Minutes
Portland Development Corporation
Remote Zoom Meeting
Held on April 16, 2020

A remote meeting, via Zoom, of the Portland Development Corporation (PDC) Board of Directors was held at 4:00 p.m. on Thursday, April 16, 2020. Present from the Board were Directors Tim Agnew, Councilor Tae Chong, James Dowd, Tom Dunne, Blaine Grimes, Jon Jennings, Jeffery Hicklin, and Briana Volk. Board President Julie Viola could not be attendance, as well as Directors Steve Lovejoy and Laura Reading. 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. Grant/loan underwriters Vin DiCara and David McLaughlin were also present.

Board Treasurer Ms. Grimes chaired the meeting.

Item #1: President's Comments

Ms. Grimes noted that the Board will take up agenda items in public as much as possible and would then go into executive session to review proprietary information as needed, after which it would come out of executive session and vote publicly. Votes on motions would be done via roll call.

Item #2: Review and accept Minutes of the January 30, 2020 Board meeting.

On made by Mr. Jennings, seconded by Mr. Hicklin, the Board voted 5-0-3 (Dowd, Dunne, Volk abstained) to accept the Minutes as published.

<u>Item #3: Review and vote on Brownfield grant request from Portland Housing Authority for the affordable housing project on Front Street.</u>

<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 regarding this loan application.</u>

Ms. Hanig introduced this item noting that Portland Housing Authority (PHA) is requesting a $125,000 Brownfield grant to assist with cleanup for the Front Street affordable housing project. PHA will be demolishing 50 units of public housing that are at the end of their useful life, and in their place construct 105 units of affordable mixed-income apartments. This will include open space for use by residents. She then introduced Jay Waterman from PHA.

Mr. Waterman thanked the Board for their time. He noted that the 50 units of housing that will be demolished have been there for 50 years and were built as temporary housing, so not built to a great standard and on a former City dump. CDBG funds of $250,000 will be used to partially cover the costs of temporarily relocating 28 families during Phase I of the project. Brownfield cleanup funds will be used for hazardous material removal and soil remediation. The project has its building permit from the City for development. Work continues on design and financing the project. The total cost of construction for Phase I is $13 Million; Phase II $7.5 Million.

Mr. Dunne asked about the balance of the Brownfield Grant fund after this project and are there any others on the horizon.

Ms. Hanig said that there will be approximately $250,000 remaining after approval. In the future, there may be a request for grant funding for redevelopment of the former Maria's Restaurant site located on Cumberland Avenue.

Councilor Chong said that he is pleased with this project, and asked if a community center was part of the design and the financing package. Mr. Waterman described the various sources of funding, noting that Phase I is the area between Illsley and Front Streets and it does include a community center.

There being no further questions, Mr. Dunne made a motion to approve the Brownfield grant as recommended by staff; Councilor Chong seconded the motion. Ms. Grimes then took a roll call vote on the motion and it passed unanimously (8-0).

Item #4: Review and vote on a recommendation to the City Council regarding loan guidelines for a proposed City of Portland Emergency Microloan Program.

Ms. Hanig said this is a completely new loan program designed for businesses with between 4 and 15 employees who need assistance during the COVID-19 Pandemic. Loans would be up to $15,000, with $5,000 forgiven based on employee levels as of February 1, 2020. Two proposed scenarios for the $5,000 forgiveness are either the same number of full- and part-time employees are hired back that worked there as of February 1, 2020, or the current number of full- and part-time jobs at the business on February 1, 2020 were maintained. She then described the proposed loan guidelines and the source of funding being the PDC Unrestricted funds, of which up to $400,000 could be available.

Ms. Hanig noted that the recent Federal funding has been used up, and that the proposed guidelines would need City Council approval.

There was discussion by Board members that getting back to full staff, or maintaining full staff, may too high a threshold for businesses. It is more important to assist the business to stay open.

There was then discussion on process and making decisions, i.e., based on the business being healthy in 2019, looking at credit scores, personal financial statements, and the business' own resources.

Councilor Chong asked about the target audience, if it would be first-come first-serve, and what about assistance for sole proprietors.

Mr. Hicklin also shared the concern for sole proprietors.

Mr. Jennings noted the target audience is for the City to help smaller businesses stay afloat.

Discussion continued and, based on that discussion, Mr. Agnew suggested the following:

- Business would not be eligible if it received another COVID loan or grant;
- $5K forgiven if 1/3 of employees are back within a year;
- no limit on number of employees, but minimum of 1;
- Sunset 12/31/2020;
- Cap of $400K for this program from the PDC unrestricted funds;
- Two year loan term; renegotiate if needed.

Mr. Dunne suggested a first round of funding capped at $250,000, with a second round, if needed, capped at $150,000.

Councilor Chong would support a first and possible second round of funding, and suggested reaching out to unsophisticated businesses to alert them of this program.

Ms. Volk asked if a business could apply for the first round loan funds at $250,000, and again for the second round of loan funds at $150,000. Board consensus was the business could apply for one loan.

Ms. Grimes asked staff if it would be approving the loans or the Board, and Mr. Jennings said that for transparency purposes all loans should be brought to this Board.

The Board and staff discussed number of employees for eligibility in this loan program, with consensus being eligible for businesses with 1 to 8 employees, and, with one-third back or still employed, $5,000 would be forgiven.

Regarding criteria, Mr. Jennings recommended that staff come back with draft criteria; but this can still be forwarded to the City Council.

Councilor Chong made a motion to forward the Emergency Microloan Program to the City Council utilizing up to $400,000 of the PDC unrestricted funds, with this Board designing process for the first $250,000 and then the remaining $150,000 at its discretion; up to $10,000 maximum loan limit; minimum of 1 to 8 employees; goal to have one-third (1/3) rehired within a year; business cannot have received any other COVID-19 funding assistance; not first-come first served; have staff come back here to determine process/criteria; loan repaid within two years; sunset 12/31/2020.

Ms. Volk seconded the motion, and Ms. Grimes took a roll call vote and it passed unanimously (8-0).

Items #5, #6, &8 on the Agenda: Mr. Mitchell recommending tabling these items; Board concurred.

Item #7: Review and vote on proposed loan modifications to:

a) Forefront Partners I LP, Thompson's Point;
b) Inn at Diamond Cove, Great Diamond Island;
c) Rosemont Market, 832 Stevens Avenue;
d) Union Bagel, 147 Cumberland Avenue;
e) SB & LC, 314 Warren Avenue.

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 modifications. After the executive session, the Board will vote in public session.

On motion made Mr. Jennings, seconded Mr. Dunne, the Board voted unanimously to go into executive session at approximately 5:00 p.m. pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119-a to discuss proprietary information regarding these loan modifications. (Mr. Jennings left the meeting during the executive session.) At approximately 5:35 p.m., the Board came out of executive session.

Forefront Partners I LP, Thompson's Point

On motion made by Mr. Agnew, seconded by Mr. Dunne, the Board voted unanimously (7-0) to approve the loan modifications as recommended by staff and loan underwriter.

Inn at Diamond Cove, Great Diamond Island

On motion made by Mr. Dunne, seconded by Mr. Hicklin, the Board voted unanimously (7-0) to approve the loan modification with a five-year extension, as opposed to a three-year extension.

Rosemont Market, 832 Stevens Avenue

On motion made by Mr. Hicklin, seconded by Mr. Dunne, the Board voted unanimously (7-0) to approve the loan modification with a 10-year extension, as opposed to a three-year extension.

Union Bagel, 147 Cumberland Avenue

On motion made by Councilor Chong, seconded by Ms. Volk, the Board voted unanimously (7-0) to approve the loan modifications as recommended by staff and underwriter.

SB and LC, 314 Warren Avenue

On motion made by Councilor Chong, seconded by Mr. Agnew, the Board voted unanimously (7-0) to approve the loan modifications as recommended by staff and underwriter.

On motion made by Councilor Chong, seconded by Mr. Hicklin, the Board voted unanimously (7-0) to adjourn the meeting at approximately 5:44 p.m.

Respectfully, Lori Paulette