**PORTLAND DEVELOPMENT CORPORATION**
**Board Meeting**

**DATE:** Thursday, July 16, 2020
**TIME:** 4:00 PM
**LOCATION: VIA ZOOM - SEE BELOW**

**The Portland Development Corporation Board meeting is not required to take public comment, and this will continue during remote meetings.**

**You are invited to a Zoom webinar.**
**When: Jul 16, 2020 04:00 PM Eastern Time (US and Canada)**
**Topic: Portland Development Corporation Board of Directors Meeting**

**Please click the link below to join the webinar:**
**https://zoom.us/j/95206808828**

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**Webinar ID: 952 0680 8828**
**International numbers available: https://zoom.us/u/abM1AMC0GY**

**AGENDA**

1. President's Comments

2. Review and vote on Draft Meeting Minutes for Meetings held on May 15, 2020, and June 9, 2020.

a. See attached draft May 15, 2020, meeting Minutes.

b. See attached draft June 9, 2020, meeting Minutes.

3. Review and vote on COVID-19 Microenterprise Grant applications as follows:

a. Claramunt Group, Ltd. Co., 83 Vesper St.
b) Fleetwood House, 10 Fleetwood St.
c) Landlords Best Friend Property Management, 19 Anderson St.
d) Abraxas, LLC, 650 Congress St.
e) Convinced Photography, 93 Morning St.
f) Ashley Flowers Yoga, 3 Fernald St.
g) Nuf Sed, 61 India St.
h) West End Property Preservation, 15 Salem St.
i) Resilience Maine LLC, 110 Marginal Way
j) Catgut Productions, 167 Falmouth St.
k) No Slack! Sportfishing Charters, 667 Congress St.
l) Kendall Hinkley Massage Therapy, 615 Congress St.
m) Above & Beyond Home Stages, LLC, 219 Allen Avenue
n) Tu Casa, 70 Washington Ave.
o) Natalies Nugget Nest, 32 Sara Lane
p) Coco Cones, 28 Monument Sq.
q) Eddie’s Nails, 1283 Congress St.
r) Waterlily, 26 Milk St.
s) Chez Castel, LLC, 799 Forest Ave.

**Note**: See confidential backup. There will be no public presentation.
**Executive Session**: Pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119—A, the Board will go into executive session to discuss proprietary information regarding these grant applications. After the executive session, the Board will vote in public session.

4. Review and vote on COVID-19 Business Assistance Grant Program application as follows:

a. Dock Fore, 336 Fore Street

**Note**: See confidential backup. There will be no public presentation.
**Executive Session**: Pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119—A, the Board will go into executive session to discuss proprietary information regarding these loan applications. After the executive session, the Board will vote in public session.

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

6. Next Regular Meeting Date: August 20, 2020

**Minutes**

**Portland Development Corporation**

**Remote Zoom Meeting**

**Held on May 15, 2020**

A remote meeting, via Zoom, of the Portland Development Corporation (PDC) Board of Directors was held at 12:00 Noon on Friday, May 15, 2020. Present from the Board were its President Julie Viola and Directors Tim Agnew, Councilor Tae Chong, James Dowd, Tom Dunne, Blaine Grimes, Jeffery Hicklin, Jon Jennings, and Steve Lovejoy. Board Directors Laura Reading and Briana Volk could not be in attendance. Present from the City staff were Business Programs Manager Nelle Hanig, Outreach and Initiatives Coordinator from OEO Angelina Klouthis, Economic Development Director Greg Mitchell, and Senior Executive Assistant Lori Paulette.

**Item #1: President's Comments**

President Viola recommended postponing Item 2 on the Agenda to a future meeting due to time constraints for a hard stop at 1:00 p.m.; the Board concurred.

**Item #3: Review and discuss process and launch of PDC COVID-19 Programs.**

Ms. Hanig said that staff is suggesting to launch the 3 PDC COVID-19 Programs on May 19, the day after the City Council votes on funding the Microenterprise and BAP grant programs from CDBG funds. The City Manager has recommended an amount of $305,183 to fund those two programs.

Regarding a deadline for businesses to apply, staff is recommending June 4th, giving businesses two weeks to get their applications in. The goal is to get the money out as soon as possible, noting that the website is updated with information on how to get the application submitted, and staff will get the word out via a Press Release and noticing the many organizations it has contact with.

Ms. Hanig noted that staff will need to budget for translation services at $10,000, and $12,783 for underwriting from the CDBG funds. Applicants have to fill out the application form in English, but the website has information in many languages.

Ms. Hanig asked the Board for their preference to have one round of funding for the CDBG Programs or two rounds, noting that the Rapid Response Loan program will have a first round of funding at $250,000, and then a second round of $150,000 – latter timeline to be determined.

Councilor Chong said that he would defer to staff based on the workload.

Mr. Agnew added to allocate the additional $305,183 between the two grant programs based on responses that come in; staff should have flexibility.

Ms. Hanig suggested that to begin the two programs that the $305,183 be divided 60% for the BAP and 40% for the Microenterprise, and Mr. Mitchell also noted that staff has the administrative flexibility, per HUD rules, to move approximately $56,000 between the two programs.

President Viola noted this would be a good approach, and that these three programs are for those businesses who were denied Federal and State assistance or chose not to apply.

Ms. Hanig added that staff will start with one round for the BAP and Microenterprise and then determine, based on demand, if another round should be done.

Mr. Agnew said that he is fine with that approach, and asked if the decisions of the Board are final, i.e., any appeal process.

Ms. Paulette indicated that over the years, appeals by the loan applicant to the Board on loan decisions have been few.

Chair Viola noted the consensus for staff to have flexibility in deciding, based on demand, whether to have one or two rounds for the BAP and Microenterprise grant programs.

Ms. Hanig noted that staff would get a press release out as soon as possible, as well as information about the programs to many organizations and banks.

Councilor Chong also noted to get the word out to Cport Credit Union and Community Concepts about these programs.

Ms. Hanig then advised the Board on scoring the applications received, noting that applications are submitted online and the information automatically populates a Google spreadsheet. A sample of the spreadsheet was shown to the Board, and Ms. Hanig noted that everything in the white area is populated with the application responses received. The pink area is used by staff to score the applications on non-financial aspects, and the green area is where the underwriters score the applications on financial aspects. Scoring will be done based on criteria to make it as non-subjective as possible. Ms. Hanig also noted that it would quickly become evident which applications are eligible to move forward and those that are not.

Ms. Hanig said that she and the underwriters would present those eligible to the Board with scores and a small narrative for each.

Mr. Dunne said that he would be okay without a narrative, or keep it minimal, and asked if information about the business would be up to 1/30/2020.

Ms. Hanig said staff and Board will understand the business's health before 1/30/2020, and the underwriters should have information on whether the business can be sustained.

Mr. Dunne noted that sustainability is a key question. Regarding community impact of a business, he felt that it will become apparent during the process.

Councilor Chong noted that with the additional funding now available for these three programs, allowing for up to 140 small businesses receiving assistance, the social benefit piece is not as important now.

Councilor Agnew asked about process when brought to the Board, i.e., public and executive sessions.

Ms. Hanig noted that there may be a brief public summation, with applicants not making presentations, and then the Board will go into executive session to review proprietary information, and then come out and vote in public.

Chair Viola also noted the underwriters will participate in the meeting, both public and in executive session, as they normally do. Regarding the narratives, she agreed to keep them minimal due to the anticipated number of applications expected.

Mr. Agnew said that it would be helpful to have a running total for each program to keep track of the funds being spent based on what the Board approves, and Ms. Hanig indicated that that can be done.

Councilor Chong said that the sustainability of the business is important versus a narrative.

Chair Viola noted consensus on the scoring, sustainability of the businesses, and for staff to bring forward those applications that are eligible, keeping narratives minimal.

Regarding scheduling for review of applications by the PDC Board, Ms. Hanig suggested perhaps having a Board meeting on June 11 and on June 18, with the goal of providing the Board, at least four days before the meeting, the scoring and recommendations, so that the Board can formulate its recommendations for approval.

The Board discussed timing, noting that it will evolve depending on applications received. The Board could then be polled on a quorum for meetings that staff will suggest.

Mr. Hicklin noted that the Board may run out of funding, so it would essentially be first-come, first served.

Chair Viola added that volume of applications will dictate Board meetings and disbursal of funds.

Mr. Lovejoy said that he would look forward to the spreadsheet and recommendations of staff and underwriters, noting the need to expedite the requests.

Councilor Chong and Ms. Grimes then left the meeting.

Ms. Hanig said that staff will provide its recommendation, as well as recommendations from the underwriters, bringing the highest scores, noting that staff and underwriter may make recommendations based on location, diversity, and neighborhood for instance. Once the Board approves, staff will expedite grant or loan agreements.

The Board thanked staff for its work on getting these programs up and running, and Ms. Hanig thanked Julie Trujillo and Angelinda Klouthis from the Department's Office of Economic Opportunity, with their assistance in creating the Google spreadsheet and application form.

On motion then made by Mr. Jennings, seconded by Mr. Dunne, the Board voted unanimously to adjourn at approximately 1:07 p.m.

Respectfully, Lori Paulette

**Minutes**

**Portland Development Corporation**

**Remote Zoom Meeting**

**Held on June 9, 2020**

A remote meeting, via Zoom, of the Portland Development Corporation (PDC) Board of Directors was held at 4:00 p.m. on Tuesday, June 9, 2020. Present from the Board were its President Julie Viola and Directors Tim Agnew, Tom Dunne, Blaine Grimes, Jeffery Hicklin, Steve Lovejoy, Laura Reading, and Briana Volk. Board Directors Councilor Tae Chong, James Dowd, and Jon Jennings could not be in attendance. Present from the City staff were Associate Corporation Counsel Michael Goldman (joining the meeting at 4:33), Business Programs Manager Nelle Hanig, Office of Economic Opportunity Liaison Angelina Klouthis, Economic Development Director Greg Mitchell, and Senior Executive Assistant Lori Paulette.

**Item #1: President's Comments**

President Viola noted this meeting is to review applications received for the PDC's COVID-19 Loan and Grant program, as well as to review possible amendments to the Guidelines for those programs.

**Item #2: Review and accept draft meeting Minutes for meetings held on April 16, 2020, April 23, 2020, and April 28, 2020.**

On motion made by Mr. Dunne, seconded by Ms. Grimes, the Board voted 6-0-2 (Reading and Viola abstained) to accept the Minutes as presented.

**<u>Item #3: Review and vote on COVID-19 Rapid Response Loan applications as follows:</u>**

a. **<u>Shunk Child Care</u>**

b. **<u>Women in Need</u>**

c. **<u>United Obligations</u>**

**NOTE: See confidential backup. There will be no public presentation. Executive Session: Pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119-A, the Board will go into executive session to discuss proprietary information regarding these loan applications. After the executive session, the Board will vote in public session.**

**<u>Item #4: Review and vote on COVID-19 Microenterprise Grant applications as follows:</u>**

a. **<u>Claramunt Group, Ltd. Co.</u>**

b. **<u>Designs by CC, LLC</u>**

c. **<u>Inn at Park Spring</u>**

d. **<u>TMC Portland, LLC</u>**

e. **<u>Makkah Market, LLC</u>**

**NOTE: See confidential backup. There will be no public presentation. Executive Session: Pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119-A, the Board will go into executive session to discuss proprietary information regarding these grant applications. After the executive session, the Board will vote in public session.**

President Viola suggested that Ms. Hanig provide a brief summary introduction, after which the Board would go into executive session to take up Items #3 and #4; the Board concurred.

Ms. Hanig noted that these programs were released last month with a deadline of June 4th, and 15 loan/grant applications were received but not all were eligible to apply. The confidential spreadsheet provides general information about the businesses, and scoring done by staff and the underwriters. Confidential financial information was also reviewed by the PDC's underwriters and reports provided.

Ms. Hanig then briefly described loan and grant applications being reviewed today, noting that these applications represent various areas in Portland, both on and off the peninsula.

Mr. Dunne confirmed with Ms. Hanig that of the 15 applications received, 7 were not eligible.

On motion then made by Ms. Grimes, seconded by Mr. Agnew, the Board voted unanimously at 4:20 p.m. to go into executive session to review proprietary information of the COVID-19 Loan and Grant Applications noted above pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119-A. At approximately 5:00 p.m., the Board came out of executive session.

***Shunk Child Care***

On motion made by Mr. Agnew, seconded by Mr. Lovejoy, the Board voted unanimously to approve the loan request.

***Women in Need***

On motion made by Mr. Agnew, seconded by Mr. Dunne, the Board voted unanimously to deny this loan request as ineligible.

***United Obligations***

On motion made by Mr. Hicklin, seconded by Ms. Volk, the Board unanimously to deny this loan request as ineligible.

***Makkah Market, LLC***

On motion made by Mr. Hicklin, seconded by Mr. Dunne, the Board voted unanimously to approve this grant request.

***Inn at Park Spring***

On motion made by Ms. Grimes, seconded Mr. Dunne, the Board voted unanimously to approve this grant request.

***Designs by CC, LLC***

On motion made by Mr. Dunne, seconded by Mr. Lovejoy, the Board voted unanimously to approve this grant request.

***TMC Portland, LLC***

On motion made by Mr. Hicklin, seconded by Ms. Grimes, the Board voted unanimously to approve this grant request.

***Claramunt Group, Ltd. Co***

On motion made by Mr. Hicklin, seconded by Ms. Grimes, the Board voted unanimously to deny this grant request as ineligible.

**Item #5: Review, discuss, and vote to recommend to the City Council possible amendments to the COVID-19 Loan and Grant Programs:**

**a. Rapid Response Loan Program**

**b. Microenterprise Grant Program**

**c. COVID-19 BAP Program**

Ms. Hanig noted that during this first round of loan and grant applications, it became apparent that some businesses were not eligible due to receiving minimal funds from Federal or State programs, that the date of being business as of January 31, 2020, did not really apply to Portland as the Pandemic hit Portland in March, and that the Microenterprise Grant Program

(“Micro”) requires a lease, which makes in-home day cares, for example, an essential business, ineligible.

Ms. Hanig indicated that staff is suggesting, for all three programs, allowing businesses which have received $2,000 or less from Federal or State programs be eligible for these programs, and moving the date from January 31, 2020 to March 9, 2020. A third modification to the Micro program is to make an exception for in-home day care businesses in the requirement to lease commercial property.

Ms. Viola mentioned that in the EIDL program, advances were made based on employment levels at $1,000 per employee, suggesting that the PDC’s minimum could be same, and the March 9 date is reasonable.

The Board discussed the commercial lease requirement in the Micro program, with consensus being that all licensed businesses by the City of Portland be eligible to apply, pursuant to CDBG guidelines.

The Board then discussed the Rapid Response loan program, noting that it is targeting small businesses and that small business can be up to 8 employees. The Board agreed to amend this program to target small businesses having 2 to 15 employees at the beginning of the Pandemic be eligible.

Regarding increasing funds businesses may have received from Federal or State programs, consensus of the Board was to allow businesses to be eligible for these programs if it received no more than $1,000 per employee and no more than $10,000 in Federal or State Assistance.

Regarding the date that businesses be in existence across all three programs, consensus was March 15, 2020.

Deadlines to apply were then discussed, and the consensus was to have a deadline in the next round as determined by staff to be appropriate.

A motion was then made by Ms. Grimes, seconded by Mr. Dunne to amend all three COVID-19 Programs to change the date of being in business from January 31, 2020, to March 15, 2020; amend all three to allow for businesses to be eligible for these programs if it received no more than $1,000 per employee and no more than $10,000 in Federal or State Assistance; amend the Rapid Response Loan program for businesses who employ 2 to 15 employees; and, amend the Micro grant program to be eligible to businesses licensed by Portland, and no commercial lease requirement.

A vote was then taken on the motion and it passed unanimously.

Ms. Viola noted that an attendee raised her hand, Shasha Shunk.

Ms. Shunk noted that she is in the child care business, which are licensed by the State not the City so this amendment would preclude these businesses from applying in the Micro grant program.

The Board discussed this and concurred that the Micro needed to be further amended, recommending that all home-based businesses be eligible to apply per CDBG guidelines.

A motion was then made by Ms. Grimes, seconded by Mr. Dunne, to further amend the Micro program to allow any Portland-based business to apply, per CDBG guidelines, which can include home-based business.

A motion was then made by Mr. Hicklin, seconded by Mr. Lovejoy to adjourn the meeting 6:12 p.m.  A vote was taken and passed unanimously.

Respectfully, Lori Paulette