FINAL
Approved 12/19/2024

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.

<u>Item #4: Discussion of interest rates for PDC loans.</u>

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