PORTLAND DEVELOPMENT CORPORATION
Board Meeting

DATE: Thursday, December 19, 2019
TIME: 4:00 PM
LOCATION: Room 209, Second Floor, Portland City Hall

AGENDA

1. President's comments.

2. Review and accept Minutes of November 20, 2019, meeting

   a. See attached draft Minutes.

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

   a. Maine Family Services, LLC, 14B Carriage Lane

   b. Hooper Franchises, LLC, d/b/a Copper Branch, 0 Canal Plaza

   c. Urugu Residential Services, Inc., 24 Preble Street

   d. 207 Holdings, LLC, d/b/a 207 Bar and Restaurant, 337 Cumberland Avenue

   e. Zootility, Co., 170 Anderson 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 regarding any of the applications listed above.

4. Item tabled from November 20, 2019 Meeting: 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 of this loan application.

5. Treasurer's Report - November 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 the Board of Directors.

7. Next regular meeting date: January 16, 2020

Minutes
Portland Development Corporation
November 20, 2019

A meeting of the Portland Development Corporation (PDC) Board of Directors was held at 4:00 p.m. on Wednesday, November 20, 2019, in Room 208 of Portland City Hall. Present from the Board was its President Julie Viola and Board Directors Tim Agnew, James Dowd, Tom Dunne, Jeffery Hicklin, and Briana Volk. Board Directors Blaine Grimes, Jon Jennings, Steve Lovejoy, Laura Reading, and 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 Viola noted that she presented the PDC Annual Report as a communication to the City Council for its Annual Meeting of the Corporator on November 4, 2019. The Council thanked the Board and accepted the Report

She also 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 October 17, 2019 meeting.

On motion made by Mr. Dunne, seconded by Mr. Hicklin, 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) Running with Scissors – 250 Anderson Street;
b) Cocktail Mary, LLC – 229 Congress Street; and,
c) Ada's Pasta, Inc. – 640-642 Congress Street

<u>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.</u>

President Viola 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 current round of BAP grants has a total of $200,000 awarded from the City's CDBG program. At the October 17 Board meeting, the Board approved $90,000 in grants, leaving $110,000 available. Today's BAP applications total $50,000, so, if approved, would leave $60,000. Ms. Hanig anticipated that December's meeting would have additional applications to review.

BAP Request from Running With Scissors

Ms. Hanig said that Running With Scissors (RWS) was founded in 2003 and is located on Anderson Street. Director and owner is Kate Anker, who purchased it from the founder in 2011. RWS's studios, of over 70 dedicated studio work spaces, provide affordable space for artists in diverse media. This for-profit business is adding a gallery and retail store to its facility, and the BAP grant request is for $10,000 to assist with hiring its first employee – a full-time retail store manager. She then introduced Kate Anker.

Ms. Anker thanked the Board for their reviewing this request, noting RWS has over 75 members primarily consisting of small businesses and start-ups, as well as hundreds of alumni. This expansion will be an educational experience for all and allow for members to sell their products in the new retail space and show them in the new gallery.

Mr. Dunne asked Ms. Anker if she was affiliated with MeCA, as well as the configuration of the space, with President Viola adding public access configuration. Ms. Anker said she was not affiliated with MeCA and described the configuration, including the separation of workspace from the new retail/gallery space and public access.

Mr. Agnew asked if she was planning an Open House, and Ms. Anker said that she was during the holiday season.

BAP Request from Cocktail Mary

Ms. Hanig said that Cocktail Mary is a startup cocktail lounge that just opened a week ago at 229 Congress Street, serving the Bayside and Eastern Prom neighborhoods. Isaac McDougal is the majority owner and general manage and is seeking a $20,000 BAP grant to help with working capital as the business gets up to full staffing. The two positions that will qualify for the BAP grant are a full-time prep cook and a full-time service/administrative manager. She then introduced Mr. McDougal.

Mr. McDougal thanked the Board and described the two positions and their work, with each having the ability to grow with the business and stay with it long-term. He would train them in bar techniques and managing. Since opening last week, he is happy with the results thus far.

In response to Mr. Dunne, Mr. McDougal indicated that he first had a soft opening with family and friends, and then opening to the public on November 13th.

BAP Request from Ada's Pasta

Ms. Hanig said that Ada's Pasta is a startup pasta/pizza shop at 640-642 Congress Street with counter seating and retail pasta sold for home preparation, with plans to open December or January. The BAP request is for $20,000 for use as working capital. Ada's will create about 7 new jobs with at least 2 qualifying for the BAP grant, i.e., full-time line cook and a baker. Ada's is owned by Jennifer Rockwell and her father Richard Rockwell, and then introduced Ms. Rockwell.

Ms. Rockwell thanked the Board and, as Ms. Hanig indicated, she anticipates hiring 7 employees for this shop, which would be open 7 days a week, 12 hours a day. Ms. Rockwell noted that she and her father also own Ada's Kitchen in Rockland, an Italian restaurant that opened in 2017, and Main Street Markets – also in Rockland, a specialty food market selling artisan foods, local produce, dairy, eggs, and meat, opening in 2015. Ms. Rockwell said that she has purchased a large pasta making machine, and then described her work experience. Ms. Rockwell said that she is looking forward to being part of the local food scene here, and intends to invest in the space as if she owns it for the long term.

President Viola asked about running the businesses in Rockland and prospects for wholesale for the pasta here. Ms. Rockwell said that the Rockland businesses will be run by the managers there. Wholesale may be an option once it is up and running here.

Mr. Dunne asked about retail experience, and Ms. Rockwell said that she had a waffle business so was experienced in retail and getting the product to other stores.

Mr. Agnew asked about retail items to be for sale in Portland. Mr. Rockwell said that in addition to pasta, she anticipates those items that go along with it, i.e., olive oil, cheese, wine, and beer to name a few.

President Viola thanked all for the presentations. The Board would now hear from the loan applicant, after which it will go into executive session to review and discuss proprietary information of the BAP and loan application, and then come out of executive session and vote on the items.

<u>Item #4: Review and vote on loan request from Quinn's Bardega, LLC – 79 Mellen Street</u>

<u>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 this loan applicant.</u>

Ms. Hanig said that the Board reviewed and approved a loan to Quinn's Bardega (d/b/a Mellen Street Market) at its May 16, 2019 Board meeting for $50,000, which loan closed on October 2, 2019, and the funds disbursed. Tim Ly, the owner of Quinn's Bardega, is returning to request another loan of $50,000 to complete renovations at the Market, including the bar section where he will putting in a 10-seat bar serving local beer/wine, etc. She then introduced the Market's Manager Shawn Freeman.

Mr. Freeman thanked the Board for reviewing this request, noting that the Market has had a lot of improvements, and this loan request would assist in taking it to the finish line. He described the renovations that have taken place, as well as the community atmosphere that has been created there, including a couple of computers that children can use for school work; a culinary program; and keeping prices good for the neighborhood.

President Viola asked if the Market is open, and Mr. Freeman indicated that it has been the whole time while undergoing renovations and has seen a steady increase in sales.

Mr. Dowd asked about the timeline to finish the renovations, and Mr. Freeman said that they hoped to have it done in six weeks.

In response to Ms. Volk, Mr. Freeman described the bar separation from the market, with 20-25 seats.

Mr. Agnew asked if $50,000 is enough to finish the work, and Mr. Freeman said that it would be, particularly since the revenue stream has been on target.

President Viola, noting no further questions, asked for a vote to go into executive session. On motion made by Mr. Dunne, seconded by Mr. Dowd, the Board voted unanimously at approximately 4:50 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 and discuss proprietary information of the BAP applications and the loan application.

At approximately 5:40 p.m., the Board came out of executive session.

BAP Request from Running with Scissors

On motion made by Mr. Dunne, seconded by Mr. Agnew, the Board voted unanimously to approve the $10,000 BAP grant request as recommended by staff/underwriter.

BAP Request from Cocktail Mary

On motion made by Mr. Dowd, seconded by Ms. Volk, the Board 5-1 (Dunne opposed) to approve the $20,000 BAP grant request as recommended by staff/underwriter.

BAP Request from Ada's Pasta

On motion made by Mr. Agnew, seconded by Mr. Dunne, the Board voted 5-0-1 (Volk abstained) to approve the $20,000 BAP grant request as recommended by staff/underwriter.

Loan Request from Quinn's Bardega

On motion made by Mr. Agnew, seconded by Mr. Hicklin, the Board voted unanimously to table this request pending more information.

Item #5: Treasurer's Report/October 2019

President Viola asked if there were any questions/concerns. There being none, a motion was made to Mr. Dunne to accept the Report as presented; Mr. Dowd seconded the motion and it passed unanimously.

On motion made made by Mr. Agnew, seconded by Mr. Hicklin, the Board voted unanimously to adjourn the meeting at approximately 6:00 p.m.

Respectfully, Lori Paulette

Portland Development Corporation
Preliminary Draft Operating
Report FY20
For Month Ending
11/30/2019

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	40	65	1.6%	3,935
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	350	350	17.5%	1,650
Auto Expense Reimb.	100	0	0	0.0%	100
Printing & Binding	650	0	76	11.7%	574
Office Supplies	750	0	446	59.5%	304
Total FY20 Expenditures	**28,522**	**390**	**940**	**3.3%**	**27,582**

Cash Management Report
11/30/2019 - 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.	**312,254**	**121,256**	**412,071**	**140,142**	**782,006**	**400,751**	**941,618**	**99,319**	**3,209,417**							
Plus:																
Principal payments received	1,375	1,017	1,659	4,553	2,270	1,635				7,131	32,714	13,152	85,629	7,712	8,127	0
Interest payments received from loans	261	987	6,018	8,221	1,666	343				1,366	4,287	13,631	25,827	7,325	1,763	120
Interest Income														0	0	0
Other Income/Adjustments																0
Pass Through From FAME/SSCBI/EPA																
Sub-Total Cash Available	**313,889**	**123,260**	**419,748**	**152,917**	**785,942**	**402,729**	**941,618**	**99,319**	**3,239,422**	**8,496**	**37,001**	**26,783**	**111,457**	**15,037**	**9,890**	**120**
Less:																
FAME Annual Admin. Fee; Invoices																
Disbursements - Loans/Grants																
Sub-Total Cash Available:	**313,889**	**123,260**	**419,748**	**152,917**	**785,942**	**402,729**	**941,618**	**99,319**	**3,239,422**							
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)			(13,631)													
Fund 280 Reserve for Commitments							(509,769)									
Fund 280 Reserve for Administration							(57,239)	-7300								
Total Ending Loan/Grant Cash Bal.	**313,889**	**123,260**	**263,426**	**152,917**	**785,942**	**402,729**	**374,610**	**92,019**	**2,508,792**							

Downtown Portland Corporation
Schedule of Loans Receivable
For the Month Ending November 30, 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	$187,918
7566	1683	Rosemont Market, Inc.	8/8/2019	9/1/2022	$150,000	0	$150,000	$142,621
7158	1561	Forefront Brick South, LLC	11/18/2016	12/1/2026	$100,000	$0	$100,000	$76,815
		Sub-Total PBF (UDAG)						**$407,354**
		Portland Business Fund 272 (Restricted - CIP):						
7124	1554	Creative Portland	10/11/2016	11/1/2023	$25,000	$0	$25,000	$14,393
6502	1436	Portland Food Cooperative	6/4/2014	10/1/2021	$130,000	$0	$130,000	$69,179
		Sub-Total PBF (Bonds/CIP Restricted)						**$83,572**
		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	$11,065
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						**$52,232**
		Portland Business Fund Fund 274 (CIP/Unrestricted):						
6868	1512	Billdotcom, LLC	8/29/2015	9/1/2022	$102,500	$0	$102,500	$88,767
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)						**$234,434**
		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	$11,676
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	$192,038
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	$9,751
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	$71,427
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	$148,597
7567	1684	Quinn's Bardega, LLC	10/2/2019	11/1/2024	$50,000	$0	$50,000	$50,000
		Sub-Total FAME Fund						**$1,094,604**
		FAME SSBCI 279:						
6199	1390	Inn at Diamond Cove LLC	7/10/2013	10/1/2019	$200,000	$0	$200,000	$147,857
6867	1511	Billdotcom, LLC	8/19/2015	9/1/2022	$92,500	$0	$92,500	$80,109
7233	1570	KODA, LLC	3/31/2017	4/1/2027	$100,000	$0	$100,000	$90,824
		Sub-Total FAME SSBCI						**$318,790**
		Brownfields Loan Fund 278 and 280						
6555	1457	Forefront Partners, LP/Fund 278	7/30/2014	2/1/2020	$200,000	$0	$200,000	$113,682
		Forefront Partners I, LP/Fund 280	4/12/2018	7/12/2028	$350,000	$339,769	$10,231	$10,231
		Sub-Total Brownfields						**$123,913**
		Grand Total Loans				**$339,769**	**$2,954,220**	**$2,314,898**
		Allowance for uncollectable loans at 15%						$347,235
		Total with Allowance for uncollectable loans:						**$1,967,663**

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
Running With Scissors	$10,000	11/20/2019	1
Cocktail Mary	$20,000	11/20/2019	2
Ada's Pasta	$20,000	11/20/2019	2
Total Grant Funds Approved to Date:	**$140,000**		14
Balance of Grant Funds Available:	**$60,000**		