PORTLAND DEVELOPMENT CORPORATION
Board Meeting

DATE: Thursday, September 19, 2024
TIME: 4:00 PM
LOCATION: Meeting will be held via Zoom

Please click the link below to join the webinar:
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+16469313860,,85229414013# US
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Dial(for higher quality, dial a number based on your current location):
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AGENDA

1. President's comments

2. Review and accept Minutes of August 15, 2024 meeting

   a. See attached draft meeting Minutes.

3. Review and vote on Browfields Assessment Funding Request of $70,000 from Hearts of Pine Soccer Team

   a. See attached Memorandum and backup materials.

4. Review and vote on new loan application from Cultivating Community, 58 Boyd St, Suite A.

   a. See attached Memorandum and backup materials.

5. Review and vote on new loan application from Yardie Ting LLC, 28 Monument Square.

   a. **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 review proprietary confidential information associated with this application.

6. Review and vote to approve 89 Elm Entity Change

   a. See attached Memorandum and backup materials.

   b. Public Comment Received

7. Staff Update on marketing/outreach.

8. Annual Meeting of the Board

   a. Review of Draft Annual Report for FY2024 and vote to forward it to the Corporator (City Council) as a communication.
      Vote to set the date for the Annual Meeting of the Corporator.

Election of Officers - President, Treasurer, Secretary.
Any other business that may come before the Board.

9. Treasurer's Report - August 31, 2024

   a. Monthly Administrative Budget Report

   b. Cash Management Report

   c. Schedule of Loans Receivable

   d. Confidential Delinquency Report; update on loan modifications, if any.
   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.

10. Other Items to be discussed/brought up by Board Directors

11. Next Regular Meeting Date: October 17, 2024

Minutes
Portland Development Corporation
Remote Zoom Meeting
Held on August 15, 2024

A remote meeting, via Zoom, of the Portland Development Corporation (PDC) Board of Directors was held at 4:00 p.m. on Thursday, August 15, 2024. Present from the Board of Directors were Directors Jonathan Berg, Blaine Grimes, Nathan Henry, Dena Libner, Thomas Mitchell, Kierston Van Soest, and Beverly Werber. President James Dowd and Directors Sam Dargan, Eamonn Dundon, and Councilor April Fournier could not be present. Present from City staff were Associate Counsel Avery Dandreta, ARPA Project Coordinator Kaela Gonzalez, Business Programs Manager Nancy Martin, Associate Counsel Amy McNally, Principal Administrative Officer Lori Paulette, and Housing and Economic Director Greg Watson. Also present was PDC Underwriter Matt Buonopane, and Housing and Economic Development Department intern Nguyen Lam.

Item #1: Presidents Comments

Director Van Soest opened the meeting and chaired as Board Treasurer due to the absence of Board President James Dowd.

Ms. Van Soest began with a notice sent out by the City Clerk announcing that five seats on the PDC with 3-year terms are available through 10/31/2027. Deadline to apply is 8/31/2024. These five seats include vacancies caused by the terming out of James Dowd and Blaine Grimes, who cannot reapply. The three others who can reapply are Eamonn Dundon, Thomas Mitchell, and Beverly Werber. All can continue to serve on the Board until their seats are filled and/or incumbents re-appointed by the City Council.

Ms. Van Soest welcomed Dena Libner to the Board, currently serving as Assistant City Manager, as the City Manager's designee.

Ms. Van Soest thanked Krista Cole for her service on the Board from December 2021 through June 2024.

Item #2: Review and vote on draft meeting Minutes for Board meeting held on July 18, 2024.

On motion made by Ms. Werber, seconded by Mr. Henry, the Board voted 5-0-1 (Ms. Libner abstained) to accept the meeting Minutes of July 18, 2024 as published.

Item #3: Review and vote on new Loan Application Two Fat Cats Bakery, 144 State Street.

Mr. Berg recused himself from discussion on this item due to a potential conflict of interest.

Ms. Martin introduced this request by Two Fat Cats Bakery, for $40,000 to close a funding gap in the construction budget for a new bakery location at 144 State Street, owned by Stacy Begin and Matthew Holbrook. Ms. Martin introduced Stacy Begin, who provided background information regarding their business that started 20 years ago, with a main location at 195 Lancaster Street. A decision was made to close the South Portland location and to move into the old Mercy Hospital building, with expanded operations to fit the needs of the neighborhood, which will include a cafe and a small market area with prepared foods and some grocery essentials, with plans to open in mid-October. There have been some cost overruns due to the thick concrete flooring, increasing the costs for plumbing and electrical work. The Directors asked a few questions regarding staffing and employment opportunities and the closure of the South Portland location, which were all answered by Ms. Begin.

On a motion made by Ms. Grimes and seconded by Ms. Werber, the Board voted 7-0 to go into executive session at approximately 4:35 p.m. pursuant to 1 M.R.S.A. 405(6)(F) and 5

M.R.S.A. 13119-A to review proprietary confidential information for both Item #3 and Item #4, the two loan applications. At approximately 5:15 p.m. the Board of Directors returned to the public session.

On a motion made by Ms. Grimes and seconded by Mr. Henry, the Board voted 6-0-1 (Mr. Berg abstained) to approve the loan as recommended and presented in the amount of $40,000 to Two Fat Cats Bakery.

Item #4: Review and vote on new loan application from Mayhem Rage Room, storefront lease in Bayside is pending.

Ms. Martin introduced this request from Mayhem Rage Rooms LLC owned by Paul Taylor in the amount of $70,000. Mr. Taylor is planning to lease commercial space in the East Bayside neighborhood and operate a rage room, also known as a smash room. Ms. Martin introduced Mr. Taylor, who provided a more comprehensive description of his business plan. The Directors asked a few questions regarding the employment potential, insurance options, the size and layout of the space, anticipated flow of customers, and research of other similar successful businesses. Mr. Watson asked to hear further details on how materials are acquired for destruction. Mr. Taylor was able to provide answers on questions asked, and Ms. Martin was able to screen share the proposed layout for the space.

On a motion made by Mr. Henry and seconded by Ms. Werber, the Board voted 7-0 to approve the loan for $70,000 to Mayhem Rage Room as recommended and presented to the Board.

Item #5: Review and vote on recommendation to the City Council for amending the CDBG Job Creation Grant Guidelines.

Ms. Martin summarized the memorandum included in the backup documents, including the history of the grant program and highlighted changes for the new round of this program. The program was awarded a total of $105,000, of which $5,000 will be reserved for underwriting and related administrative expenses. The grant will offer for-profit Portland businesses up to $20,000 for the hiring of new employees that are low/moderate income and will require a private match equal to the grant requested. Ms. Martin made a few new minor edits prior to the meeting which were presented to the Board which will be redlined and shared in the posted materials. These included adding “construction” and “everything else” to ineligible activities, revising “property interest” language, and a change to make the minimum grant $10,000 as opposed to $5,000.

On a motion made by Mr. Berg and seconded by Mr. Mitchell, the Board voted 7-0 to approve and recommend to City Council the proposed amendments to the CDBG Job Creation Guidelines, including the additional edits as presented by Ms. Martin.

Item #6: Treasurer’s Report - July 31, 2024

a) Monthly Administrative Budget Report
b) Cash Management Report
c) Schedule of Loans Receivable
d) 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.

Ms. Paulette provided an overview of the monthly administrative report including one notable expenditure, recapped available funds in the non Brownfields funds and the Brownfields Revolving Loan Fund, and the number of active loans with the outstanding balance.

<u>Item #7: Other items to be discussed/brought up by Board Directors and/or staff.</u>

Ms. Paulette gave an update on the PDC Award Subcommittee, tasked with bringing to the Board proposals for the five awards as follows: Economic Development Achievement to Portland Ship Yard; Business of the Year to ImmuCell; Small Business of the Year to Portland Community Squash; PDC Client of the Year to Biodiversity Research Institute; and Legacy Award to DiMillo's on the Waterfront.

On a motion made by Ms. Grimes and seconded by Ms. Werber the Board voted 7-0 to approve the recommendations for the five PDC Business Awards.

Ms. Van Soest thanked Ms. Grimes for her six years of service on this Board and for her role as President, Treasurer and Secretary. Ms. Grimes opened a gift of appreciation, a framed picture of City Hall, citing her service from 2018-2024.

<u>Item #8: Next regular meeting date: September 19, 2024.</u>

There being no further business on a motion was made by Ms. Grimes and seconded by Ms. Werber, and the Board voted 7-0 to adjourn the meeting at 5:37 p.m.

Respectfully, Kaela Gonzalez

City of Portland | Housing and Economic Development Department
Gregory P. Watson, Director

TO: President James Dowd and PDC Board Members
FROM: Nancy L. Martin, Business Programs Manager
CC: Greg Watson, Director, Housing and Economic Development Department
DATE: September 19, 2024
RE: Request to use up to $70,000 for Brownfields Assessment to support Hearts of Pine soccer team to assess contaminated soil at Fitzpatrick Stadium

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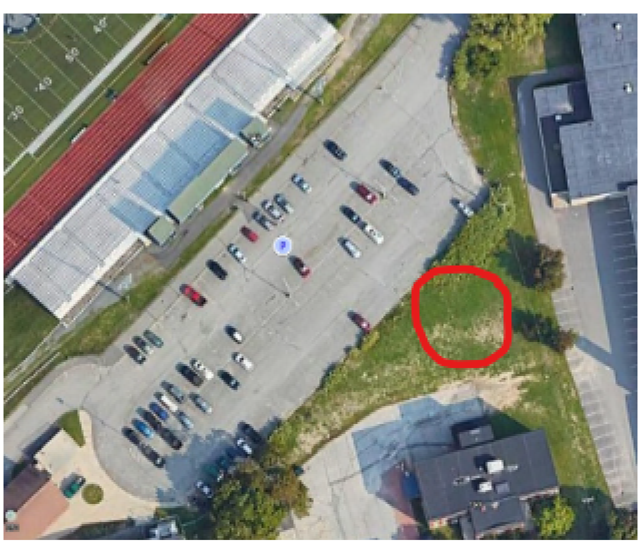
OVERVIEW:

The Portland Hearts of Pine professional soccer team executed a lease agreement with the City to use Fitzpatrick Stadium, a site owned by the City of Portland, in December of 2023. The team's season ticket sales have already broken league records, and the economic benefits of the team to the City of Portland will be far-reaching.

While performing upgrades in preparation for the inaugural soccer season, the soccer team's contractor encountered contaminated fill and needs to characterize it in order to assess off-site disposal or appropriate on-site reuse options. The contaminated stockpile is currently placed on top of, and is covered by, an impermeable surface on the grass behind the parking lot as a temporary measure to prevent potential exposure by the public, as seen in the photos below.

Although there is sufficient funding in Assessment Fund 281 which is administratively managed by HEDD staff, the use of revolved program funds, or Post Closeout Program Income (PCPI), is more expedient and will allow the stockpile to be sampled and managed as quickly as possible. This would enable a removal plan to be devised within weeks instead of months. Use of PCPI funding requires PDC board approval.



BUDGET DETAILS:

TRC, the City's Qualified Environmental Professional, provided a cost estimate of up to $70,000, broken down by the following assessment tasks:

Due Diligence Memorandum & Eligibility Determination: $3,000
TRC will conduct a due diligence review of the portion of the parcel associated with the Fitzpatrick Stadium where soil generation and management is occurring. TRC will review historical documentation and regulatory listings available online to determine site history. Specifically, the information will be reviewed to determine if the City contributed to contamination at the site, aside from area-wide filling activities. This due diligence review is required to document that the City is not a potentially responsible party (PRP) for the contamination at the site, and confirm eligibility for Brownfields assessment funding. The findings of the review will be documented in a summary memorandum and a Brownfields eligibility form will be prepared. The due diligence review will be performed in lieu of a full ASTM Phase I ESA, which is not required because the assessment is proposed to be funded by the City's Brownfields RLF PCPI.

Soil Stockpile Characterization: $11,800
TRC will collect up to 7 composite soil samples from the soil stockpile for waste characterization parameters. The analyses will be sufficient to facilitate acceptance at a licensed receiving facility and/or to support potential on-site reuse. The findings will be summarized in a memo, to include tabulated data. Costs assume one day of sampling and include a typical 7 to 14 business day laboratory turnaround time.

Preliminary Cleanup Planning: $4,400
Based on the soil stockpile data, TRC will prepare cost estimates to manage the stockpile. The potential management scenarios will include on-site reuse under an engineered cap, off-site transportation and disposal at a licensed receiving facility, and a combination of on-site reuse and off-site shipment.

Based on the tasks above, TRC anticipates that additional cleanup planning will be required which would likely cost up to $50,000. These costs would be used for: coordination with the Maine Department of Environmental Protection ($2,500), Voluntary Response Action Program application and fee ($17,500), Soil reuse design and/or soil disposal package/facility coordination ($8,000), Environmental Media Management Plan ($5,000), Declaration of Environmental Covenant ($2,000), and, if needed, Analysis of Brownfields Cleanup Alternatives ($5,000), Remedial Action Plan ($5,000), and Community Involvement Plan ($5,000).

RECOMMENDATION:

Staff recommends approval of the use of up to $70,000 in Program Income funds (current balance of that account is $481,388) to support eligibility determination, soil characterization and cleanup planning at Fitzpatrick Stadium. Although there is sufficient funding in Assessment Fund 281 for this work, use of PCPI is more expedient and will enable a removal plan to be devised within weeks instead of months.

ATTACHMENT: Hearts of Pine Brownfields Assessment Application

Brownfields Assessment Grant Application

The information provided below will be used to determine site eligibility. If you have any questions or need assistance completing this form, please email Nancy Martin, Business Programs Manager, at nmartin@portlandmaine.gov.

Email *

pheil@acorn-engineering.com

Assessment Grants provide funding for a grant recipient to inventory, characterize, assess, conduct a range of planning activities, develop site-specific cleanup plans, and conduct community engagement related to brownfield sites.

Private property owners and companies, non-profit organizations, and public entities located in Portland are all eligible to receive funding through the City's Brownfields Program. Funds are available for assessing sites to determine whether there is contamination and, if so, how they can be remediated.

Note: If a closing date is delayed and it is necessary to revise a Phase I ESA, the City will do so only one time. Any subsequent revisions must be paid for by the applicant.

The City does not discriminate on the basis of race, color, religion, national origin, sex, sexual orientation, gender identity or expression, ancestry, age, disability, familial or marital status, military service, or any other characteristic protected by law, in its programs, services, or activities.

Click here for the City's grievance procedure for discrimination complaints relating to the City's programs, services, and activities.

Name of person providing site information: *

Peter Heil, PE

Date of Application *

MM DD YYYY

08 / 20 / 2024

Property/site name *

Fitzpatrick Stadium

Property/site address (must be within Portland, Maine) *

140 Deering Avenue

Site parcel number:

049 A001001

Relationship of applicant to site: *

- ○ Owner
- ○ Prospective Purchaser
- ◉ Other: Engineer for the Hearts of Pine LLC locker room improvements at Fitzpatrick

Name of current property owner:

City of Portland

Is the applicant a minority or women-owned business/organization? *

- ○ Yes
- ◉ No
- ○ Prefer not to answer

Eligilibity

Does the site meet the definition of a Brownfields (*a real property, the expansion, redevelopment or reuse of which is complicated by the presence or potential presence of hazardous substances, pollutants, or contaminants)?*

- [x] Yes
- [ ] No
- [ ] Unknown

Type of contamination present:

- [x] Hazardous Substances
- [ ] Petroleum
- [ ] Co-Mingled
- [ ] Unknown

Work to be done

For what type of assessment are you requesting support from the City of Portland? *

- [ ] Phase I Environmental Site Assessment
- [ ] Phase II Environmental Site Assessment
- [x] Cleanup Planning and Cost Estimating
- [ ] Other (please descibe below)
- [ ] Other: ____________________

What, if any, environmental assessments have previously been done for this site? *

None are known to exist at this time

Describe the operational history and current use(s) of the site:

Currently operating as a recreational athletic field and facility

Describe the environmental concerns at the site, including when and how the site became contaminated, and the nature and extent of the contamination, if known.

While excavating for the proposed locker room improvements and associated infrastructure improvements, it appears contaminated soils had previously been placed at some point. Nature, extent, when, and how the site became contaminated is unknown at this time.

Describe the proposed expansion, redevelopment, or reuse of the property and how it aligns with the community's reuse plans:

The project will allow for continued and improved use of public recreational open space / athletic facility and allow Hearts of Pine to establish a new professional soccer team within the City of Portland.

City of Portland | Housing and Economic Development Department
Gregory P. Watson, Director

MEMO

TO:	President James Dowd and PDC Board Members
FROM:	Nancy L. Martin, Business Programs Manager
CC:	Greg Watson, Director, Housing and Economic Development Department
DATE:	September 19, 2024
RE:	Loan Request of $80,000 from Cultivating Community

PROJECT OVERVIEW:

Cultivating Community, a Portland-based non-profit, is seeking bridge funding for a remediation project in the City of Portland's Community Garden Program, which is managed in partnership with the City's Parks, Recreation & Facilities department. The organization has already secured U.S. Department of Agriculture (USDA) National Resource Conservation Service grant funding to bring Portland's gardens into safe growing standards after soil contamination was found this spring. However, the USDA grant is reimbursable, so Cultivating Community has requested a loan of $80,000 to use for the upfront cost of project implementation and staff time.

BACKGROUND AND BUDGET:

Cultivating Community has secured $243,000 in US Department of Agriculture National Resource Conservation Service grant funding to bring 200 garden plots into compliance with Maine CDC recommendations to transition the program from in-ground growing to raised beds after contamination was discovered in garden soil this spring. This project will increase the safety, accessibility, and climate resilience of Portland's beloved community gardens. The nonprofit is contributing $163,000 to this effort, leaving a $80,000 financing gap.

Cultivating Community will lead the building, cross-cultural community engagement, and project management on City land in the next 24 months. The USDA grant is provided on a reimbursement basis and Cultivating Community requires working capital for project planning, materials, and staff time.

In the 10 years that Cultivating Community has managed the City's Community Gardens, they have grown the number of gardens from 4 to 11 and increased participation by 239% . They have also advanced the equity of the program by prioritizing low-income limited resource food access and multilingual and cross-cultural support, workshops, and training. Community Gardens are essential to the fabric of Portland's neighborhoods and ensuring that they are safe, welcoming spaces that increase community connection and food security are only possible if the soil food is grown in is not contaminated.

RECOMMENDATION:

PDC staff (Nancy Martin) and underwriter (David McLaughlin) propose approving a loan to Cultivating Community of $80,000 at 5.5% interest for a two-year term and amortization, secured by an interest in all business assets.

ATTACHMENTS: PDC Underwriting analysis

PORTLAND DEVELOPMENT CORPORATION

LOAN REQUEST PRESENTATION

DAVID MCLAUGHLIN, UNDERWRITER

SEPTEMBER 12, 2024

APPLICANT: Cultivating Community (a 501(c)3 nonprofit organization)

LOCATION: 58 Boyd St., Portland, Maine 04101

EXECUTIVE DIRECTOR: Silvan Shawe

BOARD CHAIR: Marcques Houston

LOAN AMOUNT: $80,000

TERM: Two-year term and amortization

INTEREST RATE: 5.5%

LOAN PURPOSE: To construct 500 raised bed gardens within the City of Portland at the Portland City Gardens This is being done due to contaminated soils. A $243k grant has been approved by the USDA that will cover expenses for this project on a reimbursement basis as work is completed.

SOURCE AND USE OF FUNDS:

PDC loan	$80,000	Construct garden beds	$243,000
Equity Contribution	163,000		
Total	$243,000		$243,000

BACKGROUND / OVERVIEW:

Cultivating Community started in 2021. Its stated mission is “growing sustainable communities by expanding access to healthy local food; empowering children, youth, and adults to play diverse roles in restoring the local food systems, and modeling, teaching, and advocating for ecological food production”. Their sources of revenues are mostly government grants, donations and sales from food they grow through local farmstands. A number of the donations are from longer term strategic partnerships to include The Maine Community Foundation, Hannaford's, Peter Alfond Foundation, Good Shepard Foodbank, Allagash Brewing and USDA.

Some of what they do are:

- Approximately 500 families grow food together on public land in Portland's Community Gardens with priority given to low-income families. Cultivating Community has a Memorandum of Understanding with the City of Portland to manage this project. The person overseeing this program for the City reported they are doing an excellent job and meeting expectations. They have increased the number of gardens from 4 to 11 and low-income families served from 7% to

20% of that population over the ten years of managing this program. They have also worked closely with the City as they find contaminated soils to get it back to CDC standards.

- This year will be the first year that all 3000 Portland Public Elementary students will have access to school gardens. This has mostly been funded by the Sewell Foundation. They also work with the kitchen staff on nutrition under this program.
- They offer a Youth Leadership Program giving them hands on job skills and outdoor experiences. This is one of the only programs in the state to offer it to English learners
- Their New American Sustainability Agriculture Project will provide access to farmland for 60 immigrant families at two community gardens in Falmouth and Lisbon. They support the families with training, shared infrastructure, seedlings for culturally important crops and access to markets to including through partnerships with Mainers Feeding Mainers and match on SNAP and WIC sales at their farmstands.

The organization has an 8-member Board and 11 staff members. They rely a lot on volunteers.

The current request is the result of the current USDA National Resource Conservation grant to remediate Portland's Community Gardens. It includes funding for both materials for rebuilding the community garden plots into raised beds, staff time and additional soil testing for sites that have not yet been tested by the City. The total grant of $243k will be disbursed over an estimated two-year period as the work is completed. The USDA will reimburse as beds are completed. Cultivating Community will provide $163k of the needed funding,

FINANCIAL OVERVIEW:

The applicants provided all the needed financial information to include the 2020 – 2023 federal tax return, the 2024 year to date managed prepared profit and loss statement and balance sheet, and 2024 -2025 projections. The pertinent findings are as follows:

INCOME STATEMENT (000 omitted)

	2020	2021	2022	2023	6/30/24	12/30/24
- Revenues	$784	$1,129	$1,017	$1,083	$1,023	$1,093 Net
41 125	(88)	(63)	520	23		
EBITDA	42	126	(87)	(47)	520	25
Debt Service.	1	1	1	7	0	0

BALANCE SHEET (as of 6/30/24)

Current assets	$463
Current liabilities	156
Working capital	307
Total liabilities	156
Equity	358

Financial Trend - The trend is positive on a long-term basis, but negative over 2022 and 2023 due to higher cost relative to revenues as a result of inflation. Revenues are relatively consistent. They are projecting a turnaround in 2024 with a greater focus on cost management and year to date lower operating costs. The organization hired a new Executive Director May 2023. In my interview with her, she stressed being more cost efficient in order to sustain operations as her primary focus. She has hired a new CPA accounting firm that focuses on nonprofits and is more advisory. I believe the long-term history, the actual year to date operating results and the expected continued support from their funding sources mitigates this risk.

Profitability/Repayment Ability – The organization has sustained operations for 22 years and has no term debt. Cash flow was negative by ($151k) for 2022 and 2023 combined, but appears 2024 will be a turnaround with actual year to date operational results more in line with longer term performance.

Balance Sheet/Working capital – The balance sheet position provided as of 6/30/24 appears strong, however it is not accurate in reflecting the actual position. It accounts for revenues on an accrual basis and costs on a cash basis. They recorded the grants awarded but did not include the deferred liability of the cost associated with that grant. I requested a 2024 income and expense projection on an accrual basis. The above 12/30/24 income and expense projection (6 month actual) is the updated projection with an expected $23k net change in assets for fiscal 2024 and a turnaround from the prior year operating results. The $307k working capital as of 6/30/24 is expected to be close to $0 at year end when including the costs for the grant's receivables listed as an asset. A strategic goal of current management is to increase the working capital to provide a reserve

COLLATERAL:

A security interest in all business assets. No value is given for collateral purposes with only $50k in net fixed assets,.

STRENGTHS / WEAKNESSES:

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- Well-presented application with an excellent interview
- 22 years in operation with no term debt today
- Long term repayment ability appears adequate
- A larger positive variance to budget in 2024
- The improvements being made are on City owned property
- Strong endorsement from the City Department working directly with the applicant

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- Adverse trend last two fiscal years with operating losses
- Working capital while historically adequate is still marginal with a 1.0 current ratio

CONDITIONS:

Submission of monthly financial statements and reporting of that spent during the month for this project. This will enable us to monitor to assure that all grant funds pay this loan down in matching to the expenses.

RECOMMENDATION:

I recommend approval based on the above noted strengths which I believe adequate to mitigate the weaknesses. A key consideration for me, is the loan term and matching that term to the time period of completing the work and monitoring this on a monthly basis with financial reporting. I explained this to the Executive Director that this loan needs to be paid directly from the USDA grant supporting this project. She fully understands and supports this. This should avoid this loan term going beyond two years.

TO:	President James Dowd and PDC Board Members
FROM:	Nancy L. Martin, Business Programs Manager
CC:	Greg Watson, Director, Housing and Economic Development Department
DATE:	September 19, 2024
RE:	Entity Change for 89 Elm Street

OVERVIEW:

The PDC meeting voted at its July 18, 2024 meeting to approve $2,636,424 in Brownfields cleanup funding for an affordable housing development at 89 Elm Street. This funding consists of a $500,000 sub-grant to Avesta Housing Development Corporation (AHDC) which is a non-profit affordable housing developer, as well as a subsequent Brownfields Loan of $2,136,424 to Avesta 89 Elm LP which is a for-profit entity. A commitment letter from the City outlining the terms of the funding was executed with Avesta 89 Elm LP and Avesta Housing Development Corporation on August 9th, 2024. Paragraph 15 of that commitment letter limits the commitment to those entities only, and requires "prior written approval of the PDC" in order to assign the commitment to a different borrower.

On September 3rd, 2024, PDC staff was contacted by Avesta regarding a change of the for-profit entity that will be taking ownership of the property. The new entity is a Limited Liability Company (LLC), with 89 Elm GP Corp (100% Avesta-owned) as the managing member. The for-profit entity with whom the PDC previously executed the commitment letter was Avesta 89 Elm LP, with 89 Elm GP Corp (100% Avesta owned) as general partner. AHDC was the guarantor whose financial strength was evaluated by the PDC, and AHDC remains the principal in the LLC.

The City's Qualified Environmental Professional on this project (Woodard and Curran), the City's underwriter (David McLaughlin), and the City's associate corporation counsel (Amy McNally) all agree that the entity change will not alter the nature of the loan or sub-grant.

RECOMMENDATION:

Staff recommends that the Board approve the re-assignment of the Brownfields loan commitment, from Avesta 89 Elm LP to 89 Elm Street Apartments LLC.

ATTACHMENTS:

Executed commitment letter
Email from Avesta

City of Portland | Housing and Economic Development Department
Gregory P. Watson, Director

August 9, 2024

Eric Boucher
Senior Vice President Finance and Admin.
Avesta Housing
307 Cumberland Avenue
Portland, Maine 04101

Dear Eric,

I am pleased to inform you that the Portland Development Corporation ("PDC") hereby agrees to make a Brownfields grant and a Brownfields loan to Avesta Housing Development Corporation and Avesta 89 Elm LP, respectively, in the amount and upon the terms and conditions set forth herein.

1.	The Borrower/Grantee:	Avesta 89 Elm LP Avesta Housing Development Corporation
2.	Loan/Grant Amounts:	Brownfields RLF Loan: $2,136,424 (the "Loan") made to Avesta 89 Elm LP Brownfields Grant: $500,000 (the "Grant") made to Avesta Housing Development Corporation
3.	Purpose:	To provide financing for US Environmental Protection Agency (EPA) Brownfields eligible cleanup activities at the 89 Elm Street project site. Avesta Housing and Avesta 89 Elm LP is accountable to the Portland Development Corporation for using the Project Grant and Loan Funds only for eligible and allowable costs as specified in the Agreement and the terms and conditions of Brownfields CA Number BF00A00903.
4.	Interest Rate and Terms:	Loan shall bear interest at a fixed annual rate of 1.0 %, amortized over forty (40) years for a 30-year term. Interest only payments are due on the first of every month during the construction period. With permanent loan closing projected and set as 1/1/2028, monthly principal and interest payments will start at that time at approximately $5,300 per month.

5. Loan/Grant Drawdowns: Each drawdown request should be accompanied by a summary memo prepared by the Borrower/Grantee's Qualified Environmental Professional documenting the completed Remediation Work, a signed statement relative to the Remediation Work being eligible and allowable, and details regarding any discrepancies between the provided documentation (i.e., invoice amounts for costs incurred) and the requested disbursement amount.

6. Fees: Origination fee of $10,682 (0.5% of loan amount); PDC's Legal and title insurance fees to be paid at closing; Any recording or filing fees.

7. Interest Computation: Interest on the Loan shall be computed on an actual 365-day year, with credit to Loan account on actual date payment is received by the PDC.

8. Prepayment: Borrower may prepay all or part of the Loan without penalty upon not less than three (3) days prior written notice to the PDC.

9. Closing Dates: The Grant is expected to close on or before November 1, 2024, and the Loan is expected to close on or before December 31, 2024.

10. Conditions for Loan/Grant: PDC shall not disburse any Loan or Grant proceeds to Borrower through drawdowns, unless at the time of the closing this Commitment Letter has not been breached, the Warranties of Section #13 are still true, and the Borrower/Grantee has:

a. Provided proof of Borrower's authority to borrow. Provided commitment letters and other documentation satisfactory to PDC from all other sources of complete financing for this project with reasonable assurance that all preclosing conditions have been met prior to closing;

c.. Provided evidence of insurance on all real estate naming the Portland Development Corporation as mortgagee and loss payee on the property insurance and an additional insured on general liability and pollution liability insurance. Insurance coverage shall be carried while Loan is outstanding**;**

d. Provided a W-9 from each Borrower;

e. Provided title insurance policies on each mortgaged property, with all standard exceptions deleted, insuring PDC in an amount equal to the amount of the Loan;

f. Provided an opinion of counsel as to Borrower's existence and authority to execute the Loan and Grant documents, the existence of no pending or threatened litigation, no conflict with organizational documents or other agreements to which Borrower is a party, and such other matters as PDC may reasonably request;

g. Provided documentation satisfactory to PDC of final project budget to include the remediation costs prior to closing;

h. Provided documentation satisfactory to PDC of an appraisal and feasibility study prior to closing;

i. Acceptable review of commitment letters from all other sources of financing and reasonable assurances from those sources that either all major preclosing conditions have been met or are expected to be met prior to closing.;

j. Executed Loan and Grant documents containing such other terms and conditions as may be deemed reasonably necessary by PDC and/or its counsel. Borrower acknowledges that this commitment letter does not contain all the terms and conditions that shall be set forth in the Loan and Grant documents.

11. Covenants of the Loan/Grant: Borrower/Grantee covenants that it will:

a. Maintain all taxes and other assessments on a current basis;

b. Maintain proper business and accounting records in accordance with generally accepted accounting principles and authorize PDC's access to these records;

c. Submit to PDC Federal Income Tax Returns (or accountant prepared financial statements) on an annual basis for Borrower;

d. Provide completed annual IRS tax returns to the PDC upon submission to the IRS for Avesta Housing and Avesta 89 Elm LP;

e. Use the funds for purposes represented to PDC in the funding application;

f. Conduct all cleanup activities at 89 Elm Street in accordance with the forthcoming Voluntary Response Action Program Work Plan to be completed by TRC and approved by Maine DEP and the forthcoming Maine DEP VRAP No Action Assurance Letter. At the completion of the cleanup, Borrower/Grantee shall provide an environmental cleanup report stamped by a Maine Professional Engineer is to be completed to PDC's reasonable satisfaction adequately documenting the cleanup activities and a Certificate of Completion for the Maine DEP VRAP Program;

g. Pay all legal, accounting, and other reasonable costs incurred by PDC in enforcing the terms and conditions of the Loan and Grant, as well as any unusual servicing costs;

h. Maintain operating business within Portland for the life of the Loan/Grant;

i. Provide PDC a final project budget reasonably satisfactory to PDC to include the remediation costs prior to closing;

j. Borrower shall remain in compliance in all material respects with representations, warranties and covenants made to its senior lenders and tax credit investor and shall promptly notify PDC if Borrower receives any notice of default with respect to such representations, warranties and covenants

k. All funds needed for the complete environmental cleanup must be approved prior to closing.

12. Collateral for Loan

A third priority mortgage, security agreement, and assignment of leases and rents on the commercial real estate located at 89 Elm, Portland subject to prior mortgage debt of approximately $45,243,000 with Maine State Housing Authority. PDC shall enter into any Intercreditor Agreement as required by Maine State Housing Authority.

13. Borrower's/Grantee's Warranties:

In order to induce PDC to make the Loan and Grant, Borrower/Grantee makes the following representations and warranties which shall survive the execution and delivery of the Loan and Grant documents:

a. There are no actions, suits or proceedings pending or, insofar as Borrower/Grantee is aware, threatened against Borrower/Grantee before any court or administrative office or agency;

b. Neither the execution and delivery of this Commitment Letter, nor the consummation of the transactions herein contemplated will conflict or be inconsistent with any of the provisions of any outstanding agreement to which Borrower/Grantee is a party or by which it may be bound, or violate any charter or by-law provision of Borrower/Grantee; and

c. Borrower is unable to acquire funds on terms and conditions comparable to those negotiated with PDC and without which it would not be able to proceed with its business plans.

14. Default:

Borrower/Grantee shall be in default upon a breach of the Loan and Grant documents, specifically including, but not limited to:

a. Material misrepresentations made by Borrower/Grantee to PDC;

b. Failure to punctually pay the Note when and as due;

c. Failure to punctually pay other loans when and as due;

d. Bankruptcy or transfer of any significant assets (including but not limited to development rights, options, real estate, personal property, contract rights, permits, plans or the like); and

e. Failure to rectify any defaults, including those listed in items 14 (a) through (d) above, within a grace period of thirty (30) days after notice of default.

15. Non-Assignability: This commitment is made to the Borrower/Grantee solely and may not be assigned, transferred, conveyed, or otherwise disposed of in any fashion, in whole or in part, without the prior written approval of the PDC.

16. Obligations of Commitment: It is agreed that the terms and conditions provided and incorporated herein are established solely for the protection of the PDC as potential lender, and that the PDC shall have no liability to the Borrower/Grantee or any other person in damages hereunder or otherwise for any failure or delay on its part to explain, administer, or otherwise enforce any of such requirements. The sole remedy of the Borrower/Grantee for any unreasonable failure or delay on the part of the PDC to explain, administer, or otherwise enforce any of such terms, and as a direct result of which failure or delay the Borrower/Grantee may have lost time or suffered damages, shall be an extension of the commitment expiration date set forth below for the period of such unreasonable failure or delay, without commitment extension fee. This commitment may be terminated by the PDC any time prior to the loan or grant closing upon discovery by the PDC of a material adverse change in or any misrepresentations or erroneous statements about the proposed Project or in or about Borrower's/Grantee's position with respect to solvency, credit worthiness, ability to carry out the proposed Project, government regulations, or any other substantial factor. Such termination shall become effective upon the mailing of notice of termination by the PDC by certified first class mail, postage pre-paid, to

Borrower/Grantee at the address shown on this commitment.

17. Documentation: All documentation shall be presented to the PDC seven (7) days prior to closing, and at the time of closing acceptable in form and substance to PDC Counsel Amy McNally, 389 Congress Street, Portland, Maine 04101.

This letter continues in force and effect through December 31, 2024. If the terms of this letter are not accepted by the above date, this letter becomes null and void. If accepted, this letter becomes part of the closing documents and the terms of this letter remain in effect for the life of the Loan and Grant. Upon PDC's learning of any adverse financial or credit status changes or indications of change concerning the Borrower/Grantee, this Commitment Letter becomes null and void at the sole discretion of PDC prior to the time of closing. The Borrower/Grantee and the undersigned acknowledge and agree that the City of Portland and PDC may, if they so choose, publicize the fact that the Loan and Grant are being made to Borrower, including the amount of the Loan and Grant and their purposes. We are very pleased to have the opportunity to assist you. If the terms of this commitment are acceptable to you, please sign and return this letter, along with the $10,682 non-refundable origination fee to my attention.

Sincerely,

Signed by:
Gregory P. Watson
0F8BB6A44AEF489...

Gregory P. Watson
Housing and Economic Development Director and
Assistant Secretary to the PDC

We hereby agree and accept the terms and conditions set forth herein:

BORROWERS:

Avesta Housing Development Corporation

DocuSigned by:

______________________________ 8/9/2024

By: Eric Boucher Date

Its: Senior Vice President Finance and Admin.

Avesta 89 Elm LP, By 89 Elm GP Corp., its General Partner

DocuSigned by:

______________________________ 8/9/2024

By: Eric Boucher Date

Its: Senior Vice President Finance and Admin.

Nancy Martin <nmartin@portlandmaine.gov>

89 Elm - Entity Change

Nathaniel Howes <NHowes@avestahousing.org> Tue, Sep 3, 2024 at 2:12 PM
To: Nancy Martin <nmartin@portlandmaine.gov>

Hi Nancy,

MaineHousing issued a TEFRA (Tax Equity and Fiscal Responsibility Reform Act) for their tax-exempt bonds that will be financing the 89 Elm transaction. This is a normal procedural step when an agency issues Tax Exempt bonds. It's basically a public hearing process where the projects are listed with their ownership entities, and it's signed by the governor's office. Reveler's initial application to MaineHousing listed 89 Elm Street Apartments LLC as the future owner of the project and this information was included in the TEFRA package. MaineHousing has requested that we keep the same entity as the application and TEFRA.

The new entity is a Limited Liability Company (LLC) with 89 Elm GP Corp (100% Avesta owned) as the managing member. The LLC is the borrower for the brownfields loan.

The previous entity was Avesta 89 Elm LP with 89 Elm GP Corp (100% Avesta owned) as general partner. The LP was the borrower in this case.

Structurally, nothing changes. AHDC was the guarantor whose financial strength was evaluated and AHDC remains the principal in the LLC. Only the borrower entity changes. The fundamentals of the deal structure remain in place.

Thanks,

Nate Howes

Senior Development Officer

Avesta Housing

p: 207-553-7780, x3374 | c: 207-232-1021

www.AvestaHousing.org

View current job openings with us.

Kaela Gonzalez <kgonzalez@portlandmaine.gov>

Fwd: PDC Public Comment - Agenda Item #6 - Entity Change for Massive 89 Elm Street Project - Brownfields Grant/Loan

Nancy Martin <nmartin@portlandmaine.gov> Wed, Sep 18, 2024 at 12:19 PM
To: Kaela Gonzalez <kgonzalez@portlandmaine.gov>

---------- Forwarded message ---------
From: **Nancy Martin** <nmartin@portlandmaine.gov>
Date: Wed, Sep 18, 2024 at 12:15 PM
Subject: Fwd: PDC Public Comment - Agenda Item #6 - Entity Change for Massive 89 Elm Street Project - Brownfields Grant/Loan
To: Public Comment <publiccomment@portlandmaine.gov>

FYI

---------- Forwarded message ---------
From: **George Rheault** <george.rheault@gmail.com>
Date: Wed, Sep 18, 2024 at 11:58 AM
Subject: PDC Public Comment - Agenda Item #6 - Entity Change for Massive 89 Elm Street Project - Brownfields Grant/Loan
To: <edd@portlandmaine.gov>, <gwatson@portlandmaine.gov>, Mary Davis <mpd@portlandmaine.gov>, <nmartin@portlandmaine.gov>

Odd how the party-in-interest discussion from the PDC's July 2024 meeting was quickly brushed aside, but now suddenly, it is vitally important to get it right for Maine Housing's purposes of "public notice" despite the fact that an "after-the-fact" switcheroo is probably not going to make a fraudulent transaction kosher in the eyes of the law.

Let's be absolutely clear. Port Properties (a/k/a Reveler) had to demonstrate "right, title, and interest" as well as financial capacity when it filed development applications to entitle the 89 Elm Street project (first by getting it swept up in a "master development plan" and then getting specific "major site plan approval" for the specific 89 Elm Street parcels.

At no time was AVESTA part of any of that conversation in terms of disclosing Port Properties had effectively selected AVESTA as a joint development partner.

When the TEFRA public notice went out for the TEFRA public hearing (see link below), MaineHousing was perfectly comfortable allowing AVESTA to continue to remain a silent partner even though MaineHousing knew very much at the time of the notice and hearing (see attached) that AVESTA was the ultimate developer and owner/operator here.

Also attached is a news story (one of the few examples of media attention that might have informed the public of what was happening here) that makes clear that at the time of the Planning Board review process that AVESTA's interest and involvement was being EXPLICITLY KEPT FROM THE PUBLIC.

The PDC's members are smart enough to be aware that the cover-up is often worse than the crime and "covering your tracks" is worth an old college try, it does not fix a fraudulent transaction.

At the VERY LEAST, a flow chart of the various entities involved here should be provided to help the public understand what is happening here. When and how did AVESTA get control/ownership of the 89 Elm Apartments LLC and how does the alphabet soup of AVESTA entries currently involved get us to the place where the TEFRA process from August 2023 still hold up with a straight face?

If the story of how Port Properties, after buying up much of Bayside from Tom Toyes, transferred (or intends to transfer to facilitate the Brownfields funding grant/loan monies) its interests in 89 Elm Apartments LLC to AVESTA cannot be clearly described and displayed for the general public, then the PDC is not doing its job of being transparent and helpful to the people of Portland.

FYI - this is NOT a ministerial change, but a major issue with implications for federal court litigation, and therefore the agenda action here must be a VOTE to approve the requested change, rather than simply some of kind of lesser level "Review" or "communication" item.

https://www.mainehousing.org/news/public-notices/public-notice---proposed-issuance-of-tax-exempt-bonds-for-multi-family-housing

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Press Herald - 10-24-2023 - Planning Board Approval of 89 Elm Street.pdf
473K

PORTLAND DEVELOPMENT CORPORATION BOARD OF DIRECTORS

FISCAL YEAR 2024 ANNUAL REPORT

Prepared by
Housing and Economic
Development Department Staff

ABOUT THE PORTLAND DEVELOPMENT COROPORATION

Formed by the City in 1991, the Portland Development Corporation (PDC) reviews and approves all requests for commercial loans and grants from the City's business assistance program. The Housing and Economic Development Department provides the primary staff support to the Portland Development Corporation (PDC) Board of Directors, with legal assistance from Corporation Counsel. The Department is also responsible for marketing and administration of the PDC's Commercial Loan and Grant Programs. This annual report provides an overview of PDC's activities in Fiscal Year 2024 (July 1, 2023 through June 30, 2024), during which the PDC Board of Directors met remotely via Zoom ten times.

PDC loans and grants are designed to complement private sources of funding to support Portland's for- and non-profit businesses, increase jobs and the City's tax base, while achieving broad-based and equitable economic development.

FY24 ACTIVITY AT A GLANCE

During FY2024, the PDC provided commercial loans to three businesses for a total of $457,687, one Brownfield grant of $574,700, and 81 Microenterprise grants (funded by the American Rescue Plan Act) of $5,000 each totaling $405,000. See the table on the following page for a five-year trend of loan and grant activity for FY2020 through FY2024.

COMMERCIAL LOAN ACTIVITY: FY2020 THROUGH FY2024

	FY2020	FY2021	FY2022	FY2023	FY2024
No. of Commercial loans made	5	3	3	5	3
$ of Funds Lent	$434,000	$298,000	$425,250	$555,000	$457,688
Leverage Ratio	1:3	1:7	1:10	1:49	1:4
Jobs Created	2	8	4	30	25
Jobs Retained	125	40	6	10	30

The FY2024 PDC loan portfolio grew with 3 commercial loans closed for a total of $457,688, helping to create 25 new jobs and retain 30. These loans leveraged $1,831,575 in private commercial investment.

PDC LOAN PORTFOLIO

SINCE INCEPTION

Total Amount of Funds Lent:
$13,687,972

Leveraged Amount of Private Financing:
$200,000,615

Jobs Retained:
1,541

Jobs Created:
883

COVID-19 Loans Jobs Rehired/Retained:
78

18 Loans Defaulted:
$753,899*

As of the end of FY2024, the PDC active outstanding loan portfolio exceeds $2.3 Million with 29 loans under management. This loan portfolio of $2.3 Million leverages $43.1 Million in private investment in Portland, for a leverage of $21 of private funds invested to each dollar of public funds invested, a 21:1 ratio. These loans helped to create/retain 278 jobs, and include a diverse mix of PDC investments in businesses noted above, as well as fitness, retail, recreation, hospitality, and service businesses. It is also noted that of the 29 loans under management, 6 are to the immigrant community.

PDC LENDING HISTORY

Since its inception in 1991, the PDC has made 213 loans to diverse businesses including manufacturing (e.g., breweries and biosciences), hospitality, restaurants, retail, child care, sports/fitness, biodiversity research, and service, among others.

As a result of a successful grant application, beginning in 2012, funds from the U.S. Treasury's State Small Business Credit Initiative (SSBCI) became available to the Finance Authority of Maine (FAME), with the City as a participating lending source for those funds via a partnership and pass-through with the Finance Authority of Maine. To date, the PDC has utilized $922,500 in SSBCI funds for loans to six Portland businesses. Since the SSBCI Program expired in early 2017, all of the loan funds became the City's, expanding the PDC loan pool by just under $1 million.

*Default amount of $753,899 is 5.51% of the total amount of funds lent. This is less than half of the 15% capital reserve provisioned for this purpose.

FY24 COMMERCIAL LOANS

The City of Portland's Revolving Loan Fund provides commercial financing to businesses located in Portland to facilitate economic growth and job creation.

Loans are available to start-up and existing businesses, for-profit as well as non-profit, and generally range from $10,000 to $250,000.

Businesses are encouraged to establish relationships with banks and credit unions to access conventional financing.

The City's loans are intended to assist when there is a financing gap, or when businesses are not yet able to access conventional financing.

Interest rates are set by the Portland Development Corporation and are usually a point or two above the rates offered by the banking community.

MATCHA MOOD

Driven by their love for matcha and its energizing benefits, two sisters from Thailand have launched a vibrant new drink and dessert shop, where every creation is infused with matcha. With its charming and aesthetically pleasing ambiance, the shop has become a hotspot for young people, particularly students. In just under a year, the shop's overwhelming success has been so remarkable that one sister was able to leave her full-time job to devote herself entirely to this thriving business. Their dedication and passion have truly paid off, making their matcha haven a resounding success.

"Our business used the city loan to renovate and set up the store from an empty space. We primarily used the loan for equipment. Thanks to this loan, we were able to build a store and achieve significant success.
-Sarochinee Tiparos"

LONGFELLOW HOTEL

Brothers and co-owners of the Longfellow Hotel, Tony, left, and Nate DeLois.
Photo: Portland press herald
Shawn Patrick Ouellette/Staff Photographer

The Longfellow Hotel in Portland's historic West End was named among 20 stunning new hotels for global inspiration by Architectural Digest as part of the magazine's 2024 "Hotel Great Design Awards," which celebrate the best designed new hotels in the world.

ANOTHER ROUND

Entrepreneur Harry Sultan opened Another Round, a board game bar and cafe, as a space for people to make friends, relax, and enjoy a welcoming community. He applied for a City loan to help with startup costs.

"The loan from the City of Portland enabled me to renovate the space and buy fixtures and supplies. I am grateful for the City's support!"

ARPA MICROENTERPRISE GRANT PROGRAM

"The city grant has been incredibly helpful. It allowed me to hire help for packing and shipping during the holiday rush and to purchase more inventory from local businesses like Little Chair Printing and Dale Rand Printing. Additionally, I was able to buy supplies and a small tabletop press, which enabled me to practice printing woodcuts at home. This new skill will really expand the variety of cards and prints I can create."

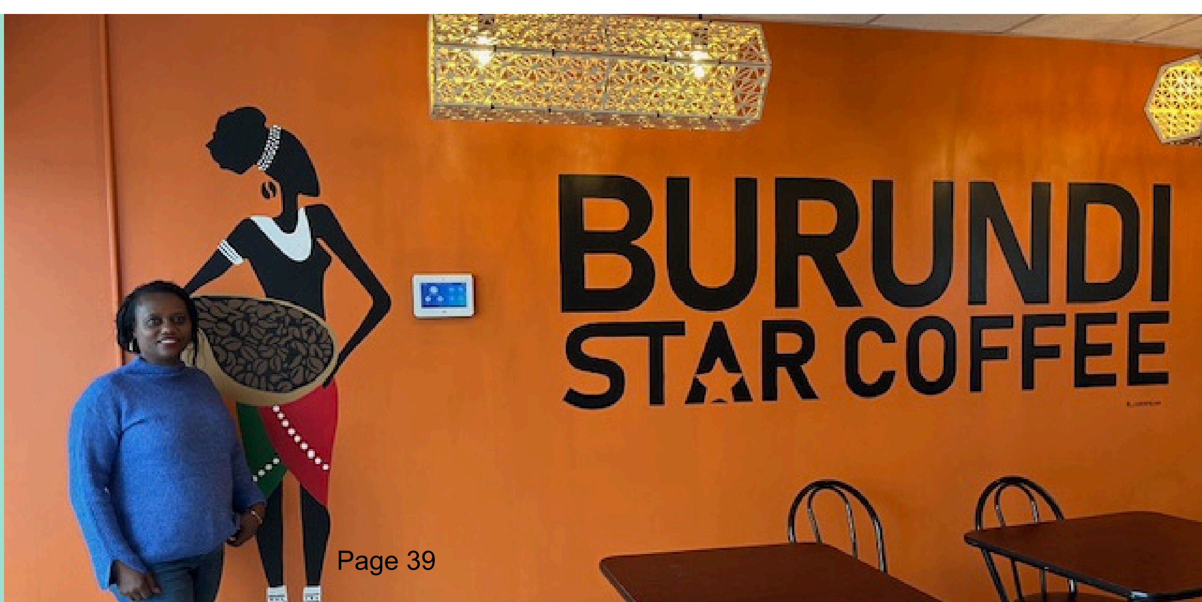
Nicole Manganelli
Founder and Owner of Radical Imprints

This program provided grants to businesses that were impacted by the COVID-19 pandemic, originally starting in FY2022 with $272,500 in total funds, which were quickly depleted with grants to 51 businesses. Funding was provided by the American Rescue Plan Act (ARPA).

In FY2024, with additional ARPA funding allocated by the City Council, the PDC awarded grants of $5,000 to 81 low-moderate income microbusiness owners, totalling $405,000. Businesses used the grants for a variety of needs such as marketing, inventory, rent, and payroll.

"The grant played a vital role in keeping our team onboard during the winter months. It also supported us in compensating staff when one of our locations had to close for two weeks due to state licensing requirements."

Jocelyne Kamikazi,
Founder and owner of Burundi Star Coffee



FY24 MICROENTERPRISE GRANTEES

Kurier	Arcana	Love Lab Studio	Art of Self Worth	Ole Port Basketball	Factory 3
LanguageXS	The Proper Cup	Green Hand Bookshop	Kaleidoscope	Jen Burrall Designs	Luna Schwarma and Falafel
240 Strings	Moonday Coffee	Exotic Eats	Abraxas	Polish	Moriah Market
NRTG Photography	Thicket Jewelry	Language Access Providers	Waterlily	Amadeo Design	Top Care
OratCare Institute of Health	Katie Made Bakery	TrainRiders Northeast	Radical Emprints	33 By Hand	Golden Services
ZagOn Beauty LLC	Zephyr Ice	East West Therapeutic Arts	Tealight Studios	Portland Kung Fu	Sophrosyne Group Limited
Coast City Comics and the Fun Box Monster Emporium	Claramunt Group	Falafel Time	Still Life Studio	Salon Paragon	Prime Home
Sit. Stay. Forever.	Handshake Bitters	Food For All Services	4 Men Barbershop	Kili Organics	Carhop
Rejoice Cleaning service	Center for Creative Healing	Twist	The Bridge and Beyond	Best Bett Japanese Translation	Chiang Mai Thai Express
Multi Generations for Affordable Housing	Al Badoo Community Association of Maine	YES! To Youth	Asia Eats	Clarke Cumberland Counseling	Cape Concierge
Studio Shappy	Moonbats Postershop	Burundi Star Coffee	Cumberland Islamic Center	Just Home Services	Manir Print and Design
Uno 2 3 Day Care	Eutrapelia	Learn Around The World Network	Tu Casa	The Maine Project for Fine Art Cons.	
Friends of Congress Square Park	Longstocking Design	Woodnote	Maine The Way	Ramble More Design Company	
Underdog Candles	YARDIE TING	Rewild Maine	Maine Surfers Union	Opus Hair Studio	

MORE MICROENTERPRISE GRANTEE TESTIMONIALS

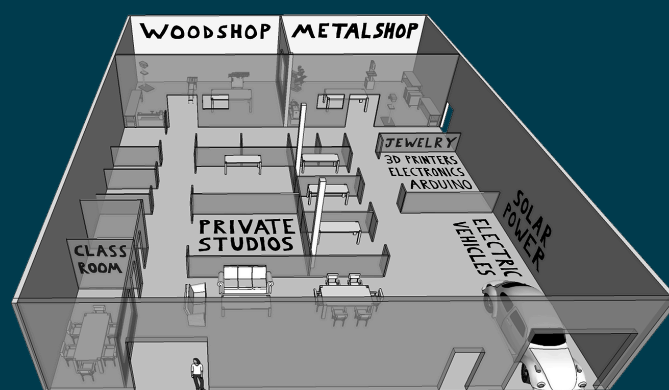
Ramble More Design was founded by Timothy Goldkin with the intention of marrying fine art and commercial art. The company produces bespoke custom art pieces by utilizing contemporary and archival imagery.

Tim Goldkin highlighted the impact of the city grant on his business, saying:

“The city’s grant has been instrumental in our growth. It enabled us to purchase essential equipment, cover rent costs, and invest in business development through marketing efforts. Without this support, we wouldn't have been able to expand and thrive as we have.”

"The City's assistance allowed me to explore new products, acquire necessary materials, develop new skills through educational classes, and sustain operations through the winter by funding participation in trade shows," *Selina Chan, founder of Tealight Studio*, emphasized. "This support was invaluable and greatly contributed to my business's growth at the time!"

Factory 3’s mission is to create a space that empowers makers to realize their full potential by removing as many barriers as possible.



"Our city grant covered some of our overhead costs, allowing us to invest in a 3D printer. This has enabled our members to work more efficiently and allowed us to offer classes on cutting-edge digital fabrication technology."
Patrick Russell,
Founder and Owner

APPROVED BROWNFIELD LOANS AND GRANTS FY2020 THROUGH FY2024

	FY2020	FY2021	FY2022	FY2023	FY2024
No. of Brownfield Grants/Loans	1	2	1 Loan & 1 Grant	2 Grants	1 Grant
Total $	$125,000	$250,000 Loan/ $150,000 Grant	$425,250	$51,500	$574,700

Since 1996, the City of Portland has received just over $7 million in Brownfields funding from the EPA for assessment and cleanup of environmentally contaminated sites.

The City Council accepts and appropriates these funds to recapitalize the Brownfields Revolving Loan and Grant Program and a Brownfield Assessment Program. The revolving loan funds are used as loans to for-profit developers, and, in some cases, as grants to non-profits for clean-up of Brownfields sites throughout the City. The assessment funds cover the cost of Phase I and Phase II Environmental Site Assessments and clean-up planning in Portland.

BROWNFIELDS FUNDS RECEIVED FROM EPA

Grant/Assistance Type	Amount	Year Awarded	Status
Assessment	$90,000	1996	Closed
	$110,000	1998	
	$135,000	2001	
Revolving Loan Fund	$500,000	1999	Closed
	$55,000	2006	
	$300,000		
Cleanup of the Bayside Rail Property	$150,000	2004	Closed
Assessment	$200,000	2005	Closed
Revolving Loan Fund	$800,000	2016	Active
	$500,000	2018	
	$480,850	2021	
Assessment	$200,000	2018	Closed
Targeted Brownfields Assessment of Portland Harbor	$115,177	2019	Closed
Assessment	$250,000	2020	Closed
Revolving Loan Fund	$3,000,000	2022	Active
Assessment	$500,000	2023	Active

FY24 BROWNFIELD LOAN AND GRANT ACTIVITY

FY2024 BROWNFIELD GRANTS

NAME	TYPE OF BUSINESS	AMOUNT
PORTLAND HOUSING AUTHORITY	NONPROFIT AFFORDABLE HOUSING DEVELOPMENT	$574,700

In FY2024, the PDC Board approved a remediation/cleanup grant of $574,700 as an amendment to the original $200,000 approved in December 2021 to the Portland Housing Authority's Front Street Phase II project, located at 63 Front Street.

This additional grant funding was needed to remediate contaminated soils found while working to connect utilities and needing to be transported to a special disposal site in Quebec. Of the total amount requested, $327,000 came from the City's FY2016 Cooperative Agreement with a cost-share requirement of $65,400 (thereby closing out that agreement), and the remaining $247,700 will come from the City's FY2022 Cooperative Agreement that does not have a cost share requirement.

The City's Brownfields Program enabled the provision of affordable housing developed by the Portland Housing Authority, which redeveloped its property at front street, from 50 to 105 units. (Image Credit: Portland Housing Authority)

CDBG BUSINESS ASSISTANCE PROGRAM FOR JOB CREATION

The Business Assistance Program (BAP) for Job Creation offers grants to new and expanding Portland businesses for projects that result in the creation of permanent net new jobs for low/moderate income individuals. A private match is required in an amount that is at least equal to the grant requested. The maximum grant amount per recipient is $20,000. For every $10,000 of grant funds, one full-time permanent job must be created.

Grants awarded since the Program's inception (FY12 through FY2022) were made to 70 recipients, including over 15 to the immigrant community, resulting in the creation of 150 jobs. The program has provided assistance to a diverse group of start-up and existing businesses including restaurants, bakeries, food production, clothing and textile manufacturers, pharmacy, computer services, music venue, bicycle sales/service, hair salons, auto repair, and home health care services.

This program was not funded in FY2023 and FY2024 but staff continue to pursue opportunities for future years.

50 YEARS of CDBG Community Development Block Grant Program

COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY FINANCING PROGRAM

In June of 2021, the Maine Legislature enacted L.D. 340, authorizing municipalities to participate in the Commercial Property Assessed Clean Energy (C-PACE) financing programs and designated Efficiency Maine to be the agency to implement the programs. A C-PACE mechanism uses a loan from a capital provider to pay for the upfront costs associated with energy efficiency or renewable energy improvements. The loan is secured by a property tax assessment with an associated lien on the subject property, allowing financing for a longer term and the ability to transfer the repayment obligations to a subsequent owner of the property. Portland's City Council approved the City's participation in late 2023. Since then, City staff have been reaching out to local banking partners to encourage their participation in the program.

efficiency MAINE®

CITY/PDC ANNUAL AWARDS PROGRAM

After a four-year hiatus due to the COVID pandemic, the Annual Business Awards returned for the 25th anniversary event, held at Ocean Gateway on November 15, 2023, to honor five Portland businesses for their contribution to our economy. The five categories awarded by the City of Portland and the PDC were: Economic Development Achievement, Business of the Year, Small Business of the Year, PDC Client of the Year, and the Legacy Award.

ECONOMIC DEVELOPMENT ACHIEVEMENT: CHILDREN'S MUSEUM & THEATRE OF MAINE

The new location on Thompson's Point Road is the 5th most attended visitor attraction in Maine, welcoming over 240,000 visitors each year, with more than 20% of all admissions subsidized at free or reduced rates, ensuring that every child can open the door to imagination, wonder and play.

children's MUSEUM + THEATRE of maine

CITY/PDC ANNUAL AWARDS PROGRAM

BUSINESS OF THE YEAR: BISSELL BROTHERS BREWERY

With a deep sense of pride, Bissell Brothers touts putting Maine and their team above all else. For the second year running, Bissell Brothers was named as one of the 100 best places to work in Maine; Bissell Brothers also gives $50,000 a year to Maine-based charities and organizations.

SMALL BUSINESS OF THE YEAR: BANGS ISLAND MUSSELS

Starting in 2010 with three rafts, the company successfully expanded to over 15 employees, 26 rafts, four boats and increased kelp infrastructure with modernized technologies in a 5,00-square-foot warehouse, producing more than 600,000 pounds of mussels.

PDC CLIENT OF THE YEAR: PORTLAND FOOD CO-OP

In 2023, the Co-op purchased $2.1 million worth of food and other goods from Maine businesses, including over $1 million directly from Maine family farms. The Co-op is an economic engine for the local food economy. The Co-ops Register Round-up program raises over $40,000 per year to support local nonprofits.

CITY/PDC ANNUAL AWARDS PROGRAM

LEGACY AWARD: INTERMED

This physician-owned medical practice now serves approximately 110,000 unique patients, representing over 8% of Maine's population. Intermed has strong relationships with several of Maine's largest employers and is dedicated to providing educational opportunities to a variety of learners in the healthcare field, offering partnerships and affiliations with a range of educational institutions.

2023 Business Award Recipients. Pictured from left to right; PDC Board President James Dowd, Mayor Kate Synder, Bissell Brothers Co-founder Peter Bissell, Bangs Island Mussels CEO Annie Simpson, Children's Museum and Theatre of Maine Executive Director Julie Butcher Pezzino, Portland Food Co-op General Manager John Crane, Intermed CEO Roger Poitras, and Immediate Past PDC Board President Blaine Grimes. Photo credit: Clare Norton

PORTLAND DEVELOPMENT CORPORATION

Statement of Net Position
June 30,2024
(Preliminary and Subject to Audit)

Assets		
Cash		$ 2,993,402
Due from other government		16,961
Accounts receivable		3,663
Loans receivable	$ 2,338,835	
Allowance for uncollectible loans	(351,400)	1,987,435
Total assets		$ 5,001,461
Liabilities and Fund Equity		
Liabilities:		
Accounts payable	$ 143,549	
Total liabilities		$ 143,549
Fund equity:		
Reserves		
Loans receivable	$ 1,987,435	
Economic Development Fund	103,742	
Unrestricted UDAG	226,304	
Restricted CIP	397,259	
Unrestricted CIP	201,569	
FAME	847,808	
EPA Revolving Loan Fund (Brownfield)	478,479	
FAME SSBCI	506,934	
Brownfield grants	108,381	
Total fund equity		4,857,912
Total liabilities and fund equity		$ 5,001,461

PORTLAND DEVELOPMENT CORPORATION

Statement of Revenues, Expenditure, and Changes in Fund Balance For the Year Ended June 30,2024 (Preliminary and Subject to Audit)

Revenues and Financing Sources		
Federal grants	$ 142,825	
Application fees and charges for services	15,469	
Interest received on loans	92,672	
Investment interest income	90,019	
Total revenues and financing sources		$ 340,985
Expenditures and Other Charges		
Administrative services	$ 8,999	
Net payments to contractors	261,418	
Adjustments to allowances	35,832	
Total expenditures and other charges		306,249
Excess (deficiency) of revenues over expenditures		$ 34,737
Fund balance, June 30, 2023		4,823,175
Fund balance, June 30, 2024		$ 4,857,912

The PDC looks forward to continuing to assist in providing and leveraging investment in Portland area businesses and development projects. With grant programs, its loan portfolio growing, and loan funds available to invest, the PDC would like to thank the City Council for its continued support.

PDC Board of Directors:

Councilor April Fournier
Krista Cole
Sam Dargan
James Dowd, President
Eamonn Dundon, Secretary
Blaine Grimes
Nathan Henry
Thomas Mitchell
Kierston Van Soest, Treasurer
Beverly Werber
Danielle West, City Manager

PDC Staff:

Greg Watson, Housing and Economic Development Director
Nancy Martin, Business Programs Manager
Kaela Gonzalez, ARPA Program Manager
Lori Paulette, Principal Administrative Officer
Avery Dandreta, Associate Corporation Counsel
Amy McNally, Associate Corporation Counsel
Nguyen Lam, Economic Development Intern

Portland Development Corporation
Preliminary Draft Operating
Report FY2025
For Month Ending
8/31/2024

Operating transfer from EDF	**40,122**

Total Funds Available	**40,122**

FY2023 Expenditures	**Budget**	**Current Month**	**Year to Date**	**Percent of Budget**	**Balance**
Administrative Services	11,175	0	11,070	99.1%	105
Postage	300	0	0	0.0%	300
Travel, Training, Meetings	9,000	29.07	29	0.3%	8,971
Contractual Services	6,000	1,820	1,820	30.3%	4,180
Operating Transfer to Fin.	9,647	0	0	0.0%	9,647
Advertising	2,500	0	0	0.0%	2,500
Auto Expense Reimb.	100	0	0	0.0%	100
Printing & Binding	650	130	130	20.0%	520
Office Supplies	750	0	0	0.0%	750
Total FY2023 Expenditures	**40,122**	**1,979**	**13,049**	**32.5%**	**27,073**

FY2025 PDC CASH MANAGEMENT REPORT/Non-Brownfield Program

(Preliminary and Subject to Change)

Period Ending: 8/31/2024	UDAG		CIP		CIP		FAME		FAME SSBCI		TOTAL
	271		272		274		277		279		
	Unrestricted Loans/Grants		Restricted		Unrestricted		REDLP				
Beginning Balance	**230,748**		**399,892**		**204,422**		**893,828**		**514,463**		**2,243,354**
Additions	MTD	YTD	MTD	YTD	MTD	YTD	MTD	YTD	MTD	YTD	
Principal payments received	6,146	10,639	1,298	3,878	2,009	4,681	20,642	44,812	2,517	6,547	
Interest payments received from loans	3,443	6,864	18	71	595	776	2,865	4,805	2,143	5,744	
Interest Income		555		911		455		1,928		1,174	
Other Income/Adjustments		-		-		-		-		-	
Pass Through From FAME/SSCBI		-		-		-		-		-	
Deductions											
FAME Annual Admin. Fee; Invoices											
Disbursements - Expenses							(246,930)				
Disbursements - Loans/Grants											
Ending Cash Balance (Munis)	**240,337**		**401,208**		**207,026**		**670,406**		**519,123**		**2,038,100**
Less Reserves for: Loans											
Beautification Program (EC0301)	(72,000)										
Transfers not yet recorded (UDAG Int)	(6,864)										
Adjusted Ending Cash Balance	**161,472**		**401,208**		**207,026**		**670,406**		**519,123**		**1,959,236**

FY2025 PDC CASH MANAGEMENT REPORT - BROWNFIELD PROGRAM

(Preliminary and Subject to Change)

Period Ending: 08/31/2024	Brownfield 1		Brownfield 2 (2016)		Brownfield 3		Brownfield 10/1/2022		TOTAL
	278		280		281		280 RLF		
	Unrestricted Loans/Grants		Restricted/Cleanup		Restricted/Assessments		Restricted/Cleanup		
Beginning Balance	**480,457**		**384,290**		**393,768**		**2,996,428**		**4,254,943**
Additions	MTD	YTD	MTD	YTD	MTD	YTD	MTD	YTD	
Principal payments received	1,938	3,870	1,402	2,815		-		-	
Interest payments received from loans	40	85	1,116	2,220		-		-	
Interest Income		1,092		-		-		-	
Other Income/Adjustments		-		-		-		-	
Pass Through From FAME/SSCBI/EPA		-		-		-		-	
Deductions									
FAME Annual Admin. Fee; Invoices									
Disbursements -Other					-18,771				
Ending Cash Balance (Munis)	**482,434**		**386,808**		**374,997**		**2,996,428**		**4,240,667**
Less Reserves for:									
Reserve For Commitments	(1,047)		(361,106)				(2,884,124)		
Fund 280 Reserve for Administration			(12,531)						
Adjusted Ending Cash Balance	**481,388**		**13,171**		**374,997**		**112,304**		**981,860**

Portland Development Corporation
Schedule of Loans Receivable
For Month Ending August 31, 2024

Case ID	Account No. & Name	Date of Loan	Maturity Date	----Committed/Disbursed Funds----- Original Loan	Not Yet Disb.	Total Disb .	Outstanding Princ. Bal.
	Portland Business Fund 271 (UDAG/Unrestricted):						
30124	Rosemont Market, Inc.	8/8/2019	9/1/2022	$150,000	0	$150,000	$74,716
30179	Forefront Brick South, LLC	11/18/2016	12/1/2026	$100,000	$0	$100,000	$33,809
30400	Friends and Family	3/10/2023	4/1/2027	$50,000	$0	$50,000	$33,227
30423	Longfellow Property, LLC	6/26/2023	7/1/2030	$200,000	$0	$200,000	$198,897
30514	Longfellow Property, LLC	5/6/2024	7/1/2031	$182,688	$0	$182,688	$182,137
	Sub-Total PBF (UDAG)						**$522,785**
	Portland Business Fund 272 (Restricted - CIP):						
30230	Portland Food Cooperative	6/4/2014	10/1/2021	$130,000	$0	$130,000	$4,120
	Sub-Total PBF (Bonds/CIP Restricted)						**$4,120**
	Portland Micro Capital Fund 271 (UDAG/Unrestricted):						
30250	Portland Trading Co. LLC	4/26/2013	8/1/2018	$15,000	$0	$15,000	$5,274
							$5,274
	Sub-Total Micro Capital Fund						
	Portland Business Fund Fund 274 (CIP/Unrestricted):						
30062	On Time Transportation	3/26/2018	4/1/2023	$10,000	$0	$10,000	$916
30070	Emerson, James (C19RR[Brick Trust])	5/21/2021	6/1/2023	$10,000	$0	$10,000	$10,000
30075	Dos Naciones LLC	3/3/2021	3/1/2023	$5,000	$0	$5,000	$5,000
30316	Rankin WA, LLC	2/28/2022	2/1/2024	$5,000	$0	$5,000	$2,438
30119	Quattrucci & Rouda, LLC	3/19/2019	4/1/2029	$100,000	$0	$100,000	$33,216
30400	AAA Rue Marchie, d/b/a Timber	3/28/2023	4/1/2028	$40,000	$0	$40,000	$35,915
	Sub-Total PBF (Bonds/CIP Unrestricted)						**$87,484**
	FAME Fund 277:						
30198	Auto-Care, LLC	2/5/2016	3/1/2021	$32,500	$0	$32,500	$18,567
30061	Forefront Brick South, LLC	11/18/2016	12/1/2026	$250,000	$0	$250,000	$85,988
30127	Gallery Acquisition Co. Inc.	5/16/2019	6/1/2026	$75,000	$0	$75,000	$24,512
30125	Zootility Co.	8/7/2019	9/1/2024	$150,000	$0	$150,000	$122,197
30378	Gulf of Sashimi	10/19/2022	11/1/2027	$65,000	$0	$65,000	$23,260
30416	Forefront Partners I, LP	5/31/2023	5/31/2033	$200,000	$0	$200,000	$186,311
30530	Biodiversity Research Institute	8/22/2024	10/1/3031	$250,000	$0	$250,000	$250,000
30442	Tiparos88 LLC (Matcha Mood)	9/28/2023	10/1/2030	$49,999	$0	$49,999	$15,317
	Sub-Total FAME Fund						**$726,151**
	FAME SSBCI 279:						
30107	Biodiversity Research Institute	3/26/2021	4/1/2026	$200,000	$0	$200,000	$176,742
30086	Driscoll Child Dev. Center	5/5/2021	6/1/2026	$60,000	$0	$60,000	$35,980
30085	Flores Restaurant LLC	6/9/2021	7/1/2026	$38,000	$0	$38,000	$20,511
30071	Wynsum, LLC	11/5/2021	12/1/2026	$131,250	$0	$131,250	$124,576
30068	688 Forest Ave., LLC	12/21/2021	1/1/2027	$168,000	$0	$168,000	$156,796
30527	Another Round	6/5/2024	8/1/2029	$225,000	$0	$225,000	$225,000
	Sub-Total FAME SSBCI						**$739,604**
	Brownfields Loan Fund 278 and 280						
30222	Forefront Partners, LP/Fund 278	7/30/2014	2/1/2025	$200,000	$0	$200,000	$9,800
30515	Forefront Partners I, LP/Fund 280	5/31/2023	4/30/2033	$200,000	$34,106	$165,894	$165,299
30072	Forefront Partners I, LP/Fund 280	4/12/2018	1/1/2032	$350,000	$0	$350,000	$315,067
	Sub-Total Brownfields						**$490,166**
	Grand Total Loans			**$3,642,437**	**$34,106**	**$3,608,331**	**$2,575,586**
	Allowance for uncollectable loans at 15%						$386,338
	Total with Allowance for uncollectable loans:						$2,189,248