# Minutes

## Portland Development Corporation

## Remote Zoom Meeting

## Held on April 23, 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 23, 2020. Present from the Board were Directors Tim Agnew, Councilor Tae Chong, James Dowd (as noted herein), Tom Dunne, Blaine Grimes, Jeffery Hicklin, Steve Lovejoy, and Laura Reading. Board President Julie Viola could not be attendance, as well as Directors Jon Jennings and Briana Volk. 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 underwriter David McLaughlin was also present.

Board Treasurer Ms. Grimes chaired the meeting.

### Item #1: President's Comments

Ms. Grimes noted that there are updates to the three proposed programs from last week's Board meeting.

Ms. Hanig said that in order to have all three programs work together, there have been additional updates to the now called "Rapid Response Loan Program" (RR), as well as the COVID-19 BAP Program and the Microenterprise Grant Program. The intent is that no business gets more than $5,000 in grants. The RR is now proposed to be back to the maximum loan amount of $15,000, rather than $10,000 as the Board recommended, as it makes sense with the other two programs.  Also, 1/3 employees back within a year was recommended at the last Board meeting.  It is being recommended that RR have the same provisions as the COVID-19 BAP (BAP) Grant Program, that is at least two full-time employees (FTE) be back within 9 months of loan/grant agreement, or 6 months after that the Stay at Home order is lifted, whichever comes first.

Councilor Chong would recommend up to the $10,000 in loan funds in the RR to help more businesses, and generally agreed with the two full-time employees.  With regard to the latter, is the business owner considered an FTE?

Ms. Hanig said that with RR and BAP, the business owner is not counted toward to the 2 FTE.

Ms. Grimes asked what the funding would be for the BAP and Micro Grant Programs.

Mr. Mitchell said that recommendations are being advanced to the City Council, using CDBG Funding.  There is a recommendation now for $77,000 for the BAP, and funding for the Micro will be based on another upcoming round of HUD funds under discussion that could fund the Microenterprise Grant Program and add funding to BAP with  potentially $200,000 more.

Mr. Agnew asked if there would also be funding for the regular BAP program, and Mr. Mitchell indicated in the negative at this time.

Ms. Grimes asked if the Micro was a $5,000 grant or a $2,500 grant, and Ms. Hanig clarified the Microenterprise Grant Program to be $2,500.

(Mr. Dowd joined the meeting.)

Councilor Chong indicated that getting more employees hired is key, noting that CDBG requirements are moving to job creation and retention.

Board and staff discussed the proposed RR guidelines that the business has to hire 2 FTEs, as well as timeline. Consensus was the lower of either 50% of employees or two employees rehired or on the payroll 9 months after loan agreement is signed, or 6 months after Stay at Home Order is lifted.

Mr. Hicklin questioned which Stay at Home Order, the State's or the City's, while also noting some businesses may be able to open earlier than others.

Mr. Agnew agreed, it needs to be clear which Stay at Home orders are being lifted, and make it business specific. Noted consensus was the City of Portland's Stay at Home Order.

Ms. Grimes asked the Board about the maximum RR loan amount being proposed now by staff at $15,000.

Ms. Hanig said that she is hearing many will be applying for $5,000 but some will want $15,000 available.

There was discussion on the maximum loan amount with general consensus at $10,000, noting criteria that the business has been turned down by Federal or State assistance, or has not tried.

Mr. Dunne then noted a need for a baseline to say no to some of the applicants and not be on a first-come first serve basis, with staff and Board using their judgment to serve various communities.

Mr. Agnew suggested bringing in some criteria in other programs. Regarding timing and deadlines, it should be left to the Board's discretion to establish deadlines to review a pool of applicants and then to another pool.

Ms. Grimes suggested that a newly formed business at high risk would be difficult to fund.

Mr. Dunne noted the program has criteria, as well as noting Board has discretion.

There followed discussion about target audience, minority population, business serves a low to moderate income population, hiring indigent people.

Mr. Dowd noted that he needed to leave the meeting, but indicated some of the above would be difficult to administer and prove.

Ms. Grimes added that ideally the RR loan program will be able to help fund a diverse number of businesses.

Mr. Agnew noted that he is fine with the high level of criteria in the guidelines, and that the business should be viable and have potential to create jobs.

Mr. McLaughlin said that he was recently at GPCOG, and the PDC can expect the demand to be high.

Regarding deadlines, it was the Board consensus that it should have the discretion to impose deadlines for applications, as well as what types of business that could apply to leave open for a diverse mix of applications to come in.

Ms. Grimes thanked the Board for providing feedback to staff, noting it may take one more meeting for a recommendation to the City Council.

**COVID-19 BAP**

Ms. Hanig said that the BAP maximum grant is proposed at $5,000 for the rehiring/re-creating 2 jobs.  Criteria includes most of RR criteria, as well as career potential, compensation, and benefits.  Ms. Hanig noted that with this and the Microenterprise program, she still needs to run them by CDBG folks and then on to the City Council.

Ms. Reading asked about getting the grant funds to applicants, and Ms. Hanig indicated this is a reimbursement program based on documentation from the business.

Mr. Agnew asked about how quickly the jobs need to get created, and Ms. Hanig indicated that at the latest within 9 months of signing the grant agreement.

Ms. Hanig asked if the Board would prefer to have guidelines the same as RR, that is bring back 50% of employees – being low to moderate income employees for this program, and the Board consensus agreed.

Ms. Grimes noting no further feedback, the Board would move to the Micro program.

**Micro Grant Program**

Ms. Hanig said that this grant program would be for those businesses with no more than one FTE who is a low to moderate income individual. The target clientele are for those businesses which lease space, and need funds to continue to lease. She asked if co-working space should also be included.

Councilor Chong indicated in the affirmative, as well as commercial kitchens.

Mr. Agnew asked if a business does not lease space but has expenses, could that business qualify, with Ms. Grimes asking if it was a HUD requirement.

Ms. Hanig indicated that it was not a HUD requirement; staff wanted to avoid businesses paying themselves.

Councilor Chong said that the business would have to document actual expenses if did not lease space.

Mr. Lovejoy suggested that an ineligible expense be hiring a family member, and Ms. Hanig said that she will add that in and to the two other programs as well.

Ms. Grimes noted that the business in existence date should be the date of the declared emergency, which is January 31, 2020, not February 1, 2020; Mr. Hicklin concurred.

Ms. Hanig thanked the Board and indicated that she could incorporate this feedback into the guidelines and would arrange for a Board meeting early next week.

Ms. Reading asked for clarity on loan payments beginning and being forgiven at that meeting.

The Board then discussed when to meet next week, and, after a show of hands, it was set for Tuesday, April 28, at Noon.

Noting the time, consensus of the Board was to table the remaining items on the Agenda.

On motion made by Councilor Chong, seconded by Mr. Hicklin, the Board voted unanimously to adjourn at approximately 5:47 p.m.

Respectfully, Lori Paulette