Minutes
Portland Development Corporation
July 25, 2019

A meeting of the Portland Development Corporation (PDC) Board of Directors was held at 4:00 p.m. on Thursday, July 25, 2019, in Room 24 of Portland City Hall. Present from the Board was its President Tim Agnew and Board Directors James Dowd, Tom Dunne, Jon Jennings, Steve Lovejoy, and Laura Reading. Board Directors Blaine Grimes, Jeffery Hicklin, Mayor Strimling, Julie Viola, 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. Also present was PDC Underwriter Vin DiCara.

Item #1: President's Comments

President Agnew noted that it is time for an Awards Committee to be formed to discuss and make recommendations to the full Board on proposed recipients for the four business awards, with the event generally occurring the third Thursday in November in place of the regular Board meeting. Directors Jon Jennings and Laura Reading volunteered to serve, as did President Agnew. Mr. Mitchell noted that staff would get in touch with Board Directors not present today to see if there would be additional volunteers.

Item #2: Review and accept Minutes of June 27, 2019 meeting.

On motion made by Mr. Dunne, seconded by Mr. Lovejoy, the Board voted 4-0-2 (Jennings and Lovejoy abstained) to accept the Minutes as published.

Item #3: Review and vote on loan application from Above the Line Accounting, 449 Forest Avenue

<u>Note: Pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119—A, the Board may go into executive session to discuss confidential information regarding this loan application.</u>

Ms. Hanig highlighted this request noting that Above the Line Accounting owner Rebecca Griffin had been running her own accounting firm for three years when she purchased an existing Portland accounting business in 2016, bringing with it many new clients contributing to business growth. The company currently serves between 500-600 clients, with many of its services less expensive than other like businesses. Ms. Hanig noted that Ms. Griffin is seeking a $40,000 loan to assist with permanent working capital and financing of a small high interest loan. Because the small high interest loan will be paid off in September this year, however, she and the loan underwriter are recommending a $34,000 loan. She then introduced Ms. Griffin.

Ms. Griffin thanked the Board for taking up this loan request. She noted that she has been in the industry for 14 years and has continuity with her clients worldwide. The business is growing approximately 20% per year, with marketing done mostly via word of mouth. She also added that her business is half the price of other like firms, with 75% of the revenue coming in from January to April and described her cash flow.

Mr. Dunne asked about employees, and Ms. Griffin indicated that she hired a full-time employee September 2017, and also now has an office manager. She anticipated adding a person a year.

Mr. Lovejoy asked about marketing, and Ms. Griffin said that it is limited to mostly word of mouth, while also offering a one-hour free consultation.

In response to Ms. Reading, Ms. Griffin described the business ownership and services it provides, including assistance with payroll and benefits for small entrepreneurs, as well as tax returns.

Mr. Jennings asked about the charge for basic tax return services, and Ms. Griffin indicated that to be $25.00 for college students – in anticipation of keeping them for the longer term, and $75 for others.

Mr. Agnew asked if she had undergone an IRS audit, and Ms. Griffin indicated that she had a couple of times and provided an example.

Mr. Dunne asked about the mix of clients, and Ms. Griffin indicated that to be approximately 500 businesses and 100 individuals.

Mr. Lovejoy asked about CPA status, and Ms. Griffin noted that she had taken all the courses and now needs to take the exam, which she may not take as she prefers assisting with business planning rather than conducting audits.

President Agnew, noting no further questions, suggested that the Board take up the PEDPIP item as there were members from the public who may want to speak to that item. The Board would then go into executive session to review confidential material related to this loan request, and them come out of executive session and vote, and further discuss the PEDPIP item. The Board concurred.

Item #4: Review and possible vote on a recommendation to the City Council regarding the PEDPIP Program.

Ms. Hanig said that the Board previously discussed the future of the PEDPIP program, noting that staff offers three options – ending it, changing nothing, or modifying, with staff recommending ending the program as, after seven years, it has done what it was intended to do. In addition, the economy is much better now than when the Program was first implemented, noting the recession when it first began. Funding for the PEDPIP has come from unrestricted funds, with close to $500,000 in grant funds approved. With $485,000 in the unrestricted funds (Unrestricted CIP and UDAG) remaining today, and a loan to Rosemont Market of $150,000 coming from that fund, it would leave $335,000, which could be gone after two $150,000 loans.

President Agnew asked if there was any public comment.

Casey Gilbert, Executive Director of Portland Downtown, said that she was here to thank the Board for the PEDPIP program, noting that PD received two grants for the Walking Tour Brochures, now in its second round of printing, and the Parking Study, of which we are now seeing some of the recommendations implemented. She thanked the Board again for the program and the community benefits.

Seeing no further public comments, President Agnew closed the public comment session and noted the Board would now go into executive session to review confidential information of the loan applicant.

Item #3: Review and vote on loan application from Above the Line Accounting, 449 Forest Avenue

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 confidential information regarding this loan application.

On motion made by Mr. Dunne, seconded by Mr. Dowd, the Board voted unanimously at approximately 4:39 to go into executive session Pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119—A, discuss confidential information regarding this loan application. At approximately 4:58, the Board came out executive session.

Mr. Dunne made a motion to approve the loan as recommended by the staff and underwriter, while giving staff the opportunity to work out the regular loan payments with Above the Line Accounting on a mutually agreeable basis. Ms. Reading seconded the motion, and it then passed unanimously.

Item #4: Review and possible vote on a recommendation to the City Council regarding the PEDPIP Program.

Mr. Mitchell noted that staff is concerned about the availability of unrestricted loan funds and is recommending that the program be discontinued, which would need City Council approval.

Ms. Hanig added that the REDLP fund is more restrictive and, for example, could not fund the Rosemont Market loan.

Mr. Jennings apologized for not attending the past Board meetings due to a conflict to attend the Waterfront Working Group meetings at approximately the same time. Regarding this item, he would request a delay to better understand what staff is recommending, suggesting that the PDC Board take this up at its August meeting for a vote/recommendation to the City Council, which could be taken up at its Sept. 4 Council meeting. The Board concurred.

There being no further business, the meeting then adjourned at approximately 5:07 p.m.

Respectfully, Lori Paulette