

Minutes
Portland Development Corporation
October 17, 2019

A meeting of the Portland Development Corporation (PDC) Board of Directors was held at 4:00 p.m. on Thursday, October 17, 2019, in Room 209 of Portland City Hall. Present from the Board was its President Tim Agnew and Board Directors James Dowd, Tom Dunne, Blaine Grimes, Jeffery Hicklin, Jon Jennings, Steve Lovejoy, Laura Reading, Julie Viola, and Briana Volk. Board Director Mayor Ethan Strimling could not be present. Present from the City staff were Business Programs Manager Nelle Hanig, Economic Development Director Greg Mitchell, and Senior Executive Assistant Lori Paulette. Grant/loan underwriter David McLaughlin was also present.

Item #1: President's Comments

President Agnew reminded the Board of the December 11 Awards event at Ocean Gateway from 4:30 to 6:30.

Item #2: Review and accept Minutes of the August 22, 2019 meeting.

On motion made by Mr. Dunne, seconded by Mr. Jennings, the Board voted unanimously to accept the Minutes as published.

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

- a) Anouche, LLC – 43 Washington Ave.**
- b) Quattrucci and Rouda, LLC (d/b/a Monte's Fine Foods) – 788 Washington Ave.**
- c) PelotonLabs LLC – 795 Congress St.**
- d) Leeward Maine, LLC – 85 Free St.**
- e) Ready Seafood Company – 40 Commercial St.**

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 Agnew noted that the Board would hear from all applicants first, discuss any questions, and then go into executive session to review proprietary information and then come back out in public session to vote.

Ms. Hanig said that this round of BAP grants has a total of \$200,000 awarded from the City's CDBG program. This round was launched September 3rd and, to date, the City has received five applications – four from the food industry and one from a co-worker space – in the total amount of \$90,000, which, if approved, would leave another \$110,000 remaining for any other BAP requests.

BAP Request from Anouche, LLC

Ms. Hanig said that this is a startup Basque-inspired cider bar serving small plates of Northern Spanish cuisine and requesting a \$20,000 BAP. The restaurant is anticipated to open in November with 5 full-time and 4 part-time employees. She then introduced its owner Erika Colby.

Ms. Colby thanked the Board for their time. She noted that she has been in the restaurant business for twenty years and has been learning about the Basque culture for the past three years and is ready to open this restaurant and create a community culture.

Mr. Jennings asked about employee training, and Ms. Colby indicated that the grant will assist to help pay starting salaries for employees hired prior to opening in order to train everyone for a smooth opening.

In response to Ms. Volk, Ms. Colby indicated that the Chef will learn various culinary skills and that she would provide access to health insurance for salaried, full-time employees.

BAP Request from Ready Seafood

Ms. Hanig noted that Ready Seafood, which started in 2004, is the largest live lobster wholesaler in the United States, exporting worldwide. It is requesting a \$20,000 BAP grant and will create two full-time jobs. The grant would be used to purchase equipment, namely four air pumps to aerate its lobster holding tanks, which will allow them to hold more lobsters, and with that extra capacity create two full-time jobs. She then introduced Kurt Brown, Marine Biologist at Ready Seafood.

Mr. Brown thanked the Board. He noted that Ready Seafood's primary location is at 40 Commercial Street on the Maine State Pier and also has processing and tank facilities in Saco. The new air pumps will help Ready Seafood to keep lobsters alive longer and to increase supply. He then noted that Ready employs many new Mainers, makes presentations in area schools regarding the lobster industry, and provides tours of the facility. He then described their processing to keep lobsters alive until their final destination.

Ms. Reading asked about their height of season, and Mr. Brown said that it may be a little slower in May, but that is about it.

Ms. Grimes questioned Ready Seafood's need for this grant, and Mr. Brown said that Ready is the largest live lobster wholesaler in the country and is growing and described the recent major investment for the new facilities in Saco. This grant would help get a jump start for the new air pumps and additional employees.

Mr. Jennings asked about any impact to Ready based on Federal trade policy, and any expansion plans in Portland. Mr. Brown said that they are still going to China through Canada, domestic demand has never been stronger, and are dealing effectively with the Federal trade policy. As far as expansion in Portland, Mr. Brown said that they are at maximum capacity.

BAP Request from PelotonLabs

Ms. Hanig said that PelotonLabs, which started in 2011, is a co-working facility, business incubator, and entrepreneurial hub at 795 Congress Street. It is requesting a \$10,000 BAP grant to assist with the cost of creating a full-time general manager, which would be Peloton's first employee. She then introduced owner Elizabeth Trice.

Ms. Trice thanked Ms. Hanig and the Board, noting that she has been with Peloton since its inception and became sole owner in 2014. It has served thousands with getting businesses started and many connections made. Ms. Trice noted that she wanted to do spin off consulting work in rural areas, so a new employee would be needed to manage this location.

In response to Mr. Jennings, Ms. Trice said that she does everything, including marketing, sales, member volunteer management, and generally fixes everything that goes wrong.

BAP Request from Leeward Maine

Ms. Hanig said that this is a startup Italian restaurant at 85 Free Street, with a focus almost entirely on fresh handmade pasta. It is anticipating opening in January and is requesting a \$20,000 BAP grant to assist with working capital to help see them through to Spring. The business expects to create at least 6 full-time, and 8 part-time jobs. Two full-time jobs tracked for grant purposes would be a Sous Chef and a Pastry Chef. She then introduced owners Jake and Raquel Stevens.

Mr. Stevens thanked the Board noting that they have been developing this business plan for the past six to seven years, while being in the restaurant industry their whole lives. He noted that they have been meeting with local farmers, seafood suppliers, and wine importers, to name a few, to get a lay of the land. This would be a contemporary Italian restaurant with handmade

pasta at a good price point which would appeal to locals and visitors. Employees will develop skills in all aspects of the restaurant business, and full-time employees will be offered paid time off. They are currently exploring health insurance costs and what they may be able to offer.

Ms. Viola asked how they came to choose this site, and Ms. Stevens noted that they liked that it was centrally located and right in the Old Port and arts district. Mr. Stevens added that they also liked the history of it with Porteous and MeCA.

Mr. Jennings noted that the City will be investing in this section of Free Street. He then asked about any wholesaling in the future, and Mr. Stevens said that may be an option after it is up and running.

Mr. Agnew asked about lower price points, and Mr. Stevens noted sweat equity, owners there everyday, and the affordability of this location.

BAP Request from Quattrucci & Rouda

Ms. Hanig said that Quattrucci & Rouda recently opened Monte's Fine Foods in July at 778 Washington Avenue, with loan assistance from the PDC. It has become a popular neighborhood food destination and is requesting a \$20,000 BAP grant to help with additional marketing, expansion of the on-site bakery, and moving the business into catering. It now employs about 12 people. She then introduced co-owner Steven Quattrucci.

Mr. Quattrucci thanked Ms. Hanig and the Board for their time. He noted that Monte's opened July 12, with an investment over \$2 Million, which included a VRAP as it is a brownfield site. They are hitting their revenue projections, with a goal of \$1.6 Million in the first year - with not a lot advertising. They would now like to get into the catering business, and the BAP will help with that and to expand the bakery. Monte's offers paid time off and insurance

stipend, while also supporting local farmers and products. The now have 15 permanent jobs at \$16/hour average.

President Agnew thanked everyone, noting the Board would now go into executive session to discuss proprietary information of each BAP request, and then come out of executive session and vote.

Mr. Dunne noted that he is friends with Brendan and John Ready so would abstain from voting on the Ready Seafood request.

Ms. Viola noted that Anouche and PelotonLabs are clients of her employer – Gorham Savings Bank, so she would also abstain from voting on that request.

On motion made by Mr. Dunne, seconded by Ms. Grimes, the Board voted unanimously at 4:55 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 proprietary information of each BAP grant applicant. At approximately 5:22 p.m., the Board came out of executive session.

Ready Seafood

On motion made by Mr. Jennings, seconded by Ms. Viola, the Board voted 8-1 (Dowd opposed)-1 (Dunne abstained) to approve this BAP request as recommended by staff.

PelotonLabs

On motion made by Mr. Dunne, seconded by Mr. Jennings, the Board voted 9-0-1 (Viola abstained) to approve this BAP request as recommended by staff.

Quattrucci and Rouda

On motion made by Ms. Grimes, seconded by Mr. Lovejoy, the Board voted unanimously to approve this BAP request as recommended by staff.

Leeward Maine

On motion made by Ms. Volk, seconded by Ms. Grimes, the Board voted unanimously to approve this BAP request as recommended by staff.

Anouche

On motion made by Mr. Dunne, seconded by Mr. Dowd, the Board voted 9-0-1 (Viola abstained) to approve this BAP request as recommended by staff.

Item #4: Treasurer's Report – September 2019

- a) **Monthly Administrative Budget Report**
- b) **Cash Management Report**
- c) **Schedule of Loans Receivable**
- d) **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.**

President Agnew asked if there were any questions on this report. There being none, he asked if any Board member would like to go into executive session to discuss the Confidential Delinquency Report and consensus was there was no need.

Item #5: Annual Meeting of Board

- a) **Election of Officers – President, Treasurer, Secretary**
- b) **Accepting Annual Report for FYE19 and vote to forward to Corporator as a communication.**
- c) **Setting Date for Annual Meeting of Corporator as November 4, 2019.**
- d) **Any other business that may come before the Board.**

President Agnew noted that he emailed the Board with suggested nominations of Julie Viola for President, Blaine Grimes for Treasurer, and James Dowd for Secretary.

On motion made by Mr. Dunne, seconded by Ms. Reading, the Board voted unanimously to accept the nominations and appoint the officers as recommended.

On the Annual Report, Mr. Dunne noted that FY19 loans were down, and Ms. Hanig said that it is most likely due to banks' lending more, suggesting that perhaps marketing be enhanced. Mr. Jennings said that Stacey Dand in his office could assist.

On motion made by Ms. Viola, seconded by Mr. Lovejoy, the Board voted unanimously to accept the FY2019 Annual Report and forward it to the City Council as a communication.

On motion made by Mr. Dunne, seconded by Ms. Grimes, the Board voted unanimously to set the date of the Annual Meeting of the Corporation as November 4, 2019.

On motion made by Ms. Grimes, seconded by Mr. Hicklin, the Board voted unanimously to adjourn at approximately 5:35 p.m.

Respectfully, Lori Paulette