



Gregory A. Mitchell  
Director, Economic Development Department

**PORTLAND DEVELOPMENT CORPORATION**  
**Board Meeting**

**DATE:** May 2, 2018

**TIME:** 4:00 p.m.

**LOCATION:** Room 24, Basement Conference Room  
Portland City Hall

**A G E N D A**

1. President's comments
  - a) BAP Grant Funding Recently Awarded by the City Council for FY2019.
  - b) Creation of PEDPIP Grant Committee to review recently submitted applications.
2. Review and accept Minutes of March 15, 2018, meeting.
3. Review and vote on new loan applications from:
  - a. Casco Bay Electric, 21 Rice Street;
  - b. Kharmar Investment LLC, d/b/a One Six Green, 22 Monument Square; and,
  - c. International Seafood LLC, 849 Forest Avenue.

**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 these loan applications.
4. Treasurer's Report – March 2018
  - a) Monthly Administrative Budget Report
  - b) Cash Management Report
  - c) Schedule of Loans Receivable
  - d) Listing of Grants approved through the BAP Program and PEDPIP for FY2017 and 2018
  - e) Confidential Delinquency Report - **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/monitor any of the loans listed on the Report.
5. Possible Appointment of Board Treasurer – update to be provided at meeting.
6. Other items to be discussed/brought up by Board Directors.
7. Next Regular Meeting Date: May 17, 2018.

Tim Agnew/Board President

## Minutes

### Portland Development Corporation

March 15, 2018

A meeting of the Board of Directors of the Portland Development Corporation was held on Thursday, March 15, 2018 at 4:00 p.m. in Room 209 of Portland City Hall. Present from the Board were Board President Tim Agnew, and Directors Tom Dunne, Chip Martin, Ovid Santoro, Mayor Ethan Strimling, Julie Viola, and Briana Volk. Directors Shelley Carvel, Jon Jennings, Heather Sanborn, and Matthew Veith could not be present. Present from the City staff were Business Programs Manager Nelle Hanig and Senior Executive Assistant Lori Paulette. PDC loan/grant underwriter David McLaughlin was brought in via conference call during the executive session for the Miss M loan application.

#### **Item #1: President's Comments**

President Agnew welcomed two new Board members Julie Viola and Briana Volk and introductions were then made.

President Agnew said that during the last round of BAP grant requests, the Board discussed forming a sub-committee to discuss possible additional criteria in to the guidelines. He asked for volunteers for this, and Mayor Strimling and Ms. Volk volunteered.

#### **Item #2: Review and accept Minutes of the January 25, 2018 meeting.**

Mr. Martin made a motion to accept the Minutes as published; Mr. Santoro seconded the motion, and it passed 4-0-3 (Dunne, Viola, and Volk abstained).

#### **Item #3: Review and vote on loan application from Miss M. Inc., d/b/a Aurora Provisions at 64 Pine Street.**

**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.**

Ms. Hanig introduced the item saying that Aurora Provisions was purchased by Miss M., Inc., in May 2017. Melissa Carr, present today, is now the owner of the business and the building that houses it at 94 Pine Street. Since purchasing it, Ms. Carr has had some challenges, including high labor costs and lower than expected catering events, particularly weddings. As a result, Ms. Carr has been in contact with Norway Savings Bank, FAME, and CEI for a bridge loan as she gets through the challenges. Ms. Hanig also noted that Ms. Carr is now working with Nancy Stronjy at SCORE on business planning. Norway has approved some loan funds, and FAME has guaranteed half of those loan funds from Norway; CEI is meeting next week for additional loan funds.

Ms. Carr thanked Ms. Hanig and described challenges, particularly the number of wedding catering jobs, which the previous owner had 28 in 2016, but in 2017 there were 8 such catering events. She now has 11 so far for 2018, but this was one of her greatest challenges in 2017 expecting much more in terms of wedding catering events.

Mr. Martin asked about revenues from wedding catering, and Ms. Carr indicated that a small wedding is approximately \$10,000, while also noting that in 2016, with 28 weddings, brought in \$3.2 Million.

Mr. Dunne asked about achieving her projections, and Ms. Carr indicated that she felt they were a reasonable baseline to achieve.

Ms. Viola noted that working with Ms. Stronjy at SCORE would provide her with more skills for managing the business and making it profitable.

Mr. Santoro encouraged her to talk more with her customers for their feedback in order to determine where improvements can be made, and also suggested getting

assistance from a College intern to check out pricing and what works and what doesn't.

Ms. Volk asked about marketing plans, and Ms. Carr said she needed to do more personal marketing and has started networking and meeting with wedding planners.

Mayor Strimling asked about paid time off, and Ms. Carr said that prior owners offered this, and she would look into it, adding that it would also depend on the tenure of employees. She also noted that originally there were to 40 to 60 employees full-time, and now there are 24 with wages at \$12.00 to \$20.00 per hour depending on the job.

Ms. Carr said that this would be a bridge loan until the season starts, noting that investments would be made for retail, security, and revamping the restaurant and website in her style.

Mr. Dunne asked who oversees the financial aspect, and Ms. Carr indicated that to be herself.

Mr. Martin asked about retail expansion and competition, and Ms. Carr indicated that she is considering adding an outside patio and more retail items inside. There is competition, but she noted that she looks forward to making Aurora Provisions more reflective of herself, user friendly, and assisting the client. She also noted that she sold Dots Café in Lincolnville this past October, so she is very familiar with the business.

Ms. Volk asked about branding, and Ms. Carr said that she recently met with Nash Marketing and is doing some advertising in magazines like *Edible Maine* and *Portland Monthly*.

In response to Mr. Agnew, Ms. Carr noted the revenues shifted downward from 2016 with 28 weddings, to 2017 with 8 weddings. She is optimistic in that for 2018 she already has 11. She also described seasonal variations in regard to revenue.

Mr. Martin made a motion to go into executive session, pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119, to review and discuss proprietary information for this

loan request. Mr. Dunne seconded the motion, and it passed unanimously at 4:45 p.m.

At approximately 5:30 p.m. the Board came out of executive session.

Mr. Martin made a motion to approve the loan for \$20,000 as recommended by the loan underwriter and staff; Mr. Dunne seconded the motion.

Mayor Strimling said that he would support the motion, noting he had some concerns with the business and protecting 24 jobs.

Mr. Agnew then asked for a vote on the motion and it passed unanimously.

**Item #4: Amendment to loan terms for loan to Cake Works, Inc.**

**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.**

Mayor Strimling made a motion to go into executive session, pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119, to review and discuss proprietary information for this loan amendment request. Mr. Martin seconded the motion.

Ms. Viola indicated that Mr. Chamoff is a customer at her bank so she would abstain from participating.

President then asked for a vote on the motion and it passed 6-0-1 (Viola) at 5:35 p.m. (Mr. Santoro had to leave the meeting at 5:45 p.m.) At approximately 5:52 p.m. the Board came out of executive session.

**Item #5: Treasurer's Report – February 2018**

- a) **Monthly Administrative Budget Report**
- b) **Cash Management Report**
- c) **Schedule of Loans Receivable**
- d) **Listing of Grants approved through the BAP Program and PEDPIP for FY2017 and 2018**
- e) **Confidential Delinquency Report - 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/monitor any of the loans listed on the Report.**

Mr. Martin made a motion to go into executive session, pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119, to review and monitor the Confidential Delinquency

Report. Mr. Dunne seconded the motion and it passed unanimously at 5:53 p.m. At approximately 6:00 p.m., the Board came out of executive session.

Mayor Strimling asked if staff brought all loan requests to the Board, as he was contacted regarding his possible support of a request. Ms. Hanig said that the process is to contact the Economic Development Department (EDD) who takes in the application and processes it with the loan underwriter for the PDC's review. There are many times when the applicant does not have enough information and she lets them know the loan is not ready for the Board. If they insist to bring it to the Board, staff will do so.

Ms. Hanig then described immigrant business workshops that the EDD is working on with the Office of Economic Opportunity and would email the Board flyers and requested that they assist in getting the word out.

Mayor Strimling then noted that Nelle Hanig was the City's Employee of the Month and all congratulated her.

There being no further business, the meeting adjourned at approximately 6:10 p.m.

Respectfully, Lori Paulette

**Portland Development Corporation  
Administrative Budget Report  
For Month Ending  
3/31/2018**

Operating transfer from EDF	28,522
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<b>Total Funds Available</b>	<b>28,522</b>

FY18 Expenditures	Budget	Current Month	Year to Date	Percent of Budget	Balance
Administrative Services	575	0	142	24.7%	433
Postage/General Courier	300	46	168	56.0%	132
Travel, Training, Meetings	4,000	0	3,288	82.2%	712
Contractual Services	10,500	900	3,828	36.5%	6,672
Operating Transfer to Fin.	9,647	9,647	9,647	100.0%	0
Advertising	2,000	0	0	0.0%	2,000
Auto Expense Reimb.	100	0	0	0.0%	100
Printing & Binding	650	0	659	101.4%	(9)
Office Supplies	750	109	498	66.4%	252
<b>Total FY18 Expenditures</b>	<b>28,522</b>	<b>10,702</b>	<b>18,230</b>	<b>63.9%</b>	<b>10,292</b>

Expenditures:	
General Courier	Various General Courier services.
Contractual Services	Services of loan underwriter.
Transfer to Finance Dept.	Annual transfer to Finance Dept. for PDC services.
Office Supplies	Various

**Downtown Portland Corporation  
Schedule of Loans Receivable  
For the Month Ending March 31, 2018**

Cust #	Ln #	Account No. & Name	Date of Loan	Maturity Date	---Committed/Disbursed Funds---			Outstanding Princ. Bal.
					Original Loan	Not Yet Disb.	Total Disb .	
<b>Portland Business Fund 271 (UDAG/Unrestricted):</b>								
7158	1561	Forefront Brick South, LLC	11/18/2016	12/1/2026	100,000	\$0	100,000	<u>\$90,712</u>
<b>Sub-Total PBF (UDAG)</b>								<b>\$90,712</b>
<b>Portland Business Fund 272 (Restricted - CIP):</b>								
7124	1554	Creative Portland	10/11/2016	11/1/2023	25,000	\$0	25,000	\$20,752
6502	1436	Portland Food Cooperative	6/4/2014	10/1/2021	130,000	\$0	130,000	<u>\$90,241</u>
<b>Sub-Total PBF (Bonds/CIP Restricted)</b>								<b>\$110,993</b>
<b>Portland Micro Capital Fund 271 (UDAG/Unrestricted):</b>								
5837	1341	Back Bay Skate	9/10/2012	9/1/2017	12,500	\$0	12,500	\$1,886
6113	1379	EcoHome Studio, LLC	4/11/2013	4/1/2018	15,000	\$0	15,000	\$229
6120	1380	Portland Trading Co. LLC	4/26/2013	8/1/2018	15,000	\$0	15,000	\$12,187
6635	1464	Damiak's Bakery, LLC	10/16/2014	11/1/2019	25,000	\$0	25,000	\$8,120
6501	1435	Sur Lie Wine Bar, LLC	5/2/2014	9/1/2021	37,335	\$0	37,335	\$20,145
7092	1559	Vin Bar, LLC	7/26/2016	9/2/2021	50,000	\$0	50,000	<u>\$38,619</u>
<b>Sub-Total Micro Capital Fund</b>								<b>\$81,186</b>
<b>Portland Business Fund Fund 274 (CIP/Unrestricted):</b>								
6597	1458	Back Cove School	8/29/2014	9/1/2019	55,000	\$0	55,000	\$31,201
6828	1505	Poplar & Co., LLC	6/5/2015	10/1/2022	37,500	\$0	37,500	\$33,704
6868	1512	Billdotcom, LLC	8/29/2015	9/1/2022	102,500	\$0	102,500	\$94,051
7091	1546	Skunk Ape, LLC	7/21/2016	8/1/2023	75,000	\$0	75,000	<u>\$59,594</u>
<b>Sub-Total PBF (Bonds/CIP Unrestricted)</b>								<b>\$218,549</b>
<b>FAME Fund 277:</b>								
6531	1450	North Atlantic, Inc.	6/23/2014	1/1/2020	75,000	\$0	75,000	\$29,211
6598	1459	Browne Trading CO.	9/3/2014	10/1/2019	83,333	\$0	83,333	\$29,632
6692	1475	Maine & Loire LLC	12/30/2014	1/1/2020	45,000	\$0	45,000	\$7,262
6784	1485	SB & LC Properties, LLC	4/6/2015	5/1/2020	101,200	\$0	101,200	\$94,529
6973	1524	Auto-Care, LLC	2/5/2016	3/1/2021	32,500	\$0	32,500	\$27,382
7029	1533	BayCycle	5/13/2016	9/1/2023	20,000	\$0	20,000	\$15,905
7103	1548	Cakeworks, Inc.	8/5/2016	9/1/2022	62,500	\$0	62,500	\$56,241
7157	1560	Forefront Brick South, LLC	11/18/2016	12/1/2026	250,000	\$0	250,000	\$226,781
7276	1580	Union Bagel	6/20/2017	7/1/2020	46,000	\$0	46,000	\$37,758
7380	1600	Ice It! LLC	12/4/2017	1/1/2023	50,000	\$0	50,000	\$48,557
6485	1429	Evo Rock & Fitness Portland	4/14/2014	11/1/2024	132,954	\$0	132,954	\$95,486
7176	1565	Adele Masengo Designs, Inc.	1/6/2017	2/1/2022	15,000	\$0	15,000	\$13,693
7293	1582	Wallace James	7/14/2017	8/1/2022	100,000	\$0	100,000	\$88,505
7357	1593	747 Congress LLC	1/25/2017	7/1/2022	150,000	\$0	150,000	<u>\$147,204</u>
<b>Sub-Total FAME Fund</b>								<b>\$918,146</b>
<b>FAME SSBCI 279:</b>								
6199	1390	Inn at Diamond Cove LLC	7/10/2013	7/1/2018	200,000	\$0	200,000	\$162,235
6867	1511	Billdotcom, LLC	8/19/2015	9/1/2022	92,500	\$0	92,500	\$84,877
7233	1570	KODA, LLC	3/31/2017	4/1/2027	100,000	\$0	100,000	\$97,615
<b>Sub-Total FAME SSBCI</b>								<b>\$344,727</b>
<b>Real Estate Investment Fund 271(UDAG/Unrestricted):</b>								
6104	1378	McCuda, LLC	4/19/2013	4/1/2018	200,000	\$0	200,000	<u>\$165,844</u>
<b>Sub-Total RE Invest</b>								<b>\$165,844</b>
<b>Brownfields Loan Fund 278</b>								
6555	1457	Forefront Partners, LP	7/30/2014	2/1/2020	200,000	\$0	200,000	<u>\$144,014</u>
<b>Sub-Total Brownfields</b>								<b>\$144,014</b>
<b>Grand Total Loans</b>						<b>\$0</b>	<b>2,635,822</b>	<b>\$2,074,171</b>
Allowance for uncollectable loans at 15%								\$311,126
<b>Total with Allowance for uncollectable loans:</b>								<b>\$1,763,046</b>

**Cash Management Report**  
**3/31/2018**

	CIP		UDAG 271 (Unrestricted) Loans/Grants	FAME SSBCI 279	Brown- field 1 278	Brown- field 2 280	TOTAL	Year-to-Date						
	Restricted	Unrestricted						CIP		UDAG		FAME		
								272	274	Restricted	Unrestricted	UDAG	Unrestricted	FAME
Cash Bal. Beginning of Reporting Mo.	277,923	153,055	582,850	717,711	353,522	4,192	2,335,212							
Plus:														
Principal payments received	963	907	3,780	8,715	1,526			10,204	17,063	121,489	132,763	151,043	12,195	0
Interest payments received from loans	906	386	2,605	1,717	452			3,431	7,691	16,948	37,113	14,362	3,627	0
Interest income					211							3,375	1,708	0
Other Income/Adjustments	(233)		(85)	196	(410)									0
Pass Through From FAME/SSCBI/EPA														0
Sub-Total Cash Available	279,558	154,347	589,150	259,896	355,711	4,192	2,362,973	13,635	24,753	138,437	169,876	168,799	17,530	0
Less:														
FAME Annual Admin. Fee Invoices														
Disbursements - Loans/PPDAP Grants		-9,450				(3,922)								
Sub-Total Cash Available:	279,558	144,897	589,150	259,896	355,711	270	2,349,601							
Less Reserves for:														
Beautification Program (EC0301)			(72,000)											
PEDPIP Fund Commitments thru FY16			(51,033)											
PEDPIP Fund FY17 Commitments			(33,676)											
PEDPIP Fund FY18 Commitment			(37,900)											
Portland Dev. Action Grant (EC0302)			(43,287)											
Transfers not yet recorded (UDAG Int)			(16,948)											
BAP Grants														
Used for Administration														
Total Ending Loan/Grant Cash Bal.	279,558	144,897	334,306	259,896	355,711	270	2,094,757							

Brownfield Grant 2:	800,000
Less Admin. Reserve:	-100,000
Sub-Total for Loans/Grants:	700,000
Grants and Loans Approved to Date:	
- Childrens Odyssey, Grant up to:	180,000
- Thompson's Point, Loan:	350,000
- Childrens Museum, Grant of:	170,000
Total Available for Loans/Grants:	0
Administrative Expenses:	100,000
Expenses Reimb to Date	(15,508)
Total Admin. Balance to Date:	84,492

Bal. of Unrestricted/Uncommitted Funds as 7/1/17:	379,676
PEDPIP Cap for FY18 (as 7/1/2017) at 10% of above:	37,900
PEDPIP Commitments for FY18 to date:	15,000

Portland Economic Development Implementation Program			
<b>FY2018 Grant Funding Available:</b>	<b>\$37,900</b>		
<b>First Round of Applications Due:</b>	<b>29/2017 at 3:00 p.m.</b>		
<b>Grantee Approved</b>	<b>Grant Amount</b>	<b>Date Approved</b>	<b>Project</b>
Office of Economic Opportunity/City of Portland	\$15,000	10/19/2017	Develop Strategies for Immigrant Integration in the business and workforce community.
<b>Balance of Funds Available:</b>	<b>\$22,900</b>		
<b>Second Round of Applications due no later that Friday, March 30, 2018 at 3:00 p.m.</b>			

Business Assistance Grant Program for Job Creation - FY2018			
<b>FY2018 Grant Funding Available:</b>	<b>\$113,000</b>	<b>Admin:</b>	<b>\$3,000</b>
<b>Grant Funding Net for Grants:</b>	<b>\$110,000</b>		
		<b>Date</b>	<b>Jobs</b>
<b>Grantee/Grant Approved</b>	<b>Grant Amount</b>	<b>Approved</b>	<b>Funded</b>
Wallace James	\$20,000	12/21/2017	2
Gateway Community Services	\$20,000	12/21/2017	2
Maine & Loire	\$10,000	12/21/2017	1
Greater Portland Home Health Care	\$10,000	12/21/2017	1
Head Games	\$20,000	12/21/2017	2
<b>Balance of Funds Available:</b>	<b>\$30,000</b>		
<b>Additional CDBG Funds Made Available:</b>	<b>\$10,000</b>		
<b>Balance of Funds Available:</b>	<b>\$40,000</b>		
On Time Transportation	\$20,000	1/25/2018	2
Good Cause Cleaning and Painting Svcs.	\$20,000	1/25/2018	2
<b>Balance of Funds Available:</b>	<b>\$0</b>	<b>Total Jobs:</b>	<b>12</b>