PORTLAND DEVELOPMENT CORPORATION
Board Meeting

DATE: Thursday, January 16, 2020
TIME: 4:00 PM
LOCATION: Room 209, Second Floor, Portland City Hall

AGENDA

1. President's Comments

2. Review and accept Minutes of December 19, 2019, meeting.

   a. See attached draft Minutes for review and approval.

3. Review and vote on loan request from Portland Explorer Tourism, LLC, 320 Fore 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 regarding this loan application.

4. Business Assistance Grant Program for Job Creation - Guidelines Discussion

   a. See attached Memorandum from Nelle Hanig.

5. Treasurer's Report - December 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 in the Report.

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

7. Next Regular Meeting Date: February 20, 2020

Minutes
Portland Development Corporation
December 19, 2019

A meeting of the Portland Development Corporation (PDC) Board of Directors was held at 4:00 p.m. on Thursday, December 19, 2019, in Room 209 of Portland City Hall. Present from the Board was its President Julie Viola and Board Directors Tim Agnew, Councilor Tae Chong, James Dowd, Tom Dunne, Blaine Grimes, Jon Jennings, Jeffery Hicklin, and Steve Lovejoy. Directors Laura Reading and Briana Volk 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 underwriters Vin DiCara and David McLaughlin were also present.

Item #1: President's Comments

Ms. Viola noted that the Annual Business Awards event on December 11 at Ocean Gateway was well-attended and went smoothly. She thanked staff for their efforts in organizing the event.

Ms. Viola also noted that Factory 3 owner Patrick Russell, who received a BAP last year from the PDC, notified Ms. Hanig that he had been successful in obtaining a grant of $20,000 from the State's Co-Working Development Fund.

Item #2: Review and accept Minutes of the November 20, 2019 meeting.

On motion made by Ms. Grimes, seconded by Mr. Dowd, the Board voted 8-0-1 (Grimes abstained) to accept the Minutes as published.

Item #3: Review and vote on the following applications for commercial grants from the Business Assistance Program (BAP) 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, LLC, 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 of any of the applications listed above.

President Viola noted that the Board would hear from all the BAP applicants first, as well as the loan applicant (Item #4), discuss any questions, and then go into executive session to review proprietary information of the grant and loan requests, and then come back out in public session to vote.

Ms. Hanig said that the current round of BAP grants has a total of $200,000 awarded from the City's CDBG program. To date, the Board has approved $140,000, which leaves $60,000 available. Today's BAP applications total $80,000.

BAP Request from Maine Family Services

Ms. Hanig said that Maine Family Services (MFS) was approved for a $10,000 BAP and a $25,000 loan in October 2018. MFS is now requesting another BAP for $10,000. In October 2018, MFS had 3 full-time employees; it now has 17 full-time employees. As MFS continues to expand, it expects to add another 6 to 10 employees. All employees are low to moderate income persons, and mostly from the immigrant community. MFS offers 24/7 services to adults with developmental and intellectual disabilities. It now operates out of 4 houses, and a 5th house has been leased and is waiting for approval from Maine Care; 3 of the 5 houses, including the newest one are in Portland. She then introduced MFS owner Joseph Butoyi.

Mr. Butoyi thanked the Board for their time, and offered remarks as noted on **Exhibit A** hereto, and the need for an additional house for MFS.

Councilor Chong noted the great work being done by MFS and asked about employees' career plans. Mr. Butoyi said that he offers training to his employees to increase their abilities.

BAP Request from Hooper Franchises, LLC

Ms. Hanig said that Hooper Franchises, LLC, d/b/a Copper Branch, just opened in Canal Plaza, already hiring 8-9 employees, with plans for up to 17. Hooper is seeking a $20,000 grant for working capital. The eligible jobs for the BAP grant include a general manager, shift managers, and/or crew members. Copper Branch is part of a Canadian franchise of quick serve restaurants offering plant-based (vegan) foods. Hooper Franchise, LLC is owned by Chris and Melissa Hooper, and it has an exclusive agreement to open an additional 5 to 10 Copper Branch restaurants in Southern Maine and Coastal New Hampshire. She then introduced Chris and Melissa Hooper.

Mr. Hooper thanked the Board for their time. This franchise offers plant based food, which is good for the environment and their patrons' health. The shop will offer training for both staff and customers in the vegan lifestyle, again noting it improves health and wellness.

Ms. Hooper also noted the community benefits and their goal to become part of the downtown and local fabric, using locally sourced products as often as possible.

Mr. Dunne asked about employee benefits, and Mr. Dunne said that full-time employees would be offered health benefits, and part-time employees would be offered access to health benefits.

Ms. Grimes asked about other franchises in the U.S., and about the challenges of their current location. Mr. Hooper indicated that there is one in both New York and in Florida, with the third being this one in Maine. He noted that he has storage space in another facility, and that the area is secure.

Urugu Residential Services

Ms. Hanig described this business and indicated that it is a startup to provide home health care services for adults with behavioral and intellectual disabilities in residences leased by Urugu. The owner and his wife have been working for other companies as home health personal support professionals since 2015. She then introduced owner Alain Icoyitungiye, noting that the application is for a $10,000 job creation grant.

Mr. Icoyitungiye thanked the Board and Ms. Hanig for her description of the business. He added that he has been in Portland since 2015 and is fluent in a few languages. He loves it here in Portland with its welcoming atmosphere. Mr. Icoyitungiye also noted that his business plan is to help the clients be as independent as possible, having their health and well-being in mind, and he will offer staff training courses.

207 Holdings, LLC.

Ms. Hanig said that this is a $20,000 BAP request from a start-up restaurant to be known as "207 Bar and Restaurant" in the former Maria's restaurant space on Cumberland Avenue. It will focus on grilled international cuisine, mainly Central African and American foods, and will eventually provide catering. 207 is owned by four African immigrants, two of which have experience in the restaurant industry. She then introduced Managing Partner Antoine Bikamba.

Mr. Bikamba thanked the Board and welcomed the growing diversity in Portland. The rent at this location is affordable, and the "207" in its name reflects that all are welcome. As Ms. Hanig noted, international cuisine will be offered.

Mr. Dunne asked about the menu and if he had his permits. Mr. Bikamba said that it is primarily Central African food and described the experienced African chef. He also noted that he had permits in place.

Ms. Grimes asked about the large space for the new restaurant, and Mr. Bikamba said that there will be 40 restaurant seats, a bar, and banquet space.

Mr. Agnew asked about the timeline for opening, and Mr. Bikamba said that it would open 12/31/2019.

Zootility

Ms. Hanig said that Zootility Company, a designer and manufacturer of novel laser cut products, is requesting a $20,000 job creation grant to have an increased focus on marketing and sales. She noted that it received a $150,000 loan from the PDC that closed in August this past year and then introduced owner Nathan Barr.

Mr. Barr thanked the Board for their time and the loan approved. It was a life line and the business is thriving, with a strong foundation. It developed 5 new products and he described locations that have their products, including *Cracker Barrel*. Mr. Barr said that he has a need for production supervisors and production assistants and eventually will have multi shifts. This BAP would allow him to hire a production supervisor and a production specialist. He trains staff and offers full benefits, including PTO.

President Viola noted no questions, and said that the Board would next hear from the loan request applicant.

Loan Request from Quinn's Bardega

Ms. Hanig noted that the Board requested additional information at the last meeting, and that information has been received. Quinn's Bardega Manager Shawn Freeman is here to answer any questions; the owner is in Viet Nam at this time.

Mr. Jennings asked if the $50,000 would take care of finalizing the renovations needed, and Mr. Freeman indicated that it would.

On motion then made by Mr. Jennings, seconded by Mr. Dunne, the Board voted unanimously at approximately 4:45 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 requests and the loan request. At approximately, 5:38 p.m., the Board came out executive session.

Maine Family Services BAP Request

On motion made by Mr. Jennings, seconded by Mr. Agnew, the Board voted unanimously to approve a BAP Grant of $10,000 to Maine Family Services.

Urugu Residential Services BAP Request

Mr. Jennings made a motion to approve a BAP grant of $10,000 to Urugu Residential Services. Councilor Chong seconded the motion and suggested that Urugu get in contact with Alan Shaver at SCORE for advice. A vote was then taken on the motion and it passed unanimously.

207 Holdings BAP Request

Mr. Jennings made a motion not to fund this BAP grant request; Mr. Dunne seconded the motion. Mr. Agnew said that he could not support the motion. Mr. Lovejoy noted the location and margins as being slim. Councilor Chong said that “207” is confusing and has concerns. A vote was then taken on the motion and it failed 4-5 (Agnew, Dowd, Grimes, Hicklin, Viola).

Mr. Dunne made a motion to approve a BAP grant in the amount of $10,000 to 207 with 207 to provide a complete financial package to staff prior to releasing any grant funds; Mr. Hicklin seconded the motion. A vote was then taken on the motion and it passed 8-1 (Jennings).

Zootility

On motion made by Ms. Grimes, seconded by Councilor Chong, the Board voted 8-1 (Jennings) to approve a BAP grant in the amount of $20,000 to Zootility.

Hooper Franchises, LLC

Ms. Grimes made a motion to extend a BAP Grant to Hooper Franchises for $10,000; Mr. Dowd seconded the motion. A vote was then taken on the motion and it passed 8-0-1 (Viola abstained).

Loan Request from Quinn's Bardega

Mr. Agnew made a motion to approve a loan of $50,000 to Quinn's Bardega on a term of 5 years with a 10-year amortization schedule, and based on the additional terms and conditions as presented by staff and the loan underwriter; Councilor Chong seconded the motion. A vote was then taken on the motion and it passed 7-2 (Dunne, Jennings).

6. Other items to be discussed/brought up by Board Directors.

Ms. Hanig provided an overview of a possible J.P. Morgan grant application where there is up to $5 Million in grant funds available, and the Office of Economic Opportunity, located in the Economic Development Department, would like to apply for $2.5 Million in grant funds. The deadline to apply is January 15th, and the application needs to come from a 501(c)(3) organization. If the application were successful, it would target and address challenges such as employment barriers and financial insecurity, noting that Boston is running a similar type program.

Mr. Mitchell noted that it is late in the process, but if successful, staff could create a program for PDC and City Council approval.

Mr. Jennings also added that staff needs to further look into this and would bring it back to another meeting if it is recommended to move forward.

The Board discussed possibly having a special meeting on January 9 if the decision is to move forward.

On motion made by Mr. Jennings, seconded by Mr. Dunne, the Board then voted unanimously to adjourn at approximately 6:15 p.m.

Respectfully, Lori Paulette

Maine Family Services, LLC.

CITY OF PORTLAND, DEPARTMENT OF ECONOMIC DEVELOPMENT
Job Creation Grants Program

Maine Family Services, LLC (MFS) operates residential care facilities for developmentally delayed and autistic adults under Sections 20 , 21, and 29 of Maine Care. The decision of the Maine Department of Health and Human Services to terminate its contract with a large multi-site operator of such residential care facilities has created significant opportunities for existing operators to increase their own operations.

MFS has 4 existing houses and provide services to 7 people. MFS proposes to increase its existing operations by establishing and opening additional residential care facilities in both Portland and the surrounding communities, for placement of people looking for relocation from a company closing its services. This facility would require at least 10 new employees in order to assure round-the-clock, 7 days per week care, 840 hours per week. It is expected that most, if not all, such new employees will be residents of the City of Portland.

The grant sought here will provide necessary working capital to fund the initial compensation and employment of not less than 10 such new employees, to pay the cost of front end enough cash on hand to match the grant as required to do. Because it will be necessary to provide some significant training to such new employees before any residents can be placed in their care (and such new employees will need to be compensated during their training period) the grant funds will enable to company to fund the employment and training of such new personnel at the outset, before any revenue will begin to flow from MaineCare.

The organization whose contract with DHHS has been terminated operated 35 such facilities, serving an estimated 60 developmentally delayed and autistic adults. In addition, it has been reported in the press (Times Record, August, 2019) that there is a waiting list of approximately 1,500 individuals seeking such residential care. On this basis, MFS believes the "market" will certainly support additional facilities, not only to fill the gap created by the contract termination, but also to meet the needs of those presently on the waiting list.

Thank you.

JOSEPH BUTOYI

CITY OF PORTLAND
Economic Development
Gregory A. Mitchell, Director

MEMORANDUM

TO:	President Julie Viola and PDC Board Members
FROM:	Nelle Hanig, Business Programs Manager
CC:	Greg Mitchell, Economic Development Director
DATE:	January 10, 2020
RE:	**PDC Board Discussion on Improving the BAP Guidelines**

Purpose

This memo provides background and information for a PDC Board discussion on concerns and ideas for strengthening the guidelines of the Business Assistance Program for Job Creation (BAP). The discussion will offer some direction to staff and to the members of a PDC committee if it is determined that one should be formed, with the objective of developing and drafting recommended modifications to the current 2018 BAP guidelines.

Overview for Discussion

At recent PDC board meetings, Business Assistance Program for Job Creation (BAP) grant requests have continued to generate comments among board members, desiring greater specificity in the Program criteria and/or additional criteria for determining grant awards.

Similar concerns among PDC board members were evident during the 2017 round of BAP grant requests. This prompted the creation in 2018 of a PDC committee (3 board members) to review and recommend BAP Guideline changes to the full board. It was followed by PDC Board approval of such changes and recommendations to the City Council for its approval of them. The memos from these activities are attached to help current board members better understand the prior thinking and actions that brought about the 2018 BAP Guidelines.

Previous Guideline Modifications

The Program has been in existence since 2010, receiving grant funding six times from the City's Community Development Block Grant and then granting out over $600,000 to Portland businesses. (Staff has submitted a new BAP application seeking FY2021 funding.) In addition to the original guidelines that were developed by the PDC and staff in 2009 and, as discussed above, modified in 2018, the guidelines also went through various refinements and modifications in 2012, 2015, 2016 and 2017. Briefly, the changes were as follows:

- 2012: Added grant award priorities and consolidated the program requirements in their own section;
- 2015: Added existing regulations to the guidelines on job tracking and property liens so applicants would be better aware of them;
- 2016: Added options for PDC Board waivers when grantees are unable, after a year or more, to create the required number of jobs;
- 2017: Removed requirement that jobs be created for Portland residents because it was deemed to be unconstitutional;
- 2018: Reorganized guideline criteria/preferences in sections for greater clarity and added need, quality of compensation, and potential for job advancement to them.

Attachments

- May 17, 2018 Memo to PDC Committee on Areas of Consideration for BAP Guideline Changes
- May 24, 2018 Memo to PDC Board on Committee's Draft Modifications to 2017 PDC Guidelines
- June 1, 2018 Memo to City Council on PDC Recommendations for Changes to BAP Guidelines
- 2018 Guidelines Approved by City Council
- 2017 Guidelines Approved by City Council
- 2016 Guidelines Approved by City Council
- 2015 Guidelines Approved by City Council
- 2012 Guidelines Approved by City Council
- 2009 Guidelines Approved by City Council
- Listing of All BAP Grants Approved by the PDC Since Program Inception

Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

To: PDC Committee on BAP
From: Nelle Hanig, Business Programs Manager
CC: Greg Mitchell, Economic Development Director
Date: May 17, 2018
RE: BAP Discussion Points

Overview

Discussion at a previous PDC meeting in which the Board was reviewing applications for the Business Assistance Program for Job Creation (BAP), there was consensus to form a Committee to consider criteria that would assist with future award decisions. This memo will review eligibility requirements as well as preferences contained in the existing BAP guidelines. Following that information are discussion points, relative to possible criteria, as a starting point for the Committee meeting. A draft of suggested criteria is attached to this memo complements of Tom Dunne. The BAP guidelines are also attached along with a list of past recipients of BAP grants.

There are two primary objectives of the Program. First, it is to create jobs for low/moderate income individuals so they can earn money to support themselves and their families, gain work experience and learn new skills that could help them advance to a better paying job. The second and only slightly less important objective is to support the growth of small businesses in Portland.

NOTE: HUD recognizes microenterprises as those businesses whose owners are themselves low/moderate income. Microenterprises are considered in the BAP guidelines only when an awardee is unable to create the one or two jobs they agreed to create or did not create them for the required length of time (i.e. at least one year). If they are unable to do one or both, HUD accepts that its goal has been fulfilled as long as the business owner is a low/moderate income person. Thereby, the created job is that of the business owner. The BAP guidelines allows the PDC to use this characterization to excuse a business from not meeting the grant agreement it signed.

BAP Guidelines on Eligibility and Preferences

Eligibility: All businesses whose applications for a BAP grant are presented to the PDC board meet eligibility requirements as follows:

- Business' location is within walking distance of or can be reached via mass transit from low/moderate income neighborhoods in Portland;
- Applicant has at least half of the required match;
- Intends to create jobs within nine months of being approved for a PDC grant;
- Intends to create a net new job for a low/moderate income individual for every $10,000 of grant funds received.

Preferences: While not a requirement, preferences are noted in the guidelines as follows

- Job training, that is, teaching meaningful skills to new hires;
- The private match exceeds the grant amount requested;
- Number of net new jobs will exceed one per $10,000 of grant funding;
- Quality jobs are created offering wages that meet or exceed the minimum wage approved by the Portland City Council. (This was incorporated into the guidelines prior to a minimum wage being approved by the Council. It can be modified to read just "to exceed")

Discussion Points for Criteria

The following are some discussion points, relative to potential criteria, based on learnings from the previous four rounds of BAP.

Determination of Need for Applicant Businesses

Applicants who have received grant awards range from those who certainly would have created the jobs whether or not they received a grant, those that would have had a more challenging time creating the jobs right away but likely would have done so within 4-6 months, and those that likely would not have created any new jobs, at least within a year of application, without the grant. While it is challenging to use company financials to make a quantitative determination of need, discussions on this topic with applicants, while a bit subjective, remain important.

Criteria that may approximate need are number of employees the applicant has when applying for a BAP grant or its annual sales. The Finance Authority of Maine requires one or the other to qualify for its Regional Economic Development Revolving Loan Program (REDLRP). A suggestion for BAP may be six or fewer employees or annual sales of $500,000 or less.

Job Training Relative to Category

There have been discussions about whether the type of job proposed to be created should be considered when reviewing a BAP grant request. The current guidelines have a preference for jobs that will provide new skills training. Would a receptionist, counter clerk or dishwasher position merit a BAP grant? Such jobs can pay as much as $12/hour these days and require some new skills training, though not a great deal. Examples of other job titles for which grants have been approved include computer technician, pharmacist, seamstress, line cook, prep cook, furniture repair technician, bicycle repair technician, retail sales for bicycles, assistant baker, sound engineer, apprentice hair stylist, manager, project coordinator, personal care support specialist.

Hourly Rate/Benefits

The rate of pay per hour is one way to distinguish between what may be considered a good job (all jobs are good) versus a great job worthy of receiving a $10,000 grant for its creation. Given the low unemployment rate, employers are increasing wages in order to retain employees. Jobs that in past may have provided $10/hour or less are commanding $12 - $13/hour and higher. However, this gets back to the need of the employer for a grant. If an employer is in the startup or early growing stages, they may not be able to pay much more than the minimum wage. Would it be valid to deny a grant on that basis given that there is certainly need on the part of the business owner? While the state of the market is such that it is likely these positions may not come with benefits, those that do could be given higher weight in cases where applications exceed available funds.

Strength/Stability of Business (Likelihood of Maintaining Net New Job(s) Created)

The BAP grant applications are underwritten because we want to determine as best as possible whether the business has a good plan to move into a stable position, if not already there. The greater the stability, the greater our assurance that the job will be maintained for the year we track it and hopefully much longer. The underwriter looks at cash flow, tax returns, current and historical financials. For startups, you can only base your analysis on the projections and the business plan. By their nature, startups are riskier, however, many applicants are startups because that is when they most need assistance, especially with grants. It's not clear whether the greater the stability of an existing business would make it a more worthy recipient than a startup for a BAP grant award.

Attachments

Staff memo
Draft criteria (provided by Tom Dunne)
Current BAP guidelines
List of past BAP recipients

Economic Development Department
Gregory A. Mitchell, Director

TO:	PDC President Tim Agnew and Board Members
FROM:	Nelle Hanig, Business Programs Manager
CC:	Greg Mitchell, Economic Development Director
DATE:	May 24, 2018
RE:	**PDC Committee Draft Modifications to Business Assistance Program for Job Creation (BAP) Guidelines**

PURPOSE

The PDC Committee met on May 24th to discuss and propose how best to enhance the criteria/preferences in the BAP guidelines. The members of the Committee were Briana Volk, Tom Dunne and Mayor Strimling. The objective was to propose a stronger framework to guide the PDC's decisions as to which applications best meet the objectives of the program and receive grant awards. The applicant pool has been growing over the years prompting board consensus that changes were very much needed.

OVERVIEW OF MODIFICATIONS

Most of the proposed modifications focus on the *Application Review Criteria/Preferences* section of the BAP Guidelines. That section has been organized into three areas – Career Potential (of the job), Employer, and Compensation and Benefits. Some of the criteria are new and some have just been reworked or moved into one of the three areas. The completely new or reworked criteria are as follows:

- Job training for new hire(s) in a marketable skill;
- Potential for job advancement within the company or elsewhere;
- Financial capability/need;
- Job provides one or more benefits (for example, health, vacation, sick leave);
- Wage well exceeds the Portland minimum wage.

One new eligibility item has been added to the section on *Program Requirements/Eligibility.*

- Wage paid to new hire(s) exceeds Portland's minimum wage.

The current minimum wage in Portland is $10.68/hour.

RECOMMENDATIONS

The PDC Committee recommends the modifications as presented in the redlined version of the BAP Guidelines.

Attachments: Redlined Version of Guidelines, Clean Version with Proposed Modifications

Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

City Council Agenda Item

DISTRIBUTE TO: City Manager, Mayor, Anita LaChance, Sonia Bean, Danielle West-Chuhta, Nancy English, Julianne Sullivan

FROM: **Greg Mitchell, Economic Development Director**
Nelle Hanig, Business Programs Manager

DATE: **June 1, 2018**

SUBJECT: **Portland Development Corporation's (PDC) Recommended Modifications to Guidelines for the Business Assistance Program for Job Creation (BAP)**

SPONSOR: **Jon P. Jennings, City Manager**
(If sponsored by a Council committee, include the date the committee met and the results of the vote.)

COUNCIL MEETING DATE ACTION IS REQUESTED:
One reading/Final action: June 18, 2018

Can action be taken at a later date: ____ **Yes** ___X_ **No (If no why not?)** The new round of the Program will be launched in July, when the new CDBG funding becomes available.

PRESENTATION: (List the presenter(s), type and length of presentation)

Presenter: Greg Mitchell, Economic Development Director
Time: 5 minutes

I. ONE SENTENCE SUMMARY: The Portland Development Corporation (PDC) is recommending modifications to the guidelines for the Business Assistance Program for Job Creation (BAP) that will provide a stronger framework to guide the PDC's decisions on which applications best merit grant awards.

II. AGENDA DESCRIPTION: The PDC will shortly launch the fifth round of the BAP accepting applications from Portland businesses seeking grants to create jobs for low/moderate income individuals. Before doing so the PDC would like to modify the program guidelines so that it has stronger and clearer criteria to consider when making its decisions on which applications to award job grants.

III. BACKGROUND: The BAP provides matching grants to Portland businesses for the creation of full-time jobs for low/moderate income individuals. The grants are $10,000 per job up to a maximum of $20,000 per business, and matched dollar for dollar by the business. The applicant pool has been growing over the years as the Program has become well-known in Portland. This is prompting the need for enhanced criteria to guide the PDC Board's decisions on which businesses to award its limited funding for BAP grants.

IV. INTENDED RESULT AND OR COUNCIL GOAL ADDRESSED: The intended result is more effective criteria to better guide the PDC Board's decisions on BAP grant awards.

V. FINANCIAL IMPACT: There will be no financial impact other than the PDC providing grants from the CDBG award of $145,000 the Council recently approved to recapitalize the Business Assistance Program for Job Creation.

VI. STAFF ANALYSIS AND BACKGROUND THAT WILL NOT APPEAR IN THE AGENDA DESCRIPTION: The proposed modifications to the BAP guidelines will provide a clearer set of criteria from which the PDC board will make their decisions on which businesses best merit job grants. The PDC is now receiving multiple applications for job grants that far exceed the funds in the Program budget. While all applicants being considered for job grants will meet the Program's Eligibility Requirements, the expanded Application Review Criteria/Preferences will provide a greater framework for grant award decisions. The completely new or reworked criteria being proposed include the following:

- Job training for new hire(s) in a marketable skill;
- Potential for job advancement within the company or elsewhere;
- Demonstrated need for grant funds to create job(s);
- Quality of compensation and benefits package.

The one new Eligibility Requirement is as follows:

- Wages paid to new hire(s) exceeds Portland's minimum wage.

VII. RECOMMENDATION: The Portland Development Corporation Board and Staff recommend the proposed modifications to the BAP guidelines as noted in the redlined version of the attached guidelines.

VIII. LIST ATTACHMENTS

- Proposed modifications to BAP in redlined version of its guidelines;
- Clean version of BAP guidelines with proposed modifications.

Prepared by: Nelle Hanig
Date: 6/1/2018

Portland Business Assistance Program for Job Creation

Program Description

The City of Portland's Business Assistance Program for Job Creation (BAP) provides grants up to $20,000 to new and expanding Portland businesses for the creation of net new, permanent full-time jobs for low/moderate income individuals.

Program Objectives

- Job creation for low/moderate income individuals;
- New business formation and existing business expansion;
- Leverage private investment to support business growth;
- Help new and expanding businesses establish credit;
- Enhance the health and vitality of the Portland economy.

Program Requirements/Eligibility

- Create one (1) full-time job (at least 1,750 hours/year *) for every $10,000 of grant funding;
- Applicant business location fits any of the following: In a low income area of the City; Within walking distance to one or more of these areas; or, Easily accessible from these areas via public transportation;
- Net new job(s) created with the help of the grant is marketed to low/moderate income** individuals, resulting in at least 51% of these jobs going to this population. (For example, if two jobs are created to meet grant requirements, then both must be filled by low/moderate income individuals);
- Job(s) is created within nine (9) months of signing a grant agreement;
- Wage paid to new hire(s) exceeds Portland's minimum wage.

Financing Terms:

- Maximum grant: $20,000 per business.
- Required Private Match: Equal to or greater than grant amount.
- Private Match Sources: Private investment match includes at least 50% private equity. The remaining 50% may be a bank loan or a loan from the City's Commercial Loan Program, if conventional financing is not available. For existing businesses, the 50% equity can include private investment made within the past 12 months.

Application Review Criteria/Preferences:

Criteria/Preferences (listed in no particular order):

- Career Potential
  - Job training for new hire(s) in a marketable skill;
  - Potential for job advancement within the company or elsewhere.

- Employer
  - Demonstrated need for grant funds to create job(s);
  - Private match exceeds grant amount requested;
  - Number of net new jobs exceeds one (1) per $10,000 of grant funding.

- Compensation and Benefits
  - Quality of compensation and benefits package (for example, wages, health, vacation, sick leave).

Eligible Funding Activities:

1. Equipment and machinery;
2. Permanent working capital, (e.g., inventory, furniture and fixtures, relocation expense);
3. Working capital expenses (e.g., rent, utilities, salaries, insurance);
4. Up to $1,000 for business consulting services (e.g., accounting, marketing, software training, legal assistance);
5. Leasehold improvements, renovation, reconstruction, or restoration of vacant, under-utilized or deteriorated space; building modifications to enhance accessibility to elderly or handicapped persons. (Construction projects must comply with Davis Bacon federal labor standards.)

Ineligible Activities:

a. Refinance existing debt;
b. Down payment for other financing;
c. Use of grant funds for activities, (e.g., purchases of equipment and supplies), commenced or completed prior to program funding approval and prior to signing a grant agreement.

Basic Program Qualifications:

- Business must be located within the City of Portland;
- Applicant cannot owe outstanding property taxes, fees, or judgments to the City, and property must be free of all City liens and encumbrances.

Application and Approval Process

The City's Economic Development Department is responsible for administration of the Business Assistance Program for Job Creation, with guidance from the Housing and Community Development Division. Eligible applications are analyzed by an underwriter and then presented to the Portland Development Corporation (PDC) for its review. The PDC has final decision-making authority in approving applicants for grant awards.

Reporting and Tracking (after grant approval)

Jobs: Jobs must be created within nine (9) months of signing a grant agreement after being approved for a grant. Grant recipients will be required to provide quarterly reports until all hires are made, and then for one year beyond that.

Property: The City will retain an interest in property improved or equipment purchased (worth $5,000 or more) with grant funds for up to five (5) years. If such property improvements or equipment are transferred, or otherwise disposed of within the five (5) year period from the date the improvements are completed or equipment is purchased, respectively, the City may require partial repayment (on a pro rata basis) of the grant funds.

Program Actions if Grantee Business is Unable to Meet Job(s) Requirements

Nine (9) months from the date of signing the grant agreement, if a grantee business has been unable to create the required number of jobs, the PDC Board, at its discretion, may require that the grantee return all grant funds that it has drawn down. In the case of a grantee business that has been unable to retain the required job(s) for one year from the time the job(s) was initially created, the PDC Board, at its discretion, may require the partial repayment (on a pro-rata basis) of grant funds.

Alternatively, should the PDC Board determine, in its judgement, that the grantee has made a good faith effort to create the required number of jobs within nine (9) months of signing the grant agreement or to retain the job(s) one year from the time the job(s) was created:

A) The Board may approve the use of any of the following options it deems most appropriate:

- Allow the creation of two part-time jobs for low/moderate income individuals in place of one full-time job to meet the job creation requirement per $10,000 in grant funds. A part-time job is defined as working at least 875 hours per year but less than 1,750 per year;***

- Qualify the business as a microenterprise if the business owner meets HUD's low/moderate income threshold (80% of median HH income) and the business has five or fewer employees**** This qualification would not require the creation of jobs, other than the job that was created for the low/moderate income business owner.

And,

B) The Board will make a determination whether to release the balance of the approved grant funds to the grantee.

NOTE: These actions are retroactive and may be applied to any BAP grantee business that has not yet met its job requirements, per these guidelines.

Definitions

*Definition of a full-time job, per the Maine Department of Economic and Community Development;

**For the purposes of this Program, low/moderate income is defined by the U.S. Department of Housing and Urban Development as 80% of median household income. A chart showing qualified income levels can be found on the City's website at the following link: http://www.portlandmaine.gov/DocumentCenter/Home/View/8939

***Definition of a part-time job, per the Maine Department of Economic and Community Development;

****Two part definition of a microenterprise, per the U.S. Department of Housing and Urban Development.

Portland Business Assistance Program for Job Creation

Program Description

The City of Portland's Business Assistance Program for Job Creation provides grants up to $20,000 to new and expanding Portland businesses for the creation of net new, permanent full-time jobs for low/moderate income individuals.

Program Objectives

- Job creation for low/moderate income individuals;
- New business formation and existing business expansion;
- Leverage private investment to support business growth;
- Help new and expanding businesses establish credit;
- Enhance the health and vitality of the Portland economy.

Program Requirements

- Create one (1) full-time job (at least 1,750 hours/year *) for every $10,000 of grant funding;
- Business location of applicant fits any of the following: In a low income area of the City; Within walking distance to one or more of these areas; or, Easily accessible from these areas via public transportation;
- Net new jobs created with the help of the grant are marketed to low/moderate income** individuals, resulting in at least 51% of these jobs going to this population. As an example, if two jobs are created to meet grant requirements, then both must be filled by low/moderate income individuals;
- Job(s) are created within nine (9) months of signing a grant agreement.

Financing Terms

- Maximum grant: $20,000 per business.
- Required Private Match: Equal to or greater than grant amount.
- Private Match Sources: Private investment match includes at least 50% private equity. The remaining 50% may be a bank loan or a loan from the City's Commercial Loan Program, if conventional financing is not available. For existing businesses, the 50% equity can include private investment made within the past 12 months.

Application Review Preferences:

Preference is given to applications that include one or more of the following components (listed in no particular order):

- Job training: Teaching meaningful skill(s) to new hires;
- Private match exceeds the grant amount requested;

- Number of net new jobs exceeds one (1) per $10,000 of grant funding;
- Quality jobs are created offering wages that meet or exceed the minimum wage approved by the Portland City Council.

Eligible Funding Activities

- Equipment and machinery ;
- Permanent working capital, (e.g., inventory, furniture and fixtures, relocation expense);
- Working capital expenses (e.g., rent, utilities, salaries, insurance);
- Up to $1,000 for business consulting services (e.g., accounting, marketing, software training, legal assistance);
- Leasehold improvements, renovation, reconstruction, or restoration of vacant, under-utilized or deteriorated space; building modifications to enhance accessibility to elderly or handicapped persons. (Construction projects must comply with Davis Bacon federal labor standards.)

Ineligible Activities

- Refinance existing debt;
- Down payment for other financing;
- Use of grant funds for activities, (e.g., purchases of equipment and supplies), commenced or completed prior to program funding approval and prior to signing a grant agreement.

Basic Program Qualifications

- Business must be located within the City of Portland;
- Applicant cannot owe outstanding property taxes, fees, or judgments to the City, and property must be free of all City liens and encumbrances.

Application and Approval Process

The City's Economic Development Department is responsible for administration of the Business Assistance Program for Job Creation, with guidance from the Housing and Community Development Division. Eligible applications are reviewed by an underwriter and then presented to the Portland Development Corporation (PDC) for its review. The PDC has final decision-making authority in approving applicants for grant awards.

Reporting and Tracking (after grant approval)

Jobs: Jobs must be created within nine (9) months of signing a grant agreement after being approved for a grant. Grant recipients will be required to provide quarterly reports until all hires are made, and then for one year beyond that.

- Property: The City will retain an interest in property improved or equipment purchased (worth $5,000 or more) with grant funds for up to five (5) years. If such property improvements or equipment are transferred, or otherwise disposed of within the five (5) year period from the date the improvements are completed or equipment is purchased, respectively, the City may require partial repayment (on a pro rata basis) of the grant funds.

Program Actions if Grantee Business is Unable to Meet Job(s) Requirements

Nine (9) months from the date of signing the grant agreement, if a grantee business has been unable to create the required number of jobs, the PDC Board, at its discretion, may require that the grantee return all grant funds that it has drawn down. In the case of a grantee business that has been unable to retain the required job(s) for one year from the time the job(s) was initially created, the PDC Board, at its discretion, may require the partial repayment (on a pro-rata basis) of grant funds.

Alternatively, should the PDC Board determine, in its judgement, that the grantee has made a good faith effort to create the required number of jobs within nine (9) months of signing the grant agreement or to retain the job(s) one year from the time the job(s) was created:

A) The Board may approve the use of any of the following options it deems most appropriate:

- Allow the creation of two part-time jobs for low/moderate income individuals in place of one full-time job to meet the job creation requirement per $10,000 in grant funds. A part-time job is defined as working at least 875 hours per year but less than 1,750 per year;***

- Qualify the business as a microenterprise if the business owner meets HUD's low/moderate income threshold (80% of median HH income) and the business has five or fewer employees.**** This qualification would not require the creation of jobs, other than the job that was created for the low/moderate income business owner.

And,

B) The Board will make a determination whether to release the balance of the approved grant funds to the grantee.

NOTE: These actions are retroactive and may be applied to any BAP grantee business that has not yet met its job requirements, per these guidelines.

Definitions

*Definition of a full-time job, per the Maine Department of Economic and Community Development;

**For the purposes of this Program, low/moderate income is defined by the U.S. Department of Housing and Urban Development as 80% of median household income. A chart showing qualified income levels can be found on the City's website at the following link: http://www.portlandmaine.gov/DocumentCenter/Home/View/8939

***Definition of a part-time job, per the Maine Department of Economic and Community Development;

****Two part definition of a microenterprise, per the U.S. Department of Housing and Urban Development.

Portland Business Assistance Program for Job Creation

Program Description

The City of Portland's Business Assistance Program for Job Creation provides grants up to $20,000 to new and expanding Portland businesses for the creation of net new, permanent full-time jobs for low/moderate income Portland residents.

Program Objectives

- Job creation for low/moderate income Portlanders;
- New business formation and existing business expansion;
- Leverage private investment to support business growth;
- Help new and expanding businesses establish credit;
- Enhance the health and vitality of the Portland economy.

Program Requirements

- Create one (1) full-time job (at least 1,750 hours/year*) for every $10,000 of grant funding;
- Business location of applicant fits any of the following: In a low income area of the City; Within walking distance to one or more of these areas; or, Easily accessible from these areas via public transportation;
- Net new jobs created with the help of the grant are marketed to low/moderate income** Portland residents, resulting in at least 51% of these jobs going to this population. As an example, if two jobs are created to meet grant requirements, then both must be filled by low/moderate income Portland residents;
- Job(s) are created within nine (9) months of signing a grant agreement.

Financing Terms

- Maximum grant: $20,000 per business.
- Required Private Match: Equal to or greater than grant amount.
- Private Match Sources: Private investment match includes at least 50% private equity. The remaining 50% may be a bank loan or a loan from the City's Commercial Loan Program, if conventional financing is not available. For existing businesses, the 50% equity can include private investment made within the past 12 months.

Application Review Preferences:

Preference is given to applications that include one or more of the following components (listed in no particular order):

- Job training: Teaching meaningful skill(s) to new hires;
- Private match exceeds the grant amount requested;

- Number of net new jobs exceeds one (1) per $10,000 of grant funding;
- Quality jobs are created offering wages that meet or exceed the minimum wage approved by the Portland City Council.

Eligible Funding Activities

- Equipment and machinery ;
- Permanent working capital, (e.g., inventory, furniture and fixtures, relocation expense);
- Working capital expenses (e.g., rent, utilities, salaries, insurance);
- Up to $1,000 for business consulting services (e.g., accounting, marketing, software training, legal assistance);
- Leasehold improvements, renovation, reconstruction, or restoration of vacant, under-utilized or deteriorated space; building modifications to enhance accessibility to elderly or handicapped persons. (Construction projects must comply with Davis Bacon federal labor standards.)

Ineligible Activities

- Refinance existing debt;
- Down payment for other financing;
- Use of grant funds for activities, (e.g., purchases of equipment and supplies), commenced or completed prior to program funding approval and prior to signing a grant agreement.

Basic Program Qualifications

- Business must be located within the City of Portland;
- Applicant cannot owe outstanding property taxes, fees, or judgments to the City, and property must be free of all City liens and encumbrances.

Application and Approval Process

The City's Economic Development Department is responsible for administration of the Business Assistance Program for Job Creation, with guidance from the Housing and Community Development Division. Eligible applications are reviewed by an underwriter and then presented to the Portland Development Corporation (PDC) for its review. The PDC has final decision-making authority in approving applicants for grant awards.

Reporting and Tracking (after grant approval)

Jobs: Jobs must be created within nine (9) months of signing a grant agreement after being approved for a grant. Grant recipients will be required to provide quarterly reports until all hires are made, and then for one year beyond that.

- Property: The City will retain an interest in property improved or equipment purchased (worth $5,000 or more) with grant funds for up to five (5) years. If such property improvements or equipment are transferred, or otherwise disposed of within the five (5) year period from the date the improvements are completed or equipment is purchased, respectively, the City may require partial repayment (on a pro rata basis) of the grant funds.

Program Actions if Grantee Business is Unable to Meet Job(s) Requirements

Nine (9) months from the date of signing the grant agreement, if a grantee business has been unable to create the required number of jobs, the PDC Board, at its discretion, may require that the grantee return all grant funds that it has drawn down. In the case of a grantee business that has been unable to retain the required job(s) for one year from the time the job(s) was initially created, the PDC Board, at its discretion, may require the partial repayment (on a pro-rata basis) of grant funds.

Alternatively, should the PDC Board determine, in its judgement, that the grantee has made a good faith effort to create the required number of jobs within nine (9) months of signing the grant agreement or to retain the job(s) one year from the time the job(s) was created:

A) The Board may approve the use of any of the following options it deems most appropriate:

- Allow the creation of two part-time jobs for low/moderate income Portland residents in place of one full-time job to meet the job creation requirement per $10,000 in grant funds. A part-time job is defined as working at least 875 hours per year but less than 1,750 per year;***

- Qualify the business as a microenterprise if the business owner meets HUD's low/moderate income threshold (80% of median HH income) and the business has five or fewer employees.**** This qualification would not require the creation of jobs, other than the job that was created for the low/moderate income business owner.

- Waive the Portland residency requirement for the full-time job that was created or will be created.

And,

B) The Board will make a determination whether to release the balance of the approved grant funds to the grantee.

NOTE: These actions are retroactive and may be applied to any BAP grantee business that has not yet met its job requirements, per these guidelines.

Definitions

*Definition of a full-time job, per the Maine Department of Economic and Community Development;

**For the purposes of this Program, low/moderate income is defined by the U.S. Department of Housing and Urban Development as 80% of median household income. A chart showing qualified income levels can be found on the City's website at the following link: http://www.portlandmaine.gov/DocumentCenter/Home/View/8939

***Definition of a part-time job, per the Maine Department of Economic and Community Development;

****Two part definition of a microenterprise, per the U.S. Department of Housing and Urban Development.

Portland Business Assistance Program for Job Creation

Program Description

The City of Portland's Business Assistance Program for job creation provides grants up to $20,000 to new and expanding Portland businesses for the creation of net new, permanent full-time jobs for low/moderate income Portland residents.

Program Objectives

- Job creation for low/moderate income Portlanders;
- New business formation and existing business expansion;
- Leverage private investment to support business growth;
- Help new and expanding businesses establish credit;
- Enhance the health and vitality of the Portland economy.

Program Requirements

- Create one (1) full-time job (1,750 hours/year or 33.65 hours/week*) for every $10,000 of grant funding;
- Business location of applicant fits any of the following: in a low income area of the City; within walking distance to one or more of these areas; or, easily accessible from these areas via public transportation;
- Net new jobs created with the help of the grant are marketed to low/moderate income** Portland residents, resulting in at least 51% of these jobs going to this population. As an example, if two jobs are created to meet grant requirements, then both must be filled by low/moderate income Portland residents;
- Job(s) are created within one (1) year of grant approval.

Financing Terms

- Maximum grant: $20,000 per business.
- Required Private Match: Equal to or greater than grant amount.
- Private Match Sources: Private investment match includes at least 50% private equity. The remaining 50% may be a bank loan or a loan from the City's Commercial Loan Program, if conventional financing is not available. For existing businesses, the 50% equity can include private investment made within the past 12 months.

Application Review Preferences:

Preference is given to applications that include one or more of the following components (listed in no particular order):

- Job training: Teaching meaningful skill(s) to new hires;
- Private match exceeds the grant amount requested;

- Number of net new jobs exceeds one (1) per $10,000 of grant funding;
- Quality jobs are created offering wages that meet or exceed the minimum wage approved by the Portland City Council. If there is no approved City minimum wage, then the wages exceed the State of Maine minimum wage.

Eligible Funding Activities

- Equipment and machinery ;
- Permanent working capital, (e.g., inventory, furniture and fixtures, relocation expense);
- Working capital expenses (e.g., rent, utilities, salaries, insurance);
- Up to $1,000 for business consulting services (e.g., accounting, marketing, software training, legal assistance);
- Leasehold improvements, renovation, reconstruction, or restoration of vacant, under-utilized or deteriorated space; building modifications to enhance accessibility to elderly or handicapped persons. (Construction projects must comply with Davis Bacon federal labor standards.)

Ineligible Activities

- Refinance existing debt;
- Down payment for other financing;
- Activities commenced or completed prior to program funding approval.

Basic Program Qualifications

- Business must be located within the City of Portland;
- Applicant cannot owe outstanding property taxes, fees, or judgments to the City, and property must be free of all City liens and encumbrances.

Application and Approval Process

The City's Economic Development Department is responsible for administration of the Business Assistance Program for Job Creation, with guidance from the Housing and Community Development Division. Eligible applications are reviewed by an underwriter and then presented to the Portland Development Corporation (PDC) for its review. The PDC has final decision-making authority in approving applicants for grant awards.

Reporting and Tracking (after grant approval)

- <u>Jobs</u>: Jobs must be created within one year of being approved for a grant. Grant recipients will be required to provide quarterly reports until all hires are made, and then for one year beyond that. If the jobs are not maintained for at least one year the grant recipient may be required to repay the City a portion of the grant amount.

- Property: The City will retain an interest in property improved or equipment purchased (worth $5,000 or more) with grant funds for up to five (5) years. If such property improvements or equipment are transferred, or otherwise disposed of within the five (5) year period from the date the improvements are completed or equipment is purchased, respectively, the City may require partial repayment (on a pro rata basis) of the grant funds.

*Definition of a full-time job, per the U.S. Department of Housing and Urban Development.

**Low-moderate income is defined as 80% of median household income. A chart showing qualified income levels can be found at the City's website at the following link: http://www.portlandmaine.gov/DocumentCenter/Home/View/8939

(5/29/2015)

Business Assistance Program for Job Creation

Description
The City of Portland's new Business Assistance Program for Job Creation offers grants to new and expanding Portland businesses for projects that result in the creation of permanent net new jobs. A private match is required in an amount that is at least equal to the grant requested.

Objectives

- At least 51% of jobs created go to low/moderate income (LMI) Portland residents;
- New business formation and existing business expansion;
- Leverage private investment to support business growth;
- Help new and existing small businesses establish credit;
- Enhance the health and vitality of Portland's economy.

Financial Terms

- Maximum Grant: $20,000
- Amount of Match: Equal to or greater than grant amount
- Match Sources: At least 50% applicant cash equity; the remainder may include a bank or credit union loan or, if not accessible, a loan from the City of Portland's Revolving Loan Program.

Program Requirements

- Create one (1) full-time job (33+ hours/week) for every $10,000 of grant funding;
- All new jobs must be marketed/made available to LMI Portland residents, resulting in at least 51% of the jobs going to LMI Portlanders. Low/moderate income is defined as 80% of the median household income (see attached guide);
- Job creation should occur within one (1) year of the grant award and then maintained for one year. Each grant recipient will be required to provide a payroll register at time of grant award. Job reporting will then be required at 4-month intervals until the required number of jobs is created. Afterwards, reporting is on a quarterly basis for the first year.
- All construction projects over $2,000 will be required to provide a defined scope of work and comply with Davis Bacon federal labor standards, environmental laws (and undergo an environmental review with historic preservation), lead based paint regulations, equal opportunity laws and other applicable federal requirements.
- Projects greater than $25,000 must be formally bid and publicly advertised. Projects less than $25,000 must receive three viable quotes. Selection must be to the lowest viable bidder.

Eligible Funding Activities

- Renovation, improvement, reconstruction or restoration of vacant, under-utilized or deteriorated space; building modifications to enhance accessibility to elderly or handicapped persons;
- Purchase of equipment and machinery;
- Leasehold improvements;
- Permanent working capital;
- Up to $1,000 of project funds may be used for business consulting services (e.g., accounting, marketing, software training, legal assistance).

Ineligible Activities

- Refinance existing debt;
- Down payment for other financing;
- Activities commenced or completed prior to program funding approval.

Grant Award Priorities

Applications that include one or more of the following will receive higher priority for funding:

- Job training - teaching a new skill(s) as initial component of job creation;
- Business location - Located in, within walking distance of, or accessible by public transportation to an HCD eligible area. (HCD eligible areas in Portland can be found at the following link: http://www.portlandmaine.gov/planning/eligiblehcdareas.pdf
- Match exceeds the grant amount requested;
- Number of jobs created will exceed 1 per $10,000 of grant funding;
- Financial stability of applicant (based on financial statements, tax returns, credit report, etc.);
- Quality of jobs created (for example, salary/hourly rate exceeds minimum wage);
- Likelihood that all jobs will be filled by LMI residents of Portland.

Basic Program Qualifications

- Business must be located within the City of Portland;
- Applicant cannot owe outstanding property taxes, fees or judgments to the City of Portland and property must be free of all City liens and encumbrances.

Reporting and Tracking

- Jobs: Jobs must be created within one year and maintained for one year. Grant recipients will be required to provide quarterly reports until all hires proposed in the grant application are made, then report annually on these jobs for 1 year. If the jobs are not maintained for that period of time the grant recipient may be required to repay the City a portion of the grant amount.

- Property: The City will retain an interest in property improved or equipment purchased with the grant funds for up to five (5) years. If such property improvements or equipment are transferred, or otherwise disposed of within the five (5) year period from the date the improvements are completed or equipment is purchased, respectively, the City may require partial repayment (on a pro rate basis) of the grant funds.

Application and Approval Process
Applications are being accepted as of May 22, 2012.

Submit applications with requested attachments to the **Economic Development Division, City of Portland, 389 Congress St., Portland, ME 04101.** The Portland Development Corporation has final decision-making authority for approving grant awards.

ORIGINAL
GUIDELINES

Portland Business Assistance Grant Program

Program Description

The City of Portland's Economic Development Division in partnership with the Downtown Portland Corporation is proposing to establish a new Portland Business Assistance Grant Program. The Program would offer grants to new and expanding Portland businesses to grow the City's business sector and create new jobs. An application was submitted in November 2009 seeking a $100,000 grant from the City's CDBG Entitlement Funds to capitalize this new program.

Program Objectives

- Job creation (at least 51% for low/mod income people);
- New business formation and existing business expansion;
- Leverage private investment to support business growth;
- Help new and expanding businesses establish credit.

Program Criteria

- Must create one (1) job for every $10,000 of grant funding;
- All new jobs should be made available to Portland residents, at least 51% for low/mod income persons;
- Jobs created within one (1) year of grant award, with required reporting at 4-month intervals until required number of jobs is achieved;
- Preference given to applications that include the following:
    - Job training, that is, teaching a new skill(s) to low/mod income persons as an initial component of job creation;
    - Business location is in an HCD eligible area or easily accessible by public transportation.

Eligible Funding Activities

- Renovation, improvement, reconstruction or restoration of vacant, under-utilized or deteriorated space; building modifications to enhance accessibility to elderly or handicapped persons;
- Equipment financing;
- Leasehold improvements;
- Permanent working capital including relocation expense, inventory and fixtures;
- Up to $1,000 of project funds may be used for business consulting services (e.g., accounting, marketing, software training, legal assistance).

Ineligible Activities

- Refinance existing debt
- Down payment for other financing
- Activities commenced or completed prior to program funding approval

Financing Terms

- Maximum grant is $20,000
- Grant must be matched with an equal or greater amount of private investment. The private investment match should include at least 50% private equity. The remaining 50% may be a bank loan or a loan from the City's Micro Business Loan Fund if conventional financing is not available. **

Basic Program Qualifications

- Business must be located within the City of Portland;
- Applicant cannot owe outstanding property taxes, fees or judgments to the City, and property must be free of all City liens and encumbrances;

Application and Approval Process

The City's Economic Development Division is responsible for administration of the program with guidance from the Housing and Neighborhood Services Division. Administration will include program marketing, screening and qualifying applications, presenting eligible project applications to the Downtown Portland Corporation and monitoring grantee job creation. The Downtown Portland Corporation will review eligible applications and have final decision-making authority in approving applicants for grant awards. Up to 15% of the CDBG Grant Award will be reserved for program administration.

** With a turndown letter from a bank, an applicant may seek financing for a maximum of 50% of the required private match from the City of Portland's Micro Business Loan Fund (interest rate determined by the Downtown Portland Corporation).

(12/10/09)

Business Assistance Grants Awarded by PDC:
ao 1/10/2020

Granted to:	Amount Approved:	Amount Granted:	Date PDC Approved:
FY12			
Apothecary By Design	**$10,000**	**$10,000**	6/21/2012
FY13			
Trims and Fade	$10,000	$10,000	8/2/2012
TechPort	$10,000	$10,000	9/21/2012
Total FY13	**$20,000**	**$20,000**	
FY14			
Old Port Textile and Wool	$20,000	$20,000	10/21/2013
TechPort	$10,000	$10,000	11/21/2013
Sur Lie Wine Bar	$20,000	$20,000	3/13/2014
Vincenza's	$15,000	$2,281	5/28/2014
Hunt and Alpine Club	$10,000	$10,000	5/28/2014
Total FY14	**$75,000**	**$62,281**	
FY15			
ME Furniture and Repair Services	$20,000	$20,000	7/18/2014
Damiak's Bakery	$10,000	$10,000	10/16/2014
HOME	$20,000	$20,000	
Poplar, d/b/a Routstabout	$20,000	$20,000	3/27/2015
Allspeed Cyclery and Snow, LLC	$20,000	$20,000	4/16/2015
Sunrise Guide	$10,000	$4,629	5/18/2015
Total FY15	**$100,000**	**$94,629**	
FY2016			
Forq Food Lab	$10,000	$10,000	12/17/2015
Auto-Care LLC	$10,000	$10,000	4/21/2016
Swallowtail Farm	$20,000	$20,000	4/21/2016
Buoy Local	$10,000	$10,000	5/19/2016
VinBar, LLC	$20,000	$20,000	5/19/2016
Bella Corp.	$20,000	$20,000	5/19/2016
Cakeworks, Inc.	$10,000	$10,000	6/16/2016
Union Bagel Co.	$10,000	$10,000	6/16/2016
Buoy Local - Not Using Grant	($10,000)	($10,000)	
Adele Masengo Designs, Inc.	$5,000	$5,000	12/15/2016
Total FY16	**$105,000**	**$105,000**	
FY2017 - None/No Funds Available			
FY2018			
Wallace James	$20,000	$20,000	12/21/2017
Gateway Community Services	$20,000	$20,000	12/21/2017
Maine & Loire	$10,000	$10,000	12/21/2017
Greater Portland Home Health Care	$10,000	$10,000	12/21/2017
Head Games	$20,000	$20,000	12/21/2017
On Time Transportation	$20,000	$20,000	1/25/2018
Good Cause Cleaning and Painting Svcs.	$20,000	$20,000	1/25/2018
Total FY18	**$120,000**	**$120,000**	
FY19			
Bethel Kids Care	$20,000	$20,000	9/20/2018
Gross Confection Bar	$10,000	$10,000	9/20/2018
Greater Portland Home Healthcare	$10,000	$10,000	9/20/2018
Lio	$20,000	$20,000	9/20/2018
WordLab	$20,000	$20,000	9/20/2018
OneLove HomeCare	$20,000	$20,000	9/20/2018
Shekinah Family Services	$20,000	$20,000	9/20/2018
Maine Family Services	$10,000	$10,000	10/18/2018
Factory 3	$10,000	$10,000	10/18/2018
Total FY19	**$140,000**	**$140,000**	
FY2020			
Ready Seafood	$20,000	$20,000	10/17/2019
PelotonLabs	$10,000	$10,000	10/17/2019
Quattrucci & Rouda	$20,000	$20,000	10/17/2019
Leeward Maine	$20,000	$20,000	10/17/2019
Anouche	$20,000	$20,000	10/17/2019
Running With Scissors	$10,000	$10,000	11/20/2019
Cocktail Mary	$20,000	$20,000	11/20/2019
Ada's Pasta	$20,000	$20,000	11/20/2019
Maine Family Services	$10,000	$10,000	12/19/2019
Urugu Residential Services	$10,000	$10,000	12/19/2019
207 Holdings	$10,000	$10,000	12/19/2019
Zootility Co.	$20,000	$20,000	12/19/2019
Hooper Franchises	$10,000	$10,000	12/19/2019
Total FY2020	**$200,000**	**$200,000**	

TOTALS FROM INCEPTION THROUGH FY2020:	**$630,000**	**$611,910**

Portland Development Corporation
Preliminary Draft Operating
Report FY20
For Month Ending
12/31/2019

Operating transfer from EDF	**28,522**

Total Funds Available	**28,522**

		Current	Year to	Percent	
FY20 Expenditures	**Budget**	**Month**	**Date**	**of Budget**	**Balance**
Administrative Services	575	0	3	0.5%	572
Postage	300	11	11	3.8%	289
Travel, Training, Meetings	4,000	3,305	3,370	84.2%	630
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	350	17.5%	1,650
Auto Expense Reimb.	100	0	0	0.0%	100
Printing & Binding	650	211	287	44.2%	363
Office Supplies	750	0	446	59.5%	304
Total FY20 Expenditures	**28,522**	**3,528**	**4,468**	**15.7%**	**24,055**

Cash Management Report
11/30/2019 - Preliminary and Subject to Change

	CIP		UDAG	FAME	FAME	Brown-	Brown-	Brown-	
			271		SSBCI	field 1	field 2	field 3	
	272	274	(Unrestricted)	277	279	278-Closeout	280-RLF	281-Assess	
	Restricted	Unrestricted	Loans/Grants						TOTAL
Cash Bal. Beginning of Reporting Mo.	**313,889**	**123,260**	**412,619**	**164,232**	**788,005**	**401,285**	**941,618**	**99,319**	**3,244,228**
Plus:									
Principal payments received		1,749	6,915	75,993	544	1,705			
Interest payments received from loans		1,350	2,115	5,199	753	273	60		
Interest Income					4,014	2,041			
Other Income/Adjustments		688							
Pass Through From FAME/SSCBI/EPA									
Sub-Total Cash Available	**313,889**	**127,048**	**421,649**	**245,425**	**793,316**	**405,303**	**941,678**	**99,319**	**3,347,628**
Less:									
FAME Annual Admin. Fee; Invoices									
Disbursements - Loans/Grants									
Sub-Total Cash Available:	**313,889**	**127,048**	**421,649**	**245,425**	**793,316**	**405,303**	**941,678**	**99,319**	**3,347,628**
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)			(15,746)						
Fund 280 Reserve for Commitments							(509,769)		
Fund 280 Reserve for Administration							(57,239)	-7300	
Total Ending Loan/Grant Cash Bal.	**313,889**	**127,048**	**263,212**	**245,425**	**793,316**	**405,303**	**374,670**	**92,019**	**2,614,883**

	Year-to-Date Principal/Interest						
	CIP		UDAG			278	280
	Restric.	Unrestric.	Unrestric.	FAME	SSBCI	Brnfld 1	Brnfld 2
	272	274	271	277	279	278	280
Cash Bal. Beginning of Reporting Mo.							
Plus:							
Principal payments received	7,131	34,463	20,067	161,622	8,256	9,832	0
Interest payments received from loans	1,366	5,637	15,746	31,026	8,078	2,036	180
Interest Income					4,014	2,041	0
Other Income/Adjustments							0
Pass Through From FAME/SSCBI/EPA							
Sub-Total Cash Available	**8,497**	**40,101**	**35,813**	**192,648**	**20,347**	**13,909**	**180**

Downtown Portland Corporation
Schedule of Loans Receivable
For the Month Ending December 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	$185,328
7566	1683	Rosemont Market, Inc.	8/8/2019	9/1/2022	$150,000	0	$150,000	$138,864
7158	1561	Forefront Brick South, LLC	11/18/2016	12/1/2026	$100,000	$0	$100,000	$76,147
		Sub-Total PBF (UDAG)						**$400,338**
		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	$68,106
		Sub-Total PBF (Bonds/CIP Restricted)						**$82,498**
		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	$10,126
7092	1559	Vin Bar, LLC	7/26/2016	9/2/2021	$50,000	$0	$50,000	$27,076
		Sub-Total Micro Capital Fund						**$50,111**
		Portland Business Fund Fund 274 (CIP/Unrestricted):						
6868	1512	Billdotcom, LLC	8/29/2015	9/1/2022	$102,500	$0	$102,500	$88,477
7091	1546	Skunk Ape, LLC	7/21/2016	8/1/2023	$75,000	$0	$75,000	$43,212
7479	1611	On Time Transportation	3/26/2018	4/1/2023	$10,000	$0	$10,000	$6,811
7554	1664	Quattrucci & Rouda, LLC	3/19/2019	4/1/2029	$100,000	$0	$100,000	$93,419
		Sub-Total PBF (Bonds/CIP Unrestricted)						**$231,918**
		FAME Fund 277:						
6784	1485	SB & LC Properties, LLC	4/6/2015	5/1/2020	$101,200	$0	$101,200	$88,447
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	$11,447
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	$190,376
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	$73,584
7176	1565	Adele Masengo Designs, Inc.	1/6/2017	2/1/2022	$15,000	$0	$15,000	$9,519
7532	1629	CAG RE, LLC	8/15/2018	9/1/2023	$50,000	$0	$50,000	$38,224
7293	1582	Wallace James	7/14/2017	8/1/2022	$100,000	$0	$100,000	$0
7553	1661	Maine Family Services	2/8/2019	3/1/2024	$25,000	$0	$25,000	$21,342
7357	1593	747 Congress LLC	1/25/2017	7/1/2022	$150,000	$0	$150,000	$127,206
7561	1674	Calendar Sailing Company	5/2/2019	6/1/2024	$50,000	$0	$50,000	$47,911
7562	1675	Gallery Acquisition Co. Inc.	5/16/2019	6/1/2026	$75,000	$0	$75,000	$70,608
7564	1681	Above the Line Accounting	8/30/2019	7/1/2024	$34,000	$0	$34,000	$30,668
7565	1682	Zootility Co.	8/7/2019	9/1/2024	$150,000	$0	$150,000	$148,391
7567	1684	Quinn's Bardega, LLC	10/2/2019	11/1/2024	$50,000	$0	$50,000	$49,859
		Sub-Total FAME Fund						**$1,013,547**
		FAME SSBCI 279:						
6199	1390	Inn at Diamond Cove LLC	7/10/2013	2/28/2020	$200,000	$0	$200,000	$147,857
6867	1511	Billdotcom, LLC	8/19/2015	9/1/2022	$92,500	$0	$92,500	$79,847
7233	1570	KODA, LLC	3/31/2017	4/1/2027	$100,000	$0	$100,000	$90,285
		Sub-Total FAME SSBCI						**$317,988**
		Brownfields Loan Fund 278 and 280						
6555	1457	Forefront Partners, LP/Fund 278	7/30/2014	2/1/2020	$200,000	$0	$200,000	$110,365
		Forefront Partners I, LP/Fund 280	4/12/2018	7/12/2028	$350,000	$339,769	$10,231	$10,231
		Sub-Total Brownfields						**$120,596**
		Grand Total Loans				**$339,769**	**$2,954,220**	**$2,216,996**
		Allowance for uncollectable loans at 15%						$332,549
		Total with Allowance for uncollectable loans:						**$1,884,447**

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
Maine Family Services	$10,000	12/19/2019	1
Urugu Residential Services	$10,000	12/19/2019	1
207 Holdings	$10,000	12/19/2019	1
Zootility Co.	$20,000	12/19/2019	2
Hooper Franchises	$10,000	12/19/2019	1
Total Grant Funds Approved to Date:	**$200,000**		20
Balance of Grant Funds Available:	**$0**		