



PORTLAND DEVELOPMENT CORPORATION
Board Meeting

DATE: Thursday, July 17, 2025

TIME: 4:00 PM

LOCATION: This meeting will take place remotely via Zoom.

Please click below to join the webinar.

<https://portlandmaine-gov.zoom.us/j/85229414013?pwd=N2tESU9mMmUzZ000T1F4cVErZTRnQT09>
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Webinar ID: 852 2941 4013

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AGENDA

1. President's comments
2. Review and accept Meeting Minutes
 - a. March 5, 2025 Meeting Minutes
 - b. June 25, 2025 Meeting Minutes
3. Review and vote on 89 Elm Street Brownfields Loan Modification Request
 - a. See attached memorandum and backup materials.
4. Review and vote on request from Maine Community Bank to release lien on 580 Brighton Avenue (Rosemont Market).

- 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 discuss proprietary information regarding this loan. After the executive session, the Board will vote in public session.
5. Review and vote on the following Microenterprise Grant Applications:
- a. Luna LLC dba Leda, 265 Marginal Way
 - b. Hope Home Care LLC, 640 Brighton Ave
 - c. Kaboss Market, 21 Portland 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 any of the grants listed on the agenda.
6. Review and vote on loan request from Another Round, 545 Congress St., Unit 1A
- 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 discuss proprietary information regarding this loan. After the executive session, the Board will vote in public session.
7. Review and vote on a loan request by Cognitive Care LLC, 415 Congress Street, Suite 418.
- 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 discuss proprietary information regarding this loan. After the executive session, the Board will vote in public session.
8. Review and vote on a new loan request by Eduardo's Brazilian Grill One, 11 W Presumpscott Street.
- 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 discuss proprietary information regarding this loan. After the executive session, the Board will vote in public session.
9. Review and vote on a new loan request by Aomori and Aomori Market, 52 Hanover Street.
- 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 discuss proprietary information regarding this loan. After the executive session, the Board will vote in public session.

10. Review and vote on request by Gulf of Maine Sashmi dba True Fin loan, 305 Commercial Street.
 - 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 discuss proprietary information regarding this loan. After the executive session, the Board will vote in public session.
11. Treasurer's Report - June 2025
 - 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.
12. Staff verbal update
13. Other Items to be discussed/brought up by Board Directors
14. Next Regular Meeting Date: August 21, 2025

Minutes
Portland Development Corporation
Special Remote Zoom Meeting
Held on March 5, 2025

A special remote meeting, via Zoom, of the Portland Development Corporation (PDC) Board of Directors was held at 12:00 p.m. on Wednesday, March 5, 2025. Present from the Board of Directors were Board President Kierston Van Soest, Directors Jonathan Berg, Matthew Buonopane, Nathan Henry, Dena Libner, and Nikki Yanok. Board Directors Sam Dargan, Eamonn Dundon, Councilor Ben Grant, Scott Kleiman, and Beverly Werber could not be present. Present from City staff were Associate Corporation Counsel Avery Dandreta, ARPA Project Coordinator Kaela Gonzalez, Business Programs Manager Nancy Martin, Associate Corporation Counsel Amy McNally, Principal Administrative Officer Lori Paulette, and Housing and Economic Development Director Greg Watson. The City of Portland's Qualified Environmental Professional on this project, Jedd Steinglass of Woodard and Curran, was also in attendance.

Item #1: President's comments.

President Van Soest thanked the Directors for their attendance at this special meeting.

Item #2: Review and vote on a waiver request from Avesta Housing Development Corporation for 89 Elm Street.

Ms. Martin gave an overview of the history of the subgrant and loan to Avesta Housing Development Corporation for 89 Elm Street, approved on July 18, 2024. Avesta requests a waiver asking the City to reimburse Avesta once they incur costs with both the subgrant and loan. The staff recommends approving Avesta's request to provide reimbursement based on incurred costs for the \$500,000 Brownfields remediation subgrant and table the request for the

loan, with the requirement that Avesta provide proof of payment within 30 days from receipt of grant funds.

Nate Howes with Avesta Housing Development Corporation further explained the reason for the request and reiterated that this request is due to the uncertainty of funding at the Federal level. Mr. Howes and staff answered a few questions posed by the Directors.

On a motion made by Mr. Buonopane and seconded by Mr. Henry, the Board voted 5-0-1 (Mr. Berg abstained) to approve the waiver request by Avesta Housing Development Corporation as recommended by the memorandum included in the backup materials to the PDC by staff.

Item #3: Other Items to be discussed/brought up by Board Directors

No other items were discussed.

Item #4: Next Regular Meeting Date: March 20, 2025.

There being no further business, on a motion by Mr. Berg and seconded by Ms. Yanok, the Board voted 6-0 to adjourn the meeting at 12:21 p.m.

Respectfully, Kaela Gonzalez

Minutes
Portland Development Corporation
Special Remote Zoom Meeting
Held on June 25, 2025

A special remote meeting, via Zoom, of the Portland Development Corporation (PDC) Board of Directors was held at 12:00 p.m. on Wednesday, June 25, 2025. Present from the Board of Directors were Directors Jonathan Berg, Matthew Buonopane, Sam Dargan, Eamonn Dundon, Councilor Ben Grant, Assistant City Manager Dena Libner (arriving shortly after Item #2 was taken up), and Beverly Werber. Board President Kierston Van Soest and Directors Nathan Henry, Scott Kleiman, and Nikki Yanok could not be present. Present from City staff were Associate Corporation Counsel Avery Dandreta, Program Coordinator Kaela Gonzalez, Business Programs Manager Nancy Martin, Principal Administrative Officer Lori Paulette, and Housing and Economic Development Director Greg Watson.

Item #1: President's comments.

Director Dundon opened the meeting at approximately 12:04 p.m. and said he would be chairing in President Van Soest's absence.

Item #2: Review and vote to accept Meeting Minutes.

a. March 5, 2025 Meeting Minutes

This item was not discussed..

b. May 15, 2025 Meeting Minutes

On a motion made by Ms. Werber and seconded by Mr. Berg, the Board voted 6-0 to approve the May 15, 2025 Meeting Minutes.

Item #3: Review and vote on approval and recommendation to the City Council regarding the proposed Business Assistance (BAP) for Job Creation Guidelines.

Ms. Martin provided a history of the Job Creation Grant Program, which first received funding in 2012 and was recently recapitalized with \$205,000 in Community Development Block Grant (CDBG) funding in May of 2025. Key changes from the 2024 program include clarification on full-time and part-time hours, employers must maintain the job for six months, grantees will receive grant funding incrementally to accompany quarterly reporting, and eligible uses have been limited to just commercial rent to streamline the process and promote commercial occupancy in Portland.

On a motion made by Ms. Werber and seconded by Mr. Berg, the Board voted 7-0 to recommend to the City Council the proposed Business Assistance (BAP) for Job Creation Guidelines with an amendment to add the word “each” to the second bullet point under Grant Terms to read “Business will create one (1) full-time job at least 40 hours/week or two (2) part-time jobs at least 20 hours/week each for every \$10,000 of approved grant funding.”

Item #4: Review and vote on a recommendation for a loan application by Cognitive Community Care LLC, 415 Congress Street, Suite 418.

Ms. Martin introduced a loan request from Cognitive Care LLC, a community-based behavioral health agency owned by Leah Killinger, who is seeking \$100,000 to provide permanent working capital. The company, in operation since May, currently has three employees and plans to hire an additional fifteen. The primary revenue source is Medicaid reimbursements, which can take up to 30 to 60 days to process.

Ms. Martin introduced Ms. Killinger, who provided details on the services provided, referral sources, marketing efforts, and strategy for attracting and training new personnel.

On a motion made by Mr. Dargan and seconded by Mr. Berg the Board voted 7-0 to enter into executive session at approximately 12:30 p.m.

At approximately 1:05 p.m. the Board returned to the public session.

On a motion made by Mr. Dargan and seconded by Ms. Werber, the Board voted 6-0 (Ms. Libner left the meeting at approximately 1:00 p.m.) to table the loan request from Cognitive Community Care LLC.

Item #5: Review and vote on ARPA Microenterprise Grant Application from Babb's Ceramics, 62 Mellen Street.

Ms. Martin introduced a grant application by Babb's Ceramics, an art business selling handmade, one-of-a-kind ceramics. Funds would be used to assist with business expenses.

On a motion made by Mr. Buonopane and seconded by Mr. Berg, the Board voted 6-0 to approve a \$5,000 ARPA Microenterprise Grant to Babb's Ceramics.

Item #6: Treasurer's Report.

Mr. Dundon inquired about the beautification program's reserve, which Mr. Watson clarified as funds designated for visual and placemaking contributions, with further discussion planned for next year's budget.

Item #7: Staff verbal update.

Ms. Martin updated the Board on inquiries she had received regarding the interest-free loan product, which had been approved by both the Board and the City Council. Additionally, Ms. Martin noted that the vacancy ordinance, recommended by the Housing and Economic Development Committee, is scheduled for the Planning Board on July 8, 2025.

Item #8: Other Items to be discussed/brought up by Board Directors.

Ms. Werber inquired about revisiting the previously held discussion regarding interest rates.

Item #9: Next regular meeting date: July 17, 2025.

There being no further business, on a motion made by Ms. Werber and seconded by Mr. Berg the Board voted 6-0 to adjourn at approximately 1:11 p.m.

Respectfully, Kaela Gonzalez



PUBLIC MEMORANDUM

TO: President Kierston Van Soest and PDC Board Members
FROM: Nancy Martin, Business Programs Manager
CC: Gregory Watson, Director, HEDD; Amy McNally, Associate Corporation Counsel
DATE: July 17, 2025
RE: 89 Elm Street Brownfields Loan Modification Request

Overview:

At the July 18, 2024, meeting of the Portland Development Corporation, the Board approved a \$500,000 Brownfields subgrant to Avesta Housing Development Corporation and a \$2,136,424 Brownfields loan to 89 Elm Street Apartments LLC, for a total of \$2,636,424 of financing in support of a 201-unit affordable housing development at 89 Elm Street.

The sub-grant agreement was fully executed on November 20, 2024 and has been fully expended. The property transfer and loan closing occurred on July 8, 2025. Draft loan documents have been circulating among the various lending parties, including MaineHousing and the City of Portland, since January 2025. On June 28th, Avesta’s LIHTC investor proposed edits to the City of Portland’s Brownfield loan promissory note to make the City’s loan a non recourse obligation secured solely by the property at 89 Elm Street (meaning the PDC could not pursue 89 Elm Street Apartments LLC for the debt beyond the property if they defaulted). After internal consultation, staff decided that PDC Board approval would be necessary to approve this change. City Council approval is not needed because the Council has designated the Portland Development Corporation as the City’s lending and granting board.

Without this non recourse clause, Avesta’s LIHTC investor will not make their capital contributions which are necessary for financial feasibility; the capital contributions total approximately \$35 million. The non-recourse request is typical in LIHTC transactions; permanent loans must be non-recourse for tax purposes. The other permanent financing for this project, including MaineHousing financing, are all non-recourse.

Recommendation:

As the City of Portland’s lending board, staff (Nancy Martin) and consulting underwriter (David McLaughlin) recommend that the Portland Development Corporation vote to approve Avesta’s non recourse request for the Brownfields loan, and authorize its Assistant Secretary to sign all necessary documents to that effect.

Attachment:

Request letter from Avesta



June 30, 2025

Nancy Martin
Business Programs Manager
Housing and Economic Development
City of Portland
389 Congress Street
Portland, ME 04101

RE: Nonrecourse Loan Request

Dear Nancy,

On June 30, 2025, the City of Portland's corporation counsel indicated to our financing partners that the previous approvals of the PDC's loan of \$2,136,424 required recourse against the ownership entity. Investor counsel pointed out that a recourse obligation would undermine their underwriting and tax credit investment. We are requesting that the PDC allow for the BRLF loan to be non-recourse and secured by a mortgage on the property subject to the intercreditor agreement between MaineHousing, the City of Portland, and Avesta Housing.

Loans made for LIHTC developments are always non-recourse, limiting security to the financed building and underlying assets. The City of Portland typically provides non-recourse loans for its other sources of financing, FedHOME and Housing Trust Fund, with the understanding that it's the underlying value of the asset, not guarantees from the ownership entity, that ultimately secure the City's financing. LIHTC investors will not accept the liability from a guarantee against the ownership entity and investor underwriting assumes non-recourse debt due to the differential tax treatment of recourse and non-recourse obligations. In the simplest terms, having a recourse obligation undermines the "limited liability" of an investor in an ownership structure and can result in tax implications that undermine the ownership percentages and the entire deal structure.

We are happy to provide more details and/or arrange a call between the PDC staff, corporation counsel, and our counsel to discuss.

Sincerely,

Nathaniel Howes

Nate Howes
Senior Development Officer
Avesta Housing

**Portland Development Corporation
Preliminary Draft Operating
Report FY2025
For Month Ending
6/30/2025**

Operating transfer from EDF 40,122

Total Funds Available 40,122

		Current	Year to	Percent	
FY2025 Expenditures	Budget	Month	Date	of Budget	Balance
Administrative Services	11,175	\$0	11,233	100.5%	(58)
Postage	300	\$0	128	42.7%	172
Travel, Training, Meetings	9,000	\$0	8,790	97.7%	210
Contractual Services	6,000	\$975	6,805	113.4%	(805)
Operating Transfer to Fin.	9,647	\$9,647	9,647	100.0%	0
Advertising	2,500	\$0	364	14.6%	2,136
Auto Expense Reimb.	100	\$0	0	0.0%	100
Printing & Binding	650	\$0	436	67.1%	214
Office Supplies	<u>750</u>	\$0	330	44.0%	<u>420</u>
Total FY2025 Expenditures	40,122	\$10,622	37,733	94.0%	2,389

FY2025 PDC CASH MANAGEMENT REPORT/Non-Brownfield Program

(Preliminary and Subject to Change)

Period Ending: 06/30/2025	UDAG		CIP		CIP		FAME		FAME SSBCI		TOTAL
	271		272		274		277		279		
	Unrestricted Loans/Grants		Restricted		Unrestricted		REDLP				
Beginning Balance	311,910		357,909		161,201		402,951		474,190		1,708,162
Additions <small>th Date No Updated</small>	MTD	YTD	MTD	YTD	MTD	YTD	MTD	YTD	MTD	YTD	
Principal payments received	6,632	54,243	3,308	34,301	7,381	26,118	5,607	115,983	2,395	37,146	
Interest payments received from loans	3,045	40,057	95	1,022	1,440	5,332	7,504	51,923	3,943	45,256	
Interest Income	778	7,418	922	10,060	414	5,562	1,011	18,551	1,210	14,322	
Other Income/Adjustments		-		-		-		-		-	
Pass Through From FAME/SSBCI		-		-		-		-		-	
Deductions											
FAME Annual Admin. Fee; Invoices											
Disbursements - Expenses				(410)		(1,446)		(3,010)		(1,539)	
Disbursements - Loans/Grants											
Ending Cash Balance (Munis)	322,365		361,825		168,990		414,064		480,199		1,747,442
Less Reserves for: Loans											
Beautification Program (EC0301)		(72,000)									
Transfers not yet recorded (UDAG Int)		(40,057)									
Adjusted Ending Cash Balance	210,308		361,825		168,990		414,064		480,199		1,635,385

FY2025 PDC CASH MANAGEMENT REPORT - BROWNFIELD PROGRAM

(Preliminary and Subject to Change)

Period Ending: 6/30/2025	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	486,236		118,712		104,106		2,410,129		3,119,183
Additions	MTD	YTD	MTD	YTD	MTD	YTD	MTD	YTD	
Principal payments received	-	15,613	4,055	24,954		-		-	
Interest payments received from loans	-	200	1,291	15,307		-		-	
Interest Income	1,265	12,364	374	3,091		-		-	
Other Income/Adjustments		-		11,332		-		-	
Pass Through From FAME/SSCBI/EPA		-		-		-		-	
Deductions									
FAME Annual Admin. Fee; Invoices									
Disbursements -Other	(18,339)				(2,817)		(6,553)		
Ending Cash Balance (Munis)	469,161		124,431		101,289		2,403,576		3,098,458
Less Reserves for:									
Reserve For Commitments	(12,054)		0				(2,136,424)		
Fund 280 Reserve for Administration									
Adjusted Ending Cash Balance	457,107		124,431		101,289		267,152		949,980

**Portland Development Corporation
Schedule of Loans Receivable
For Month Ending June 30, 2025**

Case ID	Account No. & Name	Date of Loan	Maturity Date	---Committed/Disbursed Funds---			Outstanding Princ. Bal.
				Original Loan	Not Yet Disb.	Total Disb .	
Portland Business Fund 271 (UDAG/Unrestricted):							
30124	Rosemont Market, Inc.	8/8/2019	9/1/2029	\$150,000	0	\$150,000	\$59,113
30179	Forefront Brick South, LLC	11/18/2016	12/1/2026	\$100,000	\$0	\$100,000	\$24,045
30400	Friends and Family	3/10/2023	4/1/2027	\$50,000	\$0	\$50,000	\$26,185
30423	Longfellow Property, LLC	6/26/2023	7/1/2030	\$200,000	\$0	\$200,000	\$196,079
30514	Longfellow Property, LLC	5/6/2024	7/1/2031	\$182,688	\$0	\$182,688	<u>\$177,240</u>
Sub-Total PBF (UDAG)							\$482,662
Portland Business Fund 272 (Restricted - CIP):							
30568	Cultivating Community	10/17/2024	11/1/2026	\$80,000	\$0	\$80,000	\$50,379
Sub-Total PBF (Bonds/CIP Restricted)							
Portland Micro Capital Fund 271 (UDAG/Unrestricted):							
30250	Portland Trading Co. LLC	4/26/2013	8/1/2018	\$15,000	\$0	\$15,000	<u>\$3,829</u>
Sub-Total Micro Capital Fund							\$3,829
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	\$2,161
30119	Quattrucci & Rouda, LLC	3/19/2019	4/1/2029	\$100,000	\$0	\$100,000	\$15,170
30400	AAA Rue Marchie, d/b/a Timber	3/28/2023	4/1/2028	\$40,000	\$0	\$40,000	\$33,085
30606	Luna, LLC	3/19/2025	11/1/2032	\$69,000	\$0	\$69,000	<u>\$69,000</u>
Sub-Total PBF (Bonds/CIP Unrestricted)							\$135,333
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	\$61,647
30127	Gallery Acquisition Co. Inc.	5/16/2019	6/1/2026	\$75,000	\$0	\$75,000	\$16,664
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	\$175,543
30530	Biodiversity Research Institute	8/22/2024	10/1/3031	\$250,000	\$0	\$250,000	\$246,284
30536	Blackbird Baking, d/b/a Two Fat Cats	10/1/2024	11/1/2031	\$40,000	\$0	\$40,000	\$37,809
30591	Salud Studios	11/19/2024	12/1/2030	\$137,500	\$0	\$137,500	\$134,594
30605	Lebel Holdings, LLC	3/20/2025	5/1/2035	\$200,000	\$0	\$200,000	<u>\$199,036</u>
Sub-Total FAME Fund							\$1,035,601
FAME SSBCI 279:							
30107	Biodiversity Research Institute	3/26/2021	4/1/2026	\$200,000	\$0	\$200,000	\$170,792
30086	Driscoll Child Dev. Center	5/5/2021	6/1/2026	\$60,000	\$0	\$60,000	\$29,728
30085	Flores Restaurant LLC	6/9/2021	7/1/2026	\$38,000	\$0	\$38,000	\$14,733
30071	Wynsum, LLC	11/5/2021	12/1/2026	\$131,250	\$0	\$131,250	\$120,677
30068	688 Forest Ave., LLC	12/21/2021	1/1/2027	\$168,000	\$0	\$168,000	\$152,336
30527	Another Round	6/5/2024	8/1/2029	\$225,000	\$0	\$225,000	\$223,243
30592	Yardie Ting	11/14/2024	12/1/2029	\$45,000	\$0	\$45,000	\$41,645
30624	Kehben Grier	5/1/2025	1/1/2033	\$80,000	\$0	\$80,000	<u>\$79,362</u>
Sub-Total FAME SSBCI							\$832,516
Brownfields Loan Fund 278 and 280							
30515	Forefront Partners I, LP/Fund 280	5/31/2023	4/30/2033	\$200,000	\$0	\$200,000	\$188,192
30072	Forefront Partners I, LP/Fund 280	4/12/2018	1/1/2032	\$350,000	\$0	\$350,000	<u>\$303,811</u>
Sub-Total Brownfields							\$492,003
Grand Total Loans				\$3,913,938	\$0	\$3,913,938	\$3,032,323
Allowance for uncollectable loans at 15%							\$454,848
Total with Allowance for uncollectable loans:							\$2,577,475