PORTLAND DEVELOPMENT CORPORATION
Board Meeting

DATE: Wednesday, November 20, 2019
TIME: 4:00 PM
LOCATION: Room 208, City Manager's Conference Room, 2nd Floor, Portland City Hall

AGENDA

1. President's Comments

2. Review and accept Minutes of October 17, 2019, meeting.

   a. See attached draft Minutes for review and approval.

3. Review and vote on the following applications for commercial grants from the Business Assistance Program for Job Creation:

   a. Running with Scissors - 250 Anderson Street

   b. Cocktail Mary, LLC - 229 Congress Street

   c. Ada's Pasta, Inc. - 640-642 Congress Street

   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 of any of the applications listed above.

4. Review and vote on loan request from Quinn's Bardega, LLC - 79 Mellen Street

   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 for this loan request.

5. Treasurer's Report - October 2019

   a. Monthly Administrative Budget Report

   b. Cash Management Report

   c. Schedule of Loans Receivable

   d. FY2020 BAPs Approved

   e. 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

7. Next Regular Meeting Date: December 19, 2019.

Minutes
Portland Development Corporation
October 17, 2019

A meeting of the Portland Development Corporation (PDC) Board of Directors was held at 4:00 p.m. on Thursday, October 17, 2019, in Room 209 of Portland City Hall. Present from the Board was its President Tim Agnew and Board Directors James Dowd, Tom Dunne, Blaine Grimes, Jeffery Hicklin, Jon Jennings, Steve Lovejoy, Laura Reading, Julie Viola, and Briana Volk. Board Director Mayor Ethan Strimling could not be present. Present from the City staff were Business Programs Manager Nelle Hanig, Economic Development Director Greg Mitchell, and Senior Executive Assistant Lori Paulette. Grant/loan underwriter David McLaughlin was also present.

Item #1: President's Comments

President Agnew reminded the Board of the December 11 Awards event at Ocean Gateway from 4:30 to 6:30.

Item #2: Review and accept Minutes of the August 22, 2019 meeting.

On motion made by Mr. Dunne, seconded by Mr. Jennings, the Board voted unanimously to accept the Minutes as published.

Item #3: Review and vote on the following applications for commercial grants from the Business Assistance Program for Job Creation:

a) Anouche, LLC – 43 Washington Ave.
b) Quattrucci and Rouda, LLC (d/b/a Monte's Fine Foods) – 788 Washington Ave.
c) PelotonLabs LLC – 795 Congress St.
d) Leeward Maine, LLC – 85 Free St.
e) Ready Seafood Company – 40 Commercial St.

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 of any of the applications listed above.

President Agnew noted that the Board would hear from all applicants first, discuss any questions, and then go into executive session to review proprietary information and then come back out in public session to vote.

Ms. Hanig said that this round of BAP grants has a total of $200,000 awarded from the City's CDBG program. This round was launched September 3rd and, to date, the City has received five applications – four from the food industry and one from a co-worker space – in the total amount of $90,000, which, if approved, would leave another $110,000 remaining for any other BAP requests.

BAP Request from Anouche, LLC

Ms. Hanig said that this is a startup Basque-inspired cider bar serving small plates of Northern Spanish cuisine and requesting a $20,000 BAP. The restaurant is anticipated to open in November with 5 full-time and 4 part-time employees. She then introduced its owner Erika Colby.

Ms. Colby thanked the Board for their time. She noted that she has been in the restaurant business for twenty years and has been learning about the Basque culture for the past three years and is ready to open this restaurant and create a community culture.

Mr. Jennings asked about employee training, and Ms. Colby indicated that the grant will assist to help pay starting salaries for employees hired prior to opening in order to train everyone for a smooth opening.

In response to Ms. Volk, Ms. Colby indicated that the Chef will learn various culinary skills and that she would provide access to health insurance for salaried, full-time employees.

BAP Request from Ready Seafood

Ms. Hanig noted that Ready Seafood, which started in 2004, is the largest live lobster wholesaler in the United States, exporting worldwide. It is requesting a $20,000 BAP grant and will create two full-time jobs. The grant would be used to purchase equipment, namely four air pumps to aerate its lobster holding tanks, which will allow them to hold more lobsters, and with that extra capacity create two full-time jobs. She then introduced Kurt Brown, Marine Biologist at Ready Seafood.

Mr. Brown thanked the Board. He noted that Ready Seafood's primary location is at 40 Commercial Street on the Maine State Pier and also has processing and tank facilities in Saco. The new air pumps will help Ready Seafood to keep lobsters alive longer and to increase supply. He then noted that Ready employs many new Mainers, makes presentations in area schools regarding the lobster industry, and provides tours of the facility. He then described their processing to keep lobsters alive until their final destination.

Ms. Reading asked about their height of season, and Mr. Brown said that it may be a little slower in May, but that is about it.

Ms. Grimes questioned Ready Seafood's need for this grant, and Mr. Brown said that Ready is the largest live lobster wholesaler in the country and is growing and described the recent major investment for the new facilities in Saco. This grant would help get a jump start for the new air pumps and additional employees.

Mr. Jennings asked about any impact to Ready based on Federal trade policy, and any expansion plans in Portland. Mr. Brown said that they are still going to China through Canada, domestic demand has never been stronger, and are dealing effectively with the Federal trade policy. As far as expansion in Portland, Mr. Brown said that they are at maximum capacity.

BAP Request from PelotonLabs

Ms. Hanig said that PelotonLabs, which started in 2011, is a co-working facility, business incubator, and entrepreneurial hub at 795 Congress Street. It is requesting a $10,000 BAP grant to assist with the cost of creating a full-time general manager, which would be Peloton's first employee. She then introduced owner Elizabeth Trice.

Ms. Trice thanked Ms. Hanig and the Board, noting that she has been with Peloton since its inception and became sole owner in 2014. It has served thousands with getting businesses started and many connections made. Ms. Trice noted that she wanted to do spin off consulting work in rural areas, so a new employee would be needed to manage this location.

In response to Mr. Jennings, Ms. Trice said that she does everything, including marketing, sales, member volunteer management, and generally fixes everything that goes wrong.

BAP Request from Leeward Maine

Ms. Hanig said that this is a startup Italian restaurant at 85 Free Street, with a focus almost entirely on fresh handmade pasta. It is anticipating opening in January and is requesting a $20,000 BAP grant to assist with working capital to help see them through to Spring. The business expects to create at least 6 full-time, and 8 part-time jobs. Two full-time jobs tracked for grant purposes would be a Sous Chef and a Pastry Chef. She then introduced owners Jake and Raquel Stevens.

Mr. Stevens thanked the Board noting that they have been developing this business plan for the past six to seven years, while being in the restaurant industry their whole lives. He noted that they have been meeting with local farmers, seafood suppliers, and wine importers, to name a few, to get a lay of the land. This would be a contemporary Italian restaurant with handmade pasta at a good price point which would appeal to locals and visitors. Employees will develop skills in all aspects of the restaurant business, and full-time employees will be offered paid time off. They are currently exploring health insurance costs and what they may be able to offer.

Ms. Viola asked how they came to choose this site, and Ms. Stevens noted that they liked that it was centrally located and right in the Old Port and arts district. Mr. Stevens added that they also liked the history of it with Porteous and MeCA.

Mr. Jennings noted that the City will be investing in this section of Free Street. He then asked about any wholesaling in the future, and Mr. Stevens said that may be an option after it is up and running.

Mr. Agnew asked about lower price points, and Mr. Stevens noted sweat equity, owners there everyday, and the affordability of this location.

BAP Request from Quattrucci & Rouda

Ms. Hanig said that Quattrucci & Rouda recently opened Monte's Fine Foods in July at 778 Washington Avenue, with loan assistance from the PDC. It has become a popular neighborhood food destination and is requesting a $20,000 BAP grant to help with additional marketing, expansion of the on-site bakery, and moving the business into catering. It now employs about 12 people. She then introduced co-owner Steven Quattrucci.

Mr. Quattrucci thanked Ms. Hanig and the Board for their time. He noted that Monte's opened July 12, with an investment over $2 Million, which included a VRAP as it is a brownfield site. They are hitting their revenue projections, with a goal of $1.6 Million in the first year - with not a lot advertising. They would now like to get into the catering business, and the BAP will help with that and to expand the bakery. Monte's offers paid time off and insurance stipend, while also supporting local farmers and products. The now have 15 permanent jobs at $16/hour average.

President Agnew thanked everyone, noting the Board would now go into executive session to discuss proprietary information of each BAP request, and then come out of executive session and vote.

Mr. Dunne noted that he is friends with Brendan and John Ready so would abstain from voting on the Ready Seafood request.

Ms. Viola noted that Anouche and PelotonLabs are clients of her employer – Gorham Savings Bank, so she would also abstain from voting on that request.

On motion made by Mr. Dunne, seconded by Ms. Grimes, the Board voted unanimously at 4:55 p.m.to go into executive session pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119-A to review proprietary information of each BAP grant applicant. At approximately 5:22 p.m., the Board came out of executive session.

Ready Seafood

On motion made by Mr. Jennings, seconded by Ms. Viola, the Board voted 8-1 (Dowd opposed)-1 (Dunne abstained) to approve this BAP request as recommended by staff.

PelotonLabs

On motion made by Mr. Dunne, seconded by Mr. Jennings, the Board voted 9-0-1 (Viola abstained) to approve this BAP request as recommended by staff.

Quattrucci and Rouda

On motion made by Ms. Grimes, seconded by Mr. Lovejoy, the Board voted unanimously to approve this BAP request as recommended by staff.

Leeward Maine

On motion made by Ms. Volk, seconded by Ms. Grimes, the Board voted unanimously to approve this BAP request as recommended by staff.

Anouche

On motion made by Mr. Dunne, seconded by Mr. Dowd, the Board voted 9-0-1 (Viola abstained) to approve this BAP request as recommended by staff.

Item #4: Treasurer's Report – September 2019

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.**

President Agnew asked if there were any questions on this report. There being none, he asked if any Board member would like to go into executive session to discuss the Confidential Delinquency Report and consensus was there was no need.

Item #5: Annual Meeting of Board

a) **Election of Officers – President, Treasurer, Secretary**
b) **Accepting Annual Report for FYE19 and vote to forward to Corporator as a communication.**
c) **Setting Date for Annual Meeting of Corporator as November 4, 2019.**
d) **Any other business that may come before the Board.**

President Agnew noted that he emailed the Board with suggested nominations of Julie Viola for President, Blaine Grimes for Treasurer, and James Dowd for Secretary.

On motion made by Mr. Dunne, seconded by Ms. Reading, the Board voted unanimously to accept the nominations and appoint the officers as recommended.

On the Annual Report, Mr. Dunne noted that FY19 loans were down, and Ms. Hanig said that it is most likely due to banks' lending more, suggesting that perhaps marketing be enhanced. Mr. Jennings said that Stacey Dand in his office could assist.

On motion made by Ms. Viola, seconded by Mr. Lovejoy, the Board voted unanimously to accept the FY2019 Annual Report and forward it to the City Council as a communication.

On motion made by Mr. Dunne, seconded by Ms. Grimes, the Board voted unanimously to set the date of the Annual Meeting of the Corporator as November 4, 2019.

On motion made by Ms. Grimes, seconded by Mr. Hicklin, the Board voted unanimously to adjourn at approximately 5:35 p.m.

Respectfully, Lori Paulette

Portland Development Corporation
Preliminary Draft Operating
Report FY20
For Month Ending
10/31/2019

Operating transfer from EDF	**28,522**

Total Funds Available	**28,522**

FY20 Expenditures	Budget	Current Month	Year to Date	Percent of Budget	Balance
Administrative Services	575	0	3	0.5%	572
Postage	300	0	0	0.0%	300
Travel, Training, Meetings	4,000	0	25	0.6%	3,975
Contractual Services	10,500	0	0	0.0%	10,500
Operating Transfer to Fin.	9,647	0	0	0.0%	9,647
Advertising	2,000	0	0	0.0%	2,000
Auto Expense Reimb.	100	0	0	0.0%	100
Printing & Binding	650	76	76	11.7%	574
Office Supplies	750	371	446	59.5%	304
Total FY20 Expenditures	**28,522**	**447**	**550**	**1.9%**	**27,972**

Cash Management Report
10/31/2019 - Preliminary and Subject to Change

			UDAG	**FAME**	**FAME**	**Brown-**	**Brown-**	**Brown-**		**Year-to-Date**						
	CIP		271		**SSBCI**	**field 1**	**field 2**	**field 3**		**Principal/Interest**						
	272	274	**(Unrestricted)**	277	279	278-Closeout	280-RLF	281-Assess		**CIP**		**UDAG**			278	280
	Restricted	**Unrestricted**	**Loans/Grants**						**TOTAL**	**Restric.**	**Unrestric.**	**Unrestric.**	**FAME**	**SSBCI**	**Brnfld 1**	**Brnfld 2**
										272	274	271	277	279	278	280
Cash Bal. Beginning of Reporting Mo.	**312,389**	**118,008**	**403,374**	**136,026**	**779,390**	**398,773**	**941,618**	**99,319**	**3,188,897**							
Plus:																
Principal payments received	2,796	2,048	6,364	49,758	1,065	1,608				5,756	31,697	16,278	81,076	5,442	6,492	0
Interest payments received from loans	475	1,199	2,333	4,357	1,551	370	60			1,105	3,300	7,613	17,606	5,659	1,420	120
Interest Income														0	0	0
Other Income/Adjustments																0
Pass Through From FAME/SSCBI/EPA																
Sub-Total Cash Available	**315,660**	**121,256**	**412,071**	**190,142**	**782,006**	**400,751**	**941,678**	**99,319**	**3,262,882**	**6,861**	**34,998**	**23,891**	**98,683**	**11,101**	**7,912**	**120**
Less:																
FAME Annual Admin. Fee; Invoices								(59,313)								
Disbursements - Loans/Grants				(50,000)												
Sub-Total Cash Available:	**315,660**	**121,256**	**412,071**	**140,142**	**782,006**	**400,751**	**941,678**	**40,007**	**3,153,569**							
Less Reserves for:																
Beautification Program (EC0301)			(72,000)													
PEDPIP Fund Commitments thru FY16			(32,767)													
PEDPIP Fund FY18 Commitment			(22,924)													
PEDPIP Fund FY19 Commitment			(15,000)													
Transfers not yet recorded (UDAG Int)			(7,613)													
Fund 280 Reserve for Commitments							(509,769)									
Fund 280 Reserve for Administration							(56,849)	-7300								
Total Ending Loan/Grant Cash Bal.	**315,660**	**121,256**	**261,767**	**140,142**	**782,006**	**400,751**	**375,060**	**32,707**	**2,429,348**							

Downtown Portland Corporation
Schedule of Loans Receivable
For the Month Ending October 31, 2019

Cust #	Ln #	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):						
7527	1622	320 P St., LLC (Casco Bay Elec.)	5/30/2018	6/1/2028	$200,000	0	$200,000	$188,481
7566	1683	Rosemont Market, Inc.	8/8/2019	9/1/2022	$150,000	0	$150,000	$146,474
7158	1561	Forefront Brick South, LLC	11/18/2016	12/1/2026	$100,000	$0	$100,000	$77,746
		Sub-Total PBF (UDAG)						**$412,702**
		Portland Business Fund 272 (Restricted - CIP):						
7124	1554	Creative Portland	10/11/2016	11/1/2023	$25,000	$0	$25,000	$14,697
6502	1436	Portland Food Cooperative	6/4/2014	10/1/2021	$130,000	$0	$130,000	$70,249
		Sub-Total PBF (Bonds/CIP Restricted)						**$84,946**
		Portland Micro Capital Fund 271 (UDAG/Unrestricted):						
5837	1341	Back Bay Skate	9/10/2012	9/1/2017	$12,500	$0	$12,500	$1,844
6120	1380	Portland Trading Co. LLC	4/26/2013	8/1/2018	$15,000	$0	$15,000	$11,142
6501	1435	Sur Lie Wine Bar, LLC	5/2/2014	9/1/2021	$37,335	$0	$37,335	$11,092
7092	1559	Vin Bar, LLC	7/26/2016	9/2/2021	$50,000	$0	$50,000	$28,231
		Sub-Total Micro Capital Fund						**$52,309**
		Portland Business Fund Fund 274 (CIP/Unrestricted):						
6868	1512	Billdotcom, LLC	8/29/2015	9/1/2022	$102,500	$0	$102,500	$89,043
7091	1546	Skunk Ape, LLC	7/21/2016	8/1/2023	$75,000	$0	$75,000	$43,874
7479	1611	On Time Transportation	3/26/2018	4/1/2023	$10,000	$0	$10,000	$7,128
7554	1664	Quattrucci & Rouda, LLC	3/19/2019	4/1/2029	$100,000	$0	$100,000	$94,664
		Sub-Total PBF (Bonds/CIP Unrestricted)						**$234,709**
		FAME Fund 277:						
6784	1485	SB & LC Properties, LLC	4/6/2015	5/1/2020	$101,200	$0	$101,200	$89,120
6973	1524	Auto-Care, LLC	2/5/2016	3/1/2021	$32,500	$0	$32,500	$24,137
7029	1533	BayCycle	5/13/2016	9/1/2023	$20,000	$0	$20,000	$11,910
7103	1548	Cakeworks, Inc.	8/5/2016	9/1/2022	$62,500	$0	$62,500	$56,241
7157	1560	Forefront Brick South, LLC	11/18/2016	12/1/2026	$250,000	$0	$250,000	$194,366
7276	1580	Union Bagel	6/20/2017	1/1/2021	$46,000	$0	$46,000	$25,586
6485	1429	Evo Rock & Fitness Portland	4/14/2014	11/1/2024	$132,954	$0	$132,954	$75,757
7176	1565	Adele Masengo Designs, Inc.	1/6/2017	2/1/2022	$15,000	$0	$15,000	$10,251
7532	1629	CAG RE, LLC	8/15/2018	9/1/2023	$50,000	$0	$50,000	$39,751
7293	1582	Wallace James	7/14/2017	8/1/2022	$100,000	$0	$100,000	$68,398
7553	1661	Maine Family Services	2/8/2019	3/1/2024	$25,000	$0	$25,000	$22,164
7357	1593	747 Congress LLC	1/25/2017	7/1/2022	$150,000	$0	$150,000	$129,207
7561	1674	Calendar Sailing Company	5/2/2019	6/1/2024	$50,000	$0	$50,000	$48,521
7562	1675	Gallery Acquisition Co. Inc.	5/16/2019	6/1/2026	$75,000	$0	$75,000	$72,049
7564	1681	Above the Line Accounting	8/30/2019	7/1/2024	$34,000	$0	$34,000	$32,231
7565	1682	Zootility Co.	8/7/2019	9/1/2024	$150,000	$0	$150,000	$150,000
7567	1684	Quinn's Bardega, LLC	10/2/2019	11/1/2024	$50,000	$0	$50,000	$50,000
		Sub-Total FAME Fund						**$1,099,690**
		FAME SSBCI 279:						
6199	1390	Inn at Diamond Cove LLC	7/10/2013	10/1/2019	$200,000	$0	$200,000	$149,636
6867	1511	Billdotcom, LLC	8/19/2015	9/1/2022	$92,500	$0	$92,500	$80,358
7233	1570	KODA, LLC	3/31/2017	4/1/2027	$100,000	$0	$100,000	$90,824
		Sub-Total FAME SSBCI						**$320,817**
		Brownfields Loan Fund 278 and 280						
6555	1457	Forefront Partners, LP/Fund 278	7/30/2014	2/1/2020	$200,000	$0	$200,000	$115,317
		Forefront Partners I, LP/Fund 280	4/12/2018	7/12/2028	$350,000	$339,769	$10,231	$10,231
		Sub-Total Brownfields						**$125,548**
		Grand Total Loans				**$339,769**	**$2,954,220**	**$2,330,722**
		Allowance for uncollectable loans at 15%						$349,608
		Total with Allowance for uncollectable loans:						**$1,981,113**

Business Assistance Grant Program for Job Creation - FY2020			
FY2020 Grant Funding Available:	**$200,000**		
		Date	**Jobs**
Grantee/Grant Approved	**Grant Amount**	**Approved**	**Funded**
Ready Seafood	$20,000	10/17/2019	2
PelotonLabs	$10,000	10/17/2019	1
Quattrucci & Rouda	$20,000	10/17/2019	2
Leeward Maine	$20,000	10/17/2019	2
Anouche	$20,000	10/17/2019	2
Total Grant Funds Approved to Date:	**$90,000**		
Balance of Grant Funds Available:	**$110,000**		