Minutes

Portland Development Corporation

Remote Zoom Meeting

Held on June 9, 2020

A remote meeting, via Zoom, of the Portland Development Corporation (PDC) Board of Directors was held at 4:00 p.m. on Tuesday, June 9, 2020. Present from the Board were its President Julie Viola and Directors Tim Agnew, Tom Dunne, Blaine Grimes, Jeffery Hicklin, Steve Lovejoy, Laura Reading, and Briana Volk. Board Directors Councilor Tae Chong, James Dowd, and Jon Jennings could not be in attendance. Present from the City staff were Associate Corporation Counsel Michael Goldman (joining the meeting at 4:33), Business Programs Manager Nelle Hanig, Office of Economic Opportunity Liaison Angelina Klouthis, Economic Development Director Greg Mitchell, and Senior Executive Assistant Lori Paulette.

Item #1: President's Comments

President Viola noted this meeting is to review applications received for the PDC's COVID-19 Loan and Grant program, as well as to review possible amendments to the Guidelines for those programs.

Item #2: Review and accept draft meeting Minutes for meetings held on April 16, 2020, April 23, 2020, and April 28, 2020.

On motion made by Mr. Dunne, seconded by Ms. Grimes, the Board voted 6-0-2 (Reading and Viola abstained) to accept the Minutes as presented.

<u>Item #3: Review and vote on COVID-19 Rapid Response Loan applications as follows:</u>

a. **<u>Shunk Child Care</u>**

b. **<u>Women in Need</u>**

c. **<u>United Obligations</u>**

NOTE: See confidential backup. There will be no public presentation. 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 applications. After the executive session, the Board will vote in public session.

<u>Item #4: Review and vote on COVID-19 Microenterprise Grant applications as follows:</u>

a. **<u>Claramunt Group, Ltd. Co.</u>**

b. **<u>Designs by CC, LLC</u>**

c. **<u>Inn at Park Spring</u>**

d. **<u>TMC Portland, LLC</u>**

e. **<u>Makkah Market, LLC</u>**

NOTE: See confidential backup. There will be no public presentation. 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 grant applications. After the executive session, the Board will vote in public session.

President Viola suggested that Ms. Hanig provide a brief summary introduction, after which the Board would go into executive session to take up Items #3 and #4; the Board concurred.

Ms. Hanig noted that these programs were released last month with a deadline of June 4th, and 15 loan/grant applications were received but not all were eligible to apply. The confidential spreadsheet provides general information about the businesses, and scoring done by staff and the underwriters. Confidential financial information was also reviewed by the PDC's underwriters and reports provided.

Ms. Hanig then briefly described loan and grant applications being reviewed today, noting that these applications represent various areas in Portland, both on and off the peninsula.

Mr. Dunne confirmed with Ms. Hanig that of the 15 applications received, 7 were not eligible.

On motion then made by Ms. Grimes, seconded by Mr. Agnew, the Board voted unanimously at 4:20 p.m. to go into executive session to review proprietary information of the COVID-19 Loan and Grant Applications noted above pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119-A. At approximately 5:00 p.m., the Board came out of executive session.

Shunk Child Care

On motion made by Mr. Agnew, seconded by Mr. Lovejoy, the Board voted unanimously to approve the loan request.

Women in Need

On motion made by Mr. Agnew, seconded by Mr. Dunne, the Board voted unanimously to deny this loan request as ineligible.

United Obligations

On motion made by Mr. Hicklin, seconded by Ms. Volk, the Board unanimously to deny this loan request as ineligible.

Makkah Market, LLC

On motion made by Mr. Hicklin, seconded by Mr. Dunne, the Board voted unanimously to approve this grant request.

Inn at Park Spring

On motion made by Ms. Grimes, seconded Mr. Dunne, the Board voted unanimously to approve this grant request.

Designs by CC, LLC

On motion made by Mr. Dunne, seconded by Mr. Lovejoy, the Board voted unanimously to approve this grant request.

TMC Portland, LLC

On motion made by Mr. Hicklin, seconded by Ms. Grimes, the Board voted unanimously to approve this grant request.

Claramunt Group, Ltd. Co

On motion made by Mr. Hicklin, seconded by Ms. Grimes, the Board voted unanimously to deny this grant request as ineligible.

Item #5: Review, discuss, and vote to recommend to the City Council possible amendments to the COVID-19 Loan and Grant Programs:

a. Rapid Response Loan Program

b. Microenterprise Grant Program

c. COVID-19 BAP Program

Ms. Hanig noted that during this first round of loan and grant applications, it became apparent that some businesses were not eligible due to receiving minimal funds from Federal or State programs, that the date of being business as of January 31, 2020, did not really apply to Portland as the Pandemic hit Portland in March, and that the Microenterprise Grant Program

(“Micro”) requires a lease, which makes in-home day cares, for example, an essential business, ineligible.

Ms. Hanig indicated that staff is suggesting, for all three programs, allowing businesses which have received $2,000 or less from Federal or State programs be eligible for these programs, and moving the date from January 31, 2020 to March 9, 2020. A third modification to the Micro program is to make an exception for in-home day care businesses in the requirement to lease commercial property.

Ms. Viola mentioned that in the EIDL program, advances were made based on employment levels at $1,000 per employee, suggesting that the PDC’s minimum could be same, and the March 9 date is reasonable.

The Board discussed the commercial lease requirement in the Micro program, with consensus being that all licensed businesses by the City of Portland be eligible to apply, pursuant to CDBG guidelines.

The Board then discussed the Rapid Response loan program, noting that it is targeting small businesses and that small business can be up to 8 employees. The Board agreed to amend this program to target small businesses having 2 to 15 employees at the beginning of the Pandemic be eligible.

Regarding increasing funds businesses may have received from Federal or State programs, consensus of the Board was to allow businesses to be eligible for these programs if it received no more than $1,000 per employee and no more than $10,000 in Federal or State Assistance.

Regarding the date that businesses be in existence across all three programs, consensus was March 15, 2020.

Deadlines to apply were then discussed, and the consensus was to have a deadline in the next round as determined by staff to be appropriate.

A motion was then made by Ms. Grimes, seconded by Mr. Dunne to amend all three COVID-19 Programs to change the date of being in business from January 31, 2020, to March 15, 2020; amend all three to allow for businesses to be eligible for these programs if it received no more than $1,000 per employee and no more than $10,000 in Federal or State Assistance; amend the Rapid Response Loan program for businesses who employ 2 to 15 employees; and, amend the Micro grant program to be eligible to businesses licensed by Portland, and no commercial lease requirement.

A vote was then taken on the motion and it passed unanimously.

Ms. Viola noted that an attendee raised her hand, Shasha Shunk.

Ms. Shunk noted that she is in the child care business, which are licensed by the State not the City so this amendment would preclude these businesses from applying in the Micro grant program.

The Board discussed this and concurred that the Micro needed to be further amended, recommending that all home-based businesses be eligible to apply per CDBG guidelines.

A motion was then made by Ms. Grimes, seconded by Mr. Dunne, to further amend the Micro program to allow any Portland-based business to apply, per CDBG guidelines, which can include home-based business.

A motion was then made by Mr. Hicklin, seconded by Mr. Lovejoy to adjourn the meeting 6:12 p.m. A vote was taken and passed unanimously.

Respectfully, Lori Paulette