to go into executive session at 4:45 p.m. pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119—A to discuss both Items #3 and #4 of the agenda.

At approximately 5:22 p.m. the Board returned to the public session.

On a motion by Ms. Yanok and seconded by Ms. Van Soest, the Board voted 6-0 to approve a loan for $57,000 to Luna LLC on the terms and conditions recommended by staff and the underwriter, except for the amendment of an interest-only period for the first 6 months.

On a motion by Mr. Buonopane and seconded by Mr. Berg, the Board voted 6-0 to table the loan request for Matt and Mandy's Cafe until a future meeting pending additional proprietary information obtained from staff.

On a motion by Mr. Dargan and seconded by Ms. Van Soest the Board voted 6-0 to approve a loan for $80,000 to Moonbats Poster Shop on the terms and conditions recommended by staff and underwriter.

Item #4: Review and vote to recommend approval of the following 10 Job Creation Grant applications:

Ms. Martin introduced the Job Creation Grant with an overview of the requirements and eligibility, as well as the funding and process in which staff and underwriters scored all applicants, with a short slide presentation. The businesses recommended for a $10,000 grant include the following; Belleflower Brewing, Luna LLC, Two Fat Cats, Sur Lie, Hunt and Alpine, Cong Tu Bot, Polish Nail Salon, Driscoll Childcare, Burundi Star Coffee, and Salud Studios. Ms. Martin answered questions brought forth by the Board including the fraudulent applications received, the process by which money is paid, and how long the business must retain employees. Ms. Martin clarified that the grant follows the job, not the employee.

On a motion by Mr. Dargan and seconded by Ms. Yanok, the Board voted 6-0 to approve all ten recommended businesses for a $10,000 grant, listed previously for the Job Creation Grant.

Item #5: Treasurer's Report - October 31, 2024

The Delinquency report was reviewed in Executive Session with Items #3 and #4.

Item #6: Staff Update:

Ms. Martin gave the Board an update regarding the American Rescue Plan Act Funds that are still available for Microenterprise Grants. Ms. Martin welcomed Councilor Ben Grant who will be joining as a Board Director in January of 2025 replacing Councilor April Forunier as an ex officio member. Ms. Martin also wanted to bring to the Board's attention that on December 9, 2024, the City Council held a goal-setting workshop and that the State of City Address will be given by the Mayor on January 6, 2025.

Item #6: Other Items to be discussed/brought up by Board Directors

Ms. Yanok shared with the Board that GMRI has been doing a fair amount of climate resiliency work in cooperation with One Climate Future along with other organizations and believes there will be opportunities for collaboration.

Item #7: Next Regular Meeting Date: January 16, 2025.

There being no further business, on a motion by Mr. Dargan and seconded by Mr. Berg, the Board voted 6-0 to adjourn the meeting at 5:32 p.m.

Respectfully, Kaela Gonzalez

Portland Development Corporation
Preliminary Draft Operating
Report FY2025
For Month Ending
12/31/2024

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	$29	11,232	100.5%	(57)
Postage	300	$0	128	42.7%	172
Travel, Training, Meetings	9,000	$529	8,790	97.7%	210
Contractual Services	6,000	$0	3,900	65.0%	2,100
Operating Transfer to Fin.	9,647	$0	0	0.0%	9,647
Advertising	2,500	$0	364	14.6%	2,136
Auto Expense Reimb.	100	$0	0	0.0%	100
Printing & Binding	650	$246	436	67.1%	214
Office Supplies	750	$0	330	44.0%	420
Total FY2025 Expenditures	**40,122**	**$804**	**25,180**	**62.8%**	**14,942**

FY2025 PDC CASH MANAGEMENT REPORT/Non-Brownfield Program

(Preliminary and Subject to Change)

Period Ending: 12/31/24	UDAG		CIP		CIP		FAME		FAME SSBCI		TOTAL
	271		272		274		277		279		
	Unrestricted Loans/Grants		Restricted		Unrestricted		REDLP				
Beginning Balance	**264,789**		**328,612**		**213,380**		**537,142**		**498,507**		**1,842,429**
Additions	MTD	YTD	MTD	YTD	MTD	YTD	MTD	YTD	MTD	YTD	
Principal payments received	2,679	17,282	3,137	8,301	678	7,203	4,759	55,084	2,791	14,572	
Interest payments received from loans	2,905	13,171	267	347	203	1,136	3,641	13,983	1,515	9,934	
Interest Income	1,199	3,519	1,646	5,308	1,006	2,909	3,007	11,846	2,477	7,298	
Other Income/Adjustments		-		-		-		-		-	
Pass Through From FAME/SSCBI		-		-		-		-		-	
Deductions											
FAME Annual Admin. Fee; Invoices											
Disbursements - Expenses											
Disbursements - Loans/Grants											
Ending Cash Balance (Munis)	**271,572**		**333,661**		**215,267**		**548,548**		**505,290**		**1,874,337**
Less Reserves for: Loans											
Beautification Program (EC0301)	(72,000)										
Transfers not yet recorded (UDAG Int)	(13,171)										
Adjusted Ending Cash Balance	**186,401**		**333,661**		**215,267**		**548,548**		**505,290**		**1,789,166**

FY2025 PDC CASH MANAGEMENT REPORT - BROWNFIELD PROGRAM

(Preliminary and Subject to Change)

Period Ending: 12/31/2024	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	**491,595**		**93,670**		**321,905**		**2,952,621**		**3,859,791**
Additions	MTD	YTD	MTD	YTD	MTD	YTD	MTD	YTD	
Principal payments received	1,961	9,723	1,766	7,978		-		-	
Interest payments received from loans	17	165	1,323	6,142		-		-	
Interest Income	2,322	3,227	433	1,417		-		-	
Other Income/Adjustments		-	7536	7,536		-		-	
Pass Through From FAME/SSCBI/EPA		-		-		-		-	
Deductions									
FAME Annual Admin. Fee; Invoices	Fitzp Stadium								
Disbursements -Other	(10,550)				(45,457)				
Ending Cash Balance (Munis)	**485,344**		**104,729**		**276,449**		**2,952,621**		**3,819,143**
Less Reserves for:									
Reserve For Commitments	(9,697)		0				(2,847,795)		
Fund 280 Reserve for Administration									
Adjusted Ending Cash Balance	**475,647**		**104,729**		**276,449**		**104,826**		**961,651**

Portland Development Corporation
Schedule of Loans Receivable
For Month Ending December 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	$71,200
30179	Forefront Brick South, LLC	11/18/2016	12/1/2026	$100,000	$0	$100,000	$30,971
30400	Friends and Family	3/10/2023	4/1/2027	$50,000	$0	$50,000	$29,974
30423	Longfellow Property, LLC	6/26/2023	7/1/2030	$200,000	$0	$200,000	$197,321
30514	Longfellow Property, LLC	5/6/2024	7/1/2031	$182,688	$0	$182,688	$179,322
	Sub-Total PBF (UDAG)						$508,788
	Portland Business Fund 272 (Restricted - CIP):						
30568	Cultivating Community	10/17/2024	11/1/2026	$80,000	$0	$80,000	$79,863
	Sub-Total PBF (Bonds/CIP Restricted)						$79,863
	Portland Micro Capital Fund 271 (UDAG/Unrestricted):						
30250	Portland Trading Co. LLC	4/26/2013	8/1/2018	$15,000	$0	$15,000	$4,426
							$4,426
	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	$3,269
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	$34,320
	Sub-Total PBF (Bonds/CIP Unrestricted)						$83,044
	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	$78,916
30127	Gallery Acquisition Co. Inc.	5/16/2019	6/1/2026	$75,000	$0	$75,000	$20,624
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	$182,084
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
30591	Salud Studios	11/19/2024	12/1/2030	$137,500	$0	$137,500	$137,500
	Sub-Total FAME Fund						$873,148
	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	$32,462
30085	Flores Restaurant LLC	6/9/2021	7/1/2026	$38,000	$0	$38,000	$16,615
30071	Wynsum, LLC	11/5/2021	12/1/2026	$131,250	$0	$131,250	$123,179
30068	688 Forest Ave., LLC	12/21/2021	1/1/2027	$168,000	$0	$168,000	$155,036
30527	Another Round	6/5/2024	8/1/2029	$225,000	$0	$225,000	$224,368
30592	Yardie Ting	11/14/2024	12/1/2029	$45,000	$0	$45,000	$45,000
	Sub-Total FAME SSBCI						$771,619
	Brownfields Loan Fund 278 and 280						
30222	Forefront Partners, LP/Fund 278	7/30/2014	2/1/2025	$200,000	$0	$200,000	$3,935
30515	Forefront Partners I, LP/Fund 280	5/31/2023	4/30/2033	$200,000	$0	$200,000	$196,633
30072	Forefront Partners I, LP/Fund 280	4/12/2018	1/1/2032	$350,000	$0	$350,000	$311,725
	Sub-Total Brownfields						$512,293
	Grand Total Loans			**$3,764,938**	**$0**	**$3,764,938**	**$2,833,181**
	Allowance for uncollectable loans at 15%						$424,977
	Total with Allowance for uncollectable loans:						$2,408,204