PORTLAND DEVELOPMENT CORPORATION
Board Meeting

DATE: Thursday, October 21, 2021
TIME: 4:00 PM
LOCATION: VIA Zoom

Due to the existence of an emergency or urgent issue, the PDC will conduct this meeting by remote methods/technology at the Zoom link provided below, in accordance with the requirements of 1 M.R.S. section 403-B and the PDC's Remote Participation Policy.

AGENDA

1. Zoom Public Meeting Information

   a. Please click the link below to join the webinar:
   https://us06web.zoom.us/j/98802823963?pwd=dE5ZellvcnBZSHFyZDE4V1JLQVhJUT09
   Passcode: 253544
   Or One tap mobile :
   US: +16465588656,,98802823963# or +13017158592,,98802823963#
   Or Telephone:
   Dial(for higher quality, dial a number based on your current location):
   US: +1 646 558 8656 or +1 301 715 8592 or +1 312 626 6799 or +1 720 707 2699 or +1 253 215 8782 or +1 346 248 7799
   Webinar ID: 988 0282 3963
   International numbers available: https://us06web.zoom.us/u/kCavBdZuT

2. President's Comments

3. Review and vote to accept Minutes of September 23, 2021 Board meeting.

   a. See attached draft meeting Minutes.

4. Review and vote on new loan request from Healthworx, LLC, 949 Brighton Avenue.

a. See confidential Memorandum from Nelle Hanig.
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 the loan applicant.

5. Treasurer's Report - September 30, 2021

a. See attached:
- Monthly Administrative Budget Report
- Cash Management Report
- Schedule of Loans Receivable
- Listing of COVID-19 Loan/Grant Program Applications Approved
- Confidential Delinquency Report - **Note:** Pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119—A, the Board may go into executive session to discuss/monitor any of the loans listed on the Report.

6. Annual Meeting of Board

a. Election of Officers - President, Treasurer, Secretary

b. Review of Annual Report for FYE2021 and vote to forward it to the City Council as a communication.

c. Any other business that may come before the Board.

7. Next Regular Meeting Date: November 18, 2021

Minutes
Portland Development Corporation
Remote Zoom Meeting
Held on September 23, 2021

A remote meeting, via Zoom, of the Portland Development Corporation (PDC) Board of Directors was held at 4:00 p.m. on Thursday, September 23, 2021. Present from the Board were Board President Julie Viola and Directors Tim Agnew, James Dowd, Jeff Hicklin, Laura Reading, and Brian Volk. Board Directors who could not attend included Councilor Tae Chong, Blaine Grimes, Jon Jennings, Steve Lovejoy, and Kierston Van Soest. Present from the City staff were Interim Director of Housing and Economic Development Mary Davis, Business Programs Manager Nelle Hanig, and Principal Adm. Officer Lori Paulette. Loan underwriters present were Matthew Buonopane and Dave McLaughlin.

Item #1: Zoom Meeting Information/No Board Action Required

Item #2: Presidents Comments

President Viola noted that she would be recusing herself from voting on loan request from Twin Swirls as her employer, Gorham Savings Bank, is a lead lender.

Item #3: Review and Vote on draft meeting Minutes for Board meetings held on July 15, 2021, and July 30, 2021.

On motion made by Mr. Agnew, seconded by Mr. Dowd, the Board voted 4-0-2 (Hicklin and Reading abstained) to accept the Minutes as presented.

On motion made by Mr. Hicklin, seconded by Ms. Reading, the Board voted 4-0-2 (Dowd and Viola abstained) to accept the Minutes as presented.

Item #4: Review and vote on two new loan applications:

(a) African Supermarket - $168,000

(b) <u>Twin Swirls Ice Cream - $131,250</u>

African Supermarket

Ms. Hanig said that this is an existing supermarket at 44 Washington Avenue that is looking to purchase 688-694 Forest Avenue to move and expand. It is the largest and oldest extant (started in 2010) retail grocery store that specializes in products from Africa. She then introduced John Darmishou, co-owner.

Mr. Darmishou thanked the Board for their time, noting that he migrated here in December 2000 from Sudan where he also ran a small grocery store. He described his background and business operations, large range of clientele, and the need to expand.

Ms. Viola asked about renovations to the Forest Avenue location, and Mr. Darmishou said there will be a little demolition inside and then renovations/shelving for the store.

Twin Swirls Ice Cream

Ms. Hanig noted that this loan request is to purchase real estate at 865 Brighton Avenue and associated renovations, formerly an X-Tra Mart and gas station. The City provided EPA funds for Phase I and Phase II Environmental Site Assessments, which concluded that because the site will not be reconfigured or reconstructed at this time, there are no cleanup issues. She then introduced Twin Swirls' owner Sarah Palmer.

Ms. Palmer thanked the Board for reviewing this request. She is looking for assistance in purchasing 865 Brighton Avenue, noting that is a great location - centrally located among neighborhoods and will assist in revitalizing the area. Ms. Palmer described her background and her plan to make it a community gathering space with special events, like Food Truck Friday. It would be seasonal and open March to October.

Ms. Viola asked if the target date to open would be March 2022, and Ms. Palmer said that it is the target.

Seeing no further questions, a motion was then made by Ms. Reading, seconded by Mr. Hicklin 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 regarding these new applications, as well as the Confidential Delinquency Report.

Ms. Viola noted that she will leave the executive session when the Twin Swirls Ice Cream is discussed. Ms. Viola also noted that the Board will come back into public session to vote on the loan requests.

A vote was then taken on the motion and it passed 6-0 at 4:25 p.m.; at approximately 4:45 the Board came out of executive session.

African Supermarket: On motion made by Mr. Dowd, seconded by Ms. Volk, the Board voted 6-0 to approve the loan request from African Supermarket on the terms and conditions recommended by staff and the Underwriter.

Twin Swirls Ice Cream: On motion made by Mr. Hicklin, seconded by Ms. Reading, the Board voted 5-0-1 (Viola abstained) to approve the loan request from Twin Swirls Ice Cream on the terms and conditions recommended by staff and the Underwriter.

Item #5: Treasurer's Report – August 31, 2021

On motion made by Mr. Agnew, seconded by Mr. Dowd, the Board 6-0 to accept the Treasurer's Report as presented.

Item #6: Other items to be discussed.

Ms. Hanig updated the Board that she expects to launch the Business Assistance Grant Program for job creation and another round of the COVID-19 Microenterprise Grant Program towards the end of September.

Mr. Agnew noted that the State is getting more SSBCI funds, with a lower leverage rate of 3-1.

Ms. Hanig said that the two loans approved today will come from the City's SSBCI fund, and she will look into applying for more funding.

On motion made by Mr. Agnew, seconded by Mr. Dowd, the Board voted 6-0 to adjourn at approximately 4:50 p.m.

Respectfully, Lori Paulette

Portland Development Corporation
Preliminary Draft Operating
Report FY2022
For Month Ending
9/30/2021

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	0	0.0%	575
Postage	300	0	0	0.0%	300
Travel, Training, Meetings	4,000	0	0	0.0%	4,000
Contractual Services	10,500	0	210	2.0%	10,290
Operating Transfer to Fin.	9,647	0	0	0.0%	9,647
Advertising	2,000	0	0	0.0%	2,000
Auto Expense Reimb.	100	0	0	0.0%	100
Printing & Binding	650	0	0	0.0%	650
Office Supplies	750	0	0	0.0%	750
Total FY20 Expenditures	**28,522**	**0**	**210**	**0.7%**	**28,312**

CASH MANAGEMENT REPORT

SEPTEMBER 2021 - Preliminary and Subject to Change

			UDAG	FAME	FAME	Brown-	Brown-	Brown-		Year-to-Date						
	CIP		271		SSBCI	field 1	field 2	field 3		Principal/Interest						
	272	274	(Unrestricted)	277	279	278-Closeout	280-RLF	281-Assess		CIP		UDAG			278	280
	Restricted	Unrestricted	Loans/Grants						TOTAL	Restric.	Unrestric.	Unrestric.	FAME	SSBCI	Brnfld 1	Brnfld 2
										272	274	271	277	279	278	280
Cash Bal. Beginning of Reporting Mo.	**341,661**	**141,694**	**593,299**	**470,773**	**617,628**	**442,941**	**773,691**	**138,448**	**3,520,135**							
Plus:																
Principal payments received	1,168	3,764	3,203	8,926	2,478	1,746				3,462	9,028	14,978	28,001	10,225	6,915	
Interest payments received from loans	148	438	1,071	3,503	1,667	232				486	1,355	5,475	10,637	15,360	996	731
Interest Income														52	38	2
Other Income/Adjustments																
Pass Through From FAME/SSCBI/EPA																
Sub-Total Cash Available	**342,977**	**145,896**	**597,573**	**483,202**	**621,773**	**444,919**	**773,691**	**138,448**	**3,548,478**	**3,949**	**10,383**	**20,453**	**38,638**	**25,637**	**7,949**	**733**
Less:																
FAME Annual Admin. Fee; Invoices																
Disbursements - Loans/Grants			-23,901													
Sub-Total Cash Available:	**342,977**	**145,896**	**573,672**	**483,202**	**621,773**	**444,919**	**773,691**	**138,448**	**3,524,577**							
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)			(5,475)													
Fund 280 Reserve for Commitments							-									
Fund 280 Reserve for Administration							(42,841)	-500								
Total Ending Loan/Grant Cash Bal.	**342,977**	**145,896**	**425,506**	**483,202**	**621,773**	**444,919**	**730,850**	**137,948**	**3,333,070**							

Downtown Portland Corporation
Naviline Listing with Charge Codes
For the Month Ending September 30, 2021

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):						
7566	1683	Rosemont Market, Inc.	8/8/2019	9/1/2022	$150,000	0	$150,000	$116,428
7158	1561	Forefront Brick South, LLC	11/18/2016	12/1/2026	$100,000	$0	$100,000	$64,750
		Sub-Total PBF (UDAG)						**$181,177**
		Portland Business Fund 272 (Restricted - CIP):						
6502	1436	Portland Food Cooperative	6/4/2014	10/1/2021	$130,000	$0	$130,000	$46,980
		Sub-Total PBF (Bonds/CIP Restricted)						**$46,980**
		Portland Micro Capital Fund 271 (UDAG/Unrestricted):						
5837	1341	Back Bay Skate	9/10/2012	9/1/2017	$12,500	$0	$12,500	$1,571
6120	1380	Portland Trading Co. LLC	4/26/2013	8/1/2018	$15,000	$0	$15,000	$10,328
6501	1435	Sur Lie Wine Bar, LLC	5/2/2014	9/1/2021	$37,335	$0	$37,335	$1,780
7092	1696	Vin Bar, LLC	7/26/2016	9/2/2021	$50,000	$0	$50,000	$16,651
								$30,331
		Sub-Total Micro Capital Fund						
		Portland Business Fund Fund 274 (CIP/Unrestricted):						
7577	1710	Shunk, Sasha (C19 RR)	7/8/2020	2/1/2023	$5,000	$0	$5,000	$3,056
7578	1711	Leeward Maine, LLC (C19 RR)	10/1/2020	3/1/2022	$5,000	$0	$5,000	$3,333
7579	1716	ME Irish Heritage Center (C19 RR)	11/11/2020	3/1/2022	$5,000	$0	$5,000	$3,333
7603	1746	Engility Enterprises (C19 RR)	2/4/2021	1/1/2023	$5,000	$0	$5,000	$4,444
7592	1731	ME Project for Fine Art Conserv. (C19 RR)	10/26/2020	3/1/2022	$1,500	$0	$1,500	$750
7593	1732	Quiero Café (C19 RR)	11/2/2020	3/1/2022	$5,000	$0	$5,000	$4,167
7598	1740	Portland Dry Cleaners (C19 RR)	1/8/2021	6/1/2023	$5,000	$0	$5,000	$4,167
7599	1741	Union Station Wash/Fold (C19RR)	1/8/2021	6/1/2023	$5,000	$0	$5,000	$4,167
7479	1611	On Time Transportation	3/26/2018	4/1/2023	$10,000	$0	$10,000	$4,067
7604	1749	Sailing Ships Portland	1/28/2021	6/1/2023	$5,000	$0	$5,000	$4,167
7605	1750	UNO 2,3 Daycare, LLC (C19RR)	3/24/2021	3/1/2023	$5,000	$0	$5,000	$5,000
7554	1664	Quattrucci & Rouda, LLC	3/19/2019	4/1/2029	$100,000	$0	$100,000	$83,045
		Sub-Total PBF (Bonds/CIP Unrestricted)						**$123,695**
		FAME Fund 277:						
6784	1485	SB & LC Properties, LLC	4/6/2015	5/1/2020	$101,200	$0	$101,200	$85,177
6973	1524	Auto-Care, LLC	2/5/2016	3/1/2021	$32,500	$0	$32,500	$20,228
7029	1533	BayCycle	5/13/2016	9/1/2023	$20,000	$0	$20,000	$7,211
7157	1560	Forefront Brick South, LLC	11/18/2016	12/1/2026	$250,000	$0	$250,000	$161,875
6485	1469	Evo Rock & Fitness Portland	4/14/2014	11/1/2024	$132,954	$0	$132,954	$50,860
7176	1565	Adele Masengo Designs, Inc.	1/6/2017	2/1/2022	$15,000	$0	$15,000	$7,081
7532	1629	CAG RE, LLC	8/15/2018	9/1/2023	$50,000	$0	$50,000	$25,010
7553	1661	Maine Family Services	2/8/2019	3/1/2024	$25,000	$0	$25,000	$13,665
7357	1593	747 Congress LLC	1/25/2017	7/1/2022	$150,000	$0	$150,000	$110,515
7561	1674	Calendar Sailing Company	5/2/2019	6/1/2024	$50,000	$0	$50,000	$42,851
7562	1675	Gallery Acquisition Co. Inc.	5/16/2019	6/1/2026	$75,000	$0	$75,000	$56,306
7565	1682	Zootility Co.	8/7/2019	9/1/2024	$150,000	$0	$150,000	$138,863
7567	1699	Quinn's Bardega, LLC	2/10/2020	3/1/2025	$50,000	$0	$50,000	$45,927
7567	1700	Quinn's Bardega, LLC	10/2/2019	11/1/2024	$50,000	$0	$50,000	$48,341
		Sub-Total FAME Fund						**$813,908**
		FAME SSBCI 279:						
7580	1715	Biodiversity Research Institute	3/26/2021	4/1/2026	$200,000	$0	$200,000	$197,775
7600	1742	Driscoll Child Dev. Center	5/5/2021	6/1/2026	$60,000	$0	$60,000	$58,215
6199	1390	Inn at Diamond Cove LLC	7/10/2013	2/28/2025	$200,000	$0	$200,000	$139,726
7601	1743	Flores Restaurant LLC	6/9/2021	7/1/2026	$38,000	$0	$38,000	$38,000
7233	1570	KODA, LLC	3/31/2017	4/1/2027	$100,000	$0	$100,000	$85,870
		Sub-Total FAME SSBCI						**$519,585**
		Brownfields Loan Fund 278 and 280						
6555	1457	Forefront Partners, LP/Fund 278	7/30/2014	2/1/2025	$200,000	$0	$200,000	$76,358
		Forefront Partners I, LP/Fund 280	4/12/2018	7/12/2028	$350,000	$0	$350,000	$350,000
		Sub-Total Brownfields						**$426,358**
		Grand Total Loans				**$0**	**$2,950,989**	**$2,142,035**
		Allowance for uncollectable loans at 15%						$321,305
		Total with Allowance for uncollectable loans:						**$1,820,730**

COVID-19 PDC Loan and Grant Programs
a/o 7/15/2021

			Budget:	Amount Approved to Date (inc. subtracting declined loans):	Balance:	PDC Moved $80k from BAP to Micro 8/6/2020	PDC Moved $83k from BAP to Micro 11/19/2020	Reduction by PDC Bd 9/17/2020 :	Balance
PDC Budget for Rapid Response Loan Program:		**$400,000**							
- Reserve for Underwriting:		**$10,000**	$390,000	$151,500	**$238,500**			-$200,000	**$38,500**
PDC Budget for BAP-Rehire Program (available 7/1/2020):		**$77,000**	$77,000	$15,000	**$62,000**				
PDC Budget for CDBG Microenterprise and BAP Grant Program:		**$305,783**							
- For BAP:		$176,565							
Less Reserves for Underwriting and Translation:		-$13,625							
TOTAL for BAP		**$162,940**	$163,000		**$163,000**	**$83,000**	**$0**		
- For Microenterprise:		$129,218							
Less Reserves for Underwriting and Translation:		-$9,218							
TOTAL for Microenterprise:		$120,000	$120,000	$242,500	**-$122,500**	**-$42,500**	**$40,500**		

Rapid Response Loan Program		
Loan Approved to:	**Date Approved**	**Amount Approved**
Shunk Child Care	6/9/2020	**$10,000**
02 Salon and Spa*	8/6/2020	$10,000
Leeward Restaurant	8/6/2020	**$10,000**
Quiero Café	8/6/2020	**$10,000**
Little Root Childcare/Hug a Bug*	8/6/2020	$10,000
ME Art Project for Fine Art Conservation	8/6/2020	**$6,500**
Maine Irish Heritage Center	8/6/2020	**$10,000**
TOTALS:		**$66,500**

Microenterprise Grant Program		
Grant Approved to:	**Date Approved**	**Amount Approved**
Makkah Market	6/9/2020	$2,500
Inn at Park Spring	6/9/2020	$2,500
Designs by CC, LLC	6/9/2020	$2,500
TMC Portland, LLC	6/9/2020	$2,500
Claramunt Group, Ltd. Co.	7/16/2020	$2,500
Fleetwood House	7/16/2020	$2,500
Landlords Best Friend Prop. Mgmt.	7/16/2020	$2,500
Abraxas, LLC	7/16/2020	$2,500
Convinced Photography	7/16/2020	$2,500
Ashley Flowers Yoga	7/16/2020	$2,500
Nuf Sed	7/16/2020	$2,500
West End Property Preservation	7/16/2020	$2,500
Resilience Maine LLC	7/16/2020	$2,500
Catgut Productions	7/16/2020	$2,500
No Slack! Sportfishing Charters	7/16/2020	$2,500
Kendall Hinkley Massage Therapy	7/16/2020	$2,500
Above & Beyond Home Stages, LLC	7/16/2020	$2,500
Tu Casa	7/16/2020	$2,500
Natalie's Nugget	7/16/2020	$2,500
Coco Cones	7/16/2020	$2,500
Eddie's Nails	7/16/2020	$2,500
Waterlily	7/16/2020	$2,500
Chez Castel, LLC	7/16/2020	$2,500
Back Cove BBQ and Pizzeria	8/6/2020	$2,500
Fore River Gallery LLC	8/6/2020	$2,500
Nova House LLC	8/6/2020	$2,500
Little Children Play Yard	8/6/2020	$2,500
Carter Shappy	8/6/2020	$2,500
Brandi Lawrence	8/6/2020	$2,500
Factory 3 LLC	8/6/2020	$2,500
Red Sea Restaurant	8/6/2020	$2,500
GSD Home Improvement LLC	8/6/2020	$2,500
Bloomers Custom Florals LLC	8/6/2020	$2,500
Niyat Catering	8/6/2020	$2,500
Tegan Jewelry	8/6/2020	$2,500
Timothy Mitchell	8/6/2020	$2,500
Totals:		**$90,000**

BAP Re-Hire (from $77,000 of 7/1/2020)		
Grant Approved to:	**Date Approved**	**Amount Approved**
Dock Fore	7/16/2020	$5,000
Holding Hands Home Health Care	12/17/2020	$10,000
Totals:		**$15,000**

*Declined Loan

Rapid Response Loan Program		
Loan Approved to:	**Date Approved**	**Amount Approved**
Portland Dry Cleaners, Inc.	11/19/2020	$10,000
Union Station Wash & Fold	11/19/2020	$10,000
Engility Enterprises, LLC	11/19/2020	$10,000
Sisters Gourmet Deli*	11/19/2020	$10,000
House of Languages*	11/19/2020	$5,000
Gamage Operating Co.	12/17/2020	$10,000
Portland Community Squash	12/17/2020	$5,000
240 Strings	12/17/2020	$5,000
Uno 2 3 Day Care	2/18/2021	$10,000
Dos Naciones	2/18/2021	$10,000
MAMM	2/18/2021	$5,000
Sichuan Kitchen	2/18/2021	$10,000
Brick Trust	4/15/2021	$10,000
Dutch's Breakfast & Lunch	6/17/2021	$10,000
TOTALS:		**$120,000**

Microenterprise Grant Program		
Grant Approved to:	**Date Approved**	**Amount Approved**
Makkah Market Reapply	11/19/2020	$2,500
Fore River Gallery LLC Reappl	11/19/2020	$2,500
Eddie's Nails Reapply	11/19/2020	$2,500
Chez Castel LLC Reapply	11/19/2020	$2,500
Factory 3 LLC Reapply	11/19/2020	$2,500
Tu Casa Reapply	11/19/2020	$2,500
Red Sea Restaurant Reapply	11/19/2020	$2,500
TMC Portland Reapply	11/19/2020	$2,500
Adventure Marketplace	11/19/2020	$2,500
Sun Bakery & Restaurant	11/19/2020	$5,000
Alice Yardley Maine	11/19/2020	$2,500
C Love Cookie Project	11/19/2020	$2,500
Bright Star World Dance	11/19/2020	$5,000
Papa Clo Grocery Store	11/19/2020	$5,000
Beth Clarke	11/19/2020	$5,000
Still Life Studio	11/19/2020	$5,000
Maine Language Connect	11/19/2020	$2,500
Love Lab Studio	11/19/2020	$5,000
Shannon Wong Massage	11/19/2020	$2,500
Victorieux LLC	12/17/2020	$2,500
Car Hop	12/17/2020	$2,500
Field Floral Studio	12/17/2020	$2,500
Jessica LeVecque Hair	12/17/2020	$5,000
LC Moulton	12/17/2020	$5,000
Longstocking Design	12/17/2020	$2,500
East West Therapeutic Arts	12/17/2020	$5,000
Mariama's Beauty Supply	1/21/2021	$5,000
Flores Restaurant	1/21/2021	$5,000
Strong Arm Bindery	1/21/2021	$5,000
Justina's Hairshop	1/21/2021	$5,000
Moria Store	1/21/2021	$5,000
Dapper Productions	2/18/2021	$2,500
Innox Entertainment	2/18/2021	$2,500
Nova House Reapply	2/18/2021	$2,500
Kendall Hinckley Reapply	2/18/2021	$2,500
Language XS	3/18/2021	$2,500
Blend Studio	3/18/2021	$5,000
Abraxas	3/18/2021	$2,500
GSD Home Improvement Rea	4/15/2021	$2,500
Sandstone Therapeutic	4/15/2021	$5,000
Kate Does Hair	4/15/2021	$5,000
Arena Carpentry	6/17/2021	$2,500
The Middle Men	6/17/2021	$2,500
Maine Motor Sales	7/15/2021	$5,000
Totals:		**$155,000**

Portland Development Corporation
Board of Directors
Fiscal Year End 2021 Annual Report

The Housing and Economic Development Department provides the primary staff support to the Portland Development Corporation (PDC) with legal assistance from Corporation Counsel. The Housing and Economic Development Department is responsible for marketing and administration of the PDC's Commercial Loan and Grant Programs.

The PDC Board of Directors met eleven times over the course of the fiscal year; this year it did not have its Annual Business Awards Reception due to the COVID-19 Pandemic.

In response to the COVID-19 Pandemic in late FY2020, the PDC created three programs to assist businesses, which guidelines were approved by the City Council in May and June 2020. The programs included the COVID-19 Rapid Response Micro Loan Program, the COVID-19 Microenterprise Grant Program, and the COVID-19 BAP Rehire Grant Program. These programs are detailed later in this Report.

During FY2021, the PDC invested $1,082,500 in 88 businesses. This includes three commercial loans totaling $298,000; Brownfield Loan of $250,000; Brownfield Grant of $150,000; sixteen COVID-19 loans totaling $141,500, 66 COVID-19 Microenterprise Grants totaling $230,000, and two COVID-19 BAP Rehire Grants totaling $12,500.

See table below for loan and grant activity for FY2016 through FY2021.

	FY16	**FY17**	**FY18**	**FY19**	**FY2020**	**FY2021**
No. of Commercial Loans Made	5	10	6	6	5	3
Total Amt. of Funds Lent	$370,000	$873,500	$405,000	$320,000	$434,000	$298,000
Total Private Investment Leveraged	$1,139,361	$11,439,338	$5,112,884 (inc. Brownfield Loan Leveraging)	$1,882,700	$1,423,475	2,206,000
Jobs Created	8	40	14	21	2	8
Jobs Retained	11	17	62	7	125	40
No. of Brownfield Grants/Loans	1	2	2	1	1	2
Total Amt. of Grants/Loans	$75,000/Grant	$192,000/Grants	$350,000/Loan; $170,000/Grant	$125,000	$125,000	$250,000/Loan $150,000/Grant
No. of Business Assistance Grants for Job Creation	7	0*	7	9	13	0
Total Amt. of Grants	$115,000	0	$130,000	$140,000	$200,000	0
Jobs Created	11	0	12	14	20	0
No. of Portland Econ. Dev. Plan Implementation Grants	3	8	4	2	Program Discontinued Order #45 on 9/16/2019	
Total Amt. of Grants	$37,300	$48,331	$37,900	$30,000		
COVID-19 Rapid Response Micro Loans					1 for $10,000	16 for $141,500
COVID-19 Microenterprise Grants					4 @ $2,500 each or $10,000 total	66 for $230,000
COVID-19 Business Assistance Grants for Job Creation						2 for $12,500
PDC Total Investment	**$502,300**	**$926,831**	**$1,062,900**	**$615,000**	**$779,000**	**$1,082,000**

*No funds were available during FY2017.

PDC Fiscal Year 2021 Loan and Grant Detailed Activity

FY2021 Loans Closed, Including COVID-19 Loans

The FY2021 PDC loan portfolio grew with 19 loans closed for a total of $439,500.

Commercial (Non-COVID) Loans: The PDC closed three commercial loans totaling $298,000 which assisted in retaining 40 jobs and creating 8 new jobs. In addition, these loans leveraged over $2.2 Million in private commercial investment for a 7:1 private/public investment ratio; that is for every dollar of public investment there was approximately seven dollars of private investment. Types of businesses provided loan assistance included child care/learning center, restaurant, and biodiversity research.

COVID-19 Loans: The PDC closed 16 COVID-19 Loans for a total of $141,500, which loans assisted in retaining or rehiring 78 jobs. Maximum loan amount was $10,000 with $5,000 forgiven if the business met the job rehire conditions. Of the 16 loans, 14 so far have met the job rehire/retain provision and a total of $70,000 was forgiven. Leveraging was minimum for these loans due to their nature. Types of businesses assisted included child care, restaurants, sports, dry-cleaning, and music.

Commercial and COVID-19 Loans: During the past eleven years, FY2010 through FY2021, the PDC has extended 93 loans for a total of just over $6.2 Million, while leveraging just over $82.5 Million in private investment and creating/retaining over 865 jobs.

PDC Loan Portfolio

As of the end of FY2021, the PDC active loan portfolio exceeds $2.6 Million, with 36 loans under management. This loan portfolio of $2.6 Million leverages $31.6 Million in private investment in Portland, for a leverage of $12 of private funds invested to each dollar of public funds invested, a 12:1 ratio. These loans helped to create/retain over 375 jobs, and include a diverse mix of PDC investments in businesses noted above, as well as a paddle boat company on Portland's waterfront, fitness, retail, recreation, and service businesses. It is also noted that of the 36 loans under management, 9 are to the immigrant community.

As a result of a successful grant application, beginning in 2012, funds from the U.S. Treasury's State Small Business Credit Initiative (SSBCI) became available to the City as a lending source. To date, the PDC has utilized $922,500 in SSBCI funds for loans to six Portland businesses. Since the SSBCI Program expired in early 2017, all of the loan funds, once paid off by the borrowers, become the City's, expanding the PDC loan pool by what will likely be over $1 million.

PDC Lending History

Since its inception in 1991, the PDC has made 196 loans to diverse businesses including manufacturing (e.g., breweries and biosciences), hospitality, restaurants, retail, child care, sports/fitness, biodiversity research, and service, among others. The following table provides an overall view of the activities:

Total Amount of Funds Lent:	**$12,010,035**
Leveraged Amount of Private Financing:	**$128,163,755**
Jobs Retained:	**1,522**
Jobs Created:	**820**
COVID-19 Loans/Jobs Rehired/Retained:	**78**
16 Loans Defaulted*	**$708,480**

*****Default amount of $708,480 is 5.89% of total amount of funds lent.

COVID-19 Microenterprise Grant Program

This Grant Program provides grants of up to $5,000 for Portland businesses that operate out of leased commercial space and $2,500 to other Portland microenterprises, including home-based businesses, that have been and/or are being impacted by the COVID 19 crisis. Startups are also eligible given that they are opening during this challenging period.

This Grant Program started towards the end of FY2020, with the PDC Board approving four Grants at $2,500 each.

During FY2021, the PDC Board approved grants for 66 businesses in the total amount of $230,000.

COVID-19 Business Assistance Program for Job Creation (Rehire) Grant Program

This Grant Program provides up to $10,000 in grant funding to small businesses for rehiring up to four full-time employees or jobs that were on the payroll just before the COVID-19 crisis. The Program provided a total of $12,500 in grant funds to two businesses during FY2021. Because other COVID-19 programs proved to be more helpful to businesses, this program received very few applications. Consequently, the additional funding for this program was moved to the Microenterprise Grant program which better met the needs of small businesses.

Business Assistance Program for Job Creation – Non COVID-19 Program

The 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 for low/moderate income individuals. A private match is required in an amount that is at least equal to the grant requested. The maximum grant amount per recipient is $20,000. For every $10,000 of grant funds, one full-time permanent job must be created.

This program was originally capitalized with $100,000 from the Community Development Block Grant (CDBG) and launched in May 2012. It was re-capitalized by the CDBG program in FY14 and FY16 with an additional $100,000 each of those years, an additional $108,543 for FY18, $145,000 for FY19, and $200,000 for FY2020.

Grants awarded since the Program's inception (FY12 through FY2020) total over $750,000 to 52 recipients, including 11 to the immigrant community, resulting in the creation of 74 jobs. The program has provided assistance to a diverse group of start-up and existing businesses including restaurants, bakeries, food production, clothing and textile manufacturers, pharmacy, computer services, music venue, bicycle sales/service, hair salons, auto repair, and home health care services.

This program received funding of $205,000 for FY2022. Combined with leftover BAP funds from 2019 ($3,217), 2020 ($20,587), and 2021 ($72,954), the program will start with a total of $301,758 for FY2022.

Brownfields Grant Award from the United States Department of Environmental Protection (EPA)

The City of Portland applied for a Brownfields Grant from the EPA during FY2016. At the beginning of FY17, the City was awarded a grant of $800,000 to support loan and grant investments in environmental site cleanup. The City was awarded an additional $500,000 in cleanup funds and $200,000 in assessment funds during FY18. During FY2021, the City applied for additional Brownfield grant funds and received $480,850 in cleanup funds.

The City Council accepted and appropriated these funds to recapitalize the Brownfields Revolving Loan and Grant Program and a Brownfield Assessment Program. The funds are used as loans to for-profit developers, and, in some cases, as grants to non-profits for clean-up of Brownfields sites throughout the City. The assessment funds will cover the cost of Phase I and Phase II Environmental Site Assessments in Portland.

Brownfield actions of FY18, FY19, FY2020, and FY2021:

1. In FY18, a loan of up to $350,000 was approved and provided to Forefront Partners I LP for engineering and clean-up/remediation connected to four projects on Thompson's Point. Those projects include the Suburban Propane redevelopment site, the East Loop Road (to the future Children's Museum and Theatre building), a Pavilion, and a Hotel.

2. Again, in FY18, a $170,000 grant was approved for Children's Museum & Theater of Maine (CMTM), a non-profit organization which purchased a 1.12 acre property (Lot 7) on Thompson's Point. In this $14 Million project,

CMTM will construct a 3-story 29,000 sq. ft. building on that property with outdoor play areas. This grant will assist in remediation/cleanup of the site.

3. In FY19, a $125,000 grant was approved for the Portland Housing Authority (PHA) to assist with remediation/cleanup costs for contaminated property at 58 Boyd Street. Once remediated, PHA will develop a six-story, 55-unit mixed income residential building with multi-family affordable apartments (65% low income). Project buildout costs are estimated at over $13 Million.

4. In FY19, the PDC recommended to the City Council, and the City Council approved, that Phase I and Phase II Environmental Assessments from the Assessment Fund received from USEPA in 2018 (Fund 281) can now be approved administratively, rather than brought to the PDC Board for approval. If assessments are to use Brownfields Closeout funds (Fund 278), staff will bring these requests to the Board for approval, as it has done in the past.

5. In FY2020, a $125,000 grant was approved for the PHA to assist with cleanup costs for demolishing 50 units of public housing on Front Street (in the East Deering neighborhood) that are the end of their useful life. In their place, 105 units of affordable mixed-income apartments (for those earning less than 60% of Area Median Income) will be constructed with a significant amount of open space for use by residents. Total project costs for both Phase 1 and Phase 2 is estimated at $20.5 Million.

6. In FY2021, a Brownfields remediation/cleanup loan of $250,000 and grant of $150,000 was approved for Youth and Family Outreach for their renovation and construction project at 337 and 331 Cumberland Avenue, in partnership with the Portland Housing Authority. The Project is a mixed income 5-story, 60-unit apartment building, with a 10,000 sq. ft. child care/education facility on the first floor. These loan and grant funds will assist with the remediation/cleanup of hazardous building materials and urban fill type contaminants in the soil, at a total estimated cost of $2 million.

Portland Economic Development Plan Implementation Program (PEDPIP) Grant Fund

History:

The PEDPIP Grant Fund was created during FY12 to provide grant funds to invest in economic development projects and programs that carry out Portland's Economic Development Vision and Plan ("Plan"), and its companion Work Plan which is updated every two years. Grants must be matched by an equal or greater dollar amount from funding sources other than the PDC.

The PEDPIP grants have funded planning studies and other "soft" costs associated with economic development projects and programs that advance the initiatives spelled out in the Plan and current Work Plan. PEDPIP does not invest in "hard" costs for public infrastructure or private development projects. Its focus is on expenditures for economic development projects and programs.

The PEDPIP program was initially capitalized by PDC loan funds in the amount of $250,000 in FY12. The maximum grant amount was originally $75,000. By the end of 2014, the full $250,000 had been awarded in PEDPIP grants. During FY2015, the PDC Board recommended to the City Council, and the Council approved, re-capitalizing PEDPIP by establishing a yearly cap at the beginning of each fiscal year using 10% of Unrestricted PDC loan funds that were available/uncommitted, beginning with FY16. They also amended the maximum grant amount to $15,000.

Since its inception through FY19, the PDC Board approved grants in the total amount of $465,245 as follows:

Portland Community Chamber for the following projects:
- "Why Portland" Videos
- Growing Portland Initiative
- Scorecard Updates (2014; 2015)
- Startup and Create Week (2014; 2015)

Creative Portland for the following projects:
- Branding Portland
- LiveWork Website Update
- Creative Economy Metrics
- Artspace Survey
- Creative Map and Guide
- Creative Space (inventory, web-based clearing house, resource guides)
- UNESCO Creative Cities Application
- Work in Place Summit
- Green Light Series Finale
- Update to Portland Cultural Plan
- Hire Professional "Experience Design" Consultant/Cultural Application

Portland Performing Arts Festival

City of Portland - Staff participation in the Maine International Trade Center Mission to Iceland and UK

City of Portland/Portland Community Chamber – Industry Sector Research Conducted by the Maine Center for Business and Economic Research

City of Portland – Greater Portland Economic Development Corporation/ Maine International Trade Center/Invest in Maine Program

City of Portland – Office of Economic Opportunity for the following projects:
– Develop Strategies and Measurable Plan to Integrate Immigrants
– Create Professional Connector Program/Jobs for New Mainers

World Affairs Council for its Celebrate Immigration Initiative

Cooperative Development Institute – Institutional Food Service and Procurement

Maine Center for Enterprise Development for the following projects:

– Top Gun Overhaul and Preflight
– E*Next Pilot Project

Maine Convention Center Collaborative/Portland Community Chamber – Feasibility Study for Convention Center

Portland Buy Local – Host Community Forum to Strengthen Portland's Economy

Portland Downtown for the following projects:
– Parking Study
– Walking Tour

Maine College of Art – Campus Master Plan

GPCOG – Portland Food Launch and Festival

Women United Around the World – Vocational Training Program for Immigrant Women

Maine Immigrant Rights Coalition – Create Database/Immigrant Economic Opportunity Network

Maine Crafts Association – Gallery at 519 Congress Street for Maine Craft Artists, and a Hub for Education, and Culture

Portland Adult Education – New Mainers Resource Center Education Assistance

<u>PEDPIP Program Discontinued in FY2020</u>

The PDC Board recommended to the City Council discontinuation of this Program because, having been in existence for over 7 years, it produced what it had intended – to help facilitate the implementation of the primary objectives of the August 2011 Vision and Plan to stimulate private sector investment and growth. The Council voted to discontinue the program at its September 16, 2019, meeting.

<u>PDC Annual Awards Program</u>

Due to the continued Pandemic, the Annual Awards Program had to be canceled.

<u>Summary</u>

The PDC looks forward to continuing to assist in providing and leveraging investment in Portland area businesses and development projects. With grant programs, its loan portfolio growing, and loan funds available to invest, the PDC would like to thank the City Council for its continued support.

PDC Board of Directors:

Tim Agnew
Councilor Tae Chong
James Dowd, Secretary
Tom Dunne
Blaine Grimes, Treasurer
Jeffery Hicklin
Jon Jennings, City Manager
Steve Lovejoy
Laura Reading

Julie Viola, President
Briana Volk

PDC Staff: Greg Mitchell, Housing and Economic Development Director
Nelle Hanig, Business Programs Manager
Lori Paulette, Senior Executive Assistant
Michael Goldman, Associate Corporation Counsel

PORTLAND DEVELOPMENT CORPORATION
Statement of Net Position
June 30, 2021

(Preliminary and Subject to Audit)

ASSETS		
Cash		$ 2,634,778
Due from other governments		23,513
Accounts receivable		5,372
Loans receivable	$ 1,851,772	
Allowance for uncollectible loans	(233,600)	1,618,172
TOTAL ASSETS		$ 4,281,834
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	$ -	
Total Liabilities		$ -
Fund Equity:		
Reserves		
Loans Receivable	$ 1,618,172	
Economic Development Fund	84,633	
Unrestricted UDAG	552,407	
Restricted CIP	340,134	
Unrestricted CIP	158,564	
FAME	447,924	
EPA Revolving Loan Fund (Brownfield)	442,714	
FAME SSBCI	604,955	
Brownfield Grants	32,330	
Total Fund Equity		4,281,834
TOTAL LIABILITIES AND FUND EQUITY		$ 4,281,834

PORTLAND DEVELOPMENT CORPORATION
Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended
June 30, 2021

(Preliminary and Subject to Audit)

Revenues and Financing Sources		
Federal Grants	$ 224,169	
Application Fees	2,738	
Late Fees	763	
Interest Received on Loans	112,787	
Investment Interest Income	4,659	
Total Revenues and Financing Sources		$ 345,115
Expenditures and Other Charges		
Administrative Services	$ 58,637	
Net Payments to Contractors	370,054	
Adjustments to Allowances	63,664	
Total Expenditures and Other Charges		492,355
Excess (deficiency) of revenues over expenditures		$ (147,240)
Fund Balance, June 30, 2020		4,429,074
Fund Balance, June 30, 2021		4,281,834