Minutes
Portland Development Corporation
Remote Zoom Meeting
Held on July 15, 2021

A remote meeting, via Zoom, of the Portland Development Corporation (PDC) Board of Directors was held at 4:00 p.m. on Thursday, July 15, 2021. Present from the Board were Board President Julie Viola and Directors Tim Agnew, Councilor Tae Chong, James Dowd, Blaine Grimes, Kierston Van Soest, and Briana Volk. Board Directors who could not attend: Jeff Hicklin, Jon Jennings, Laura Reading, and Stephen Lovejoy. Present from the City staff were Acting Director of Housing and Economic Development Mary Davis, Business Programs Manager Nelle Hanig, and Principal Adm. Officer Lori Paulette.

Item #1: Zoom Meeting Information/No Board Action Required

Item #2: President's comments.

President Viola waived the comments.

Item #3: Review and vote on draft meeting Minutes for Board meeting held on April 15, 2021.

On motion made by Mr. Dowd, seconded by Ms. Van Soest, the Board voted 4-0-3 (Grimes, Van Soest, Volk abstained) to accept the Minutes as presented.

Item #4: Review and vote on a recommendation to the City Council regarding a housekeeping Bylaws amendment.

Ms. Hanig noted that there is one proposed amendment in Section 6.8 to update that the individual appointed Assistant Secretary to the Board will be the Director of Housing and Economic Development, not the Director of Economic Development.

On motion made by Councilor Chong, seconded by Mr. Dowd, the Board 7-0 to forward the amendment to the City Council for approval.

Item 5 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 Item 6 on the Agenda. After the executive session, the Board will vote in public session.

Review and vote on COVID-19 Microenterprise Grant as follows:
a) Maine Motor Sales, LLC - $5,000

Item #7(d): Confidential Delinquency Report

On motion made by Ms. Grimes, seconded by Councilor Chong, the Board voted 7-0 to go into executive session at approximately 4:10 p.m. pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119—A to review Items #5 and #7(d) above. At approximately 4:37 p.m., the Board came out of executive session.

Item #5: Microenterprise Grant application from Maine Motor Sales, LLC - $5,000.

On motion made by Councilor Chong, seconded by Mr. Agnew, the Board voted 7-0 to approve the Grant application for $5,000 as recommended by staff.

Item #6: Review and vote on a recommendation to the City Council regarding proposed amendments to the Business Assistance Grant Program for Job Creation.

Ms. Hanig noted that the proposed amendments are reflective of the current economic climate we are in now due to the Pandemic. Proposed amendments include reducing the match from 100% to 50%, as well as wages to be paid to new hires have to exceed Portland's minimum wage with the change to be a preference versus a requirement. She noted that the 50% match could be a bank loan or City loan. Ms. Hanig also noted that, in that past, if a business was unable to create the required number of jobs or retain those jobs for at least one year, the PDC had the option to qualify the business as a Microenterprise if the owner's household income was low/moderate per HUD's definition, and the business had five or few employees. Thus, the job that was created for a $10,000 grant was that of the business owner. The City's Community Development Block Grant Program staff have determined that HUD will not accept this qualification for a $10,000 BAP grant, so this option has been removed from the guidelines. Lastly, Ms. Hanig noted that the goal would be to launch the program in September.

There followed discussion of the match, particularly as Ms. Hanig described the method for release of grant funds, i.e., reimbursement approach. If a business is granted a $10,000 grant, half of the grant funds of $5,000 could be provided if the business provides evidence of $10,000 in expenses paid. The other half of $5,000 could be provided after the business evidences one full-time job created/filled and evidences another $10,000 in expenses paid, then the other half of $5,000 could then be disbursed. This would be similar to the $20,000 grant for two jobs created.

The Board and staff discussed the "Financing Terms" and that because this was a grant program with a reimbursement approach versus match, that this be "Grant Terms" and update this section from the match verbiage to reimbursement verbiage.

Mr. Agnew asked about the possibility of a business not being able to hire 1 or 2 employees depending on the $10,000 or $20,000 grant, and Ms. Hanig noted that there is a clawback section in that case, adding that the business has nine months to create the job(s) after signing the grant agreement.

Regarding the minimum wage proposed amendment to have it be a preference that the job exceeds Portland's minimum wage, consensus was to have the proposed job meet or exceed Portland's minimum wage.

It was discussed that the confidential write-ups for the applications would address the criteria in the guidelines, as well as sustainability of the business and the state of their finances.

Mr. Dowd noted that the grant is to help new and expanding businesses. Ms. Hanig agreed and said that the grant program helps them to expand their payroll and serve more people.

There was discussion about Ms. Hanig providing the Board with updated redlines based on today's discussion, with consensus being that the updated redlined version be emailed to the Board and for Board members to respond to only to Ms. Hanig with questions or concerns. Should there be none, they could be forwarded to the City Council for approval.

Mr. Agnew asked if non-profits are eligible to apply, and Ms. Hanig noted that they are not and will include that notation in the program description.

Mr. Agnew made a motion to recommend to the City Council approval of the amendments to the BAP, subject to the changes discussed at today's meeting. Ms. Van Soest seconded the motion and it then passed 7-0.

Mr. Dowd suggested that at another Board meeting, it discuss priorities for the program, as well as whether a sub-committee should be formed to review applications.

Discussion took place about having deadlines to apply or on a rolling basis, with consensus that the Board/staff can administratively set deadlines in the same fashion as it has done previously should there be funds remaining after the first deadline passes. It was also noted to do outreach to the many diverse businesses in Portland to get the word out.

Item #7: Treasurer's Report – June 30, 2021

On motion made by Mr. Dowd, seconded by Ms. Grimes, the Board voted 7-0 to accept the report.

On motion made by Mr. Agnew, seconded by Councilor Chong, the Board voted to adjourn the meeting at approximately 5:50 p.m.

Respectfully, Lori Paulette