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.

<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 proprietary information of any of the applications listed above.</u>

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

Exhibit A

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