

**Housing & Economic
Development Committee Meeting**
Tuesday, September 23, 2025 at 5:30 PM



MEMBERS
Councilor Pious Ali, Chair
Councilor Regina Phillips
Councilor Kate Sykes
Councilor Sarah Michniewicz

To submit written public comment on an agenda item, email edd@portlandmaine.gov. Submissions must be received by 12:00 pm the day before the Housing & Economic Development meeting to guarantee their inclusion in the agenda packet. All submissions must include the commenter's name and legal address. To help ensure your comment is submitted for the correct item, please include the name of the agenda item (see below).

REMOTE ACCESS INFORMATION

The Housing & Economic Development Committee will conduct this meeting remotely via Zoom pursuant to the Remote Meeting Policy adopted by the Portland City Council. Allow your computer to install the free Zoom app to get the best meeting experience. If you are not able to attend live either in person or via Zoom, a recording will be available in the [Agenda Center](#) following the meeting.

For public comment via Zoom, you will need to use the "raise your hand" feature. To raise your hand via the telephone, please hit *9. You will be unmuted by the host when it is time for public comment.

Please click the link below to join Zoom meeting:

<https://portlandmaine-gov.zoom.us/j/81779728167?pwd=onmtwJOhbdivi0izaVdYvfD7BQw0Wf.1>
Passcode:720112

Phone one-tap:

+13126266799,,81779728167# US (Chicago)
+16469313860,,81779728167# US

Join via audio:

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+1 646 931 3860 US
+1 929 205 6099 US (New York)
+1 301 715 8592 US (Washington DC)
+1 305 224 1968 US
+1 309 205 3325 US
+1 564 217 2000 US
+1 669 444 9171 US
+1 669 900 6833 US (San Jose)
+1 689 278 1000 US
+1 719 359 4580 US
+1 253 205 0468 US
+1 253 215 8782 US (Tacoma)
+1 346 248 7799 US (Houston)
+1 360 209 5623 US
+1 386 347 5053 US

+1 507 473 4847 US

Webinar ID: 817 7972 8167

International numbers available: <https://portlandmaine-gov.zoom.us/j/kdjs62WoLt>

1. **Review and accept Minutes of previous meeting held on July 15, 2025.**
 - a. See attached draft meeting Minutes.
2. **(Public Comment) Review and recommendation to the City Council regarding request by the VFW to waive Poker License Fee - Zach Lenhart**
 - a. See attached Memorandum and backup.
 - b. See attached 2025 License Fees
3. **(Public Comment) Review and recommendation to the City Council Agreement for 2026 Back Cove Festival - Ethan Hipple**
 - a. See attached Memorandum and backup.
 - b. Public Comment Received
4. **Discussion: Restaurant industry workforce and labor issues - Review Downtown Transit Oriented Development Tax Increment Financing District eligible uses for potential ways to assist the restaurant industry - Greg Watson**
 - a. See attached Memorandum and backup.
5. **Communication Only: Quarter 2 Rent Control Report**
 - a. See attached Q2 Rent Control Report.
6. **(Public Comment) Review and recommendation to the City Council regarding the issuance of an RFP for a Licensed Early Childhood Education Provider at City-owned property known as BC2 - Dena Libner**
 - a. See attached Memoranda and backup.
7. **Oral Communication: HEDC to discuss Performance Hall Moratorium at its October 21, 2025, meeting.**
8. **(Public Comment) Review and recommendation to the City Council on a request for loan funding from the Jill C. Duson Housing Trust Fund for Lambert Woods North/622 Auburn Street - Mary Davis**
 - a. See attached Memorandum and backup.

9. (Public Comment) Review and recommendation to the City Council of approval of an Amendment to the Declaration of Condominium for Dougherty Commons Phase - Mary Davis

a. See attached Memorandum and backup.

10. Executive Session: Pursuant to 1 M.R.S.A. 405(6)(C) and 5 M.R.S.A. 13119-A, the Committee will go into executive session to provide direction to staff regarding the disposition of City-owned property at 21 Randall Street - Mary Davis

Next Meeting Date: October 21, 2025

Minutes

Remote Housing and Economic Development Committee

July 15, 2025

NOTE: This meeting was held via Zoom and can be viewed at this link:

<http://www.portlandmaine.gov/1695/Economic-Development-Committee> These Minutes provide a record of those in attendance, general discussion taking place, and motions made.

A remote meeting of the Housing and Economic Development Committee (HEDC) of the Portland City Council was held on Tuesday, July 15, 2025, at 5:30 p.m. via Zoom. Present from the HEDC were Chair Pious Ali, and members, Sarah Michniewicz, Regina Phillips, and Kate Sykes. Also present were City Council members Anna Bullett and Wesley Pelletier. Present from the City staff were Housing and Economic Development Department Director Greg Watson, Housing and Community Development Division Director Mary Davis, Corporation Counsel Michael Goldman, Assistant City Manager Dena Libner, Housing Program Coordinator Lauren Bowen, Principal Administrative Officer Lori Paulette, and Housing Program Manager Victoria Volent.

Item #1: Review and accept Minutes of previous meeting held on July 1, 2025

On motion made by Councilor Michniewicz, seconded by Councilor Sykes, the Committee voted 4-0 to accept the Minutes from the July 1, 2025 meeting.

Item #2: Update on projects by Maine Cooperatives Development Partners and review and vote on a recommendation to the City Council for Dougherty Commons and Lambert Woods South. NOTE: The Committee may go into executive session pursuant to 1

M.R.S.A. 405(6)(C) and 5 M.R.S.A. 13119-A to review and discuss proprietary information and provide direction to staff (Public Hearing)

Matt Peters of Maine Cooperative Development Partners presented an update on the status of their residential housing projects in Portland. The Dougherty Condos project currently has 15 potential buyers for 20 available condominium units. This project should be completed by October or November of this year. Phase 3 of the Dougherty Commons sites is before the Committee with a request to amend the Declaration of Covenants to allow MCDP to construct 42 condominiums as opposed to rental units. This project has a construction start date of early 2026 and a completion date of late 2026. The Lambert Woods South project would be a phased project with a funding request of \$2.2 M (rather than \$4. M) and an AHTIF (75% for 30 years). The construction start date of Phase 1 (two 11 unit buildings) would be early 2026 with a potential move in date of Winter 2026.

Mary Davis also provide an update regarding projects under development at 622 Auburn Street (Lambert Woods North), 165 Lambert Street (Lambert Woods South) and 45 Dougherty (Dougherty Condo Phase II and II) and approval and recommendation to the City Council of a Third Amendment to the Purchase and Sale Agreement for 165 Lambert Street along with \$2.2 million loan from Jill C. Duson Housing Trust Fund and Affordable Housing Tax Increment Financing District and Credit Enhancement Agreement. The Lambert Woods North project has experienced delays that may result in a future funding request from the Jill C. Duson Housing Trust Fund (HTF). Phase 3 of the Dougherty Commons development was originally proposed as limited equity cooperative housing units. Maine Cooperative Development Partners (MCDP) requested an amendment to the original Purchase and Sale Agreement to construct rental units. MCDP is now requesting a third amendment to the Purchase and Sale Agreement to allow for the

development of condominium units. The Lambert Woods South project has presented a new pro forma for the development of 90 cooperative housing homes at 165 Lambert Street. Based on the new financing options, staff is recommending approval of \$2.2 M in funding from the HTF. In addition to this financing request, MCDP is requesting a one-year extension of the Purchase and Sale Agreement. The proposed amendment to the Purchase and Sale Agreement also includes, at the City's request, a clause limiting the City's obligation to reimburse the developer to certain costs incurred prior to June 25, 2025. Those costs would be limited to design, architecture, engineering, environmental, legal, 3rd party reports and permitting and approval fees for the project.

Committee members inquired into the reason for the request to create condominium units at Phase 3 of Dougherty Commons and whether this change in housing type comports with the City's expectations for the site. Creating condominiums is closer to the type of housing (i.e. limited equity cooperative housing) envisioned in the original submission plan and is consistent with the proposed affordability levels. Condominiums allow for more control over monthly housing expenses and, as the mortgage is paid down, the owner builds equity (though the earned equity would be limited as the units are deed restricted to maintain long-term affordability for future buyers). Committee members expressed concern that, while homeownership is a goal for many, a good credit score is usually a key factor in obtaining a mortgage approval; and strong credit is not universal and impacts who can gain access to a mortgage. Therefore rental units create more housing opportunities for a wider range of people than condominium units.

Councilor Ali opened the meeting to public comment on the amendments to the covenants on the Dougherty Commons Condominium. Seeing no one, the public comment period was closed.

On a motion made by Councilor Michniewicz, seconded by Councilor Sykes, the Committee vote (4-0) to recommend to the City Council approval of an amendment to the covenants on the Dougherty Commons Condominium to allow Dougherty Commons Phase 3 to be developed as for-sale condominiums instead of rental housing;

Councilor Ali opened the meeting to public comment for the recommendation to the City council to approve the proposed third amendment to the Purchase and Sale Agreement for Lambert Woods South. Seeing no one, the public comment period was closed.

On a motion made by Councilor Sykes, seconded by Councilor Michniewicz, the Committee vote (4-0) to recommend to the City Council approval of the proposed Third Amendment to the Purchase and Sale Agreement with Maine Cooperative Development Partners regarding the Lambert Woods South project located at 165 Lambert Street, in the form attached to the staff memo.

Councilor Ali opened the meeting to public comment for the recommendation to approve \$2.2 M in funding for the Lambert Woods South project. Seeing no one, Councilor Ali closed the public comment period.

On a motion made by Councilor Sykes, seconded by Councilor Michniewicz, the Committee vote (4-0) to recommend to the City Council approval of \$2,200,000 in funding from the Jill C. Duson Housing Trust Fund for the Lambert Woods South project;

Councilor Ali opened the meeting to public comment for the recommendation to confirm the May 7, 2024 HEDC recommendation to approve an AHTIF District and CEA for Lambert Woods South. Seeing no one, Councilor Ali closed the public comment period.

On a motion made by Councilor Sykes, seconded by Councilor Michniewicz, the Committee voted (4-0) to recommend to the City Council to confirm the May 7, 2024 HEDC recommendation to the City Council to approve an Affordable Housing Tax Increment Financing District and Credit Enhancement Agreement, returning 75% of the increased tax revenues to the developer over 30 years.

Item #3: Public Hearing: Review and recommendation to the City Council regarding HOME-ARP Funding recommendation.

Mary Davis presented the recommendation to appropriate funding from the American Rescue Plan aka HOME-ARP funding. The HOME-ARP program is intended to provide affordable rental housing, tenant based rental assistance, supportive housing services, and non-congregate shelter development, and other resources to HOME-ARP Qualifying Populations (QPs) which includes individuals experiencing homelessness and other vulnerable populations. Youth and Family Outreach (YFO) is proposing to construct an expanded childcare facility and 60 new affordable rental units which would include 10 units designated for HOME-ARP qualifying populations. The recommended award is \$950,000. Greater Portland Family Promise (GFPF) proposes to rehabilitate a two-family dwelling in Portland to serve as transitional housing for four families meeting HOME-ARP eligibility. The recommended award is \$479,000. The non-profit organization Commonsplace proposed to provide supportive services for its Torchlight program, peer support program, recovery coaching, and residential services across four Portland and Cumberland County properties . The recommended award is \$471,454.45. The non-profit organization Milestone proposes to provide supportive services to three key programs (HOME Team; HOPE Program; Housing Navigator Program) for HOME-ARP qualifying populations. The recommended award is \$197,000. The non-profit organization

Preble Street proposes to provide supportive services through its Site-based Housing First and Rapid Rehousing programs for HOME-ARP qualifying populations. The recommended award is \$350,718.55. These recommendations also need to be approved by the Cumberland County Commissioners.

Committee members held a discussion regarding Preble Street's Housing First programs, specifically asking if the State has property condition requirements, if they monitor the properties, and who is responsible for the condition of the units. In regards to Portland's housing first developments, Avesta is the owner of the properties while MaineHousing monitors the tenants and the condition of the properties (as noted in the funding agreements). The Committee requested hearing more about the annual inspection report from MaineHousing for Logan House.

The Committee discussed a webpage from another community that lists service providers who have signed MOUs or other funding agreements, outlining the responsibilities of both the city and the providers, and specifying that funds can be reclaimed if the providers fail to meet their obligations. The Committee noted there is no overview in Portland, and that the city should provide one place on their website providing the amount of allotted funding and the name of the recipients. Strategic and quantifiable outcomes are not being communicated to the Council or citizens. The desire is to make sure public officials have a good understanding of what the needs are and how to solve them.

The Committee held a discussion on the Community Development Block Grant program. They inquired into receiving more data, beyond just providing the number of people served, from service providers.

The Committee also discussed being mindful of creating overburdensome policy and procedure requests or duplicating data and outcome reporting requirements that the Health and Human Services Department already collects and discusses on a regular basis.

Also noted was the opportunity for Committee members to bring concerns about service provider reporting and outcomes to the HHS Committee or the CDBG Working Group. The public may also review oversight information available through Form 990 tax filings and audits, and Charity Navigator. Current best practice is to require less reporting as it is cumbersome and precludes the time spent actually providing supportive services.

Councilor Ali opened the meeting to public comment. Seeing no one, Councilor Ali closed the public comment period.

On a motion made by Councilor Phillips, seconded by Councilor Michniewicz, the Committee voted (3-1) (Sykes) to recommend to the City Council the HOME-ARP funding recommendation.

Item #4: Policy Discussion – Review of section of the Rent Control Ordinance that the City Council could amend.

Mr. Goldman introduced the item noting that there are two referenda – one from 2020 and one from 2022. Per the City Code, ordinance amendments approved through the citizen initiative process cannot be repealed or amended for five years after the effective date of the ordinance, except through another election. For the 2020 initiative, the Council will be able to amend those provisions in December 2025. Given that short period of time, he noted that he did not address that initiative.

For the 2022 initiative, the five years ends December 2027, and his memo and backup addresses that initiative. Mr. Goldman also noted that beginning on page 20 of 60, Exhibit B, the

yellow highlights show all the sections that changed by the 2022 initiative. He invited Committee members to look through it to see what part of the ordinance it would like to review to possibly go back to the voters to weigh in on. This will be a process for the Committee and will not be done in one or two meetings.

The Committee had clarifying questions and noted the Rent Board may need to be consulted with, as well as how other municipalities may deal with this and how it is enforced.

Item #5: Review and recommendation to the City Council of a proposed RFP to lease space at the Barron Center for a Child Care Facility

Mr. Watson apologized for the confusion on having this item placed on the Agenda late this afternoon. There is a new memo from Councilor Sykes with her recommendations for amendments to the proposed RFP. If the Committee feels it needs to postpone to review, it can be taken up at another meeting. Public comment has already been taken on this item.

After discussion, the Committee consensus was to postpone the item to be able to review the new information.

On motion then made by Councilor M., seconded by Councilor Phillips, the Committee voted 4-0 to adjourn the meeting at 7:45 p.m.

Next meeting is scheduled for September 16, 2025.

Respectively submitted, Lori Paulette and Victoria Volent

City of Portland | Permitting and Inspections
Zachary Lenhert, Licensing and Housing Safety Manager



To: Housing and Economic Development Committee
Councilor Pious Ali, Chair

MEETING DATE

September/23/2025

AGENDA ITEM

Agenda Item # 2 – Review and Recommendation to the City Council regarding request by the VFW to waive Poker License Fee

PURPOSE

Form a recommendation for City Council on a license fee waiver request pursuant to Chapter 15, Section 15-12.1 Waiver of fees.

COMMITTEE WORK PLAN/CITY COUNCIL GOAL ALIGNMENT

In accordance with Section 15-12.1 of City Code, the Council is authorized to grant waivers or reductions of license fees; a recommendation from HEDC is requested prior to Council consideration.

BACKGROUND/ANALYSIS

Veterans of Foreign Wars (VFW) Post 6859, a nonprofit organization, is requesting the fee for their beano/bingo license be waived pursuant to Chapter 15, Section 15-12.1 Waiver of fees.

The relevant text of Chapter 15, Section 15-12.1 Waiver of fees is:

The city council may, in its discretion, waive or reduce any fee required of any nonprofit organization where the council determines that the purpose of the licensed activity or the funds to be raised by the activity are of direct benefit to the citizens of the city.

...

The VFW has paid the license fee and received the license. If the City Council approves the request, the organization will receive a refund for the fee. This fee is required at the time of every license renewal application, which occurs annually; as such, a fee waiver or reduction request would need to be requested annually, as well.

In January 2024, HEDC considered a waiver request related to this applicant's 2024 license fees. At that time, HEDC recommended (3-1) that 50% of the 2024 fees be waived.

FISCAL IMPACT

N/A

CONCLUSION(S)

N/A

PRIOR COMMITTEE REVIEW

HEDC reviewed the VFW's 2024 Beano license fee waiver request on January 23, 2024. At that time, HEDC recommended that 50% of the 2024 fee be waived.

PREPARED BY

Zachary J. Lenhert
Licensing and Housing Safety Manager
Permitting and Inspections

ATTACHMENTS

VFW Request for Waiver letter



PORTLAND MAINE VETERANS OF FOREIGN WARS 6859
687 Forest Ave
Portland, ME 04103

City of Portland
Licensing Department
389 Congress St #307
Portland, ME 04101

ATTN: Licensing Department

This letter is being sent to request that the annual fees for bingo, poker, liquor, blackjack, and video poker (the VFW is currently looking into blackjack and video poker with the State) be waived pursuant to "City of Portland Licenses and Permits Code of Ordinances Chapter **Sec. 15-12.1. Waiver of fees**. The city council may, in its discretion, waive or reduce any fee required of any nonprofit organization where the council determines that the purpose of the licensed activity or the funds to be raised by the activity are of direct benefit to the citizens of the city."

VFW 6859 is a nonprofit charitable organization 501(c)(19) War Veterans Organization. We have an extensive history of supporting charitable organizations in Portland and throughout the State (see VFWPortland.org for some of those organizations).

Gambling revenue is highly regulated by the State of Maine and all proceeds must support charitable endeavors. Currently VFW volunteer members fully staff, coordinate, and manage gambling events and all individuals that work gambling events at the post are uncompensated volunteers. Further, gambling activities allow citizens of Portland to spend an evening supporting a charitable organization. Therefore, because the licensed activity has a direct benefit to the citizens of the city it is requested the license fees be waived.

With regards to the liquor license waiver of fee, the City of Portland has through previous ordinances instituted a significant disconnect with the State licenses and as such the VFW has found it necessary to seek a license that aligns itself with commercial liquor establishments throughout Portland and does not reflect what is done in any other township or city in Maine. Further, approximately 50% of the VFW bartenders are fully uncompensated volunteers. These volunteers have enabled us to improve our financial position in order to sustain our charitable endeavors.

A request was made last year at this time for a waiver of fees, and it was moved to subcommittee. Since the City has had a year to address, and for planning purposes, we request a response either a "yes or no" this year regarding fee waivers. If you require any further information, please contact VFW at the number below.

Thank you,

David A. Bianculli, Post Commander
Deering Memorial Post 6879
687 Forest Ave., Portland, ME
508-799-5297



CITY OF PORTLAND
Permitting and Inspections Department

2025 License	Fee
Class I FSE	\$1136
Billiards	\$33
Indoor Entertainment	\$500
Beano/Bingo	\$104
Total	<u>\$1773</u>



To: **Housing and Economic Development Committee**
Councilor Pious Ali, Chair

MEETING DATE
September 23, 2025

AGENDA ITEM
Consideration of the multi-year Back Cove Festival Agreement at Payson Park

PURPOSE
To review a proposed three year agreement (2026–2028) with an option to renew for another three years, made by the organizers of the Back Cove Music and Arts Festival.

COMMITTEE WORK PLAN/CITY COUNCIL GOAL ALIGNMENT
Committee and Council review is required to move forward with a multi-year agreement for an event of this size and scope.

BACKGROUND/ANALYSIS
The Back Cove Music and Arts Festival was approved by City Council on December 16, 2024 and took place August 2 & 3, 2025. An extended multi-year agreement is being proposed and brought to this HEDC Committee for review and recommendation to the City Council in early October.

City Staff believe the 2025 festival went very well, for a first time, large-scale two-day festival. City Staff reported no arrests, or major attendee issues. Typical festival medical response was provided (band aids, sunscreen) and only (2) non-life threatening medical transports. Vehicular traffic around the area was less than anticipated. The remote parking arrangements, with shuttle service and on-site bicycle valet worked well in reducing the need for on-site parking and only 22 parking tickets were issued in the area surrounding Payson Park. Damage to Payson Park was minimal and costs of repair did not exceed the deposit provided by the organizers.

Organizers have proposed a three year agreement (2026 - 2028) with an option to renew for an additional three years. The agreement has been negotiated, prepared, and reviewed by City Staff Leadership and Corporation Counsel. The primary terms of the agreement, including those related to event capacity, and the festival footprint remain unchanged. Highlights of the agreement include:

- The term of three years (2026 - 2028) with the option to renew an additional three years.

- An escalating ticket fee schedule to be paid to the City (from \$1 per ticket in year one, to \$1.50 in year two, to \$2 in year three) which should increase revenue to the City annually.
- Bolstered Termination for Cause language
- Organizers may not assign, pledge, sublet or transfer any interest or right granted by this agreement.

A presentation was made to the Parks Commission on September 4, 2025, and their recommendation is included with the support materials.

City Staff recommend moving forward with the agreement and are available for any questions.

FISCAL IMPACT

With this agreement, organizers will reimburse the City for the cost of all staffing services and expenses related to the festival. The organizers will make a \$100,000 donation to the Portland Parks Conservancy, which will be used to support an improvement project in the Portland Parks System. A fee assessed to all tickets sold will be paid to the City, and will escalate each year of the three year agreement (2026 - \$1.00. 2027 - \$1.50. 2028 - \$2.00). Organizers will be financially responsible for costs of all permits, licenses, and deposits necessary to hold the festival. Organizers will be responsible for all costs associated with restoration and repair of Payson Park, separately from the per-ticket fee and Parks Conservancy donation.

CONCLUSION(S)

City Staff feel the first year of the Back Cove Music and Arts Festival went very well. It was managed professionally and with good communication and collaboration between the City and festival organizers. With approval of this agreement, City staff are confident steps can be made to improve each year.

PRIOR COMMITTEE REVIEW

Portland Parks Commission - September 4, 2025 (Letter attached)

PREPARED BY

Ethan Hipple
 Department Director
 Parks, Recreation, & Facilities

Andrew Downs
 Director, Public Assembly Facilities
 Parks, Recreation, & Facilities

ATTACHMENTS

Attachment A -Amended and Restated Agreement between City of Portland and Portland Music Festival, LLC.

Attachment B - Portland Parks Commission Statement on the Back Cove Music Festival at Edward Payson Park

**AMENDED AND RESTATED AGREEMENT BETWEEN
CITY OF PORTLAND AND PORTLAND MUSIC FESTIVAL, LLC**

THIS AGREEMENT made this day of _____, **2025** (the “Effective Date”), by and between the **CITY OF PORTLAND**, a body politic and corporate situated in the County of Cumberland, State of Maine (hereinafter “**CITY**”) and **PORTLAND MUSIC FESTIVAL, LLC** a Delaware corporation, having a place of business at 32 Front Street, Hartford CT 06103 (hereinafter “**PORTLAND MUSIC FESTIVAL, LLC**”), for the use of Edward Payson Park (“Payson Park”) for the purpose of conducting a festival.

WHEREAS, on December 16, 2024, the Portland City Council approved an Order declaring August 2 and August 3, 2025 the Portland Music and Arts Festival at Payson Park which is attached hereto as **Exhibit A** (hereinafter “Council Order”) the terms of which are incorporated herein by reference;

WHEREAS, PORTLAND MUSIC FESTIVAL, LLC is a joint venture between GoodWorks Entertainment and Shore Sound Entertainment and hereby agrees to assume all of the obligations set forth in the Council Order;

WHEREAS, on or about July 28, 2025, the parties entered into a written agreement (the “Original Agreement”) granting **PORTLAND MUSIC FESTIVAL, LLC** and its officers, agents, and employees access to Payson Park for the purpose of preparing the Premises (as defined below) for the Event (as defined below) only during the period from 6:00 a.m. July 27, 2025 to 11:59 p.m. on August 6, 2025.

WHEREAS, the parties now wish to amend and restate the Original Agreement to grant **PORTLAND MUSIC FESTIVAL, LLC** and its officers, agents, and employees access to Payson

Park for the purpose of preparing the Premises for and operating the Event for another three (3) year term beginning in the year 2026 and ending in the year 2028, with the parties having the option to mutually extend the term for another three (3) years thereafter, beginning in the year 2029 and ending in the year 2031, subject to the terms and conditions herein.

WHEREAS, the parties wish to memorialize the responsibilities of both parties and the terms and conditions by which **PORTLAND MUSIC FESTIVAL, LLC** is authorized to use Payson Park.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

I. DEFINITIONS

1-A. Definitions. As used in this Agreement, the following terms shall be as defined in this section:

- a. *Beverage Service* shall mean the service of alcoholic beverages.
- b. *City Manager* shall mean the City Manager of the City of Portland and their designee.
- c. *Director* shall mean the Director of the *Public Assembly Facilities Division of the Parks, Recreation and Facilities Department*.
- d. *Event* is intended to refer to an annual “Back Cove Music and Arts Festival” which includes the activities described on the attached **Exhibit B**, which is made a part of this Agreement and is incorporated herein. *Event* shall also mean any additional *Events* approved in writing by the *City Manager*, which approval shall be in the sole discretion of the *City Manager*.
- e. *Premises* includes all of the temporarily fenced-in area of Payson Park where all festival activity, including *Beverage Service*, will occur as depicted on the attached **Exhibit C**.

II. TERM

1. Term. Unless terminated sooner pursuant to the terms herein, this Agreement shall commence upon the Effective Date reflected in the opening paragraph and extend through and

including the third (3rd) anniversary date of the Effective Date (the “Initial Term”). The parties further agree that, upon their mutual written consent, the term of this Agreement may be extended for one (1) additional term of three (3) years, beginning on the third (3rd) anniversary date of the Effective Date and ending on the sixth (6th) anniversary date of the Effective Date (the “Renewal Term”). The access to Payson Park during the Renewal Term shall be upon the same terms and conditions provided for herein for the Initial Term, except that there shall be no additional option to extend the term for another three (3) years, unless the parties otherwise agree to different terms and conditions in writing.

III. USE OF PAYSON PARK

2. **Use of Payson Park.** PORTLAND MUSIC FESTIVAL, LLC and its officers, agents, and employees, will have access to Payson Park during the Initial Term and any Renewal Term for the purpose of preparing the premises for and operating the 2-day Event, along with associated set-up and tear-down dates, as detailed in Exhibit B. The specific dates for the Event during each year of the Initial Term and any Renewal Term shall be mutually agreed upon by the City and Portland Music Festival, LLC no later than ninety (90) days prior to the commencement of the Event in each applicable year.

3. **City Access to Payson Park.** The CITY reserves the right to enter all areas of *Payson Park and Premises* at any time for any reason.

4. **Condition of Payson Park and Premises.** Except as specifically provided below, PORTLAND MUSIC FESTIVAL, LLC agrees to accept Payson Park and the *Premises* in its existing condition at the time of commencement of the term of this Agreement. The CITY shall have no responsibility whatsoever for site preparation, modification, set-up, removal or security of event equipment, except as otherwise provided in this Agreement.

5. **Alteration of Payson Park.** PORTLAND MUSIC FESTIVAL, LLC may not alter Payson Park in any way without the prior approval of the *Director*. PORTLAND MUSIC FESTIVAL, LLC may, however, erect temporary tents, stages, tables, booths, stands, and similar structures on the Premises under the following conditions:

- a. A permit for the structure must first be obtained from the City of Portland Permitting and Inspections Department;
- b. Structures must be anchored by the use of weights/stakes; and
- c. Structures may be placed on the Premises no earlier five (5) days before the Event and must be removed no later than three (3) days after the Event (the “Removal Date”).

6. **Parking.** All attendee and vendor parking shall occur outside of Payson Park unless otherwise approved by CITY staff and shall not unreasonably interfere at any time with access to Payson Park.

7. **Portable Toilets.** PORTLAND MUSIC FESTIVAL, LLC shall be responsible for providing and maintaining a mutually agreed upon number of regular and handicap accessible

portable toilets no less than the number estimated in the Council Order. The location of portable toilets must be approved in advance by **CITY** staff. Any and all costs associated with the delivery, installation, maintenance and removal of the portable toilets shall be the sole responsibility of **PORTLAND MUSIC FESTIVAL, LLC**.

8. **Accessibility.** **PORTLAND MUSIC FESTIVAL, LLC** shall be responsible for ensuring that accessibility is maintained to and within the *Premises and Payson Park*. Tents, stages, tables, booths, stands, chairs and other structures erected must be placed so that they provide adequate wheelchair and sidewalk access and do not interfere with access to the rest of Payson Park consistent with applicable law. The adequacy of walkways and clearances shall be subject to approval by the City of Portland Fire and Police Departments.

- a. **PORTLAND MUSIC FESTIVAL, LLC** shall not render, or allow any of its exhibitors, contractors, agents, invitees or other persons it permits on the Premises or in Payson Park to render any aisle or exit inaccessible. If the **CITY** determines that an aisle or exit is inaccessible, **PORTLAND MUSIC FESTIVAL, LLC** shall immediately remove the cause and return the *Premises* to compliance.
- b. **PORTLAND MUSIC FESTIVAL, LLC** shall not render, or allow any of its exhibitors, contractors, agents, invitees or other persons it permits on the premises to render, the Premises or any part thereof inaccessible to disabled persons. If the **CITY** determines that the Premises or any part thereof is inaccessible to disabled persons, **PORTLAND MUSIC FESTIVAL, LLC** shall immediately remove the cause and return the Premises to compliance. In the event that the interpretive services are requested, it shall be the responsibility of the **PORTLAND MUSIC FESTIVAL, LLC** to provide and pay for such services. **PORTLAND MUSIC FESTIVAL, LLC** shall indemnify, defend (by counsel reasonably acceptable to the **CITY**), and hold harmless the **CITY** from any and all claims, damages, losses, costs, expenses (including, without limitation, reasonable attorney's fee) or liability of any kind whatsoever arising out of this Agreement and related to any claim that any part of the Premises was inaccessible to disabled persons during the Event.

9. **Restoration of Payson Park.** Upon completion of the *Event*, **PORTLAND MUSIC FESTIVAL, LLC** shall remove any and all structures, equipment and material from Payson Park, and restore Payson Park to the condition it was in at the commencement of this Agreement, unless otherwise agreed to by the **CITY**. Any equipment or material left beyond the expiration of this Agreement will become the property of the **CITY** and may be removed and disposed of at the **CITY's** discretion. In such an event, all costs of removal and/or disposal incurred by the **CITY** shall be the responsibility of **PORTLAND MUSIC FESTIVAL, LLC**.

10. **Damage to Payson Park.** **PORTLAND MUSIC FESTIVAL, LLC** agrees to provide the **CITY** with a \$5,000 damage deposit no later than thirty (30) days prior to the Event each year of the Initial Term and any Renewal Term. Deposit shall be used to cover the cost of repairs to Payson Park or any other City property, if necessary. If the cost of repairs exceeds \$5,000, **PORTLAND MUSIC FESTIVAL, LLC** shall be solely financially responsible to cover

the additional costs for restoring, replacing, and/or repairing all aspects of Payson Park that are disturbed or damaged as a result of **PORTLAND MUSIC FESTIVAL, LLC**'s presence or work on Payson Park or the presence or work of its employees, contractors, subcontractors, invitees or volunteers except to the extent that the disturbance or damage was caused by the CITY or any of the CITY's officers, officials, managers, employees or agents. All restoration, repairs, and replacement shall be subject to the following conditions:

- a. The **CITY** shall have sole discretion to determine the nature and extent of any such damage to Payson Park and shall have the sole discretion to determine the scope of the necessary repairs, restoration, or replacement.
- b. Prior to undertaking any repairs, replacement, or restoration under this section, the **CITY** will notify **PORTLAND MUSIC FESTIVAL, LLC**, and provide an estimate of the cost of any such work.
- c. The **CITY** shall perform, or contract for, the repairs, restoration, or replacement, and shall invoice **PORTLAND MUSIC FESTIVAL, LLC** for the full cost, which shall be paid within thirty (30) days of invoicing.
- d. The **CITY**, in its sole discretion and with prior agreement as to the scope, schedule and contractor to do the work, may authorize **PORTLAND MUSIC FESTIVAL, LLC** to complete the necessary work done at **PORTLAND MUSIC FESTIVAL, LLC** sole cost and expense. Such work shall be completed to the CITY's satisfaction.
- e. **PORTLAND MUSIC FESTIVAL, LLC** acknowledges and agrees that its obligation to repair, replace, and restore all aspects of Payson Park under this paragraph shall survive the expiration of this Agreement.

IV. LIMITATION ON EVENT

11. **Dangerous Displays.** **PORTLAND MUSIC FESTIVAL, LLC** shall not authorize, stage or promote any act or performance in which pyrotechnics, explosives or display of open flames are involved or used without separate written **CITY** permission.

12. **Attendance:** No more than 12,500 people shall be allowed entry per day to each year's Event.

13. **Right to Close Events.** The **CITY** reserves the right to close any *Event* to the public, including to ticket holders, at any time to protect public safety, including but not limited to addressing issues of overcrowding in aisles, exits or entrances or turnstile/ticket counts in excess of the total number of tickets authorized prior to the event. Public admission to any *Event* shall be limited so that the number of occupants at the *Premises* shall not exceed the number approved by the Portland Fire Department. **PORTLAND MUSIC FESTIVAL, LLC** shall release, indemnify, defend (by counsel reasonably acceptable to the **CITY**), and hold harmless the **CITY** from any

and all claims, damages, loss, costs, expenses (including, without limitation, reasonable attorney's fees) or liability of any kind whatsoever resulting from such *Event* closures.

14. **Sound and Noise.** **PORTLAND MUSIC FESTIVAL, LLC** will provide a sound mitigation plan detailing their plan to limit the negative impact of sound and noise on the surrounding community, including, but not be limited to, the following:

- a. PA Speakers for an *Event* shall be placed facing north east on the grass triangle and north west on Dyer Flats and be configured by **PORTLAND MUSIC FESTIVAL, LLC**, with the approval of the **CITY**, to focus volume on the immediate environment within the *Premises*.
- b. Any and all public announcement (PA) and other speakers or amplifiers used to amplify music or other sound shall be maintained at a level not to exceed an A-weighted 85 decibels / C-weighted 95 decibels measured from the perimeter of the *Premises*.
- c. **PORTLAND MUSIC FESTIVAL, LLC** shall be responsible for monitoring sound levels throughout the festival.
- d. **PORTLAND MUSIC FESTIVAL, LLC** shall reduce the volume of music or other amplified sound if above stated levels.
- e. **PORTLAND MUSIC FESTIVAL, LLC** agrees to an annual noise deposit in the amount of \$1,000 no later than thirty (30) days prior to the date of the *Event* each year. **CITY** will retain the deposit if all of the following occur: the **CITY** receives three or more independent noise complaints; the **CITY** notifies **PORTLAND MUSIC FESTIVAL, LLC** of the noise complaints; and **PORTLAND MUSIC FESTIVAL, LLC** fails to address the noise adequately, as evidenced by additional noise complaints. Nothing in this paragraph shall be construed to interfere with the **CITY's** ability to pursue any additional remedies for noise violations under this Agreement or under its ordinances.

15. **Minimum Service Levels.** **PORTLAND MUSIC FESTIVAL, LLC** shall reimburse the costs of all staffing services provided by the **CITY**. The *City Manager* or their designee, shall determine the levels of services required for the *Event*, and **PORTLAND MUSIC FESTIVAL, LLC** shall be responsible for paying for those services. The *City Manager* reserves the right to increase amounts of staffing at any time if they deem it necessary to protect public safety.

V. VENDOR MANAGEMENT

16. **Vendor Compliance.** **PORTLAND MUSIC FESTIVAL, LLC** shall be responsible for ensuring that all vendors at an event have complied with appropriate license requirements, including food service, sale of alcohol, street goods and concert licenses. **PORTLAND MUSIC FESTIVAL, LLC** shall be responsible for all work performed by its employees, agents and subcontractors or anyone hired or employed by **PORTLAND MUSIC FESTIVAL, LLC** to perform services or provide supplies related to the *Event*.

17. **Beverage Service.** **PORTLAND MUSIC FESTIVAL, LLC** may provide *Beverage Service* at the *Premises* for the *Event* under the following conditions:

- a. **PORTLAND MUSIC FESTIVAL, LLC** shall be responsible for validating *Event* attendees are of the legal drinking age in the State of Maine, and shall place wristbands on attendees of legal drinking age. Alcoholic beverages will not be provided to attendees who are not of legal drinking age and do not have a wristband.
- b. The sale of alcoholic beverages shall be limited to the time the venue doors open to attendees until one-half hour prior to the end of the performance at the *Event*.
- c. Alcoholic beverages may not be removed from the *Premises*.
- d. During an *Event*, **PORTLAND MUSIC FESTIVAL, LLC** shall contract hired security to secure the perimeter of the *Premises* to prevent attendees from leaving the *Premises* with alcoholic beverages.

18. **Merchandising.** **PORTLAND MUSIC FESTIVAL, LLC** may sell, or contract with a vendor(s) to sell merchandise in conjunction with an *Event*, including “soft goods,” such as t-shirts, sweatshirts, banners, etc., and “hard goods,” such as recorded material, posters, program books, books etc. **PORTLAND MUSIC FESTIVAL, LLC** is required to obtain all necessary permits required to conduct those sales.

19. **Food and Non-Alcoholic Beverages.** **PORTLAND MUSIC FESTIVAL, LLC** may sell, or contract with a vendor(s) to sell food and non-alcoholic beverages in conjunction with an *Event*. **PORTLAND MUSIC FESTIVAL, LLC** are required to obtain all necessary permits to provide that service.

VI. PAYMENTS TO THE CITY

20. **Payments Due to the City.** **PORTLAND MUSIC FESTIVAL, LLC** agrees to make the following payments to the **CITY**:

- a. **PORTLAND MUSIC FESTIVAL, LLC** shall pay to the **CITY** \$1.00 per ticket sold for the annual *Event* in 2026, \$1.50 per ticket sold for the annual *Event* in 2027, and \$2.00 per ticket sold for the annual *Event* for 2028. Payment under this section shall be made to the **CITY** no later than ten (10) days after the *Removal Date* each year.
- b. **PORTLAND MUSIC FESTIVAL, LLC** shall make an annual donation for the duration of this agreement, in the amount of One Hundred Thousand Dollars (\$100,000.00) per year to the Portland Parks Conservancy to be allocated towards an improvement project in Portland’s Park system, which shall be paid no later than thirty (30) days prior to each annual *Event*. The **CITY** agrees to

hold this amount in escrow until after the Removal Date each year and hereby agrees to refund such donation to PORTLAND MUSIC FESTIVAL, LLC if the CITY terminates this Agreement or the Event is canceled through no fault of PORTLAND MUSIC FESTIVAL, LLC after the donation has been paid with respect to each annual Event.

21. **Terms of Payment.** Unless otherwise specifically provided in this Agreement, all payments or reimbursements to the CITY pursuant to this Agreement shall be subject to the following terms:

- a. Any amounts owed shall be paid within ten (10) days of invoicing.
- b. **PORTLAND MUSIC FESTIVAL, LLC** agrees to pay interest at the rate of one and one-half percent (1½ %) per month on any payment which is not made within the time limits set forth in this Agreement.

VII. INSURANCE OBLIGATIONS

22. **Automobile and General Liability Insurance.** Prior to the execution of this Agreement, **PORTLAND MUSIC FESTIVAL, LLC** shall procure and maintain occurrence-based Automobile Liability Insurance, Commercial General Liability Insurance, including contractual and products liability, in amounts of not less than Two Million Dollars (\$2,000,000) per occurrence for bodily injury, death and property damage, and Two Million Dollars (\$2,000,000) aggregate.

All vendors and/or subcontractors of **PORTLAND MUSIC FESTIVAL, LLC** shall provide the City with proof of Automobile Liability Insurance and Commercial General Liability Insurance in an amount of not less than One Million Dollars (\$2,000,000) per occurrence for bodily injury, death and property damage. In the instance where a vendor or subcontractor does not use an automobile on the premises, Automobile Liability Insurance shall not be required.

23. **Sale of Alcohol and Liquor Liability Insurance.** **PORTLAND MUSIC FESTIVAL, LLC** or its subcontractors, are permitted to sell alcoholic beverages during the event in Payson Park, provided that the following conditions are met. The CITY requires that all alcoholic beverages shall be sold, distributed, and/or served by a Qualified Catering Service (28-A M.R.S.A. §1076), licensed by the State of Maine. Said catering service shall submit to both the State of Maine and the City of Portland City Clerk an Application for Catered Function by Qualified Catering Service and shall provide a copy of the approved Application for Catered Function to the CITY. **PORTLAND MUSIC FESTIVAL, LLC** and/or any vendor or subcontractor providing alcohol at the *Premises*, shall obtain and provide Liquor Liability Insurance, in an amount of not less than One Million Dollars (\$2,000,000) per occurrence. A copy of the certificate of insurance shall be provided to the CITY prior to any *Event* at which the vendor is serving alcohol.

24. **Workers' Compensation Insurance.** **PORTLAND MUSIC FESTIVAL, LLC** and all of its vendors or subcontractors shall provide evidence of workers' compensation insurance, to the extent required by Maine Law, which shall include an endorsement waiving all rights of subrogation against the City of Portland, its officers or employees.

25. **Terms of Insurance.** All insurance required pursuant to this Agreement shall be subject to the following terms:

- a. All insurance shall be obtained from insurers licensed to do business in the State of Maine and acceptable to the **CITY**, such acceptance not to be unreasonably withheld.
- b. With respect to the Automobile Liability, Commercial General Liability, and Liquor Liability Insurance, the **CITY** shall be named as an additional insured on all required policies, only in those areas where government immunity has been expressly waived by 14 M.R.S. A. § 8104-A, as limited by § 8104-B, and § 8111. This provision shall not be deemed a waiver of any defenses, immunities or limitations of liability or damages available to the **CITY** under the Maine Tort Claims Act, other Maine statutory law, judicial precedent, common law, or any other defenses, immunities or limitations of liability available to the **CITY**. All insurance shall be primary to any insurance the **CITY** may have.
- c. All certificates of insurance shall provide that they may not be canceled without thirty (30) days prior written notice to the **CITY**.
- d. **PORTLAND MUSIC FESTIVAL, LLC** and all of the vendors and subcontractors shall furnish the **CITY** and thereafter maintain certificates of coverage, prior to the execution of this agreement. They shall also provide the **CITY** with a copy of any endorsement naming the **CITY** as additional insured. Upon the **CITY's** request, **PORTLAND MUSIC FESTIVAL, LLC** shall provide the **CITY** with a complete copy of any and all policies required by this agreement. **CITY'S** acceptance or lack of acceptance of any Certificate of Insurance or other evidence of insurance shall not be construed as a waiver of any obligation to obtain and maintain such insurance as required by this agreement. **CITY** shall immediately refuse any work in Payson Park and cancel any *Event* if the required certificates are not furnished within the required time.
- e. All insurance required by this agreement shall contain a waiver of subrogation rights against **CITY**.
- f. **PORTLAND MUSIC FESTIVAL, LLC** and all of their vendors or subcontractors shall be responsible for any and all deductibles and/or self-insured retentions which are not to exceed \$10,000 without the prior written approval of **CITY's** Corporation Counsel.

- g. If **PORTLAND MUSIC FESTIVAL, LLC** and all of their vendors or subcontractors maintain broader coverage and/or higher limits than the minimum required by this agreement, the CITY requires and shall be entitled to the broader coverage and/or higher limits.
- h. Nothing herein shall be deemed a waiver of any defenses, immunities or limitations of liability or damages available to the CITY under the Maine Tort Claims Act, other Maine statutory law, judicial precedent, common law, or any other defenses, immunities or limitations of liability available to the CITY.
- i. **PORTLAND MUSIC FESTIVAL, LLC** and the CITY understand and agree that the minimum limits of the insurance herein required may become inadequate during the Initial Term or Renewal Term of this Agreement. **PORTLAND MUSIC FESTIVAL, LLC** agrees that it will increase such minimum limits by reasonable amounts upon receipt of notice in writing from the CITY. Such notices to change shall, in general, be issued no more often than every two (2) years. The CITY may take note of damage awards being granted by the Courts, however, and direct a reasonable increase in the minimum limits of the insurance requirements at any time during the term hereof. In no case shall such limits be less than the amount set forth under the Maine Tort Claims Act, as may be amended.

VIII. INDEMNIFICATION AND RELEASE

26. **Indemnification.** To the fullest extent permitted by law, **PORTLAND MUSIC FESTIVAL, LLC** shall, at its own expense, defend (by counsel reasonably acceptable to the CITY), indemnify, and hold harmless the CITY, its officers, agents, and employees, at all times from any claims, liability, losses, costs, expenses (including, without limitation, reasonable attorney's fees) fines, damages or judgments, just or unjust, that arise out of or result from the activities hereunder (collectively, "Claims"), said Claims to include, without limitation, claims for personal injury, death, or property damage, including, without limitation, injury or damage to City employees or property, and including claims based upon violation of any law, including environmental law or regulation governing hazardous substances, that arise out of or are caused in whole or in part, by any act or omission of **PORTLAND MUSIC FESTIVAL, LLC**, its guests, agents, officers, employees, partners or contractors or anyone for whose act it may be liable. **PORTLAND MUSIC FESTIVAL, LLC'S** obligations under this paragraph shall survive the termination of this Agreement.

27. **Release.** **PORTLAND MUSIC FESTIVAL, LLC** hereby releases the CITY and its officers, agents and personnel (collectively, the "Releasees") from any and all claims, liabilities, damages, losses, costs, fees and expenses arising out of or resulting, directly or indirectly, from **PORTLAND MUSIC FESTIVAL, LLC'S** use of Payson Park, including, without limitation, injuries, losses and damages for bodily injury (including disability or death) and property damage, regardless of cause, including any and all claims, damages and liabilities that arise out of or result from any actions or omissions, including negligence, on the part of any of the Releasees.

PORTLAND MUSIC FESTIVAL, LLC promises not to sue any of the Releasees with respect to any such claims or liabilities. This waiver and release is intended to be as broad as the law allows and shall survive termination of this Agreement.

IX. TERMINATION

28. **Termination by the City.** The City may terminate this Agreement, without prior notice to **PORTLAND MUSIC FESTIVAL, LLC**, under any of the following conditions:

- a. A good faith determination by the City that **PORTLAND MUSIC FESTIVAL, LLC** has failed to comply with any of the terms or conditions of this Agreement, after providing **PORTLAND MUSIC FESTIVAL, LLC** with written notice and a reasonable opportunity to cure such failure.
- b. Failure of **PORTLAND MUSIC FESTIVAL, LLC** to respond appropriately to excessive and substantiated noise complaints about the *Event* as provided in this Agreement or otherwise, which complaints reflect significant public inconvenience or other breaches of the peace, as determined by the City Manager, after providing **PORTLAND MUSIC FESTIVAL, LLC** with written notice and a reasonable opportunity to remedy such complaints.
- c. Upon determination by the City that **PORTLAND MUSIC FESTIVAL, LLC** has made material misrepresentations to the **CITY** in connection with its use or occupancy of any of Payson Park.
- d. The **CITY** determines, in its discretion, that it is prevented from furnishing use of the Premises, or any portion thereof, to **PORTLAND MUSIC FESTIVAL, LLC** on the dates scheduled due to structural failure, flooding, fire damage or other physical damage to the Premises.
- e. The **CITY** determines, in its discretion, that it is prevented from furnishing use of the Premises, or any portion thereof, to **PORTLAND MUSIC FESTIVAL, LLC** on the dates scheduled due to (a) acts of God; (b) flood, fire, earthquake or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) government order or law; (e) actions, embargoes or blockades in effect on or after the date of this Agreement; (f) action by any governmental authority; (g) national, regional or local emergency, including a local emergency declared by the Portland City Council; (h) strikes, labor stoppages or slowdowns or other industrial disturbances; (i) epidemic, pandemic or similar influenza or bacterial infection; (j) shortage of adequate medical supplies and equipment; (k) shortage of power or transportation facilities; and (l) other events beyond the reasonable control of the **CITY**.

In the event that the **CITY** terminates the Agreement for any of the reasons set forth above or any other reason, **PORTLAND MUSIC FESTIVAL, LLC**'s only legal or equitable claim shall

be for a refund of the deposits paid, including the donation to the Portland Parks Conservancy described in Section IV (20) (b) herein. In the event the CITY terminates this Agreement for the reasons set forth in Paragraphs 28(a), (b) and (c), the CITY may, in its discretion, deduct from the deposits the direct costs incurred by the CITY in connection with this Agreement prior to the date of termination. IN NO EVENT WILL CITY BE LIABLE TO **PORTLAND MUSIC FESTIVAL, LLC** OR ANY THIRD PARTY FOR ANY DAMAGES EXCEEDING THE AMOUNT OF THE DEPOSIT, INCLUDING WITHOUT LIMITATION, LOSS OF PROFIT AND INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATING TO THIS AGREEMENT.

29. **Termination by PORTLAND MUSIC FESTIVAL, LLC.** In the event **PORTLAND MUSIC FESTIVAL, LLC** terminates this Agreement, the CITY shall retain or collect from **PORTLAND MUSIC FESTIVAL, LLC** twenty-five percent (25%) of the fees described in Section IV of this Agreement in addition to any actual costs directly incurred by CITY in preparation for the next Event following the date of any such termination.

30. **Waiver.** No waiver of any breach of any one or more of the conditions of this Agreement by the CITY shall be deemed to imply or constitute a waiver of any succeeding or other breach hereunder.

X. ADDITIONAL TERMS

31. **Other Financial Obligations.** **PORTLAND MUSIC FESTIVAL, LLC** shall be solely responsible for any other financial obligations incurred as a result of the use of Payson Park for any *Event* or otherwise in connection with this Agreement. These obligations shall specifically include:

- a. **PORTLAND MUSIC FESTIVAL, LLC** shall be responsible for payment of any State or Federal taxes, or any other governmental assessment which may be required in connection with an *Event* or other use of Payson Park.
- b. **PORTLAND MUSIC FESTIVAL, LLC** shall be solely responsible for the payment of any royalties or charges which are due or may become due on material used for or during an *Event*. **PORTLAND MUSIC FESTIVAL, LLC** warrants to the CITY that such royalties or charges have been paid or will be paid promptly in accordance with law. **PORTLAND MUSIC FESTIVAL, LLC** further agrees to hold the CITY harmless and indemnify it for all its costs or losses, just or unjust, including attorney's fees in defense of claims, relating to payment of any royalty, charge or fee for the use of material by **PORTLAND MUSIC FESTIVAL, LLC** during an *Event*.

32. **Compliance with Law.** **PORTLAND MUSIC FESTIVAL, LLC** agrees to comply with all applicable laws and regulations in its operations hereunder, including but not limited to all applicable federal, state and local environmental law and regulations and laws and

regulations governing hazardous substances, with respect to all its activities on Payson Park, and to conduct all its activities on Payson Park in a safe, responsible, reasonable and business-like manner. **PORTLAND MUSIC FESTIVAL, LLC** shall be responsible for payment of any fines or monies owed as result of any failure to comply with any such laws, rules and/or regulations. **PORTLAND MUSIC FESTIVAL, LLC** further specifically agrees:

- a. To consult with the City's Fire Chief prior to any operations under this Agreement to determine fire safety requirements.
- b. That no person shall be denied admission to any *Event* on the basis of race, color, creed, national origin, sex, disability, sexual orientation, or any other class characteristic protected by law.

33. **No Representations.** **PORTLAND MUSIC FESTIVAL, LLC** agrees that no representations, statements, or warranties, express or implied, have been made by or on behalf of **CITY** in respect thereto, except as contained in the provisions of this Agreement. The **CITY** shall in no event be liable for any latent defects of the **Premises**, unless the **CITY** has actual knowledge of the defect and has failed to disclose such information to **PORTLAND MUSIC FESTIVAL, LLC**.

34. **Assignment.** **PORTLAND MUSIC FESTIVAL, LLC** may not assign, pledge, sublet or otherwise transfer any interest or right granted by this Agreement without the prior written consent of the *City Manager*; provided, however, that **PORTLAND MUSIC FESTIVAL, LLC** may engage subcontractors or hire individuals to perform services or provide supplies related to an *Event* consistent with the terms of this Agreement.

35. **Attorney's Fees.** **PORTLAND MUSIC FESTIVAL, LLC** shall pay all reasonable attorney's fees and costs on behalf of **CITY** if: (i) **CITY** should institute litigation against it for breach of any term or condition of this Agreement, if the **CITY** is the prevailing party in litigation; (ii) **CITY** should institute litigation against **PORTLAND MUSIC FESTIVAL, LLC** for an unlawful detainer of Payson Park, if the **CITY** is the prevailing party in litigation; (iii) **CITY** is made a party to litigation against **PORTLAND MUSIC FESTIVAL, LLC**, instituted by a third party related to use of Payson Park under this Agreement; or (iv) if the **CITY** is required to defend itself against any action or defense prosecuted by **PORTLAND MUSIC FESTIVAL, LLC** or any third party arising out of **PORTLAND MUSIC FESTIVAL, LLC's** use or occupancy of Payson Park that does not result in a final judgment in favor of **PORTLAND MUSIC FESTIVAL, LLC**. Fees and costs of defense incurred by the **CITY** shall be reimbursed within thirty (30) days of invoice whether the litigation is prosecuted to judgment or not. Amounts advanced by **CITY**, not reimbursed within said thirty (30) days, shall bear interest at a rate of one and one-half percent (1 1/2 %) per month.

36. **Additional Permit Required.** **PORTLAND MUSIC FESTIVAL, LLC** understands that the terms and conditions set forth in the Council Order and this Agreement are not exhaustive and the **CITY** reserves the right to include additional terms and conditions in the festival permit issued by the **CITY's** Parks, Recreation and Facilities Department. 38. **Complete Agreement.** This Agreement and its Exhibits constitute the entire and integrated agreement and supersede all the terms and conditions of any prior agreement, negotiations, or

representations, written or oral, between the parties, including but not limited to the Original Agreement. This Agreement may not be further modified, except in writing, signed by the parties.

39. **Rights Acquired.** No rights will be acquired under this Agreement until the required certificates of insurance have been provided to the CITY.

40. **No property rights.** No provision hereof shall be construed as conveying an easement or other estate in land.

41. **Amendment.** This Agreement may be amended only in writing executed by the parties.

42. **No Waiver.** No waiver of any breach of any one or more of the conditions of this Agreement by the CITY shall be deemed to imply or constitute a waiver of any succeeding or other breach hereunder.

43. **Execution in Counterparts.** This Agreement may be executed in any number of counterparts and by different parties in separate counterparts. Each counterpart when so executed shall be deemed to be an original and all of which together shall constitute one and the same agreement. A signature in a pdf or electronic document shall be considered the equivalent of an original signature.

44. **Authority.** PORTLAND MUSIC FESTIVAL, LLC warrants and represents that it has the full right and authority to enter into this Agreement, that there is no impediment that would inhibit its ability to perform their respective obligations under this Agreement, and that the person signing this Agreement on behalf of PORTLAND MUSIC FESTIVAL, LLC has the authority to do so.

45. **Further Assurances.** Each party hereby agrees to cooperate with the other party's efforts to take such further actions as may be reasonably requested by the other party to carry out the provisions and purposes of this Agreement and to implement the operation of the Event and the other transactions contemplated herein, including without limitation, to execute, acknowledge, and deliver any affidavits, certificates, assurances, consents, or other instruments as may be necessary to fulfill the intent of this Agreement.

46. **Governing Law and Jurisdiction.** This Agreement shall be construed in all respects in accordance with, and governed by, the laws of the State of Maine. All parties and guarantors hereto hereby consent to the exclusive jurisdiction of the Superior Court for the County of Cumberland in the State of Maine, for all actions, proceedings, and litigation arising from or relating directly or indirectly to this Agreement or any of the obligations hereunder, and any dispute not otherwise resolved as provided herein shall be litigated solely in said Court.

[SIGNATURE PAGE ATTACHED HERETO.]

IN WITNESS WHEREOF, the **CITY OF PORTLAND** has caused this Agreement to be signed by Danielle P. West, City Manager, and by Tyler Grill, Manager of **PORTLAND MUSIC FESTIVAL, LLC, LLC**, thereunto duly authorized the day and year first above written.

CITY OF PORTLAND

Date: _____

By: Danielle P. West
Its: City Manager

Approved as to form: _____

Corporation Counsel's Office

PORTLAND MUSIC FESTIVAL, LLC

Date: _____

By: Tyler Grill
Its: Manager, duly authorized

EXHIBIT B

APPROVED EVENTS SCHEDULE for 2026-2028

DATE	DAY	Schedule
6 days prior to event	Sunday	Layout site
5 days prior to event	Monday	Field protection in place
4 days prior to event	Tuesday	Start of tenting/decor
3 days prior to event	Wednesday	Fencing begins
2 days prior to event	Thursday	Sound, lights, stages
1 day prior to event	Friday	Final Prep
Day 1 of Event	Saturday	Day 1
Day 2 of Event	Sunday	Day 2
1 day following event	Monday	Breakdown begins
2 days following event	Tuesday	Breakdown concludes
3 days following event	Wednesday	Last of the porta potties and all remaining assets removed

GUARANTY OF GOODWORKS PORTLAND FEST LLC

For valuable consideration, the receipt of which is hereby acknowledged, and in consideration of an Agreement between the CITY OF PORTLAND (hereinafter "City"), a Maine corporate body politic and PORTLAND MUSIC FESTIVAL, LLC (the "CONTRACTOR") for the CONTRACTOR to rent and produce a music festival on certain Property owned by the City of near and even date (the "Agreement"), the Undersigned, one of the equity owners of the Contractor and a wholly owned subsidiary of GoodWorks Entertainment Group, LLC, unconditionally guarantees to the City, its successors and assigns, full and prompt payment when due of all such payments due under the Agreement and any and all other liabilities of CONTRACTOR to the CITY arising under the Agreement, and all renewals, extensions or modifications thereof of substitutions therefor (collectively, the "Obligations") together with all costs and expenses of collection thereof and of enforcement of this Guaranty, including reasonable attorney's fees.

Notice of acceptance of this Guaranty and of any action taken by the CITY from time to time under this Guaranty or the Obligations is hereby waived, and this Guaranty shall operate as a continuing and absolute Guaranty covering all Obligations.

Upon any default by CONTRACTOR under the Agreement, the liability of the Undersigned shall be effective immediately, without demand, presentment, protest or notice of any kind, all of which are hereby waived, without any action, proceeding or suit, whether against CONTRACTOR, any security for the Obligations, or any other party liable for the Obligations, without exhausting any other remedies, and without further steps to be taken or further conditions to be performed by the CITY. Failure of the CITY to make any demand or otherwise to proceed against the Undersigned or any other person liable on the Obligations in respect to any default by CONTRACTOR shall not constitute a waiver of the CITY's right to proceed in respect to any or all other defaults by CONTRACTOR.

The Undersigned hereby waives any right of exoneration by the CONTRACTOR, or to contribute from any co-surety or security for any of the Obligations, defers any right of subrogation until all obligations of the CONTRACTOR to the CITY, whether or not guaranteed by the Undersigned, are paid in full, and defers any right to reimbursement from the CONTRACTOR, until all Obligations of the CONTRACTOR are paid in full.

This Guaranty shall be binding upon successors and assigns of the Undersigned; and the dissolution of the Undersigned shall not relieve its successors and assigns, from any liability or obligation accruing prior to such succession or assignment, nor accruing prior to the expiration of five (5) days after receipt by the City of notice of such death, succession or assignment, and shall not relieve or discharge the Undersigned from his or her liability hereunder. The Undersigned hereby submits to the jurisdiction of the courts of the United States of America, Cumberland County, and State of Maine in connection with any suits or proceedings arising hereunder. The undersigned hereby knowingly, voluntarily and intentionally waives any right to a jury trial, whether arising under the Maine Constitution, United States Constitution or any State or Federal statute, regulations, common law or rule of civil procedure with respect to any action

or claim arising under or relating to this Guaranty or the dealings or the relationship between any parties hereto.

Concurrently upon the payment, performance, and satisfaction in full of the Obligations and any commitments of the CITY to the CONTRACTOR with respect to the Obligations, this Guaranty shall automatically terminate, and the CITY shall duly execute all agreements, terminations, consents, and releases reasonably requested by Guarantor evidencing (i) the satisfaction of the Obligations and (ii) the CITY's release of Guarantor from this Guaranty.

This instrument and all rights and remedies of the parties shall be construed and interpreted under the laws of the State of Maine.

IN WITNESS WHEREOF, the Undersigned has duly executed this Guaranty this ____ day of September, 2025.

**GOODWORKS ENTERTAINMENT
PORTLAND FEST LLC**

Witness

By: Tyler Grill
Its: Manager, duly authorized

**GUARANTY OF
SHORE SOUND ENTERTAINMENT LLC**

For valuable consideration, the receipt of which is hereby acknowledged, and in consideration of an Agreement between the CITY OF PORTLAND (hereinafter "City"), a Maine corporate body politic and PORTLAND MUSIC FESTIVAL, LLC (the "CONTRACTOR") for the CONTRACTOR to rent and produce a music festival on certain Property owned by the City of near and even date (the "Agreement"), the Undersigned, one of the equity owners of the Contractor, unconditionally guarantees to the City, its successors and assigns, full and prompt payment when due of all such payments due under the Agreement and any and all other liabilities of CONTRACTOR to the CITY arising under the Agreement, and all renewals, extensions or modifications thereof of substitutions therefor (collectively, the "Obligations") together with all costs and expenses of collection thereof and of enforcement of this Guaranty, including reasonable attorney's fees.

Notice of acceptance of this Guaranty and of any action taken by the CITY from time to time under this Guaranty or the Obligations is hereby waived, and this Guaranty shall operate as a continuing and absolute Guaranty covering all Obligations.

Upon any default by CONTRACTOR under the Agreement, the liability of the Undersigned shall be effective immediately, without demand, presentment, protest or notice of any kind, all of which are hereby waived, without any action, proceeding or suit, whether against CONTRACTOR, any security for the Obligations, or any other party liable for the Obligations, without exhausting any other remedies, and without further steps to be taken or further conditions to be performed by the CITY. Failure of the CITY to make any demand or otherwise to proceed against the Undersigned or any other person liable on the Obligations in respect to any default by CONTRACTOR shall not constitute a waiver of the CITY's right to proceed in respect to any or all other defaults by CONTRACTOR.

The Undersigned hereby waives any right of exoneration by the CONTRACTOR, or to contribute from any co-surety or security for any of the Obligations, defers any right of subrogation until all obligations of the CONTRACTOR to the CITY, whether or not guaranteed by the Undersigned, are paid in full, and defers any right to reimbursement from the CONTRACTOR, until all Obligations of the CONTRACTOR are paid in full.

This Guaranty shall be binding upon successors and assigns of the Undersigned; and the dissolution of the Undersigned shall not relieve its successors and assigns, from any liability or obligation accruing prior to such succession or assignment, nor accruing prior to the expiration of five (5) days after receipt by PDC of notice of such death, succession or assignment, and shall not relieve or discharge the Undersigned from his or her liability hereunder. The Undersigned hereby submits to the jurisdiction of the courts of the United States of America and Cumberland County, State of Maine in connection with any suits or proceedings arising hereunder. The undersigned hereby knowingly, voluntarily and intentionally waives any right to a jury trial, whether arising under the Maine Constitution, United States Constitution or any State or Federal

statute, regulations, common law or rule of civil procedure with respect to any action or claim arising under or relating to this Guaranty or the dealings or the relationship between any parties hereto.

Concurrently upon the payment, performance, and satisfaction in full of the Obligations and any commitments of the CITY to the CONTRACTOR with respect to the Obligations, this Guaranty shall automatically terminate, and the CITY shall duly execute all agreements, terminations, consents, and releases reasonably requested by Guarantor evidencing (i) the satisfaction of the Obligations and (ii) the CITY's release of Guarantor from this Guaranty.

This instrument and all rights and remedies of the parties shall be construed and interpreted under the laws of the State of Maine.

IN WITNESS WHEREOF, the Undersigned has duly executed this Guaranty this ____ day of September, 2025.

SHORE SOUND ENTERTAINMENT LLC

Witness

By: Jordan Wolowitz
Its: Manager, duly authorized

Portland Parks Commission Statement on the Back Cove Music Festival at Edward Payson Park (9/4/2025)

The Portland Parks Commission has reviewed and reflected on the inaugural Back Cove Music Festival, held this summer in Edward Payson Park. Following a presentation from City officials and organizers, and public and Commissioner testimony, the Commission is offering the following summary and recommendations for the City Council Committee as it considers a proposed three-year agreement to continue hosting the festival.

As a Commission, we want to note an ongoing and important tension raised in our deliberations: the use of public parks as sites for large-scale, privately-operated events. Some Commissioners expressed concern about the appropriateness of granting extended access to a for-profit entity—however responsible—on land that is meant to serve all residents equitably at all times. Others highlighted the unique value such partnerships can bring in terms of investment, visibility, and park improvements that might not otherwise be possible. This is not a tension that is easily resolved, but it is one we believe the City should continue to examine carefully when evaluating both this proposed agreement and future events.

Overall, the Commission acknowledges that the 2024 Back Cove Music Festival was a successful and responsibly executed event, especially considering it was the first of its kind at this scale in Payson Park. The Parks, Recreation, and Facilities Department and City staff were thoughtful and proactive in their work, and they reported that the event organizers were exceptionally collaborative throughout both planning and execution. We were particularly encouraged by the alignment between the festival’s goals and our mission to foster community connection and long-term stewardship of our parks. Highlights included:

- **Sustainable and inclusive transportation planning:** The use of shuttles, a bike valet service (which served nearly 1,000 bikes), and people-powered transit significantly reduced the need for on-site parking. This contributed to the low environmental impact and aligned with Portland’s sustainability goals.
- **Public infrastructure improvements:** The creation of new trails to support access to the festival site—trails that had long been on the Parks Department’s wishlist—enabled over 10,000 trail uses during the weekend and now remain as a long-term community asset.
- **Park reinvestment:** The festival contributed approximately \$100,000 in park funding, which will support ongoing enhancements to Payson Park.
- **Positive public reception:** While there were some noise complaints (in the range of tens), the vast majority of feedback from attendees and community members was positive. As one Commissioner put it, the event was “extraordinarily responsible.”

Nonetheless, several concerns were raised that should inform future agreements and planning for any large-scale event in our parks:

- **Neighborhood communication and impact:** While transportation innovations were generally successful, changes to shuttle routes and drop-off points were made quickly in

response to evolving needs, which led to significant and unanticipated impacts on adjacent neighborhoods. Some residents experienced 12 hours of shuttle traffic without sufficient prior notice. Communication with directly affected neighbors—particularly those on the periphery of Payson Park—must be significantly improved.

- **Increased “buy in” in contract from event organizers:** Deposits for noise and park damages should be raised. Community inclusion processes should be articulated in the contract.
- **Clarity and accessibility of information:** There was inconsistent signage and lack of proactive, multilingual, and multimodal communication regarding event logistics, park access, and street closures. This included the build-out phase before the festival, when local residents were unsure where and if they could access certain sections of the park. Reliance on social media and responsive versus proactive communication channels was not sufficient.
- **Equity and local access:** The festival should ensure that residents living closest to the park—including those in public housing or lower-income neighborhoods—have equitable access to participate in the event, including potential for reserved or discounted tickets.
- **Post-event engagement:** Mechanisms to solicit neighborhood feedback and community input post-event were limited. Future contracts should include clearer expectations for community engagement both before and after events.
- **Transparency in park reinvestment:** While the financial investment in the park is commendable, there is a need for greater transparency and potentially community input into how these funds are allocated.

The Commission believes that the Back Cove Music Festival demonstrates real promise as a long-term community event that creatively activates public space and contributes to Portland’s cultural and economic vitality. We are optimistic about the potential for this event to evolve into a model of inclusive, sustainable, and community-responsive park use. We respectfully recommend that, should the City proceed with a multi-year agreement, the contract explicitly include:

- Enhanced requirements for community notification and engagement;
- Noise and impact deposit provisions;
- Clear transportation and signage protocols;
- Transparent reinvestment planning with public input; and,
- Equity goals and benchmarks for local access.

We thank the City Council Committee for its consideration of these reflections and recommendations.

Respectfully,

Beth Rabbitt, Chair, at-large

Will Elting, Vice Chair, at-large



Lori Paulette <ljn@portlandmaine.gov>

Payson Park Festival Considerations

Devin Green <devin.green@gmail.com>

Sun, Sep 14, 2025 at 11:37 PM

To: edd@portlandmaine.gov, smichniewicz@portlandmaine.gov, pali@portlandmaine.gov, ksykes@portlandmaine.gov, rphillips@portlandmaine.gov, Payson Park <friendsofpaysonpark@gmail.com>

Hello Housing & Economic Development Council Committee,

Thank you for the work you do and I recognize you have incredibly important things that you deal with and this is not as essential as some of the other work you do, but I do think it's important to do things well when we can, so I'm hoping this helps you in your work.

I am a resident of the Payson Park neighborhood and I am writing to share with you some insights, thoughts and questions regarding the proposal you will be reviewing on Tuesday night from Good Works Entertainment for a 3-year contract to run the Payson Park Festival. I will do my best to keep this brief but there is a lot to cover.

First, I hope that you have access to and were able to review the notes and input from the members of the Parks Commission provided during the meeting on Thursday, 9/4. I attended that meeting, provided public comment, took notes and followed up with the city and organizers on a few fronts. Below are my current thoughts:

Policy/Philosophy

There is still a huge issue at hand of the city determining if and how public parks can be used for private/for-profit use. When C3 Presents/Live Nation tried to bring in their festival a few years ago, we were told by the council that they would consider this and build policy/procedures before anything else happened. Clearly this has never been addressed. That said, the proposal for the one-year contract was approved and now you are being asked to approve a three-year contract.

Resident Experience

I have included below my thoughts the email that was sent by Friends of Payson Park to the Parks Commission regarding feedback from the neighborhood about the experience in case you'd like to review that. But, here are my specific insights:

1. Overall, the festival weekend went better than expected in many ways. But the overall experience of dealing with this as a neighbor was not ideal.
2. The Parks department has admitted that they didn't handle communication with the residents very well, which is definitely true. It really felt like we were an afterthought, which is not the way this should have been handled. Here are my key concerns that I think really need to be ironed out if any agreement is to be made:
 1. Communication with neighbors has to be better.
 1. Throughout the past year, I made many suggestions to the organizers and the city about how to handle things, was always told things were a great idea and they never happened. Things like sending a monthly email to locals to give them updates about what's going on and what they're working on, putting notices in people's mailboxes with information about what to expect and parking permits.
 2. We were never given information unless we asked for it and that's not the way this should work. Additionally, Friends of Payson Park (FOPP) should not be responsible for fielding questions/concerns or disseminating information. That is not their job and many of them don't support this festival so it puts them in a tough position. The biggest issue here is that things changed and also people didn't even know it was happening.
 3. I have asked the Parks Department and organizers if they have insights/plans into how they would improve communication and working with neighbors and they have replied that "these systems will be developed and communicated during the planning process." As a couple people in the Parks Commission suggested, I believe any approved proposal should have specifics about how locals will be communicated with and worked with.
 3. At the last minute, the shuttles moved from traveling on a loop on Baxter Blvd. (which was shut down for the festival and the buses would move on a loop from Vannah to Bates - makes total sense) to traveling down Catafalque and along Fernald Street, which is a residential neighborhood. When asked why they would do this, they did not provide a good reason. I now think it may be because they didn't want to have two entrances due to smaller attendance numbers, but I think any proposal considered should require that buses run along Baxter and not in a residential neighborhood. It makes no sense.

1. They also should have a solution to the ride share location, which did not work out with Cheverus and became quite dangerous as they were driving against the flow of traffic and coming down dark streets with pedestrians.
4. For reference because it has come up in so many conversations and came up at the Parks Commission meeting also - residents were not given free tickets to the festival. There was apparently a discount for certain zip codes, but we were not made aware of that. Perhaps some of the neighbors would have more buy-in to the festival if they were invited in to actually experience it (instead of just being outside it). Portland Housing Authority was given access to some tickets for the Front Street residents but I do not know if any of those were used and tickets were not offered to anyone in the impacted neighborhoods including those dealing with street closures.
5. One of the biggest issues is that the park did not remain "open" for the week leading up to the festival as the city/citizens had been told it would. A week away from the festival, the parking lots and sidewalks in the park were all fenced off (how do you use the park if you can't park in the park), no one realized you could access the playground or courts because it was like a fortress in the park, and most dangerous - the bike lanes were even blocked. If you approve any proposal, I think it must come with the caveat that all parking lots and sidewalks be open and available to the public until Friday, that the bike lanes must be open and that all access to the park be very clear.
6. Donna Garland suggested in the Parks Commission Meeting that the City or Organizers get a survey done of Portland residents, and especially those nearby, asking about the experience and what they feel about doing it again. This is a great idea and one I definitely think they should do. When I followed up to ask about this, I was told by Andy Downs that they were not planning to do a survey. This feels like a basic step to take in considering this proposal, so I recommend your Committee require this before the council considers this proposal. The city or organizers could easily put together a basic survey and put notices in mailboxes with a response deadline. Super easy and seems like information the council would want?

Proposal Considerations

1. As a resident, neighbor and a previous large event organizer, I highly recommend that if you are to approve a proposal from Good Works, you ask them to address and include in the contract all of the above, and you do one more one-year contract. I understand that it's easier for them to do a three-year contract, but I really think they should take another to work out the kinks/see how it goes when there are more people here, and then they can come with a longer proposal. It is just smart to do one more trial year.
2. They are proposing an escalating scale for the amount/ticket that the city will receive. I do not think this is necessarily favorable for the city. I would suggest the city get a percentage of each ticket/attendee (in case they are going by purchased tickets only and not including comped tickets), like 5% or something because some of the tickets are astronomically expensive and if someone purchases a 2-day ticket and the city gets \$1 of that, that's peanuts. If this is something the city is doing for profit, then make a profit on it, or at least understand what profit the organizers are making and make sure the city is getting a fair share.
 1. This year, \$78,000 was given to the city, but that was actually split across City Staff Expenses, Parking Revenue, Licensing & Permitting, Per Ticket Fees and Park Restoration. I have asked for an actual breakdown but have not yet received it - perhaps you could look into that to understand the actual revenue and if this is a smart investment in resources for the city.
 2. I am also waiting on information regarding the actual attendance including attendance numbers/day (I would estimate probably 3000-4000/day maybe), how many tickets were comped vs. sold, how many tickets were purchased by locals vs. out of state.
3. The \$100,000 donation should be specified/adjusted
 1. For this year's donation, apparently the \$100K is going to a Payson Park project but the public/neighbors/FOPP has no say in what that project will be (we thought we would have input). It might be good to get the public invested in this being good for the city/their park.
 2. For future year contracts, they are proposing a \$100,000 donation/year to the Parks Conservancy again, but unlike this year it will go to any projects in the Parks. I actually wonder if the Parks Conservancy is where the money should go if it gets approved... if this is for the city, what are the greatest needs for the city? Housing, right? So why not put it somewhere else that the council chooses, or even let the citizens vote on a non-profit that the money goes to... I think that would be a better use of money and better overall?
4. A really interesting point came up in the Parks Commission meeting about the fact that the agreement is with the LLC that Jordan and Tyler currently own. There was question about the LLC being sold or taken over. So I asked for clarification on that and Andy Downs shared that the agreement is with the LLC and it cannot be transferred or assigned without written consent of the City Manager. So that's good news, but I do wonder if the LLC could end up with different ownership, so that might be something to specify in any contracts, especially if you actually consider a multi-year deal.

I know this is a lot so if you're still reading, thank you. Again, the email that FOPP sent to the Parks Commission with consolidated feedback from neighbors is below. If you have any questions or I can clarify anything about the above, please let me know. Thank you for reading!

Devin Green
The Connected Way™
www.theconnectedway.com

----- Forwarded message -----

From: **Payson Park** <friendsofpaysonpark@gmail.com>

Date: Wed, Sep 3, 2025 at 9:26 PM

Subject: Concerns re: Back Cove Festival

To: Parks Commission <parkscommission@portlandmaine.gov>

Cc: City Council Email <council@portlandmaine.gov>, Ethan Hipple <ehipple@portlandmaine.gov>, Alex Marshall <amarshall@portlandmaine.gov>, Andy Downs <andy@portlandmaine.gov>

To the Portland Parks Commission,

On behalf of the Friends of Payson Park, we are writing to share feedback we received from neighbors and park users regarding the 2024 Back Cove Music & Arts Festival. Many community members reached out to us by text, phone, and email starting on the day that the fencing arrived—hoping we might have more information and wanting to express their frustrations with what was happening in their community.

Friends of Payson Park is concerned about the continuation of a multi day festival in the Park and brings to your attention the impact on this community from the perspective of its residents:

Noise & End Time

- Many neighbors reported that the sound levels were very loud—even indoors with windows closed.
- Noise was manageable during the daytime, but continuing until 10:00 PM, especially on Sunday night, was challenging for families with young children, people who had to work early Monday morning, and those sensitive to noise.
- Several neighbors suggested an earlier end time (e.g., 8/9:00 PM) would make the event more compatible with neighborhood life.

Traffic & Access

- Residents were told streets would remain accessible, but several reported not being able to reach their homes as promised.
- Heavy Traffic from shuttle buses concentrated heavily on Fernald Street, running every 3 minutes throughout the day and evening, despite earlier assurances that offloading would occur from Baxter Boulevard.
- Ride share and truck traffic was routed down small residential streets (Fernald and W. Kidder) instead of the original plan, frustrating residents and closing off the street to their children.
- Access rules for neighbors seemed to change throughout the week, creating confusion.

Park Use During Setup

- Neighbors noted that fencing went up and access was restricted a full week before the festival, rather than just in the immediate lead-up.
- Park patrons reported being unable to use the playground, basketball and tennis courts, or regular paths due to fences, festival vehicles, or lost parking.
- The handicapped parking area on the Boulevard was fenced off, making playground access difficult
- Residents felt this contradicted the repeated public messaging that **normal park use would not be disrupted**.

Paths & Infrastructure

- Concerns were raised about new walking paths installed across condo lawns at the end of Front Street. Neighbors felt this was unnecessary, harmed property value, and primarily benefited concert logistics rather than park users.
- Festival vehicles and golf carts driving throughout the park created a sense that the park had been temporarily turned into a private venue, rather than remaining a shared public space.

Overall Experience

- Neighbors were disappointed by the lack of clear updates from Parks & Rec about what to expect as the festival moved in. A quick post—like “fencing arrives tomorrow” or “x parking lots will be closed starting today”—would have made a big difference in setting expectations and avoiding frustration.
- Significant frustration was expressed by neighbors at being effectively shut out of their own neighborhood park for the week of setup and takedown.

We share this feedback so the Parks Commission, City staff, and promoters can better understand the impacts on the surrounding community.

Thank you for your time,

Friends of Payson Park

To: Housing and Economic Development Committee
Councilor Pious Ali, Chair

MEETING DATE

September 23, 2025

AGENDA ITEM

Agenda Item #2 - Discussion: Restaurant industry workforce and labor issues - review Downtown TOD TIF eligible uses for potential ways to assist the restaurant industry.

PURPOSE

The purpose of this item is to begin discussions on potential ways to support the restaurant industry workforce and labor issues.

COMMITTEE WORK PLAN/CITY COUNCIL GOAL ALIGNMENT

This item pertains to the Committee Work Policy Initiative “Restaurant Industry Labor Shortage”.

BACKGROUND/ANALYSIS

Portland’s restaurant industry continues to face significant workforce issues, which are compounded by high food and labor costs, increased rents and utilities for both the restaurant owner and employees, and shifting consumer spending habits, leading to less frequent dining out and a decrease in overall restaurant sales.

These challenges have contributed to some restaurant closures and are prompting a re-evaluation of business models within the industry to reduce staffing costs.

The labor market remains competitive, with some businesses offering bonuses and higher wages to attract and retain staff.

Committee discussion would look for creative ways to assist the industry. It is anticipated that this would include feedback from the industry. The Downtown Transit Oriented Development Tax Increment Financing (DTIF) District could possibly fund potential programs such as increased lighting, sidewalk and pedestrian enhancements, business counseling, workforce training, and increased bus service. See attached section from the DTIF which highlights eligible uses of DTIF funding.

FISCAL IMPACT

The fiscal impact would include possibly use DTIF funding to support potential programs of service, in consultation with the City's Finance Director.

CONCLUSION(S)

Staff looks forward to beginning discussions on this topic with the Committee.

PRIOR COMMITTEE REVIEW

No prior Committee review on this item.

PREPARED BY

Greg Watson, Director
Housing and Economic Development
Department

ATTACHMENTS

- Allowable Uses of DTIF Funds

JULY 2024 PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #8 – REMOVING A PORTION OF 70 E. OXFORD ST. FROM DISTRICT TO BE FREESTANDING AFFORDABLE HOUSING TIF DISTRICT

The City’s designation of the District and pursuit of this Amended Development Program constitute a good and valid public purpose pursuant to Chapter 206 of Title 30-A because it represents a substantial contribution to the economic well-being of both the City and the region by providing jobs, contributing to property taxes, and diversifying the region’s economic base.

B. The Projects

Development within the District will provide a revenue source for the City’s economic development projects. The City intends to use TIF Revenues to further its overall plan to attract and retain businesses that want to take advantage of Portland’s business-friendly location, while offering their employees a rich, dynamic, and high quality of life. This includes funding for CP, of which the City of Portland is the Corporator, with annual funding at \$200,000 for its staff, programs, and services related to the marketing and promotion of the City to promote economic development, as approved by the City Council annually during its budget process, and City plans to invest in its public infrastructure in these investment focus areas:

- Sidewalk and Other Pedestrian Enhancements, including Public Restrooms
- Streetscape
- Lighting
- Street Alignment
- Utilities
- Bicycle Improvements
- Public Transit
- Wayfinding
- Multi-modal surface and structured parking
- Work force training
- Professional service costs
- Housing and Economic Development Department administrative costs and staff salaries, and prorated salaries of the City Manager, Finance Director, Planning and Urban Development Director, and Planning staff.

The District projects at this time are highlighted in Table 1 below:

TABLE 1

NOTE 1: All Citations refer to Title 30-A, Chapter 206, Section 5225

NOTE 2: While this Amended Development Program lists particular projects, the Amended Development Program shall not serve as an appropriation of TIF Revenues for any of these specific purposes, nor shall it commit the City to completing any particular project. The projects will only be undertaken following proper appropriation through the annual budget process and any other applicable required approvals.

Project	Downtown Revitalization Plan Reference by page no.	Statutory Citation	Estimated Cost
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JULY 2024 PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #8 – REMOVING A PORTION OF 70 E. OXFORD ST. FROM DISTRICT TO BE FREESTANDING AFFORDABLE HOUSING TIF DISTRICT

<p>In District: Capital Infrastructure Design and Investments, including Financing Costs, for example:</p> <ul style="list-style-type: none"> - Multi-modal surface and structured parking - Sidewalk and Other Pedestrian Enhancements, including Public Restrooms - Roadway Realignments/Paving - Crosswalks - Traffic Signals - Intersection Redesigns - Bicycle lanes, racks, and stations Infrastructure - Stormwater Management, including water and sewer upgrades - Telecommunications, lighting, and electrical distribution upgrades; Infrastructure improvements/enhancements - Wayfinding (signage) - Public plaza intersection improvements 	<p>19, 47</p> <p>19, 20, 34,35, 48</p> <p>19,20,34,35</p> <p>19, 46</p> <p>34, 46</p> <p>19,20,34,35</p> <p>19, 34,47</p> <p>19, 33</p> <p>19, 36</p> <p>19,23, 35,47</p> <p>22, 46</p>	<p>(1)(A)(1)(2)(3)(6)(7)</p> <p>(1)(A)(1)(2)(3)(4)(6)(7)</p> <p>(1)(A)(1)(2)(3)(6)(7)</p> <p>(1)(A)(1)(a)(i)</p> <p>(1)(A)(1)(2)(3)</p> <p>(1)(A)(1)(2)(3)(6)(7)</p> <p>(1)(A)(1)(a)(i)</p> <p>(1)(A)(1)(2)(3)(6)(7)</p> <p>(1)(A)(1)(2)(3)(7)</p> <p>(1)(A)(1)</p> <p>(1)(A)(1)(2)(3)(6)(7)</p>	<p>\$150 Million over the life of the District for these Capital Infrastructure Items.</p>
<p>In and out of District: New and Enhanced Transit Services, including operational costs, for example (see Exhibit K – Transit Map):</p> <ul style="list-style-type: none"> - Creation of high frequency bus service on Congress Street at 15-minute intervals between the Portland Transportation Center (PTC) and Washington Avenue; - Enhancing Stevens Avenue-Allen Avenue- Congress Street bus service areas; - Corresponding costs for these enhancements, including transit operator salaries; 	<p>17, 20, 21,</p> <p>20</p> <p>20</p> <p>20</p>	<p>(1)(A) and (1)(C)(7)</p> <p>(1)(A)(1)(a) and (1)(C)(7)</p> <p>(1)(A)(1)(a) and (1)(C)(7)</p> <p>(1)(A)(1)(a) and (1)(C)(7)</p>	<p>\$15 Million for Transit in this category.</p>

JULY 2024 PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #8 – REMOVING A PORTION OF 70 E. OXFORD ST. FROM DISTRICT TO BE FREESTANDING AFFORDABLE HOUSING TIF DISTRICT

<p>transit vehicle fuel, and transit vehicle parts replacements.</p> <ul style="list-style-type: none"> - Transit capital costs including transit vehicles and related equipment; bus shelters and other related structures; benches; signs, and other transit-related infrastructure. - Shuttle service to downtown businesses. 	<p>17, 20</p>	<p>(1)(A)(1)(a) and (1)(C)(7)</p>	
<p>In and out of District: City Marketing and Promotion through Creative Portland Corporation (CPC), for example (see Exhibit M Arts District Map within Downtown TOD TIF District):</p> <ul style="list-style-type: none"> - In District: Center for the Arts, including rental residential space; - In District: capital, financing, real property assembly and professional service costs; - In and out of District: CPC staffing, administrative and marketing expenses; revolving loan or investment fund. 	<p>20, 21,47</p> <p>20, 21,47</p> <p>20, 21, 47</p>	<p>(1)(C)(1)</p> <p>(1)(C)(1)</p> <p>(1)(C)(1)</p>	<p>\$200K annually beginning FY2024; \$5.2 Million over life of District</p>
<p>In and out of District:</p> <ul style="list-style-type: none"> - Housing and Economic Dev. Dept. administrative costs and staff salaries at 100%, and prorated salaries of City Manager, Finance Director, and Planning Urban Development Director, and Planning staff*; - Professional services costs; - Workforce training funds. Costs of services and equipment to provide skills development and training, including scholarships to in-state educational institutions or to online learning entities when in-state options are not 	<p>21, Also TIF App. P. 3</p> <p>See TIF App. P.3 See TIF App. P. 3</p>	<p>(1)(A)(5) and (1)(C)(1) (1)</p> <p>(1)(A)(4);(1)(C)(1) (1)(C)(4)</p>	<p>\$15 Million over life of the District.</p>

JULY 2024 PROPOSED DOWNTOWN/TRANSIT TIF AMENDMENT #8 – REMOVING A PORTION OF 70 E. OXFORD ST. FROM DISTRICT TO BE FREESTANDING AFFORDABLE HOUSING TIF DISTRICT

available, for jobs created or retained.			
In District: Small Public Capital Infrastructure and Equipment, for example (Downtown Plan pp. 6 and 7) - Parking meters - Vehicles for Public Works Dept., and Fire Dept., including ambulances	19 21, 36 to 44	(1)(A)(1)(a) (1)(A)(1)(a)	\$10 Million over life of the District
In District: Relocation of Displaced Persons (TIF Application, p. 6)	(see TIF application, p. 6)	1(A)(6)	Not budgeted/not anticipated at time of TIF application
In District: CEAs as Approved by City Council (TIF application p. 2) with a maximum average percentage of 65% capture and up to a 20-year term, or the remaining term of this District, pursuant to City TIF Policy (Exhibit B hereto).	(see TIF application p. 2)	(1)(A)(1)(2)(3)(6)(7)	Unknown at time of TIF application
Total Estimate of TIF Revenue Expenditure over 30 year term:			\$195,200,000

*This item is not unique to this TIF District, it is also included in the Bayside TIF District and Waterfront TIF District.

C. Strategic Growth and Development

This Amended Development Program and the Downtown Plan meld various studies and plans for the District into one document, thereby promoting those studies and plans and making investments at the appropriate time. The studies and plans noted in the Downtown Plan represent a series of community initiatives, both completed and underway, or in planning process. The Amended Development Program and Project List (Table 1) noted hereinabove represents the best thinking of City staff about current opportunities for realizing the City’s longstanding, evolving vision for its Downtown.

D. Improvements to the Public Infrastructure

As further set forth in Table 1 hereinabove, the City may use certain TIF Revenues for sidewalk and other pedestrian improvements including crosswalks, roadway realignments/paving, intersection redesigns, traffic signals, bicycle infrastructure, stormwater management improvements (including water and sewer maintenance), communications



TO: Housing & Economic Development Committee
CC: Rent Board
FROM: Jessica B. Hanscombe, Director of Permitting and Inspections
DATE: July 14, 2025
RE: Quarterly Rent Control Report- Q2-2025

Rent Control Report Quarter 2 (4/1/2025-6/30/2025)

Rent Board

	Total # of Applications	Total # of Applications approved	Total # of Applications Denied	Total # of Applications Tabled
Rent Increases	8	5	0	0
Complaints	3	3	0	0
Other	1	1	0	0
Quarter 2 Total:	12	9	0	0
<i>Year to date Total</i>	<i>20</i>	<i>9</i>	<i>0</i>	<i>8</i>

Rent Control Inspections

Type of Inspections	Total # Properties	Total # of units
<u>Complaints</u> (Potential violations reported to our office)	*21	288
<u>Audits</u> (Proactive enforcement based on percentage that rent was increased)	102	827
<u>Quality Control</u> (proactive verification of data supplied to our office)	173	458
Quarter 2 Total:	296	1,573
<i>Year to date Total</i>	<i>538</i>	<i>4,451</i>

*Breakdown of Complaints by property:

	Founded Complaints *violation exists	Unfounded Complaints *no violation	In Progress *actively investigating
Quarter 2 Total	6	5	10



To: Housing & Economic Development Committee

Councilor Pious Ali, Chair

From: Dena Libner, Assistant City Manager

Date: June 17, 2025

Re: Consideration of Request for Proposals for Child Care Center
Provider at 1125 Brighton Avenue

MEETING DATE

June 17, 2025

AGENDA ITEM

Item #7: Consideration of Request for Proposals for Child Care Center Provider at 1125 Brighton Avenue

PURPOSE

Childcare in Portland is scarce and costly, as it is in most of the United States. This proposal seeks to address this issue by leasing an underused building on the Barron Center campus (BC2) to a licensed child care center provider.

The availability and affordability of child care also contribute to City of Portland employee recruitment and retention challenges. High turnover and/or vacancy rates in local government may negatively impact the delivery of City services and programs; consequently, the well-being and satisfaction of Portland residents may also be affected. To address these challenges, this proposal would reserve a percentage of child care spaces for City of Portland employees.

COMMITTEE WORK PLAN/CITY COUNCIL GOAL ALIGNMENT

The City Council's Health & Human Services and Public Safety Committee (HHS & PS Committee) included "Childcare in Portland" as a priority on its 2025 Work Plan.

BACKGROUND/ANALYSIS

Trends in Child Care

Municipal-level data on trends in child care is not readily available. However, in Cumberland County, the number of licensed family childcare providers has decreased by 27% since 2020.¹ While the number of licensed center-based childcare providers has held fairly steady, the

¹ "Licensed Child Care Centers and Family Child Care Providers in Maine." Right from the Start. www.datacenter.aecf.org (May 28, 2025).

number of children under the age of 5 increased by more than 3% between 2019 and 2024, reflecting an unmet increase in need.²

In March 2025, the City of Portland conducted a survey on child care challenges among its employees. The predominant concerns expressed by survey respondents were the availability and affordability of childcare, as well as the childcare scheduling challenges of employees with non-traditional work hours (“shift employees”). A follow-up survey of shift employees indicated a strong interest in early drop-off hours, late pick-up hours, drop-in care³, and the ability to sign up for less than a full week of child care (e.g. attending and paying for just two or three days weekly).

Impact of Childcare Scarcity

The inaccessibility of childcare impacts parents’ inability to participate in the workforce, child development, and the economy. A 2024 report issued by the United States Chamber of Commerce described how the COVID-19 pandemic exacerbated a longstanding shortage of accessible, affordable childcare in the U.S., drawing specific attention to the high number of working parents that left the workforce because they were unable to fund childcare solutions that met their needs. Over the last three decades, the share of fathers who leave the workforce to provide childcare has increased significantly; however, women overwhelmingly represent spouses who do not participate in the labor force in order to provide care.⁴

While it does not replace parents as the major influence on early development, the availability of quality, affordable childcare can help establish a healthy foundation for a person’s lifelong well-being. Specifically, evidence indicates that quality childcare may positively affect early cognition and language, social and emotional development, and school achievement.⁵

Proposal Details

The draft RFP (enclosed) describes the requirements and preferences related to the desired childcare center program. Fundamental aspects of the desired program are included below, some of which reflect stated policy priorities of the City Council and feedback received from the HHS & PS Committee at its May 2025 meeting:

- The child care center provider will be a private operator, licensed by the State of Maine.

² Estimated using original U.S. Census Bureau data. U.S. Census Bureau, “Age and Sex” American Community Survey 5-Year Estimates Subject Tables, 2019 and 2024.

<https://www.census.gov/quickfacts/fact/table/cumberlandcountymaine.US/PST045224> (June 1, 2025).

³ “Drop-in” childcare is a flexible childcare option where parents can drop off their children for a few hours or a day without needing a long-term commitment or consistent schedule.

⁴ Melhorn, Stephanie Ferguson. “Understanding America’s Labor Shortage: The Impact of Scarce and Costly Childcare.” U.S. Chamber of Commerce. June 26, 2024. uschamber.com (May 26, 2025).

⁵ National Research Council (US) and Institute of Medicine (US) Committee on Integrating the Science of Early Childhood Development; Shonkoff JP, Phillips DA, editors. Washington (DC): National Academies Press (US); 2000.

- The center will provide care for children aged 0 to 5.
- The center will serve Portland residents, as well as City of Portland employees who reside in and outside of Portland. Fifty percent (50%) of the center’s total spaces would be reserved for City of Portland employees.
- The preferred initial lease term will be between five and seven years, with the option to extend the lease after it expires.
- Respondents will propose the amount of rent to be paid. The City is willing to consider a reduced rent if those cost savings are passed on to the center’s clients.
- The RFP requires that the successful respondent accepts reimbursement from the State of Maine Child and Adult Food Care Program (CAFCP), as well as the Child Care Assistance Program (CCAP).
- The RFP expresses a strong preference for respondents whose proposal would request or require minimal, if any, funding from the City of Portland in order to become operational.

Operational details would be determined through the RFP process and lease negotiations.

FISCAL IMPACT

There is no anticipated fiscal impact associated with this proposal.

CONCLUSION(S)

N/A

PRIOR COMMITTEE REVIEW

N/A

PREPARED BY

Dena Libner
Assistant City Manager

Greg Watson, Director
Housing & Economic Development

Anne Torregrossa, Director
Human Resources

Maggie McLoughlin, Director
Health & Human Services

Ethan Hipple, Director
Parks, Recreation & Facilities

ATTACHMENTS

Request for Proposals (RFP) for a Licensed Child Care Center Provider (draft)



CITY OF PORTLAND, MAINE

LICENSED CHILD CARE CENTER PROVIDER

RFP #25xxx

June xx, 2025

DRAFT

LEGAL NOTICE

City of Portland, Maine

Request for Proposals

“LICENSED EARLY CHILD CARE CENTER”

RFP #25xxx

The City of Portland, Maine seeks proposals from qualified persons or firms for the operation of a full-day, year-round, Child Care Center at 1125 Brighton Avenue, designated on the City of Portland tax maps as Parcel 269 B001001.

Sealed proposals shall be submitted electronically to bidssubmit@portlandmaine.gov with the name of the Proposer, RFP Name, and RFP number in the subject line and will be received until **DAY, DATE at TIME** at which time they will be publicly opened and read, or by submitting via USPS, UPS, FedEx or in-person to the City of Portland, Purchasing Rm. 103, 389 Congress St., Portland ME 04101.

There will be a **mandatory** pre-proposal meeting to review the City’s request and to examine the facilities **at TIME, DAY, DATE**, at the **LOCATION**. City representatives will be available to answer questions at this time. The City of Portland disclaims any and all responsibility for injury to proposers, their agents, or to others while examining City facilities or at any other time.

Copies of the above documents will be available by contacting the City of Portland Purchasing Office either via e-mail at purchasing@portlandmaine.gov, or phone (207) 874-8654. Each prospective bidder will be required to obtain from the City each copy of the proposal forms.

Proposals from developers not registered with the Purchasing Office may be rejected. If you received this RFP directly from the City of Portland Purchasing Office, then you are registered. Should a developer receive this RFP from a source other than the City Purchasing Office, please contact 207-874-8654 to ensure that your firm is registered as a proposer for this RFP.

Notice and Specifications

The City of Portland, Maine seeks proposals from qualified persons or firms for the operation of a full-day, year-round, early child care services center in a portion of a City-owned building located at 1125 Brighton Avenue, designated on the City of Portland tax maps as Parcel 269 B001001 (the “Property”). The service will be operated by the successful proposer at the Property subject to a lease between the proposer and the City.

Sealed proposals shall be submitted electronically to bidssubmit@portlandmaine.gov with the name of the Proposer, RFP Name, and RFP number in the subject line and will be received until **DAY, DATE at TIME** at which time they will be publicly opened and read, or by submitting via USPS, UPS, FedEx or in-person to the City of Portland, Purchasing Rm. 103, 389 Congress St., Portland ME 04101.

Email attachments must not exceed 25MB total; you will receive a confirmation email from bidssubmit@portlandmaine.gov if your submission is successful.

Proposals shall be submitted on the City-provided proposal form, being signed with the firm’s name, and bearing the handwritten signature or e-signature of an officer or authorized individual having the authority to bind the company to a contract by his/her signature.

PRE-PROPOSAL MEETING: A Pre-Proposal meeting will be held at **DATE, TIME, LOCATION.**

There will be a **mandatory** pre-proposal meeting to review the City’s request and to examine the facilities **at TIME, DAY, DATE**, at the **LOCATION**. City representatives will be available to answer questions at this time. The City of Portland disclaims any and all responsibility for injury to proposers, their agents, or to others while examining City facilities or at any other time.

Questions must be submitted in writing to the Purchasing Office and be received no later than five business days prior to the proposal opening. These may be mailed, faxed to 207-874-8652 or e-mailed to SLChapin@portlandmaine.gov. The Purchasing Office will be the only office issuing any changes to this Invitation. All changes, addenda, will be in writing and will be sent only to those firms on file in Purchasing as having received this document. The City shall not be responsible for any oral interpretation given by City personnel or others.

Proposers should not contact City Staff or members of the City Council with regard to this Request unless to obtain general public information as specified in the document.

I. GENERAL INFORMATION

The awarded Respondent will operate a full-day, year-round, Early child care Services Center at the Property pursuant to a lease agreement with the City for a term of approximately five (5) years. The Lease may include an annual review and the potential for an extension at the term’s end.

PROPERTY OWNER: City of Portland
Address 389 Congress Street
Portland, Maine 04101

CONTACT: **TBD**
[email](#)

II. Introduction.

The goal of the early child care center is to create a year-round, welcoming environment that provides high-quality, affordable, all-day care options for the children of City of Portland residents and employees.

We seek a long-term relationship with a Respondent with experience caring for and educating children ranging in age from newborns (0) to preschool (5), whose parents/guardians are residents or employees of the City of Portland.

The Respondent will be a welcoming part of the City of Portland community in addressing the child care needs of City residents and City of Portland employees.

II. Scope of Project.

The City seeks a qualified early child care provider to enter into a lease of a portion of a City-owned building located at 1125 Brighton Avenue, for the purpose of providing child care to Portland residents and employees of the City of Portland.

While the term of the lease is negotiable, the City prefers proposals that include a lease term between five and seven years, with the potential to extend the lease after the initial term has expired, assuming the City determines that the project is successful.

The City's property at 1125 Brighton Avenue, which totals approximately 15 acres, includes a building referred to as Barron Center 1, which is a skilled nursing facility that provides long-term care for over 100 residents who need help with daily tasks. Adjacent to Barron Center 1 is another building known as Barron Center 2, part of which is occupied by the City of Portland's Office of Elder Affairs (OEA), which provides various services and programs to Portland residents aged 60+ on and off site.

We are seeking proposals to lease the vacant portion of Barron Center 2 ("BC2"), as well as associated parking spaces and green space. The leaseable area is described below, and outlined in the enclosed map (**attachment A**):

- 12,600 square feet of indoor space;
- At least two courtyards, totalling approximately 2,320 square feet;
- Two open green spaces, each of which is approximately 2,900 square feet in size;
- Parking spaces, the number and location of which will be confirmed during lease negotiations.

Originally built as an assisted care facility in 1990, the indoor space includes four separate pods, which are connected by corridors. Each pod is roughly 2,500 square feet, and contains five (5) rooms originally designed as residents' rooms. Each resident room is equipped with a half-bathroom. In each pod, the bedrooms and dining room are connected by a large, open space originally used as a common sitting area (see: floor plan, **attachment B**).

A kitchenette is also included within each pod. Each kitchenette is equipped with hook-ups for refrigerators. Up to two refrigerators are available for the successful Respondent's use. Abutting each kitchenette is space originally designed to be used as a dining room. Each kitchenette/dining room combination includes approximately 650 square feet.

The two exterior courtyards are each accessible from a pod. One of the courtyards is approximately 1,550 square feet in size; the other is 770 square feet.

One or two open green spaces are also available for lease. Each space is approximately 2,900 square feet in size. Site 1 is located in front of the entrance of BC2, and Site 2 is located at the east end of the building, fronting on Holm Avenue ([see map, attachment C](#)). Neither site is fenced ([attachment D](#)).

The successful respondent should include a description of infrastructural changes that would be required to meet all relevant requirements, as well as including but not limited to licensing, life safety, and building codes requirements. At minimum, the following improvements may be needed:

- Removal or disablement of access controls for address doors or pathways to the daycare.
- Installation of smoke detectors in up to 25 rooms, depending on the desired capacity of the respondent.
- Removal of cooking stove in an assembly area, or installation of a commercial kitchen exhaust hood.
- Removal of latching mechanisms on outside gates, so that no gate has more than one mechanism.

Lastly, parking for employees of the child care center, as well as for the drop-off and pick-up of children, is included in the leasable area. Respondents should specify the number of parking spaces needed to operate their proposed center in accordance with State licensing requirements.

The larger Barron Center property also includes the Loring House, which includes 104 units affordable to residents aged 62+. The Loring House buildings (located on a parcel identified by Parcel ID 269 B001002) are privately owned by Loring House Associates, and located on land that is leased from the City.

The City is also planning to lease a parcel of vacant land on the Barron Center campus to ProsperityME ("PM"), for the purpose of developing housing. Based on their proposal, PM seeks to create 50 affordable units for families and individuals. The City may also consider leasing a second onsite parcel for housing development in the future (see map, attachment E).

Given the variety of uses on the site, and depending on the successful respondent's proposal, the City may consider onsite improvements to traffic flow and other City-owned infrastructure in order to ensure smooth operations. These improvements would be made in consultation with onsite stakeholders, as well as owners of property on directly-impacted roadways.

Due to zoning requirements, a change of use permit would be required to operate a child care center at this location. The City will serve as applicant or joint applicant for the required permit after a Respondent is selected. In addition, the City of Portland would waive any fees related to permit and other applications administered by the City of Portland that the Respondent is required to pursue.

Proposals that closely align with the City of Portland's interest in improving the availability and affordability of child care are strongly preferred, as are proposals that align with the City's goals

related to employee recruitment and retention. In March 2025, the City of Portland conducted a survey on child care challenges among its employees; the predominant concerns expressed by survey respondents were 1) availability, 2) affordability, and 3) scheduling challenges of employees with non-traditional work hours (“shift employees”). Surveyed shift employees indicated a strong interest in early drop-off hours (6/7 a.m.), late pick-up hours (7/8 p.m.), drop-in hours, and the ability to sign up for less than a full week of child care (e.g. attending and paying for just two or three days weekly).

DRAFT

III. Contents of Proposal and Evaluation Criteria.

- . Required content and minimum qualifications.

Proposals will be evaluated on the criteria listed below. An evaluation criteria and basis for award is attached as “**TBD**”.

The proposal must include:

1. Experience & References: The Respondent should list at least three references and provide information about their experience in providing early childhood care. References from past/current landlords and/or government entities with which the respondent has partnered as preferred.

In addition, the Respondent should include any relevant quality rating of previous or current child care delivery, as provided by the State of Maine or other licensing authority.

2. Description of Services, Community Experience, Licensing, and Relationship: The Respondent should include information about their day-to-day operations of the proposed early child care space, as well as any requests for collaboration with City of Portland programs and/or services. The Respondent should also demonstrate the ability to obtain proper state licensing, and protocols for implementing controls for risk management related to caregiving, safety of children, providers, and staff members.

3. Lease Term; Rental Fee Proposal: As of May 9, 2025, the Fair Market Value of BC2 is estimated at \$4.2 million. Proposals must include a lease term and provide a rental fee for the space, including outdoor recreational space and parking spaces. This fee should take into account any services for which the City might be responsible, such as the payment of utilities.

Depending on the proposal and other factors, the City may consider a below-market rental fee if the entirety of those savings are passed onto customers.

The City's preference is to lease the entirety of the leasable space, described in Section II. Scope. However, the City will consider options that request a smaller footprint. Should the application be for a subset of the leasable space, the applicant should specify if they have any intentions for a phased scale up to the remaining leasable space in the future.

4. Enrollment; Tuition Schedule; Staff Compensation. Respondents must include information about their enrollment processes, taking into account the set-aside number of spaces for Portland employees. (Note that the provider will be expected to administer enrollment for all participants, including City of Portland employees.) The successful respondent will accept reimbursement from the State of Maine Child and Adult Food Care Program (CAFCP), as well as the Child Care Assistance Program (CCAP). Respondents must include a tuition schedule and proposed teacher/employee pay range and any teacher/employee benefits that may be offered.

5. City Priorities: Respondents should consider a year-round program for priority enrollment by City of Portland residents and City of Portland municipal employees, with a percentage of the center's total capacity reserved for municipal employees.

Respondents should clearly describe the percentage of spaces to be reserved for City of Portland employees.

Respondents that commit to funding any proposed renovations of interior/exterior space will also be prioritized.

The proposal should clearly address how the Respondents' proposal addresses the above-stated City of Portland child care challenges (affordability and availability, as well as scheduling challenges for shift employees).

The City recognizes that the co-location of a day care center with elder care services may provide a unique opportunity for intergenerational activities. Respondents should state if they have any experience in intergenerational programming and if they are willing to consider such programming at this site.

6. Timeline: The Respondent shall include a proposed timeline to become operational considering licensing, improvements to the indoor and/or outdoor space, and other requirements that may affect the timeline. The anticipated duration of the selection process (see Section IV, below) should also be considered.
7. Marketing and Advertising: The Respondent will include information about how they will market or advertise for enrollment, including any expectations for marketing and advertising assistance from the City of Portland.
8. Capital Improvements or Renovation: The Respondent shall include a list of proposed improvements needed prior to licensure and if City funding is desired for any of the improvements . (Please note that no City of Portland funding is allocated for this purpose, and that the availability of such funding is not guaranteed.)
9. Identification of Third Parties: If the Respondent proposes to use a third party (subcontractor, sub-consultant, etc.) for completing all or a portion of the scope of work requirements, identify the portion of the scope of work to be completed by any third parties, and identify those parties if known.

B. Evaluation Criteria

Each member of the selection committee shall use the evaluation criteria and percentage weights below to establish their own ranking of the Respondents. The committee shall then use these individual rankings to establish an aggregate ranking of all the accepted proposals.

1. **Operational Plan and Viability (40%)**

- **Program Design**: Quality and feasibility of the proposed child care program, including plans to serve children aged 0–5. Includes number of children served, programming elements, staffing ratios, hours of operation, management structure, and employee retention plan.

- **Capacity:** Preference will be given to the qualified Respondent whose proposal includes the highest potential child capacity, or a plan to scale up capacity over time.
- **Employee Set-Aside:** The percentage of total center spaces reserved for City of Portland employees, and the process by which the provider would administer this admissions process. The City of Portland strongly prefers proposals that include a set-aside of 50% of total spaces for this purpose, as well as flexible scheduling options for shift employees.
- **Center Readiness:** Demonstrated ability and detailed plan to complete necessary renovations or improvements to meet Maine Child Care Provider Licensing standards (e.g., safety, accessibility) and local code requirements.
- **Timeline:** Clear and realistic timeline for licensing, renovations, and commencing operations, with a target start date of 6–12 months.
- **Safety and Compliance:** Commitment to maintaining a safe environment, including secure drop-off/pick-up areas, compliance with fire marshal inspections, and adherence to ADA standards for accessible parking and facilities. Respondents are required to disclose all violations of State or local requirements related to any child care facilities or centers they have operated from 2015 to the present, subject to applicable confidentiality requirements.

2. **Qualifications and Experience (30%)**

- **Provider Credentials:** Licensure status or ability to secure a Maine child care license within 6 months, including evidence of compliance with DHHS licensing rules.
- **Experience and Capacity:** Proven track record of operating a child care center, with demonstrated skills in program management, staff training, and child development.
- **References:** Strong references from partners, landlords or regulatory bodies attesting to the provider's performance and reliability are preferred, but not required.
- **Staffing Plan:** Quality of proposed staffing model, including staff-to-child ratios, qualifications (e.g., early childhood education credentials), and ongoing training plans.

3. **Financial and Affordability Considerations (20%)**

- **Affordability:** Proposed tuition schedule, including sliding scale options or subsidies to ensure access for low-income families, including acceptance of Child Care Assistance Program (CCAP) vouchers and Child and Adult Care Food Program (CACFP) reimbursements.
- **Lease Proposal and Anticipated Capital Expenses:** Proposed rent amount and anticipate capital expenses, including any requests that the City of Portland take responsibility for some or all of the expenses.
- **Financial Stability:** Evidence of the provider's financial capacity to sustain operations, including a 2-year budget projection and funding sources (e.g., grants, revenue).
- **Teacher Compensation:** Proposed teacher salaries that are competitive to attract and retain qualified staff, supporting program quality.

NOTE: Price will not be the sole deciding factor.

The City of Portland reserves the right to reject any and all proposals for any reason. Proposals lacking the required information will not be considered. The award of the Property Lease will be subject to approval by the City Council.

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IV. Selection Process.

Proposals will be evaluated on the criteria listed in Section III, Contents of Proposal and Evaluation Criteria, above. HEDC and City Council may take other factors into consideration as part of their decision-making process.

The selection process is expected to proceed as follows:

1. **Month TBD:** A review committee composed of City staff (the “Staff Review Committee”) will open, review, and evaluate all proposals. Scoring will be based solely on the criteria included in this RFP.
2. **Month TBD:** The Staff Review Committee may conduct interviews with the highest-ranked Respondents. If applicable, interview requirements will be provided to those Respondents selected for further consideration.
3. **Month TBD:** The Staff Review Committee will present its recommendation to the Council’s Housing & Economic Development Committee (HEDC) for consideration. HEDC will review all complete responses and make a recommendation to the full City Council. The HEDC is not bound by the recommendation of the Staff Review Committee.
4. **Month TBD:** The City Council will consider the HEDC’s recommendation, but is not bound by that recommendation and is free to move forward with another respondent or reject all proposals. If the Council selects a respondent for the project, staff would begin negotiating lease terms with the respondent.
5. **Month TBD:** Staff will present an option to lease agreement to the HEDC for recommendation to the full Council. The date of the HEDC (and subsequent Council) consideration will be dependent on the length of negotiation, as well as other factors.
6. **Month TBD:** The City Council votes to approve the option to lease agreement.

V. City of Portland Standard Agreement Required.

The successful Respondent will be required to enter into the City's standard Property Lease. A form of the standard agreement is attached to this RFP as **Exhibit "D"** and incorporated herein.

VI. FREEDOM OF ACCESS ACT

The City of Portland is subject to Maine's Freedom of Access Act (FOAA). Under this law, the City is required to make public information that we receive in the solicitation of proposals. FOAA does, however, have an exception applicable to proprietary and other confidential information. In the event that you believe that the proposal you submit contains any proprietary information, you must submit such information in a separate sealed envelope to the City along with your sealed proposal. The outside of this envelope must clearly be marked "Proprietary information/confidential." Such proprietary information will only be reviewed by Portland City officials, and only on a "need to know" basis. The City will not disclose such information to a third party without your consent, unless it determines that such disclosure is required by law. Prior to disclosing such information, the City will provide you with a reasonable opportunity to seek an injunction or other court order, at your own expense, to prevent such disclosure. The City will not be liable to any proposer or any third party for any disclosure of confidential information.

VII. RESERVATION OF RIGHTS

The City of Portland reserves the right, at its sole discretion, to reject any and all proposals for the City owned land, based on the quality and merits of the proposals received, or when it is determined to be in the public interest to do so. Furthermore, the City may extend deadlines and timeframes, as needed.

The City reserves the right to waive any informalities in proposals, to accept any proposal, and, to reject any and all proposals, should it be deemed for the best interest of the City to do so. The City reserves the right to substantiate the Proposer's qualifications, capability to perform, availability, past performance record and to verify that the proposer is current in its obligations to the City.

Pursuant to City procurement policy and ordinance, the City is unable to contract with businesses or individuals who are delinquent in their financial obligations to the City. These obligations may include but are not limited to real estate and personal property taxes and sewer user fees. Bidders who are delinquent in their financial obligations to the City must bring the obligation current before the City will consider their proposal

Date

Samantha L. Chapin
Purchasing & Controls Manager

**PROPOSAL FORM
Licensed Early child care Provider**

RFP #25xxx

**** THIS SHEET MUST BE INCLUDED IN YOUR PROPOSAL ****

The UNDERSIGNED hereby declares that he/she or they are the only person(s), firm or corporation interested in this proposal as principal, that it is made without any connection with any other person(s), firm or corporation submitting a proposal for the same.

The UNDERSIGNED hereby declares that they have read and understand all conditions as outlined in the Request for Proposals, and that the proposal is made in accordance with same.

The UNDERSIGNED hereby declares that any person(s) employed by the City of Portland, Maine, who has direct or indirect personal or financial interest in this proposal or in any portion of the profits which may be derived therefrom has been identified and the interest disclosed by separate attachment. (Please include in your disclosure any interest which you know of. An example of a direct interest would be a City employee who would be paid to perform services under this proposal. An example of an indirect interest would be a City employee who is related to any officers, employees, principal or shareholders of your firm or to you. If in doubt as to status or interest, please disclose to the extent known).

The bidder acknowledges the receipt of Addenda numbered: _____

The bidder acknowledges the receipt of Addenda numbered: _____

COMPANY NAME: _____
(Individual, Partnership, Corporation, Joint Venture)

AUTHORIZED SIGNATURE: _____ DATE: _____
(Officer, Authorized Individual or Owner)

PRINT NAME & TITLE: _____

ADDRESS: _____

E-MAIL ADDRESS: _____ WEBSITE _____

PHONE NUMBER: _____ FAX NUMBER: _____

STATE OF INCORPORATION: _____ (If incorporated in another State, businesses must be authorized to do business in the State of Maine prior to contract.)

FEDERAL TAX IDENTIFICATION NUMBER (Required): _____

NOTE: Proposals must bear the handwritten signature of a duly authorized member or employee of the organization submitting a proposal.

Price? : _____

DRAFT



To: Anna Bullett, Chair Health & Human Services Committee and Pious Ali, Chair Housing & Economic Development Committee

CC: Members of the Housing & Economic Development Committee and the Health & Human Services Committee, Dena Libner, Assistant City Manager

From: Kate Sykes, Councilor Dist. 5

Date: Jun 20, 2025

RE: Redlined Amendments to RFP #25XXX – Barron Center Early Childhood Education Pilot

Councilors Bullett and Ali,

At the June HEDC meeting, the committee voted to postpone recommending RFP #25XXX in order to ensure this proposal positions the project not just as a space lease, but as a public-sector pilot in systems change. The intent is to ensure that our efforts to stand up an Early Childhood Education (ECE) Center in a publicly owned space is embedded in a policy and equity strategy that reflects the substantial groundwork laid by the HHS Committee.

After reviewing the video and backup material from the February 11, 2025 HHS meeting and conducting a nationwide policy review, I am offering a redlined version of the RFP that more closely aligns with the HHS Committee’s policy recommendations, your proposed amendment to the FY2026 budget to extend the Portland Childcare Voucher Collaborative (PCVC), and feedback received from stakeholders in Portland’s child care provider community.

I believe the revised RFP reflects our shared policy goals: to stabilize the ECE workforce, support municipal employees, expand access for low-income families, and treat Early Childhood Education as essential civic infrastructure. Below are summaries and justifications for the proposed amendments.

Amendment 1. Clarify Vision and Intent (Section II: Introduction)

This RFP seeks to establish a pilot project for municipally supported Early Childhood Education (ECE). This pilot is intended not only to provide high-quality, affordable, all-day ECE for the children of city residents and City of Portland employees, but also to inform policy development in partnership with community stakeholders. Respondents are encouraged to propose models that address ECE workforce development, affordability, and fair access for all families.

Rationale: This language clearly signals the City’s intention to use this site as a long-term public-private model, not simply a tenanting opportunity. It connects the project to broader policy goals discussed by HHS, including affordability, workforce development, and civic infrastructure planning.

Amendment 2. Public Benefit in Exchange for Rent (Section III.A.3: “Lease Term; Rental Fee Proposal”)

Depending on the proposal and other factors, the City may consider a below-market rental fee in exchange for verifiable public benefit, including tuition subsidies, participation in workforce development programs, or infrastructure investments. Respondents should itemize how reduced rent will directly translate into public benefit.

Rationale: This amendment acknowledges that family affordability is only one piece of a much larger challenge. Rent relief should not function as a general subsidy; it should be tied to broader system goals—such as workforce stabilization, access for underserved families, and infrastructure improvement. By linking reduced rent to measurable public benefit, this clause encourages providers to contribute to structural solutions, not just short-term affordability for a narrow group.

Amendment 3. Phased Scaling Plan (Section III.A.3: “Lease Term; Rental Fee Proposal”)

Respondents proposing to lease less than the full space must include a plan to scale up to full capacity within three years, pending licensure and workforce availability.

Rationale: While acknowledging current workforce constraints, this amendment strengthens the City’s expectations for full use of the site. The original RFP was vague about scaling, which risked long-term underutilization of a valuable public asset. By requiring respondents to present a phased expansion plan, the City signals its commitment to ensuring that public space is leveraged for maximum community benefit as workforce conditions improve.

Amendment 4. Enrollment & Tuition Equity (Section III.A.4: Enrollment; Tuition Schedule)

The City seeks to pilot a year-round enrollment model that balances City of Portland workforce support, public access, and affordability.

Successful respondents will be required to:

- Reserve at least 50% of available slots for families eligible for public assistance programs, including the Child Care Affordability Program (CCAP), Head Start, or City-sponsored early education vouchers. These families may include both City of Portland employees and general residents.
- Ensure that a minimum of 25% of total slots are available to Portland residents who are not employed by the City, to preserve broad community access.
- Provide priority access within remaining enrollment to children of City of Portland employees, in recognition of the City’s commitment to supporting its workforce.

In addition, respondents must:

- Include a detailed explanation of their enrollment processes, including how the prioritization of Portland employees will be implemented within the structure described above. Please note that the provider will be responsible for administering enrollment for all participants, including City of Portland employees.
- Submit a tuition schedule, including any income-based tiers, copay structures, or fee reductions.
- Indicate whether they will accept reimbursement from the State of Maine's Child Care Assistance Program (CCAP) and the Child and Adult Food Care Program (CACFP); and any City-administered voucher program piloted during the lease term. The City will work with respondents to identify eligible families, administer funds, and evaluate impact. Preference will be given to respondents that participate in these programs.
- Provide a proposed teacher/employee pay range and describe any benefits that may be offered to staff, including health care, paid leave, or professional development supports.

Rationale: This amendment adjusts the balance of access without eliminating the important priority for municipal employees. The original RFP structure centered the needs of City staff by encouraging that up to 50% of total enrollment be set aside for them. While addressing employee needs is essential—especially in light of survey data showing a lack of child care as a major barrier to workforce retention, that structure placed employees at the center of a publicly subsidized program, when our values call for centering equity and public good. The updated language also affirms participation in existing public funding mechanisms, including CCAP and CACFP, as well as the Portland Childcare Voucher Collaborative (PCVC), ensuring financial accessibility for families across income levels.

The revised language creates a three-part framework:

- 50% of seats must go to families eligible for public child care assistance—advancing affordability and equity, as prioritized by the HHS Committee;
- A guaranteed 25% for Portland residents who are not City employees—ensuring the community has direct access;
- Priority access for remaining seats to City employees—without guaranteeing a fixed portion, giving providers the flexibility to meet demand while still responding to staffing needs.

This approach honors the spirit of the original proposal by supporting City workers, while also ensuring that this pilot reflects the City Council's stated goals around equity.

Amendment 5. Require Participation in Maine Salary Supplement Program (Section III.A.5: Staff Compensation)

Respondents must participate in Maine's Early Educator Salary Supplement Program and agree to submit staff information necessary for eligibility and reimbursement. The City intends to match these stipends or otherwise augment wages through a local pilot program during the lease term.

Rationale: This is essential to stabilizing the early care workforce. The supplement program is active statewide and widely used. It opens the door for the Council to develop a local matching program to support wage elevation and retention over the lease period.

Amendment 6. Intergenerational Program Language (New Section III. A.6: Promoting Intergenerational Learning and Therapeutic Benefit)

Respondents should include any plans for intergenerational programming in partnership with the Barron Center or Office of Elder Affairs; the City views such models as a potential innovation with therapeutic and community benefits.

Rationale: The co-location with elder services creates a real opportunity. This clause encourages but does not mandate creative programming to maximize opportunities presented by the site.

Amendment 7. Evaluation & Transparency Clause (New Section III.A.11: Reporting and Evaluation Requirement)

Respondents will anticipate the submission of quarterly reports to the City on enrollment demographics and program utilization; staff compensation and turnover; use of CCAP, CACFP, and other public subsidies; Tuition schedule and copay levels by income band; Participation in workforce supplement or training programs. These reports will inform an annual review by the City Council's HHS and Committees and may be used to evaluate renewal or expansion.

Rationale: Public investment must come with public transparency. These data points mirror other municipal ECE pilots and will help us shape future programs.

Note on Terminology: In several sections, the term “Child Care” has been revised to “Early Childhood Education” or “ECE.” This change reflects an intentional shift in how we frame this work: not simply as supervision or custodial care, but as essential educational infrastructure. As Councilor Bullett rightly noted, words matter. That said, I also recognize that state licensure categories and funding programs still use the term “child care,” and I have tried to preserve that language where legal or programmatic references make it necessary. Going forward, we should continue to reinforce this shift while remaining clear and accessible.

In Summary

I want to acknowledge that the original RFP prepared by staff was thoughtful, well-crafted, and responsive to the practical realities of early childhood education administration. The amendments I've proposed are not intended as a critique, but as a complement. They reflect the Council's broader policy role and are grounded in the excellent foundation laid by the HHS Committee.

I recognize that setting too high a bar could unintentionally narrow the pool of applicants. I have tried to strike a balance—raising our sights without making participation unfeasible. It is already a visionary step for the City to devote public resources to municipally supported early education. The goal of these revisions is not to make the work harder, but to align it with the ambition I believe this moment calls for.

Because the HHS Committee has led the City’s policy thinking on this issue, I would recommend that they review and provide input on these amendments before the HEDC forwards a final version to the full Council.



CITY OF PORTLAND, MAINE

**LICENSED EARLY CHILD CARE ~~CARE~~ HOOD EDUCATION
PROVIDER**

RFP #25xxx

June xx, 2025

RFP #25xxx

LEGAL NOTICE

City of Portland, Maine

Request for Proposals

“LICENSED EARLY CHILDHOOD - CARE EDUCATION CENTER PROVIDER”

RFP #25xxx

The City of Portland, Maine seeks proposals from qualified persons or firms for the operation of a full-day, year-round, Early Childhood Education (ECE)-Care Center at 1125 Brighton Avenue, designated on the City of Portland tax maps as Parcel 269 B001001.

Sealed proposals shall be submitted electronically to bidsubmit@portlandmaine.gov with the name of the Proposer, RFP Name, and RFP number in the subject line and will be received until **DAY, DATE at TIME** at which time they will be publicly opened and read, or by submitting via USPS, UPS, FedEx or in-person to the City of Portland, Purchasing Rm. 103, 389 Congress St., Portland ME 04101.

There will be a **mandatory** pre-proposal meeting to review the City’s request and to examine the facilities **at TIME, DAY, DATE**, at the **LOCATION**. City representatives will be available to answer questions at this time. The City of Portland disclaims any and all responsibility for injury to proposers, their agents, or to others while examining City facilities or at any other time.

Copies of the above documents will be available by contacting the City of Portland Purchasing Office either via e-mail at purchasing@portlandmaine.gov, or phone (207) 874-8654. Each prospective bidder will be required to obtain from the City each copy of the proposal forms.

Proposals from developers not registered with the Purchasing Office may be rejected. If you received this RFP directly from the City of Portland Purchasing Office, then you are registered. Should a developer receive this RFP from a source other than the City Purchasing Office, please contact 207-874-8654 to ensure that your firm is registered as a proposer for this RFP.

Notice and Specifications

The City of Portland, Maine seeks proposals from qualified persons or firms for the operation of a full-day, year-round, ~~Early Childhood Education -care services~~ center in a portion of a City-owned building located at 1125 Brighton Avenue, designated on the City of Portland tax maps as Parcel 269 B001001 (the "Property"). The service will be operated by the successful proposer at the Property subject to a lease between the proposer and the City.

Sealed proposals shall be submitted electronically to bidssubmit@portlandmaine.gov with the name of the Proposer, RFP Name, and RFP number in the subject line and will be received until **DAY, DATE at TIME** at which time they will be publicly opened and read, or by submitting via USPS, UPS, FedEx or in-person to the City of Portland, Purchasing Rm. 103, 389 Congress St., Portland ME 04101.

Email attachments must not exceed 25MB total; you will receive a confirmation email from bidssubmit@portlandmaine.gov if your submission is successful.

Proposals shall be submitted on the City-provided proposal form, being signed with the firm's name, and bearing the handwritten signature or e-signature of an officer or authorized individual having the authority to bind the company to a contract by his/her signature.

PRE-PROPOSAL MEETING: A Pre-Proposal meeting will be held at **DATE, TIME, LOCATION.**

There will be a **mandatory** pre-proposal meeting to review the City's request and to examine the facilities **at TIME, DAY, DATE**, at the **LOCATION**. City representatives will be available to answer questions at this time. The City of Portland disclaims any and all responsibility for injury to proposers, their agents, or to others while examining City facilities or at any other time.

Questions must be submitted in writing to the Purchasing Office and be received no later than five business days prior to the proposal opening. These may be mailed, faxed to 207-874-8652 or e-mailed to SLChapin@portlandmaine.gov. The Purchasing Office will be the only office issuing any changes to this Invitation. All changes, addenda, will be in writing and will be sent only to those firms on file in Purchasing as having received this document. The City shall not be responsible for any oral interpretation given by City personnel or others.

Proposers should not contact City Staff or members of the City Council with regard to this Request unless to obtain general public information as specified in the document.

I. GENERAL INFORMATION

The awarded Respondent will operate a full-day, year-round, Early ~~Childhood Education-care Services~~ Center at the Property pursuant to a lease agreement with the City for a term of approximately five (5) years. The Lease may include an annual review and the potential for an extension at the term's end.

PROPERTY OWNER: City of Portland
Address 389 Congress Street
Portland, Maine 04101

CONTACT: **TBD**
[email](#)

II. Introduction.

This RFP seeks to establish a pilot project for municipally supported Early Childhood Education (ECE). This pilot is intended not only to provide high-quality, affordable, all-day ECE for the children of city residents and City of Portland employees, but also to inform policy development in partnership with community stakeholders. Respondents are encouraged to propose models that address ECE workforce development, affordability, and fair access for all families.

~~The goal of the early child care center is to create a year-round, welcoming environment that provides high quality, affordable, all-day care options for the children of City of Portland residents and employees.~~

We seek a long-term relationship with a Respondent with experience caring for and educating children ranging in age from newborns (0) to preschool (5), whose parents/guardians are residents or employees of the City of Portland.

The Respondent will be a welcoming part of the City of Portland community in addressing the child care needs of City residents and City of Portland employees.

II. Scope of Project.

The City seeks a qualified ~~Early Childhood Education care~~(ECE) provider to enter into a lease of a portion of a City-owned building located at 1125 Brighton Avenue, for the purpose of providing ~~child care~~ECE to Portland residents and employees of the City of Portland.

While the term of the lease is negotiable, the City prefers proposals that include a lease term between five and seven years, with the potential to extend the lease after the initial term has expired, ~~assuming~~ if the City determines that the project is successful.

The City's property at 1125 Brighton Avenue, which totals approximately 15 acres, includes a building referred to as Barron Center 1, which is a skilled nursing facility that provides long-term care for over 100 residents who need help with daily tasks. Adjacent to Barron Center 1 is another building known as Barron Center 2, part of which is occupied by the City of Portland's Office of Elder Affairs (OEA), which provides various services and programs to Portland residents aged 60+ on and off site.

We are seeking proposals to lease the vacant portion of Barron Center 2 ("BC2"), as well as associated parking spaces and green space. The leaseable area is described below, and outlined in the enclosed map (attachment A):

- 12,600 square feet of indoor space;
- At least two courtyards, ~~totalling~~totaling approximately 2,320 square feet;
- Two open green spaces, each of which is approximately 2,900 square feet in size;
- Parking spaces, the number and location of which will be confirmed during lease negotiations.

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Originally built as an assisted care facility in 1990, the indoor space includes four separate pods, which are connected by corridors. Each pod is roughly 2,500 square feet, and contains five (5) rooms originally designed as residents' rooms. Each resident room is equipped with a half-bathroom. In each pod, the bedrooms and dining room are connected by a large, open space originally used as a common sitting area (see: floor plan, [attachment B](#)).

A kitchenette is also included within each pod. Each kitchenette is equipped with hook-ups for refrigerators. Up to two refrigerators are available for the successful Respondent's use. Abutting each kitchenette is space originally designed to be used as a dining room. Each kitchenette/dining room combination includes approximately 650 square feet.

The two exterior courtyards are each accessible from a pod. One of the courtyards is approximately 1,550 square feet in size; the other is 770 square feet.

One or two open green spaces are also available for lease. Each space is approximately 2,900 square feet in size. Site 1 is located in front of the entrance of BC2, and Site 2 is located at the east end of the building, fronting on Holm Avenue ([see map, attachment C](#)). Neither site is fenced ([attachment D](#)).

The successful respondent should include a description of infrastructural changes that would be required to meet all relevant requirements, as well as including but not limited to licensing, life safety, and building codes requirements. At minimum, the following improvements may be needed:

- Removal or disablement of access controls for address doors or pathways to the ~~daycare~~ECE Center.
- Installation of smoke detectors in up to 25 rooms, depending on the desired capacity of the respondent.
- Removal of cooking stove in an assembly area, or installation of a commercial kitchen exhaust hood.
- Removal of latching mechanisms on outside gates, so that no gate has more than one mechanism.

Lastly, parking for employees of the ~~child care~~ Center, as well as for the drop-off and pick-up of children, is included in the leasable area. Respondents should specify the number of parking spaces needed to operate their proposed center in accordance with State licensing requirements.

The larger Barron Center property also includes the Loring House, which includes 104 units affordable to residents aged 62+. The Loring House buildings (located on a parcel identified by Parcel ID 269 B001002) are privately owned by Loring House Associates, and located on land that is leased from the City.

The City is also planning to lease a parcel of vacant land on the Barron Center campus to ProsperityME ("PM"), for the purpose of developing housing. Based on their proposal, PM seeks to create 50 affordable units for families and individuals. The City may also consider leasing a second onsite parcel for housing development in the future (see map, attachment E).

Given the variety of uses on the site, and depending on the successful respondent's proposal, the City may consider onsite improvements to traffic flow and other City-owned infrastructure in order to ensure smooth operations. These improvements would be made in consultation with onsite stakeholders, as well as owners of property on directly-impacted roadways.

Due to zoning requirements, a change of use permit would be required to operate an ECE child-care center at this location. The City will serve as applicant or joint applicant for the required permit after a Respondent is selected. In addition, the City of Portland would waive any fees related to permit and other applications administered by the City of Portland that the Respondent is required to pursue.

Proposals that closely align with the City of Portland's interest in improving the availability and affordability of child-care ECE are strongly preferred, as are proposals that align with the City's goals related to employee recruitment and retention. In March 2025, the City of Portland conducted a survey on child-care ECE challenges among its employees; the predominant concerns expressed by survey respondents were 1) availability, 2) affordability, and 3) scheduling challenges of employees with non-traditional work hours ("shift employees"). Surveyed shift employees indicated a strong interest in early drop-off hours (6/7 a.m.), late pick-up hours (7/8 p.m.), drop-in hours, and the ability to sign up for less than a full week of child-care ECE (e.g. attending and paying for just two or three days weekly).

III. Contents of Proposal and Evaluation Criteria.

Required content and minimum qualifications.

Proposals will be evaluated on the criteria listed below. An evaluation criteria and basis for award is attached as "**TBD**".

The proposal must include:

1. Experience & References: The Respondent should list at least three references and provide information about their experience in providing Early Childhood Education (ECE). References from past/current landlords and/or government entities with which the respondent has partnered is preferred.

In addition, the Respondent should include any relevant quality rating of previous or current child care ECE delivery, as provided by the State of Maine or other licensing authority.

2. Description of Services, Community Experience, Licensing, and Relationship: The Respondent should include information about their day-to-day operations of the proposed early-child-care ECE space Center, as well as any requests for collaboration with City of Portland programs and/or services. The Respondent should also demonstrate the ability to obtain proper state licensing, and protocols for implementing controls for risk management related to education, caregiving, safety of children, providers, and staff members.

3. Lease Term; Rental Fee Proposal: As of May 9, 2025, the Fair Market Value of BC2 is estimated at \$4.2 million. Proposals must include a lease term and provide a rental fee for the space, including outdoor recreational space and parking spaces. This fee should take into account any services for which the City might be responsible, such as the payment of utilities.

Depending on the proposal and other factors, the City may consider a below-market rental fee if the entirety of those savings are passed onto customers in exchange for verifiable public benefit, including tuition subsidies, participation in workforce development programs, or infrastructure investments. Respondents should itemize how reduced rent will directly translate into public benefit.

The City's preference is to lease the entirety of the leasable space, described in Section II. Scope. However, the City will consider options that request a smaller footprint. Should the application be for a subset of the leasable space, the applicant should specify if they have any intentions for a phased scale up to the remaining leasable space in the future. Respondents proposing to lease less than the full space

must include a plan to scale up to full capacity within three (3) years, pending licensure and workforce availability.

4. -Enrollment; Tuition Schedule; Staff Compensation. Respondents must include information about their enrollment processes, taking into account the set aside number of spaces for Portland employees. (Note that the provider will be expected to administer enrollment for all participants, including City of Portland employees.) The successful respondent will accept reimbursement from the State of Maine Child and Adult Food Care Program (CAFCEP), as well as the Child Care Assistance Program (CCAP). Respondents must include a tuition schedule and proposed teacher/employee pay range and any teacher/employee benefits that may be offered.

The City seeks to pilot a year-round enrollment model that balances City of Portland workforce support, public access, and affordability.

Successful respondents will be required to:

- Reserve at least 50% of available slots for families eligible for public assistance programs, including the Child Care Affordability Program (CCAP), Head Start, or City-sponsored early education vouchers. These families may include both City of Portland employees and general residents.
- Ensure that a minimum of 25% of total slots are available to Portland residents who are not employed by the City, to preserve broad community access.
- Provide priority access within remaining enrollment to children of City of Portland employees, in recognition of the City's commitment to supporting its workforce.

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In addition, respondents must:

- Include a detailed explanation of their enrollment processes, including how the prioritization of Portland employees will be implemented within the structure described above. Please note that the provider will be responsible for administering enrollment for all participants, including City of Portland employees.
- Submit a tuition schedule, including any income-based tiers, copay structures, or fee reductions.
- Indicate whether they will accept reimbursement from the State of Maine's Child Care Assistance Program (CCAP) and the Child and Adult Food Care Program (CAFCEP); and any City-administered voucher program piloted during the lease term. The City will work with respondents to identify eligible families, administer funds, and evaluate impact. Preference will be given to respondents that participate in these programs.
- Provide a proposed teacher/employee pay range and describe any benefits that may be offered to staff, including health care, paid leave, or professional development supports.

5. Staff Compensation: Respondents must submit a proposed teacher/employee pay range and any teacher/employee benefits that will be offered. Respondents must participate in Maine's Early Educator Salary Supplement Program and agree to submit staff information necessary for eligibility and reimbursement. The City intends to match these stipends or otherwise augment wages through a local pilot program during the lease term.

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5. City Priorities: Respondents should consider a year-round program for priority enrollment by City of Portland residents and City of Portland municipal employees, with a percentage of the center's

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~~total capacity reserved for municipal employees.~~

~~Respondents should clearly describe the percentage of spaces to be reserved for City of Portland employees.~~

~~Respondents that commit to funding any proposed renovations of interior/exterior space will also be prioritized.~~

~~The proposal should clearly address how the Respondents' proposal addresses the above stated City of Portland child care challenges (affordability and availability, as well as scheduling challenges for shift employees).~~

~~6. Promoting Intergenerational Learning and Therapeutic Benefit: The City recognizes that the co-location of an ECE day care center with elder care services may provide a unique opportunity for intergenerational activities. Respondents should include any experience with and/or plans for intergenerational programming in partnership with the Barron Center or Office of Elder Affairs; the City views such models as a potential innovation with therapeutic and community benefits. Respondents should state if they have any experience in intergenerational programming and if they are willing to consider such programming at this site.~~

6.4. Timeline: The Respondent shall include a proposed timeline to become operational considering licensing, improvements to the indoor and/or outdoor space, and other requirements that may affect the timeline. The anticipated duration of the selection process (see Section IV, below) should also be considered.

7.5. Marketing and Advertising: The Respondent will include information about how they will market or advertise for enrollment, including any expectations for marketing and advertising assistance from the City of Portland.

8.6. Capital Improvements or Renovation: The Respondent shall include a list of proposed improvements needed prior to licensure and if City funding is desired for any of the improvements . (Please note that no City of Portland funding is allocated for this purpose, and that the availability of such funding is not guaranteed.) Respondents that commit to funding any proposed renovations of interior/exterior space will also be prioritized.

7. Identification of Third Parties: If the Respondent proposes to use a third party (subcontractor, sub-consultant, etc.) for completing all or a portion of the scope of work requirements, identify the portion of the scope of work to be completed by any third parties, and identify those parties if known.

8. Reporting and Evaluation Requirement: Respondents will anticipate the submission of quarterly reports to the City on enrollment demographics and program utilization; staff compensation and turnover; use of CCAP, CACFP, and other public subsidies; Tuition schedule and copay levels by income band; Participation in workforce supplement or training programs. These reports will inform an annual review by the City Council's HHS and Committees and may be used to evaluate renewal or expansion.

Commented [KS1]: Sorry, Dena, from this point, the numbering got all messed up and I don't know how to fix it! In the memo it is correct. (I hope)

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B. Evaluation Criteria

Each member of the selection committee shall use the evaluation criteria and percentage weights below to establish their own ranking of the Respondents. The committee shall then use these individual rankings to establish an aggregate ranking of all the accepted proposals.

1. **Operational Plan and Viability (40%)**

- Program Design: Quality and feasibility of the proposed Early Childhood Education (ECE) care program, including plans to serve children aged 0–5. Includes number of children served, programming elements, staffing ratios, hours of operation, management structure, and employee retention plan.
- Capacity: Preference will be given to the qualified Respondent whose proposal includes the highest potential child capacity, or a plan to scale up capacity over time.
- Enrollment Model: Proposals will be evaluated on how effectively they meet the City’s equity, affordability, and workforce access goals. Strong proposals will:
 - Demonstrate compliance with the enrollment structure outlined in Section III.A, including the required allocations for publicly assisted families and Portland residents.
 - Clearly describe how priority access for City employees will be implemented without displacing public access or income-eligible enrollment, as well as flexible scheduling options for shift employees.
 - Articulate a fair and transparent admissions process aligned with public benefit goals.~~Employee Set-Aside: The percentage of total center spaces reserved for City of Portland employees, and the process by which the provider would administer this admissions process. The City of Portland strongly prefers proposals that include a set-aside of 50% of total spaces for this purpose, as well as flexible scheduling options for shift employees.~~
- Center Readiness: Demonstrated ability and detailed plan to complete necessary renovations or improvements to meet Maine Child Care Provider Licensing standards (e.g., safety, accessibility) and local code requirements.
- Timeline: Clear and realistic timeline for licensing, renovations, and commencing operations, with a target start date of 6–12 months.
- Safety and Compliance: Commitment to maintaining a safe environment, including secure drop-off/pick-up areas, compliance with fire marshal inspections, and adherence to ADA standards for accessible parking and facilities. Respondents are required to disclose all violations of State or local requirements related to any child care facilities or ECE centers they have operated from 2015 to the present, subject to applicable confidentiality requirements.

2. **Qualifications and Experience (30%)**

- Provider Credentials: Licensure status or ability to secure a Maine child care license within 6 months, including evidence of compliance with DHHS licensing rules.
- Experience and Capacity: Proven track record of operating an ~~child-care~~ECE center, with demonstrated skills in program management, staff training, and child development.
- References: Strong references from ~~partners~~, landlords or regulatory bodies attesting to the provider’s performance and reliability are preferred, but not required.

- Staffing Plan: Quality of proposed staffing model, including staff-to-child ratios, qualifications (e.g., early childhood education credentials), and ongoing training plans.

3. **Financial and Affordability Considerations (20%)**

- Affordability: Proposed tuition schedule, including sliding scale options or subsidies to ensure access for low-income families, including acceptance of Child Care Assistance Program (CCAP) [city sponsored](#) vouchers and Child and Adult Care Food Program (CACFP) reimbursements.
- Lease Proposal and Anticipated Capital Expenses: Proposed rent amount and anticipate capital expenses, including any requests that the City of Portland take responsibility for some or all of the expenses.
- Financial Stability: Evidence of the provider's financial capacity to sustain operations, including a 2-year budget projection and funding sources (e.g., grants, revenue).
- ~~Teacher Compensation~~: Proposed teacher salaries that are competitive to attract and retain qualified staff, supporting program quality. [Respondents should demonstrate compliance with the staff compensation preferences outlined in Section III.](#)

NOTE: Price will not be the sole deciding factor.

The City of Portland reserves the right to reject any and all proposals for any reason. Proposals lacking the required information will not be considered. The award of the Property Lease will be subject to approval by the City Council.

IV. Selection Process.

Proposals will be evaluated on the criteria listed in Section III, Contents of Proposal and Evaluation Criteria, above. HEDC and City Council may take other factors into consideration as part of their decision-making process.

The selection process is expected to proceed as follows:

1. **Month TBD:** A review committee composed of City staff (the “Staff Review Committee”) will open, review, and evaluate all proposals. Scoring will be based solely on the criteria included in this RFP.
2. **Month TBD:** The Staff Review Committee may conduct interviews with the highest-ranked Respondents. If applicable, interview requirements will be provided to those Respondents selected for further consideration.
3. **Month TBD:** The Staff Review Committee will present its recommendation to the Council’s Housing & Economic Development Committee (HEDC) for consideration. HEDC will review all complete responses and make a recommendation to the full City Council. The HEDC is not bound by the recommendation of the Staff Review Committee.
4. **Month TBD:** The City Council will consider the HEDC’s recommendation, but is not bound by that recommendation and is free to move forward with another respondent or reject all proposals. If the Council selects a respondent for the project, staff would begin negotiating lease terms with the respondent.
5. **Month TBD:** Staff will present an option to lease agreement to the HEDC for recommendation to the full Council. The date of the HEDC (and subsequent Council) consideration will be dependent on the length of negotiation, as well as other factors.
6. **Month TBD:** The City Council votes to approve the option to lease agreement.

V. City of Portland Standard Agreement Required.

The successful Respondent will be required to enter into the City’s standard Property Lease. A form of the standard agreement is attached to this RFP as **Exhibit “D”** and incorporated herein.

VI. FREEDOM OF ACCESS ACT

The City of Portland is subject to Maine’s Freedom of Access Act (FOAA). Under this law, the City is required to make public information that we receive in the solicitation of proposals. FOAA does, however, have an exception applicable to proprietary and other confidential information. In the event that you believe that the proposal you submit contains any proprietary information, you must submit such information in a separate sealed envelope to the City along with your sealed proposal. The outside of this envelope must clearly be marked “Proprietary information/confidential.” Such proprietary information will only be reviewed by Portland City officials, and only on a “need to know” basis. The City will not disclose such information to a third party without your consent, unless it determines that such disclosure is required by law. Prior to disclosing such information, the City will provide you with a reasonable opportunity to seek an injunction or other court order, at your own expense, to prevent such disclosure. The City will not be liable to any proposer or any third party for any disclosure of confidential information.

VII. RESERVATION OF RIGHTS

The City of Portland reserves the right, at its sole discretion, to reject any and all proposals for the City owned land, based on the quality and merits of the proposals received, or when it is determined to be in the public interest to do so. Furthermore, the City may extend deadlines and timeframes, as needed.

The City reserves the right to waive any informalities in proposals, to accept any proposal, and, to reject any and all proposals, should it be deemed for the best interest of the City to do so. The City reserves the right to substantiate the Proposer’s qualifications, capability to perform, availability, past performance record and to verify that the proposer is current in its obligations to the City.

Pursuant to City procurement policy and ordinance, the City is unable to contract with businesses or individuals who are delinquent in their financial obligations to the City. These obligations may include

RFP #25xxx

but are not limited to real estate and personal property taxes and sewer user fees. Bidders who are delinquent in their financial obligations to the City must bring the obligation current before the City will consider their proposal

Date

Samantha L. Chapin
Purchasing & Controls Manager

DRAFT

RFP #25xxx

PROPOSAL FORM
Licensed Early Childhood Education-care Provider

RFP #25xxx

**** THIS SHEET MUST BE INCLUDED IN YOUR PROPOSAL ****

The UNDERSIGNED hereby declares that he/she or they are the only person(s), firm or corporation interested in this proposal as principal, that it is made without any connection with any other person(s), firm or corporation submitting a proposal for the same.

The UNDERSIGNED hereby declares that they have read and understand all conditions as outlined in the Request for Proposals, and that the proposal is made in accordance with same.

The UNDERSIGNED hereby declares that any person(s) employed by the City of Portland, Maine, who has direct or indirect personal or financial interest in this proposal or in any portion of the profits which may be derived therefrom has been identified and the interest disclosed by separate attachment. (Please include in your disclosure any interest which you know of. An example of a direct interest would be a City employee who would be paid to perform services under this proposal. An example of an indirect interest would be a City employee who is related to any officers, employees, principal or shareholders of your firm or to you. If in doubt as to status or interest, please disclose to the extent known).

The bidder acknowledges the receipt of Addenda numbered: _____

The bidder acknowledges the receipt of Addenda numbered: _____

COMPANY NAME: _____
(Individual, Partnership, Corporation, Joint Venture)

AUTHORIZED SIGNATURE: _____ DATE: _____
(Officer, Authorized Individual or Owner)

PRINT NAME & TITLE: _____

ADDRESS: _____

E-MAIL ADDRESS: _____ WEBSITE _____

PHONE NUMBER: _____ FAX NUMBER: _____

STATE OF INCORPORATION: _____ (If incorporated in another State, businesses must be authorized to do business in the State of Maine prior to contract.)

FEDERAL TAX IDENTIFICATION NUMBER (Required): _____

NOTE: Proposals must bear the handwritten signature of a duly authorized member or employee of the organization submitting a proposal.

RFP #25xxx

Price? :

DRAFT

City of Portland | Housing and Economic Development Department
Housing and Community Development Division
Mary P. Davis, Division Director



To: Councilor Ali, Chair
Members of the Housing and Economic Development
Committee

MEETING DATE: September 23, 2025

AGENDA ITEM

Review and Recommendation to the City Council re Lambert Woods North – 622 Auburn Street – \$360,000 funding request from the Jill C. Duson Housing Trust Fund.

PURPOSE

Preservation of Affordable Housing (POAH) has submitted for review and a recommendation by the Housing and Economic Development Committee to the City Council, a request for a loan in the amount of \$360,000 from the Jill C. Duson Housing Trust Fund.

COMMITTEE WORK PLAN/CITY COUNCIL GOAL ALIGNMENT

Increase, and modify the overall supply of housing city-wide to meet the needs, preferences and financial capabilities of all Portland residents.

BACKGROUND/ANALYSIS

Preservation of Affordable Housing (POAH) is requesting \$360,000 in funding for Lambert Woods North, a proposed development located on city-owned land at 622 Auburn Street (future address: 2274 Washington Avenue,) and comprising 72 apartments across 6 residential buildings. The project will offer a mix of townhomes and three-story walkup apartments, with 34 one-bedroom, 10 two-bedroom, and 28 three-bedroom units. These units will be affordable for households earning up to 60% of the Area Median Income (AMI), which translates to \$62,340 for a two-person household, \$70,140 for a three-person household, and \$77,880 for a four-person household. The development is designed to be age inclusive, serve a range of household sizes and will be managed by POAH Communities.

The initial Purchase and Sale Agreement for the property was between the City and Maine Cooperative Development Partners, POAH's development partner. This agreement has since been amended to name Lambert Woods North LLC, the entity established for this development, as the purchaser.

The developer's financial structure for this project includes Low Income Housing Tax credits as well as a City of Portland Affordable Housing Tax Increment Financing/Credit Enhancement Agreement (AHTIF/CEA) (approved by City Council in December, 2023). The AHTIF/CEA will

return to the developer 75% of the increased assessed value realized as the result of the development of this project. The AHTIF revenue will be used to offset project operating costs.

The project currently has a \$360,000 gap caused by the loss of 45L Energy Tax Credits and increased engineering costs. The 45L energy tax credits were recently eliminated by the federal government. Delays in closing and design changes led to increased engineering, architecture, and legal costs.

The City of Portland's underwriting consultant recommends a loan of \$360,000 with a 30-year term, to be repaid from cashflow with specific terms to be negotiated by staff before executing loan documents and conditioned upon satisfactory review of the following prior to loan closing:

- Transfer of land consistent with project terms; and
- Executed Joint Venture agreements.

FISCAL IMPACT – N/A

CONCLUSIONS

Staff is seeking HEDC approval of this funding request, along with a recommendation of approval to the City Council.

1. Motion to recommend to the City Council approval of \$360,000 in funding from the Jill C. Duson Housing Trust Fund for the Lambert Woods North project at 622 Auburn Street/2274 Washington Avenue.

PRIOR COMMITTEE REVIEW:

PREPARED BY

Mary Davis, Division Director
Housing and Community Development
Division

ATTACHMENTS

Lambert Woods North Application Information
Underwriting Memo

B. Project Information

Completed by vwhite@poah.org on 8/7/2025 9:14 AM

Case Id: 30628

Name: Lambert Woods North LLC - 2025

Address: *No Address Assigned

B. Project Information

Please provide the following information.

B.1. Property Address

2274 Washington Avenue Portland, ME 04103

B.2. Project Name

Lambert Woods North

B.3. Tax chart, block, and lot number

Parcel ID: 385 D008001

B.4. Zoning Designation

RN-1 (Neighborhood Residential)

B.5. Is the requested funding type HOME/HTF?

Yes

B.6. Requested amount of Affordable Housing Development Funding

\$360,000.00

B.7. Is the requested funding type AHTIF?

No

B.8. Total number of housing units to be constructed:

72

B.9. Total number of housing units to be rehabilitated:

0

B.10. Total Number of market rate units:

0

B.11. Total number of deed restricted units:

72

B.12. Total number of Units at 120% AMI:

0

B.13. Total number of Units at 110% AMI:

0

Printed By: Mary Davis on 8/14/2025

B.14. Total number of Units at 100% AMI:

0

B.15. Total number of Units at 80% AMI:

0

B.16. Total number of Units at 60% AMI:

72

B.17. Total number of Units at 50% AMI:

0

B.18. Total number of Units at 40% AMI:

0

B.19. Housing Type

Rental

B.20. Total number of studio/efficiency units:

0

B.21. Total number of one-bedroom units:

34

B.22. Total number of two-bedroom units:

10

B.23. Total number of three-bedroom units

28

B.24. Total number of four-bedroom units

0

B.25. Total number of five-bedroom units

0

B.26. Property Manager

POAH Communities

B.27. When is construction expected to begin?

10/01/2025

B.28. Please use the box below to answer the remaining questions and provide a narrative description of the project that includes:

- Description of municipal housing need and how the development addresses that need;

- Requested amount of Affordable Housing Development Funding;
- Description of how City’s participation is financially necessary in order for the project to proceed;
- Description of allowed uses in the zone;
- Description of residential and non-residential uses in the area;
- Description of accessory uses relating to residential use, if any;
- Indicate if this project requires relocation of existing commercial or residential tenants;
- Description of relocation plan for persons temporarily or permanently displaced by development activities;
- Description of how the development is consistent with the Comprehensive Plan
- Description of how housing and facilities in the development will be operated after completion;
- Description of planned uses of tax increment revenues from the district (AHTIF projects only).

The Lambert Woods North project will supply 72 units of affordable housing to Portland. Lambert Woods North is currently located at 622 Auburn Street but has a future address of 2274 Washington Avenue. All units are capped at 60% AMI and the deal anticipates using Low Income Housing Tax credits as well as a City of Portland sponsored TIF (approved by City Council on 12/18/2023). The project currently has a \$360,000 gap that caused by the removal of 45L Energy Tax Credits and increased engineering costs. When the project went to planning board with our revised plans in fall 2024, we assumed \$309,000 of 45L energy tax credits would come in at construction completion. Unfortunately the One Big Beautiful Bill Act eliminates this credit and leaves our project with a significant funding gap. Additionally, due to closing delays and design changes our engineering, architecture, and legal costs have increased. We are requesting a total of \$360,00 in Affordable Housing Trust Funds to fill these gaps. This project is zoned for residential use and has already been approved with the City of Portland, initial approval granted on 2/28/2023 and the amended plans were approved on 1/27/2025. Lambert Woods North is in the final stages of review with Maine Housing and expects to close in the fall of 2025. Since this is new construction there are no tenant relocation or tenant displacement. Lambert Woods North will be owned by Preservation of Affordable Housing, Inc. (POAH) and managed by POAH Communities, our sister company. POAH Communities operates the majority of POAH properties across the country and provides support to residents through on-site coordination.



LAMBERT WOODS NORTH - BIRD'S EYE VIEW



LAMBERT WOODS NORTH - VIEW OF THE COMMONS

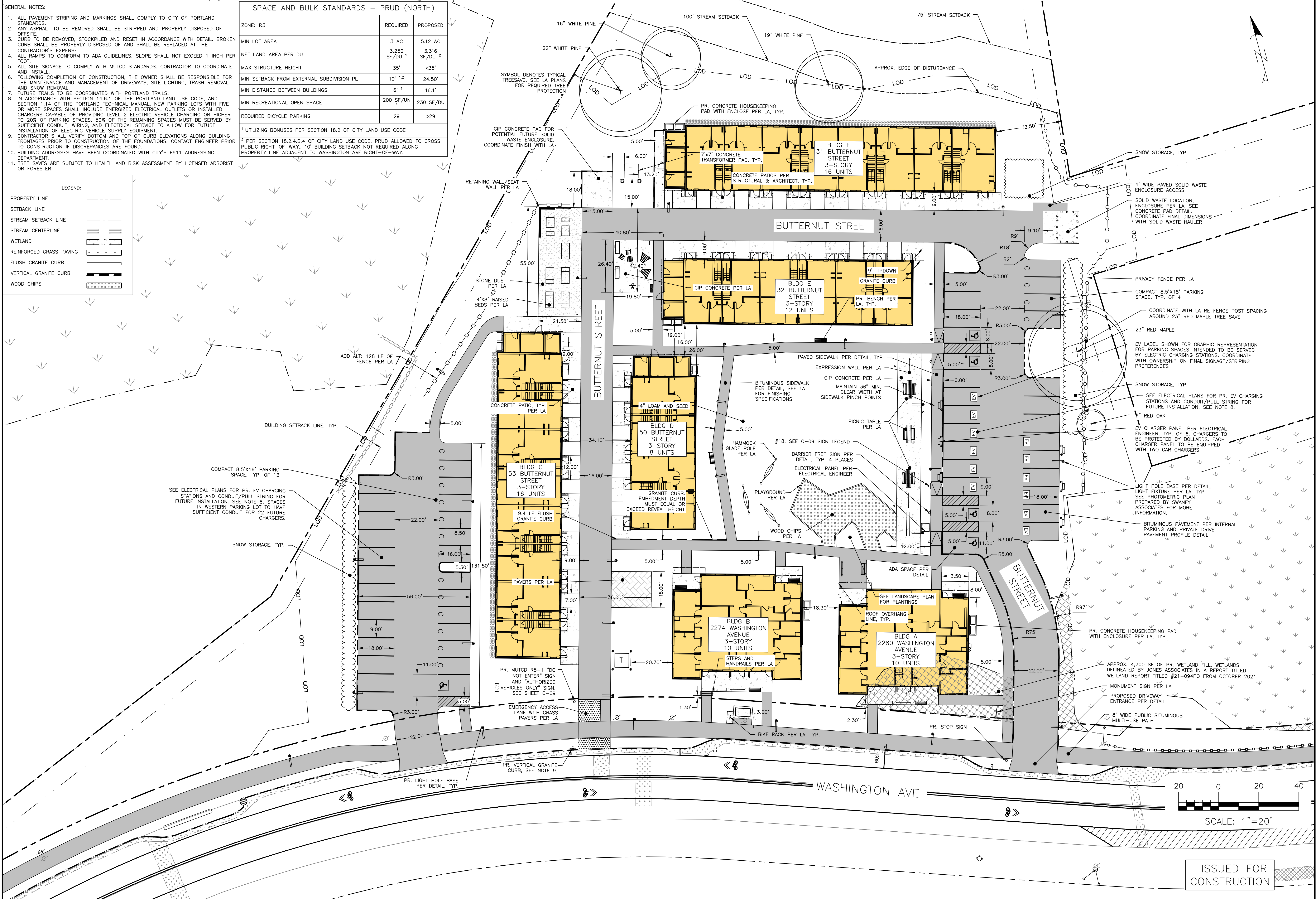
- GENERAL NOTES:
1. ALL PAVEMENT STRIPING AND MARKINGS SHALL COMPLY TO CITY OF PORTLAND STANDARDS.
 2. ANY ASPHALT TO BE REMOVED SHALL BE STRIPPED AND PROPERLY DISPOSED OF OFFSITE.
 3. CURB TO BE REMOVED, STOCKPILED AND RESET IN ACCORDANCE WITH DETAIL. BROKEN CURB SHALL BE PROPERLY DISPOSED OF AND SHALL BE REPLACED AT THE CONTRACTOR'S EXPENSE.
 4. ALL RAMPS TO CONFORM TO ADA GUIDELINES. SLOPE SHALL NOT EXCEED 1 INCH PER FOOT.
 5. ALL SITE SIGNAGE TO COMPLY WITH MUTCD STANDARDS. CONTRACTOR TO COORDINATE AND INSTALL.
 6. FOLLOWING COMPLETION OF CONSTRUCTION, THE OWNER SHALL BE RESPONSIBLE FOR THE MAINTENANCE AND MANAGEMENT OF DRIVEWAYS, SITE LIGHTING, TRASH REMOVAL AND SNOW REMOVAL.
 7. FUTURE TRAILS TO BE COORDINATED WITH PORTLAND TRAILS.
 8. IN ACCORDANCE WITH SECTION 14.6.1 OF THE PORTLAND LAND USE CODE, AND SECTION 1.14 OF THE PORTLAND TECHNICAL MANUAL, NEW PARKING LOTS WITH FIVE OR MORE SPACES SHALL INCLUDE ENERGIZED ELECTRICAL OUTLETS OR INSTALLED CHARGERS CAPABLE OF PROVIDING LEVEL 2 ELECTRIC VEHICLE CHARGING OR HIGHER TO 20% OF PARKING SPACES. 50% OF THE REMAINING SPACES MUST BE SERVED BY SUFFICIENT CONDUIT, WIRING, AND ELECTRICAL SERVICE TO ALLOW FOR FUTURE INSTALLATION OF ELECTRIC VEHICLE SUPPLY EQUIPMENT.
 9. CONTRACTOR SHALL VERIFY BOTTOM AND TOP OF CURB ELEVATIONS ALONG BUILDING FRONTAGES PRIOR TO CONSTRUCTION OF THE FOUNDATIONS. CONTACT ENGINEER PRIOR TO CONSTRUCTION IF DISCREPANCIES ARE FOUND.
 10. BUILDING ADDRESSES HAVE BEEN COORDINATED WITH CITY'S E911 ADDRESSING DEPARTMENT.
 11. TREE SAVES ARE SUBJECT TO HEALTH AND RISK ASSESSMENT BY LICENSED ARBORIST OR FORESTER.

SPACE AND BULK STANDARDS - PRUD (NORTH)		
ZONE: R3	REQUIRED	PROPOSED
MIN LOT AREA	3 AC	5.12 AC
NET LAND AREA PER DU	3,250 SF/DU ¹	3,316 SF/DU ²
MAX STRUCTURE HEIGHT	35'	<35'
MIN SETBACK FROM EXTERNAL SUBDIVISION PL	10' ^{1,2}	24.50'
MIN DISTANCE BETWEEN BUILDINGS	16' ¹	16.1'
MIN RECREATIONAL OPEN SPACE	200 SF/UN ¹	230 SF/DU
REQUIRED BICYCLE PARKING	29	>29

¹ UTILIZING BONOUSES PER SECTION 18.2 OF CITY LAND USE CODE
² PER SECTION 18.2.4.B.4 OF CITY LAND USE CODE, PRUD ALLOWED TO CROSS PUBLIC RIGHT-OF-WAY. 10' BUILDING SETBACK NOT REQUIRED ALONG PROPERTY LINE ADJACENT TO WASHINGTON AVE RIGHT-OF-WAY.

LEGEND:

PROPERTY LINE	---
SETBACK LINE	- - - -
STREAM SETBACK LINE	- · - · -
STREAM CENTERLINE	====
WETLAND	▨
REINFORCED GRASS PAVING	▨
FLUSH GRANITE CURB	▨
VERTICAL GRANITE CURB	▨
WOOD CHIPS	▨



ISSUED FOR	BY
MSHA 100%	DATE
	11/1/24

SITE PLAN - NORTH

PROJECT NAME/ADDRESS: **165 LAMBERT ST NORTH APARTMENTS**
 PORTLAND, MAINE 04103

CLIENT/OWNER: **LAMBERT WOODS NORTH, LLC.**
 2 OLIVER STREET, SUITE 500 BOSTON, MASSACHUSETTS 02109

ENGINEERING, INC.

FILE: 1145_CIVIL
 JN: 1145
 SCALE: AS NOTED
 DESIGNED BY: SJL
 DRAWN BY: NPH
 CHECKED BY: WHS

SCALE: 1"=20'

ISSUED FOR CONSTRUCTION

DRAWING NO. **C-10**

Lambert Woods North Project Schedule

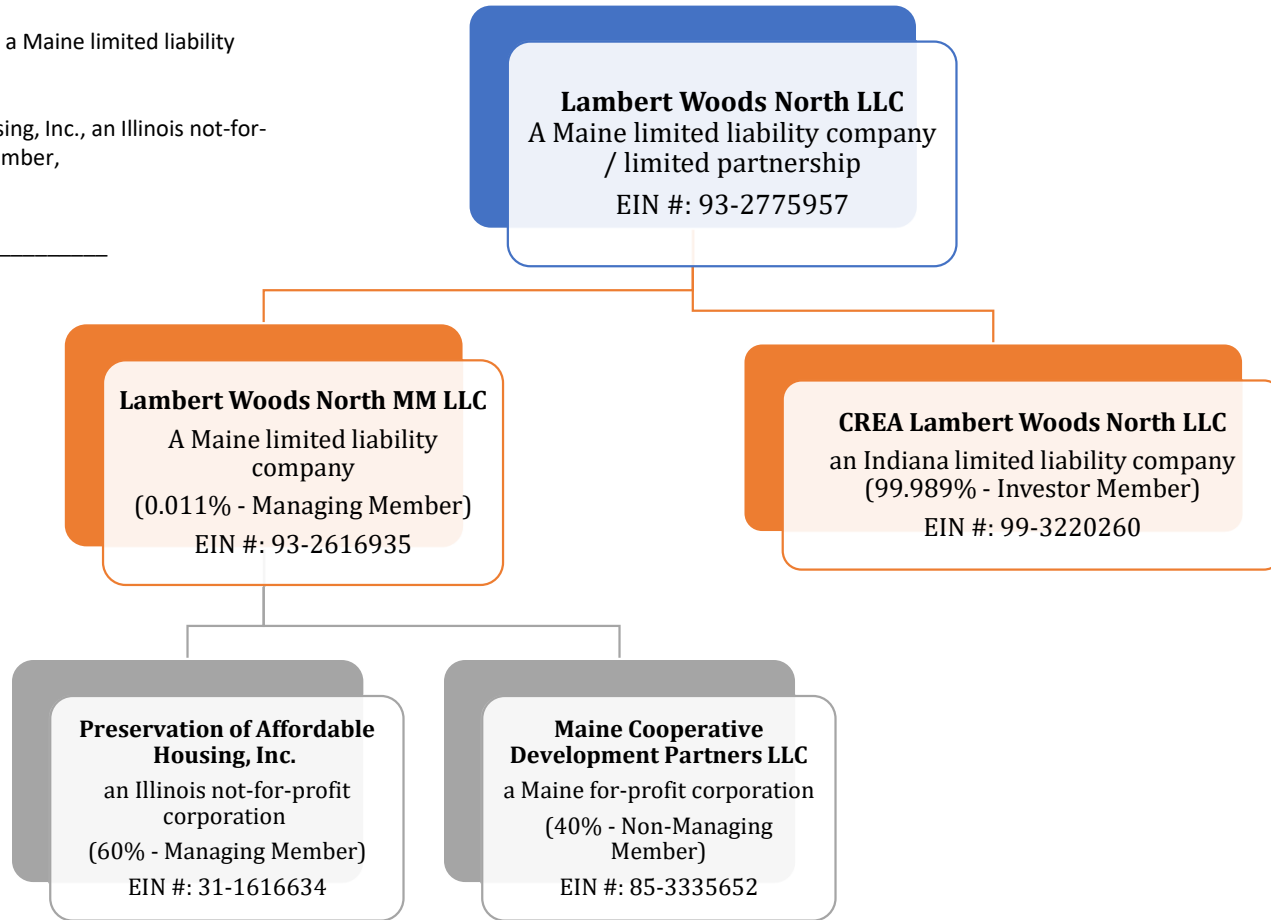
Construction Closing	10/1/2025
100% Construction Completion	4/1/2027
Lease Up	4/1/2025 – 9/1/2027
Stabilization	9/1/2027
Perm Conversion	1/1/2028

Lambert Woods North LLC, a Maine limited liability company,

By: Lambert Woods North MM LLC, a Maine limited liability company, its managing member,

By: Preservation of Affordable Housing, Inc., an Illinois not-for-profit corporation, its managing member,

By: _____
Name:
Title:



PROJECT NAME: Lambert Woods North
 LOCATION: Portland

Date:

DEVELOPMENT ASSUMPTIONS

Total Units	72	Inflation Adjustments	Yr 1-5	Yr. 6-15	Yr. 16-30
# @ 50% AMI (low HOME)	0	Rent	2.00%	2.50%	3.00%
# @ 50% AMI (High HOME)	0	Operating Expense	3.00%	3.00%	3.00%
# @ 50% AMI (LIHTC)	0	Other Income	2.00%	2.50%	3.00%
# @ 60% AMI (LIHTC)	100.0%	Debt Coverage Ratio	1.15		
# @ Market	0	Vacancy	5%		
Appraised Market Value	10,849,023	Market Value/Unit	\$150,681		

PRO FORMA DEVELOPMENT BUDGET

	Residential	Per Unit	Commercial	TDC
Site Improvements	4,000,273	55,559		4,000,273
Construction	17,332,437	240,728	0	17,332,437
General Requirements	267,315	3,713		267,315
Builder Profit	1,104,880	15,346		1,104,880
Bond Premium	391,298	5,435		391,298
Construction Contingency	5.00% 1,154,810	16,039	0	1,154,810
Subtotal Construction Costs	24,251,013	336,820	0	24,251,013
Building Permits and Fees	750,000	10,417	0	750,000
Survey & Engineering	556,796	7,733	0	556,796
Architectural & Design	1,338,048	18,584	0	1,338,048
Legal	185,000	2,569	0	185,000
Title & Recording	64,000	889	0	64,000
Accounting	50,000	694	0	50,000
Construction Period Tax	30,000	417	0	30,000
Construction Period Insurance	225,000	3,125	0	225,000
Other	627,206	8,711	0	627,206
Subtotal Soft Costs	3,826,051	53,140	0	3,826,051
Construction Loan Origination Fees	0	0	0	0
Construction Loan Interest	906,000	12,583	0	906,000
Maine Housing Loan Fees	359,800	4,997	0	359,800
Other Permanent Loan Fees	0	0	0	0
Other	27,000	375	0	27,000
Subtotal Finance Costs	1,292,800	17,956	0	1,292,800
Market Survey	10,000	139	0	10,000
Appraisal	12,000	167	0	12,000
Environmental Study	0	0	0	0
LIHTC Fees & Prepaid Monitoring	174,860	2,429	0	174,860
Relocation Costs	0	0	0	0
FF&E	95,000	1,319	0	95,000
Other	71,637	995	0	71,637
Subtotal Miscellaneous	363,497	5,049	0	363,497
Acquisition: Buildings	0	0	0	0
Acquisition: Land	5	0	0	5
Acquisition: Existing Reserves	0	0	0	0
Acquisition: Legal	0	0	0	0
Acquisition: other	0	0	0	0
Subtotal Acquisition	5	0	0	5
Operating Deficit Escrow	645,424	8,964	0	645,424
Pre-funded Replacements	190,959	2,652	0	190,959
Tax & Insurance Escrow	200,415	2,784	0	200,415
Working Capital	50,000	694	0	50,000
Total Syndication Expenses	0	0	0	0
Consultant Fee	0	0	0	0
Developer Overhead	750,000	10,417	0	750,000
Developer Profit	3,000,000	41,667	0	3,000,000
Other	0	0	0	0
Subtotal Fee and Reserves	4,836,798	67,178	0	4,836,798
Total Project Costs	34,570,164	480,141	0	34,570,164

Max LIHTC Available	1,311,468
LIHTC Alloc.	1,311,468
Equity yield	0.85
Synd. %	99.99%
Equity Raise	11,146,351

Historic Credit FED	0
Equity yield	0.85
Synd. %	99.99%
Equity Raise	0

Historic Credit STATE	0
Equity yield Equivalent	0.85
Synd. %	100.00%
Equity Raise	0

GP Contribution	100
-----------------	-----

Total Equity:	11,146,351
---------------	------------

Gross Square Footage	60,470
Construction Cost/Sq ft.	382
Total Project Cost/Sq ft.	572

Notes:

Maximum Gross Developer Fee (10%/15%)	4,623,024
Maximum Net Developer Fee (per unit max)	750,000
Actual Proposed Gross Fee	3,750,000
% of maximum Gross Fee	81.1%
Proposed Net Fee Collected	750,000
% of Maximum Net Fee	100.0%

FLOW OF FUNDS

Sources	7/30/25 CLC	During Construction				4/30/2027 PLC	1st Equity Occupancy Milestone	Final Capital Payment	Total
		25%	50%	75%	100%				
Beginning Cash	0	0	0	0	0	0	0	0	
Capital Contribution	0				2,404,185	8,441,643	300,523	11,146,351	
Construction Loan	2,764,031	4,532,993	6,181,473	6,272,073	4,026,608			23,800,000	
GP Bridge Loan								0	
MH: 0% Deferred Loan-FedHOME	1,000,000	1,000,000				5,996,000		7,996,000	
0% Deferred Loan-Other						500,000		500,000	
Interest Bearing Loan						10,158,429		10,158,429	
Interest Only for 30 Years									
Conventional First Mortgage									
AHP Subsidized Advance						0		0	
City FEDHOME*	0					0		0	
POAH Sponsor Bridge Loan (Efficiency Maine)		576,000				0		576,000	
POAH CMF	640,322					0		640,322	
POAH Sponsor Bridge Loan (AHT)	0					360,000		360,000	
0	0					0		0	
Grant*	0					0		0	
ITC credits	0					193,063		193,063	
Deferred Developer Fee						3,000,000		3,000,000	
TOTAL SOURCES	4,404,353	6,108,993	6,181,473	6,272,073	6,430,793	28,649,135	300,523	0	
Uses									
Acquisition	5							5	
Construction		6,062,753	6,062,753	6,062,753	6,062,753			24,251,013	
Soft Costs	3,726,051	10,000	10,000	10,000	10,000	60,000		3,826,051	
Financing Costs	386,800	36,240	108,720	199,320	308,040	253,680		1,292,800	
Miscellaneous	291,497					72,000		363,497	
Dev Fee	0					3,449,477	300,523	3,750,000	
Reserves					50,000	1,036,798		1,086,798	
TOTAL DEV. COSTS	4,404,353	6,108,993	6,181,473	6,272,073	6,430,793	4,871,955	300,523	0	
Repay GP Bridge Loan						0		0	
Repay Construction Loan						23,777,179		23,800,000	
Other Syndication Costs	0							0	
Total Commercial Costs		0	0	0	0			0	
SUBTOTAL OTHER ITEMS	0	0	0	0	0	23,777,179	0	23,800,000	
TOTAL USES OF FUNDS	4,404,353	6,108,993	6,181,473	6,272,073	6,430,793	28,649,135	300,523	0	
Ending Cash	0	0	0	0	0	0	0	0	

50% Test	
Agg. Basis	32,429,903
Perm. TE	10,658,429
	32.87%
Min TE Amt	17,840,000
% of CL	75%
Bal. of CL	5,960,000

PROJECT FINANCING

Source	Amount	Rate	Term	Lien	Annual D/S		
					Yr. 1-5	Yr. 6-15	Yr. 16-30
Source 1: 0% Deferred Loan-FedHOME	7,996,000	0.00%	30	First	0	0	0
Source 2: 0% Deferred Loan-Other	500,000	0.00%	30	First	0	0	0
Source 3: Interest Bearing Loan	10,158,429	5.50%	30	First	558,714	558,714	558,714
Source 4: Conventional First Mortgage	0	0.00%	30	First	0	0	0
Source 5: City FEDHOME*	0	0.00%	30	Second	0	0	0
Source 6: POAH Sponsor Bridge Loan (Efficiency Mair	576,000	0.00%	30	Second	0	0	0
Source 7: POAH CMF	640,322	0.00%	30	Second	0	0	0
Source 8: POAH Sponsor Bridge Loan (AHT)	360,000	0.00%	40	Third	0	0	0
Source 9: \$0	0	0.00%	30	Third	0	0	0
Source 10: Grant*	0			Third		Grant	
Source 11: ITC credits	193,063			Unsecured		Cash Flow	
Source 12: Deferred Developer Fee	3,000,000			Unsecured		Cash Flow	
Source 13: Net Syndication	11,146,351	\$0.85					
Capitalization Gap	0						
Total	34,570,164						

COLLATERAL COVERAGE

	Total	Per Unit
Projected Mortgage	10,158,429	141,089
Appraised Market Value	10,849,023	150,681
Loan to Value Ratio	94%	
Market Rent Differential	224,424	260
Supportable Mort.: Unrestricted	13,452,258	186,837
Subsidy per Unit		118,000
Subsidy per Low Income Unit		118,000

PROPOSED RENT SCHEDULE			Maximum Gross LIHTC/HOME Rents	Less Utility Allow.	Maximum Net Tenant Rent	Rents from Applicant	Market Rent	Total Rent
Type	AMI	# Units						
1BR	50% LHOME							
	50% HHOME							
	50% LIHTC	0	\$0	\$182	\$0	\$0	\$1,560	0
	60% LIHTC	26	\$1,460	\$182	\$1,278	\$1,278	\$1,560	398,736
###	Market	0				\$0	\$1,560	0
1BR	50% LHOME							
	50% HHOME							
	50% LIHTC	0	\$0	\$126	\$0	\$0	\$1,560	0
	60% LIHTC	8	\$1,460	\$126	\$1,334	\$1,334	\$1,560	128,064
8	Market	0				\$0	\$1,560	0
2BR	50% LHOME							
	50% HHOME							
	50% LIHTC	0	\$0	\$146	\$0	\$0	\$1,880	0
	60% LIHTC	10	\$1,753	\$146	\$1,607	\$1,607	\$1,880	192,840
###	Market	0				\$0	\$1,880	0
3BR	50% LHOME							
	50% HHOME							
	50% LIHTC	0	\$0	\$169	\$0	\$0	\$2,100	0
	60% LIHTC	28	\$2,025	\$169	\$1,856	\$1,856	\$2,100	623,616
###	Market	0				\$0	\$2,100	0
4BR	50% LHOME							
	50% HHOME							
	50% LIHTC	0	\$0	\$0	\$0	\$0	\$0	0
	60% LIHTC	0	\$0	\$0	\$0	\$0	\$0	0
0	Market	0				\$0	\$0	0
Other:								0
Subtotals		72						1,343,256
			Income from Laundry:			720		8,640
			Other Income:			0		0
			Vacancy Rate			5%		(67,595)
			Other Income: TIF			7,611		91,331
			Effective Gross Income					1,375,632

AFFORDABLE AMORTIZING MORTGAGE CALCULATION		
Effective Gross Income		1,375,632
Annual Operating Expense		732,135
Stabilized NOI		643,498
DSC	1.15	83,935
\$ Avail for D/S		559,563
Other DS		0
Balance		559,563
Affordable Fully Amortizing Mortgage	5.50%	8,212,607
Affordable Interest Only Mortgage	5.50%	10,173,879

BREAKEVEN ANALYSIS:	RENT SENSITIVITY		OCCUPANCY	
	Total	Annual		
Operating Expense	732,135		Gross Revenues	1,351,896
Debt Service	558,714			
Breakeven Rent	1,494		Breakeven Occupancy	95%

OPERATING EXPENSES			
Expense	Annual	Annual Per Unit	Monthly Per Unit
Administrative Expenses:			
Management Fees	75,112	1,043	87
Management Charges	51,163	711	59
Marketing Expenses	3,000	42	3
Legal Expenses	7,500	104	9
Auditing Expenses	12,000	167	14
Other Administrative Expenses	0	0	0
Administrative Expenses	148,775	2,066	172
Operating Expenses:			
Janitorial Payroll	36,963	513	43
Janitorial Supplies and Equipment	9,900	138	11
Janitorial Contractual Services	7,000	97	8
Fuel and Gas	0	0	0
Electricity	43,161	599	50
Water and Sewer	44,440	617	51
Garbage and Trash Removal	10,000	139	12
Vehicle and Equipment Expenses	1,100	15	1
Other Operating Expenses	13,700	190	16
Operating Expenses	166,264	2,309	192
Maintenance Expenses:			
Grounds Maintenance Payroll	36,963	513	43
Grounds Tools and Supplies	8,000	111	9
Grounds Contractual Services	41,600	578	48
Miscellaneous Ground Maintenance	0	0	0
	0	0	0
Building Maintenance Payroll	0	0	0
Building Tools and Supplies	2,700	38	3
Building Contractual Services	22,100	307	26
Building Systems Maintenance	0	0	0
Miscellaneous Building Maintenance	0	0	0
	0	0	0
Maintenance Expenses	111,363	1,547	129
General Expenses:			
Property Taxes	121,775	1,691	141
Property and Liability Insurance	119,595	1,661	138
Tenant Service Expenses	31,963	444	37
Other General Expenses	0	0	0
General Expenses	273,333	3,796	316
Replacement Reserve Funding	32,400	450	38
Commercial Expenses (if applicable)	0	0	0
Total	732,135	10,169	847

Management Costs Analysis			
Management Fees	75,112		
Management Charges	51,163		
Other Administrative Expenses	0	126,275	
Effective Gross Rental Income		1,275,661	
Cost Percentage for use in Management Agreement			10%

PROFORMA OPERATING INCOME AND EXPENSE STATEMENT												
8 Months												
	4/30/27	12/31/2027	12/31/2028	12/31/2029	12/31/2030	12/31/2031	12/31/2032	12/31/2033	12/31/2034	12/31/2035	12/31/2036	12/31/2037
Effective Gross Income		856,201	1,309,987	1,336,187	1,362,911	1,390,169	1,424,923	1,460,546	1,497,060	1,534,486	1,572,849	1,612,170
Less Operating Expense		406,906	628,670	647,530	666,956	686,965	707,574	728,801	750,665	773,185	796,381	820,272
Net Operating Income		449,294	681,317	688,656	695,954	703,204	717,349	731,745	746,395	761,301	776,468	791,898
TIF Revenue		45,666	91,331	94,071	96,893	99,800	102,794	105,878	109,054	112,326	115,696	119,167
Real Estate Tax		60,888	121,775	125,428	129,191	133,067	137,059	141,171	145,406	149,768	154,261	158,889
Effective Real Estate Tax		(15,222)	(30,444)	(31,357)	(32,298)	(33,267)	(34,265)	(35,216)	(36,180)	(37,162)	(38,164)	(39,187)
After Tax NOI		434,073	650,873	657,299	663,657	669,937	676,084	682,129	688,174	694,219	700,264	706,309
Less RLP Repay		372,476	558,714	558,714	558,714	558,714	558,714	558,714	558,714	558,714	558,714	558,714
Less Other Repay		0	0	0	0	0	0	0	0	0	0	0
Cash Flow		61,597	92,160	98,586	104,943	111,224	124,371	140,915	154,601	168,515	182,660	193,462
Cash Flow per Unit		1,283	1,280	1,369	1,458	1,545	1,727	1,957	2,147	2,340	2,537	2,687
Debt Coverage Ratio(RLP)		1.17	1.16	1.18	1.19	1.20	1.22	1.25	1.28	1.30	1.33	1.35
Principal Balance(RLP)	18,654,429	18,654,429	18,654,429	18,654,429	18,654,429	18,654,429	18,654,429	18,654,429	18,654,429	18,654,429	18,654,429	18,654,429
Principal Balance(Other)	1,216,322	1,216,322	1,216,322	1,216,322	1,216,322	1,216,322	1,216,322	1,216,322	1,216,322	1,216,322	1,216,322	1,216,322
Operating Reserve Balance	645,424	655,105	664,932	674,906	685,030	695,305	705,735	716,321	727,065	737,971	749,041	760,277

Total Cash Flow Projected over 12 Years
1,863,703

PROFORMA OPERATING INCOME AND EXPENSE STATEMENT, continued												
Yr 15												
	12/31/2038	12/31/2039	12/31/2040	12/31/2041	12/31/2042	12/31/2043	12/31/2044	12/31/2045	12/31/2046	12/31/2047	12/31/2048	
Effective Gross Income	1,652,474	1,693,786	1,736,130	1,779,534	1,824,022	1,878,743	1,935,105	1,993,158	2,052,953	2,114,542	2,177,978	
Less Operating Expense	844,880	870,227	896,334	923,224	950,920	979,448	1,008,831	1,039,096	1,070,269	1,102,377	1,135,449	
Net Operating Income	807,594	823,559	839,797	856,310	873,102	899,295	926,274	954,062	982,684	1,012,164	1,042,529	
TIF Revenue	122,742	126,424	130,217	134,123	138,147	142,291	146,560	150,957	155,485	160,150	164,954	
Real Estate Tax	163,655	168,565	173,622	178,831	184,196	189,721	195,413	201,276	207,314	213,533	219,939	
Effective Real Estate Tax	(40,914)	(42,141)	(43,406)	(44,708)	(46,049)	(47,430)	(48,853)	(50,319)	(51,828)	(53,383)	(54,985)	
After Tax NOI	766,680	781,418	796,391	811,602	827,053	851,864	877,420	903,743	930,855	958,781	987,544	
Less RLP Repay	558,714	558,714	558,714	558,714	558,714	558,714	558,714	558,714	558,714	558,714	558,714	
Less Other Repay	0	0	0	0	0	0	0	0	0	0	0	
Cash Flow	207,966	222,704	237,678	252,889	268,339	293,151	318,707	345,029	372,142	400,067	428,831	
Cash Flow per Unit	2,888	3,093	3,301	3,512	3,727	4,072	4,426	4,792	5,169	5,556	5,956	
Debt Coverage Ratio(RLP)	1.37	1.40	1.43	1.45	1.48	1.52	1.57	1.62	1.67	1.72	1.77	
Principal Balance(RLP)	18,654,429	18,654,429	18,654,429	18,654,429	18,654,429	18,654,429	18,654,429	18,654,429	18,654,429	18,654,429	18,654,429	
Principal Balance(Other)	1,216,322	1,216,322	1,216,322	1,216,322	1,216,322	1,216,322	1,216,322	1,216,322	1,216,322	1,216,322	1,216,322	
Operating Reserve Balance	760,277	771,681	783,256	795,005	806,930	819,034	831,319	843,789	856,446	869,293	882,332	

PROFORMA OPERATING INCOME AND EXPENSE STATEMENT, continued												
	12/31/2049	12/31/2050	12/31/2051	12/31/2052	12/31/2053	12/31/2054	12/31/2055	12/31/2056	5/1/2057			
Effective Gross Income	2,243,317	2,310,617	2,379,935	2,451,333	2,524,873	2,600,619	2,678,638	2,758,997	947,256			
Less Operating Expense	1,169,512	1,204,597	1,240,735	1,277,957	1,316,296	1,355,785	1,396,459	1,438,352	493,834			
Net Operating Income	1,073,805	1,106,019	1,139,200	1,173,376	1,208,577	1,244,834	1,282,179	1,320,645	453,421			
TIF Revenue	169,903	175,000	180,250	185,658	191,227	196,964	202,873	208,959	107,614			
Real Estate Tax	226,537	233,333	240,333	247,544	254,970	262,619	270,497	278,612	143,485			
Effective Real Estate Tax	(56,634)	(58,333)	(60,083)	(61,886)	(63,742)	(65,655)	(67,624)	(69,653)	(35,871)			
After Tax NOI	1,017,171	1,047,686	1,079,116	1,111,490	1,144,835	1,179,180	1,214,555	1,250,992	417,550			
Less RLP Repay	558,714	558,714	558,714	558,714	558,714	558,714	558,714	558,714	186,238			
Less Other Repay	0	0	0	0	0	0	0	0	0			
Cash Flow	458,457	488,972	520,403	552,776	586,121	620,466	655,841	692,278	231,312			
Cash Flow per Unit	6,367	6,791	7,228	7,677	8,141	8,618	9,109	9,615	9,638			
Debt Coverage Ratio(RLP)	1.82	1.88	1.93	1.99	2.05	2.11	2.17	2.24	2.24			
Principal Balance(RLP)	18,654,429	18,654,429	18,654,429	18,654,429	18,654,429	18,654,429	18,654,429	18,654,429	18,654,429			
Principal Balance(Other)	1,216,322	1,216,322	1,216,322	1,216,322	1,216,322	1,216,322	1,216,322	1,216,322	1,216,322			
Operating Reserve Balance	895,567	909,001	922,636	936,475	950,522	964,780	979,252	993,941	1,008,850			



To: Mary Davis, City of Portland
From: Anne Boynton, Urban Ventures, Inc.
Re: Loan Request Lambert Woods North, POAH
Date: 9/11/25

POAH (Preservation of Affordable Housing) and MCDP (Maine Cooperative Development Partners), for their Joint Venture (JV), request a loan of \$360,000 for a proposed new construction 72-unit rental housing development serving households at 60% AMI on the Lambert Woods North site. This is a capital investment of \$5,000/unit. A 75%, 30-year TIF was awarded to this project in 2023, a subsidy of \$3,705,106 or \$51,460 per unit. The undeveloped parcel of 17.95 acres was awarded to Maine Cooperative Development Partners (MCDP) in 2021 for a proposed limited equity cooperative development. MCDP has divided the property into two components: “Lambert North” (the project analyzed here) and “Lambert South,” a proposed limited equity cooperative discussed separately.

Sources and Uses

Sources:		Uses:	
Maine Housing Must Pay	\$10,158,429	Acquisition	\$5
Maine Housing 0% Deferred	\$8,496,000	Construction hard costs	\$23,723,409
City of Portland AHTF	\$360,000	Hard & Soft Contingency	\$1,226,447
Net Syndication (inc. solar)	\$11,339,414	Soft costs	\$4,783,506
Deferred Developer Fee:	\$3,000,000	Capitalized Reserves	\$1,086,798
POAH Sponsor Loans	<u>\$1,216,322</u>	Developer Fee	<u>\$3,750,000</u>
Total Sources:	\$34,570,165	Total Uses:	\$34,570,165

All sources have issued commitments. Maine Housing allocated 4% LIHTC, issued a commitment for mortgage financing, and a Notice to Proceed. POAH sponsor loans include Capital Magnet Funds (a federal subsidy awarded to POAH), some of which they are lending to this project and a bridge loan for Efficiency Maine funds for green energy costs.

Uses are also well defined, with construction hard costs documented by a GMP contract, and many soft costs fully incurred.

For analysis of “Uses,” see Development Budget.

Development Budget

Construction Costs:

Construction costs are based on a GMP contract with Penobscot dated 3/25/25. This includes provision for prevailing wage requirements. Total construction cost divided among the 72 residential units is \$329,492, all in, including site work and solar. This includes a 1.22% contingency on hard costs carried by Penobscot. While this cost per unit is consistent with the current construction cost environment.

Soft Costs:

Soft costs, though high in a few areas such as accounting, are within industry standard.

Paid developer fee is \$750,000, the Maine Housing cap for funded developer fee, with an additional deferred developer fee of \$3,000,000. Where the prior request was on the high end of reasonable at 8.1%, the current request of 12.61% is extraordinary for affordable housing development in Portland. The developer's argument for this high fee is that it generates additional LIHTC subsidy up front. It is a common practice in some jurisdictions for developers to take the maximum allowable developer fee in order to maximize both up front LIHTC and long-term return to the developer. It is incumbent on jurisdictions to set maximum fees with this practice in mind.

Contingency:

Hard cost contingency is carried in the development budget at 5%, the industry standard for new construction. The Penobscot estimate also includes a 1.22% contingency. Considering the continued high level of economic uncertainty, and persistent inflationary pressures in the construction industry, this is the bare minimum contingency.

Soft cost contingency is \$71,637, which is 1.5% of soft costs. This below industry standard of 5%. However, much of the soft cost budget is already incurred, reducing though not eliminating the risk of exceeding the contingency.

Acquisition:

The site is owned by the City, which awarded it to Maine Cooperative Development Partners for the development of a limited equity cooperative. When a cooperative did not appear viable within a reasonable period of time, MCDP brought in POAH as a Joint Venture partner to develop affordable rental housing on the "North" portion of the site. MCDP is contributing the land to the JV for \$5, clearly below the market value of the land.

The donation of the land is an important part of the subsidy package which keeps the rents affordable. There is no current appraisal of the land, but for some insight on how important the land subsidy is, there are currently 2 single family lots listed for sale in north Portland on Zillow (9/9/25), ranging in size from .19 acres to .30 acres and ranging in price from \$175,000 to \$300,000. MCDP plans to develop about 4 acres of the almost 18-acre total parcel, preserving substantial green space and wetlands. Roughly estimating the value of 1/10 of an acre at \$100,000, the 4 acres being developed would have an estimated value of \$4 million.

Operating Budget & 20 Year Cashflow Projection

Project Income:

The operating budget anticipates the maximum allowable LIHTC rents at each income level.

An update to a market study has been provided dated May 23, 2025. Unfortunately, it is based on 2024 LIHTC rents, so the information is dated, even though the report is not very old. With the 2024 data assumptions, the study finds the units have a 22%, 23% and 31% rent advantage to market units for 1, 2, and 3-bedroom units, respectively. Unlike prior versions of the market study, the update did not compare projected rents to other area LIHTC properties. In the 2023 market study, projected rents were just slightly above the average LIHTC rent, 101% of average area LIHTC rents for 1- & 2-bedroom units and 109% of average area LIHTC rents for 3-bedroom units. The 2025 weighted average capture

rate of 6.4% suggests plenty of demand for these units. The 2023 market study also found that 39.5% of Portland renters were rent burdened, adding evidence to pent-up demand for affordable units.

Residential vacancy is budgeted at the industry standard of 5%, which is slightly above Portland's recent vacancy rates. The market study found market-rate properties operating at 99% occupancy. LIHTC occupancy was not updated in 2025. In 2023, the LIHTC projects surveyed were at 96.1% occupancy.

This property is an experiment in reduced parking for -family-scaled housing in a car-dependent location— 53% of units are 2 or 3 bedrooms -- with one parking spot per unit. On site, there will be 54 dedicated parking spots for 72 units (.75 dedicated spots per unit). There will also be 28 on-street spots created as part of the Lambert North development. These will be free, but subject to snow restrictions. The on-street spots bring the total to 82 spots for 72 units, or 1.14 per unit. At the point the Lambert South development proceeds, another 27 on-street spaces will be created, to be shared with that development.

The bus line stops at the site and will be improved with a bus shelter. The site's walk score of 14 (considered "car dependent"), transit score of 31 ("some transit"), and bike score of 32 ("somewhat bike-able") suggest this location will be a challenge for those without a car.

Operating Expense

The pro forma reflects a per-unit operating cost of \$10,169, which appears very high on the face of it but in the current climate, is just plain high. Of that, \$1,691 per unit is real estate taxes. The "all in" projected utility expense, combining renter utility allowance and owner-paid utilities, totals \$252,424 per year, or an average per unit utility expense of \$292 per month. This is high for brand new construction with solar installed, though the unit mix includes 38 larger (two- and three-bedroom) units, 26 of which are in townhouse construction style, which generates more walls exposed to the elements. Administrative costs are under Maine Housing's ceiling. Grounds costs appear high, but there are significant exterior amenities to maintain, including interior roadways and parking.

30 Year Cashflow & Debt Service Coverage Ratio (DSCR)

The DSCR for the Maine Housing loan is sized to 1.15 in year 1, and increases over 30 years to 1.41, based on the 75% 30-year TIF. This meets industry standards.

Developer Financials

Though the Joint Venture documents have not been provided yet, the current application materials state that POAH and MCDP will have a 60/40 split of the control of the JV.

Consistent with the scale of POAH's operations (over 13,000 units), POAH is a financially mature organization with assets of over \$1.7 billion. Audits from 2018-2022 reflect steady, incremental growth in net assets averaging 6% per year. This is followed by sharp growth in net assets in 2023 and 2024, bringing net assets to \$409,098,254. POAH's scale of operations and accumulated net assets mitigate the risk of the slender soft cost contingency and broader economic uncertainty.

POAH's Current Ratio (current assets divided by current liabilities) is an extremely lean 1.03. However, to put this into perspective on the scale of their operations, that ratio reflects over \$202 million in current assets, and is current assets exceed current liabilities by \$6.6 million. The Quick Ratio or "Acid

Test” -- cash divided by current liabilities – is 0.4 – and still, POAH’s cash position of \$79 million is a significant safety net for the organization.

POAHs financials are reflective of an organization engaged in significant development – construction borrowing in 2024 was double 2023, while longer term debt has grown by 16%. Further indications of the substantial rise in development activity which is not yet in operation – the value of construction bonds has tripled, while reserves for replacement are up a modest 7%. As is often the case for rental housing operators, expenses exceeded revenue by over \$40 million, but \$47 million of that expense was depreciation, a non-cash expense.

In January 2022, POAH received a bond issuer credit rating from Standard & Poor’s rating of A+, which S&P describes as “Strong capacity to meet financial commitments, but somewhat susceptible to economic conditions and changes in circumstances.” In April 2022, POAH issued \$75 million in 10-year sustainability bonds at 4.479%.

MCDP is a young organization and has not yet had an audit. Their 2024 Income/Expense shows no operating income and \$13,515 in expenses. However, that dramatically understates their activity. Consistent with GAAP, their project related predevelopment expenditures are accounted for on their balance sheet, in project pre-development accounts, one each for Lambert North and Lambert South. Douglass Commons condo construction activity has been moved to a different holding company. MCDP’s 2024 Equity position (equivalent to a non-profit’s “Net Assets”) was \$262,752. MCDP ended 2024 with \$101,555 in current assets (cash holdings) and current term liabilities of \$49,981 for a current ratio of 2.03.

For 2025 through July 31, 2025, the Profit and Loss statement again reflects no income and limited (\$6,068) expenses. The action, again, is reflected on the Balance Sheet, where MCDP’s equity position has declined modestly to \$204,620. MCDP shows current assets (cash & equivalents) of \$57,803, and current liabilities of \$14,000. The resulting current ratio is 4.13.

A substantial portion of MCDP’s predevelopment funding has come from a subsidiary of UHAB, which lent the young organization up to \$1,235,000 at 1.5% interest. The current balance on that loan is \$894,104. The original two-year term of the predevelopment loan came due in 2023 and has been extended to 2027.

While MCDP is young, its financial transactions are increasingly complicated, and it will lay important groundwork for future financial stability to get an audit for operations through end of 2025.

Recommendations

I recommend a loan of \$360,000 with a 30-year term, to be repaid from cashflow with specific terms to be negotiated before executing loan documents and conditioned upon satisfactory review of the following prior to loan closing:

- Transfer of land consistent with project terms; and
- Executed Joint Venture agreements.

Project Operating Pro Forma

Date September 11, 2025
 Project Name Lambert Woods North
 Project Address 622 Auburn, Portland
 Developer/Sponsor POAH/MCDP

<u>Rental Income</u>				<u>Maximum LIHTC Rents</u>							
Unit Type	Number of Units	Per Unit Sq Ft	Total Sq Ft	Restriction on % Median Inc.	Per Unit Monthly Gross Rent	Utility Deductions	Rent Subsidy	Per Unit Monthly Net Rent	Per Unit Net Rent Per Sq Ft	Total Monthly Net Income	Total Annual Net Rent
1 BR	8	525	4200	60%	\$1,460	\$126		\$1,334	2.54	\$10,672	\$128,064
1 BR	26	525	13650	60%	\$1,460	\$182		\$1,278	2.43	\$33,228	\$398,736
2 BR	10	744	7440	60%	\$1,753	\$146		\$1,607	2.16	\$16,070	\$192,840
3 BR	28	1118	31304	60%	\$2,025	\$169		\$1,856	1.66	\$51,968	\$623,616
Total:	72		56594							\$111,938	\$1,343,256

\$143,184

Operating Expenses

Rent Increase Rate	2.0%
Expenses Increase Rate	3.0%

Note: Year 1 is the first full year of stabilized operations

	Year 1	Year 1/Unit	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Income											
Sch. Gross Income - Residential	\$1,343,256	\$18,656	\$1,370,121	\$1,397,524	\$1,425,474	\$1,453,983	\$1,483,063	\$1,512,724	\$1,542,979	\$1,573,838	\$1,605,315
Vacancy Loss 5.0%	(\$67,163)	(\$933)	(\$68,506)	(\$69,876)	(\$71,274)	(\$72,699)	(\$74,153)	(\$75,636)	(\$77,149)	(\$78,692)	(\$80,266)
Other income (laundry)	\$8,208	\$114	\$8,372	\$8,540	\$8,710	\$8,885	\$9,062	\$9,244	\$9,428	\$9,617	\$9,809
TIF (inflated at 2%) 75%	\$91,331	\$1,268	\$93,158	\$95,021	\$96,921	\$98,860	\$100,837	\$102,854	\$104,911	\$107,009	\$109,149
Effective Gross Income	\$1,375,632	\$19,106	\$1,403,145	\$1,431,208	\$1,459,832	\$1,489,029	\$1,518,809	\$1,549,186	\$1,580,169	\$1,611,773	\$1,644,008

Administrative											
Management Fee 5.6%	\$75,112	\$1,043	\$77,365	\$79,686	\$82,077	\$84,539	\$87,075	\$89,688	\$92,378	\$95,150	\$98,004
Management Charges 3.8%	\$51,163	\$711	\$52,698	\$54,279	\$55,907	\$57,584	\$59,312	\$61,091	\$62,924	\$64,812	\$66,756
Marketing Expense	\$3,000	\$42	\$3,090	\$3,183	\$3,278	\$3,377	\$3,478	\$3,582	\$3,690	\$3,800	\$3,914
Legal	\$7,500	\$104	\$7,725	\$7,957	\$8,195	\$8,441	\$8,695	\$8,955	\$9,224	\$9,501	\$9,786
Audit & Accounting	\$12,000	\$167	\$12,360	\$12,731	\$13,113	\$13,506	\$13,911	\$14,329	\$14,758	\$15,201	\$15,657
Admin Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Administrative	\$148,775	\$2,066	\$153,238	\$157,835	\$162,570	\$167,448	\$172,471	\$177,645	\$182,974	\$188,464	\$194,118

Supportive Services	\$31,963	\$444	\$32,922	\$33,910	\$34,927	\$35,975	\$37,054	\$38,165	\$39,310	\$40,490	\$41,704
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Utilities											
Fuel Oil		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Natural Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Electric	\$43,161	\$599	\$44,456	\$45,790	\$47,163	\$48,578	\$50,035	\$51,536	\$53,083	\$54,675	\$56,315
Water / Sewer	\$44,440	\$617	\$45,773	\$47,146	\$48,561	\$50,018	\$51,518	\$53,064	\$54,656	\$56,295	\$57,984
Other security camera contracts	\$13,700	\$190	\$14,111	\$14,534	\$14,970	\$15,419	\$15,882	\$16,359	\$16,849	\$17,355	\$17,875
Total Utilities	\$101,301	\$1,407	\$104,340	\$107,470	\$110,694	\$114,015	\$117,436	\$120,959	\$124,587	\$128,325	\$132,175

Total incl Utility Allowance

Maintenance	Year 1	Year 1/Unit	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Grounds	\$78,563	\$1,091	\$80,920	\$83,347	\$85,848	\$88,423	\$91,076	\$93,808	\$96,623	\$99,521	\$102,507
Janitorial	\$43,963	\$611	\$45,282	\$46,640	\$48,040	\$49,481	\$50,965	\$52,494	\$54,069	\$55,691	\$57,362
Trash Removal	\$10,000	\$139	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048
Security		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment & Supplies	\$20,600	\$286	\$21,218	\$21,855	\$22,510	\$23,185	\$23,881	\$24,597	\$25,335	\$26,095	\$26,878
Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance Contracts	\$22,100	\$307	\$22,763	\$23,446	\$24,149	\$24,874	\$25,620	\$26,389	\$27,180	\$27,996	\$28,835
Other	\$1,100	\$15	\$1,133	\$1,167	\$1,202	\$1,238	\$1,275	\$1,313	\$1,353	\$1,393	\$1,435
Total Maintenance	\$176,326	\$2,449	\$181,616	\$187,064	\$192,676	\$198,456	\$204,410	\$210,542	\$216,859	\$223,365	\$230,065

Taxes & Insurance												
Real Estate Taxes	2%	\$121,775	\$1,691	\$124,211	\$126,695	\$129,229	\$131,813	\$134,449	\$137,138	\$139,881	\$142,679	\$145,532
Payroll Taxes / Fidelity Bond / Workers Comp / Health Ins.			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance (property, liability)		\$119,595	\$1,661	\$123,183	\$126,878	\$130,685	\$134,605	\$138,643	\$142,803	\$147,087	\$151,499	\$156,044
Other			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Taxes & Insurance		\$241,370	\$3,352	\$247,393	\$253,573	\$259,913	\$266,418	\$273,093	\$279,941	\$286,968	\$294,178	\$301,577

Replacement Reserves	\$32,400	\$450	\$33,372	\$34,373	\$35,404	\$36,466	\$37,560	\$38,687	\$39,848	\$41,043	\$42,275
Operating Reserves		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Total Expenses	9375	\$732,135	\$10,169	\$752,881	\$774,226	\$796,185	\$818,779	\$842,024	\$865,940	\$890,547	\$915,865	\$941,914
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Net Operating Income		\$643,497	\$8,937	\$650,264	\$656,982	\$663,647	\$670,250	\$676,785	\$683,245	\$689,622	\$695,908	\$702,094
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Debt Service												
Maine Housing Interest Bearing	\$558,634	\$558,714	\$7,760	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714
Second Lien			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service (Must Pay)	\$558,714	\$558,714	\$7,760	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714

Cash Flow (after Must Pay Debt)	\$84,783	\$1,178	\$91,550	\$98,268	\$104,933	\$111,536	\$118,071	\$124,531	\$130,908	\$137,194	\$143,380
Debt Service Coverage Ratio	1.15		1.16	1.18	1.19	1.20	1.21	1.22	1.23	1.25	1.26

Cash Flow Debt Payments												
City or County	10.0%	\$8,478	\$118	\$9,155	\$9,827	\$10,493	\$11,154	\$11,807	\$12,453	\$13,091	\$13,719	\$14,338
Developer Fee Loan	90.0%	\$76,305	\$1,060	\$82,395	\$88,442	\$94,439	\$100,382	\$106,264	\$112,078	\$117,817	\$123,475	\$129,042
Cash Flow Retained by Project		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Income										
Sch. Gross Income - Residential	\$1,637,422	\$1,670,170	\$1,703,573	\$1,737,645	\$1,772,398	\$1,807,846	\$1,844,003	\$1,880,883	\$1,918,500	\$1,956,870
Vacancy Loss 5.0%	(\$81,871)	(\$83,508)	(\$85,179)	(\$86,882)	(\$88,620)	(\$90,392)	(\$92,200)	(\$94,044)	(\$95,925)	(\$97,844)
Other income (laundry)	\$10,006	\$10,206	\$10,410	\$10,618	\$10,830	\$11,047	\$11,268	\$11,493	\$11,723	\$11,958
TIF 75%	\$111,332	\$113,559	\$115,830	\$118,147	\$120,510	\$122,920	\$125,378	\$127,886	\$130,444	\$133,052
Effective Gross Income	\$1,676,888	\$1,710,426	\$1,744,635	\$1,779,527	\$1,815,118	\$1,851,420	\$1,888,449	\$1,926,218	\$1,964,742	\$2,004,037
Administrative										
Advertising	\$100,944	\$103,973	\$107,092	\$110,305	\$113,614	\$117,022	\$120,533	\$124,149	\$127,873	\$131,709
Office Payroll & Benefits	\$68,759	\$70,822	\$72,946	\$75,135	\$77,389	\$79,710	\$82,102	\$84,565	\$87,102	\$89,715
Office Supplies, Phone, Misc.	\$4,032	\$4,153	\$4,277	\$4,406	\$4,538	\$4,674	\$4,814	\$4,959	\$5,107	\$5,261
Mngr or Super Rent Free Unit	\$10,079	\$10,382	\$10,693	\$11,014	\$11,344	\$11,685	\$12,035	\$12,396	\$12,768	\$13,151
Audit & Accounting	\$16,127	\$16,611	\$17,109	\$17,622	\$18,151	\$18,696	\$19,256	\$19,834	\$20,429	\$21,042
Admin Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Administrative	\$199,941	\$205,939	\$212,118	\$218,481	\$225,036	\$231,787	\$238,740	\$245,902	\$253,279	\$260,878
Supportive Services	\$42,956	\$44,244	\$45,572	\$46,939	\$48,347	\$49,797	\$51,291	\$52,830	\$54,415	\$56,047
Utilities										
Fuel Oil	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Electric	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gas	\$58,005	\$59,745	\$61,537	\$63,383	\$65,285	\$67,243	\$69,261	\$71,339	\$73,479	\$75,683
Water / Sewer	\$59,724	\$61,515	\$63,361	\$65,262	\$67,219	\$69,236	\$71,313	\$73,453	\$75,656	\$77,926
Other	\$18,412	\$18,964	\$19,533	\$20,119	\$20,722	\$21,344	\$21,984	\$22,644	\$23,323	\$24,023
Total Utilities	\$136,140	\$140,224	\$144,431	\$148,764	\$153,227	\$157,824	\$162,558	\$167,435	\$172,458	\$177,632

Maintenance	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Janitorial	\$105,582	\$108,750	\$112,012	\$115,372	\$118,834	\$122,399	\$126,071	\$129,853	\$133,748	\$137,761
Exterminating	\$59,083	\$60,855	\$62,681	\$64,561	\$66,498	\$68,493	\$70,548	\$72,664	\$74,844	\$77,089
Trash Removal	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535
Security	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grounds	\$27,685	\$28,515	\$29,371	\$30,252	\$31,159	\$32,094	\$33,057	\$34,049	\$35,070	\$36,122
Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Elevator, HVAC, pool contracts	\$29,701	\$30,592	\$31,509	\$32,455	\$33,428	\$34,431	\$35,464	\$36,528	\$37,624	\$38,752
Other	\$1,478	\$1,523	\$1,568	\$1,615	\$1,664	\$1,714	\$1,765	\$1,818	\$1,873	\$1,929
Total Maintenance	\$236,967	\$244,076	\$251,399	\$258,941	\$266,709	\$274,710	\$282,951	\$291,440	\$300,183	\$309,189

Taxes & Insurance										
Real Estate Taxes or PILOT	\$148,443	\$151,412	\$154,440	\$157,529	\$160,680	\$163,893	\$167,171	\$170,514	\$173,925	\$177,403
Payroll Taxes / Fidelity Bond / Workers Comp / Health Ins.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance (property, liability)	\$160,726	\$165,547	\$170,514	\$175,629	\$180,898	\$186,325	\$191,915	\$197,672	\$203,602	\$209,711
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Taxes & Insurance	\$309,169	\$316,959	\$324,954	\$333,158	\$341,578	\$350,218	\$359,086	\$368,187	\$377,527	\$387,114

Replacement Reserves	\$43,543	\$44,849	\$46,195	\$47,580	\$49,008	\$50,478	\$51,992	\$53,552	\$55,159	\$56,814
Operating Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Total Expenses	\$968,716	\$996,293	\$1,024,668	\$1,053,863	\$1,083,904	\$1,114,814	\$1,146,620	\$1,179,346	\$1,213,022	\$1,247,673
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Net Operating Income	\$708,172	\$714,133	\$719,967	\$725,664	\$731,214	\$736,606	\$741,829	\$746,871	\$751,720	\$756,364
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Debt Service										
First Lien	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714
Second Lien	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service (Must Pay)	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714

Cash Flow (after Must Pay Debt)	\$149,458	\$155,419	\$161,253	\$166,950	\$172,500	\$177,892	\$183,115	\$188,157	\$193,006	\$197,650
Debt Service Coverage Ratio	1.27	1.28	1.29	1.30	1.31	1.32	1.33	1.34	1.35	1.35

Cash Flow Debt Payments											Cash Flow D
City or County	10.0%	\$14,946	\$15,542	\$16,125	\$16,695	\$17,250	\$17,789	\$18,311	\$18,816	\$19,301	\$19,765
Developer Fee Loan	90.0%	\$134,513	\$139,877	\$145,128	\$150,255	\$155,250	\$160,103	\$164,803	\$169,341	\$173,706	\$177,885
Cash Flow Retained by Project		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

	<u>Year 21</u>	<u>Year 22</u>	<u>Year 23</u>	<u>Year 24</u>	<u>Year 25</u>	<u>Year 26</u>	<u>Year 27</u>	<u>Year 28</u>	<u>Year 29</u>	<u>Year 30</u>
Income										
Sch. Gross Income - Residential	\$1,996,008	\$2,035,928	\$2,076,646	\$2,118,179	\$2,160,543	\$2,203,754	\$2,247,829	\$2,292,786	\$2,338,641	\$2,385,414
Vacancy Loss	0.0%	(\$99,800)	(\$101,796)	(\$103,832)	(\$105,909)	(\$108,027)	(\$110,188)	(\$112,391)	(\$114,639)	(\$116,932)
Other income (laundry)		\$12,197	\$12,441	\$12,689	\$12,943	\$13,202	\$13,466	\$13,735	\$14,010	\$14,290
TIF	75%	\$135,713	\$138,428	\$141,196	\$144,020	\$146,901	\$149,839	\$152,835	\$155,892	\$159,010
Effective Gross Income		\$2,044,117	\$2,085,000	\$2,126,700	\$2,169,234	\$2,212,618	\$2,256,871	\$2,302,008	\$2,348,048	\$2,395,009
Administrative										
Advertising		\$135,661	\$139,730	\$143,922	\$148,240	\$152,687	\$157,268	\$161,986	\$166,845	\$171,851
Office Payroll & Benefits		\$92,406	\$95,178	\$98,034	\$100,975	\$104,004	\$107,124	\$110,338	\$113,648	\$117,057
Office Supplies, Phone, Misc.		\$5,418	\$5,581	\$5,748	\$5,921	\$6,098	\$6,281	\$6,470	\$6,664	\$6,864
Mngr or Super Rent Free Unit		\$13,546	\$13,952	\$14,371	\$14,802	\$15,246	\$15,703	\$16,174	\$16,660	\$17,159
Audit & Accounting		\$21,673	\$22,324	\$22,993	\$23,683	\$24,394	\$25,125	\$25,879	\$26,655	\$27,455
Admin Other		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Administrative		\$268,704	\$276,765	\$285,068	\$293,620	\$302,429	\$311,502	\$320,847	\$330,472	\$340,386
Supportive Services		\$57,729	\$59,461	\$61,244	\$63,082	\$64,974	\$66,923	\$68,931	\$70,999	\$73,129
Utilities										
Fuel Oil		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Electric		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gas		\$77,954	\$80,292	\$82,701	\$85,182	\$87,737	\$90,370	\$93,081	\$95,873	\$98,749
Water / Sewer		\$80,264	\$82,671	\$85,152	\$87,706	\$90,337	\$93,047	\$95,839	\$98,714	\$101,676
Other		\$24,744	\$25,486	\$26,251	\$27,038	\$27,849	\$28,685	\$29,545	\$30,432	\$31,345
Total Utilities		\$182,961	\$188,450	\$194,103	\$199,926	\$205,924	\$212,102	\$218,465	\$225,019	\$231,769

Maintenance	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Janitorial	\$141,894	\$146,150	\$150,535	\$155,051	\$159,702	\$164,493	\$169,428	\$174,511	\$179,746	\$185,139
Exterminating	\$79,402	\$81,784	\$84,238	\$86,765	\$89,368	\$92,049	\$94,810	\$97,655	\$100,584	\$103,602
Trash Removal	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328	\$20,938	\$21,566	\$22,213	\$22,879	\$23,566
Security	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grounds	\$37,206	\$38,322	\$39,472	\$40,656	\$41,876	\$43,132	\$44,426	\$45,759	\$47,131	\$48,545
Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Elevator, HVAC, pool contracts	\$39,915	\$41,113	\$42,346	\$43,616	\$44,925	\$46,272	\$47,661	\$49,090	\$50,563	\$52,080
Other	\$1,987	\$2,046	\$2,108	\$2,171	\$2,236	\$2,303	\$2,372	\$2,443	\$2,517	\$2,592
Total Maintenance	\$318,464	\$328,018	\$337,859	\$347,995	\$358,434	\$369,187	\$380,263	\$391,671	\$403,421	\$415,524

Taxes & Insurance										
Real Estate Taxes or PILOT	\$180,951	\$184,570	\$188,262	\$192,027	\$195,867	\$199,785	\$203,780	\$207,856	\$212,013	\$216,253
Payroll Taxes / Fidelity Bond / Workers Comp / Health Ins.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance (property, liability)	\$216,002	\$222,482	\$229,156	\$236,031	\$243,112	\$250,405	\$257,918	\$265,655	\$273,625	\$281,833
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Taxes & Insurance	\$396,953	\$407,052	\$417,418	\$428,058	\$438,979	\$450,190	\$461,698	\$473,511	\$485,638	\$498,087

Replacement Reserves	\$58,518	\$60,274	\$62,082	\$63,944	\$65,863	\$67,838	\$69,874	\$71,970	\$74,129	\$76,353
Operating Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Total Expenses	\$1,283,329	\$1,320,020	\$1,357,775	\$1,396,625	\$1,436,604	\$1,477,743	\$1,520,078	\$1,563,642	\$1,608,473	\$1,654,607
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Net Operating Income	\$760,788	\$764,980	\$768,925	\$772,609	\$776,015	\$779,128	\$781,931	\$784,406	\$786,537	\$788,303
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Debt Service										
First Lien	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714
Second Lien	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service (Must Pay)	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714	\$558,714

Cash Flow (after Must Pay Debt)	\$202,074	\$206,266	\$210,211	\$213,895	\$217,301	\$220,414	\$223,217	\$225,692	\$227,823	\$229,589
Debt Service Coverage Ratio	1.36	1.37	1.38	1.38	1.39	1.39	1.40	1.40	1.41	1.41

Debt Payments											
City or County	0.0%	\$20,207	\$20,627	\$21,021	\$21,389	\$21,730	\$22,041	\$22,322	\$22,569	\$22,782	\$22,959
Developer Fee Loan	0.0%	\$181,867	\$185,640	\$189,190	\$192,505	\$195,571	\$198,372	\$200,895	\$203,123	\$205,040	\$206,630
Cash Flow Retained by Project	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

Development Budget with Permanent Sources

Date 9/11/2025
 Project Name Lambert Woods North
 Project Address 622 Auburn, Portland
 Developer/Sponsor POAH (in JV with MCDP)

Total Units 72
 Total Square Feet 60,470

Sources of Funds	Capital Application Costs 9.25		
	Total	Per Unit	Per Sq Ft
Permanent Financing - Maine Housing interest bearing	\$10,158,429	\$141,089	\$168
Maine Housing 0% Deferred	\$8,496,000	\$118,000	\$140
Permanent Financing - City of Portland	\$360,000	\$5,000	\$6
Equity (LIHTC net syndication) \$ 11,329,215	\$11,339,414	\$157,492	\$188
Deferred development fee	\$3,000,000	\$41,667	\$50
Other POAH Sponsor Loan (CMF & Efficiency Maine)	\$1,216,322	\$16,893	\$20
Total Sources of Funds	\$34,570,165	\$480,141	\$572

Change	
TIF Commitment to Capital Ask	
\$ 482,885	5%
\$ -	0%
\$ 360,000	#DIV/0!
\$ 597,296	6%
\$ -	0%
\$ 958,047	371%
\$ 2,398,228	7%

Total Change Initial to Final	
\$765,718	8%
\$0	0%
\$360,000	#DIV/0!
\$1,537,514	16%
\$1,630,000	119%
\$1,216,322	#DIV/0!
\$5,509,554	19%

Uses of Funds

Hard Costs			
Site Improvements	\$4,000,273	\$55,559	\$68
Rehabilitation		\$0	\$0
New Construction \$1,375,000.00	\$17,332,437	\$240,728	\$287
Contractor's Profit & Gen. Requirements 12.0%	\$1,372,195	\$19,058	\$23
Hazardous Materials abatement (if contracted separ: \$1,411,286.00		\$0	\$0
Demolition Cost (if contracted separately)		\$0	\$0
Bond Premium	\$391,298	\$5,435	\$6
Other Solar	\$627,206	\$8,711	\$10
Hard Cost Contingency (% of hard costs) 6.3%	\$1,154,810	\$16,039	\$19
Total Hard Costs	\$24,878,219	\$345,531	\$411

\$ 1,132,934	40%
\$ 1,258,931	8%
\$ (1,092,512)	-44%
\$ 62,798	19%
\$ 352,206	128%
\$ 54,357	5%
\$ 1,768,714	8%

\$1,202,934	43%
\$1,657,741	11%
(\$841,387)	-38%
\$65,939	20%
\$627,206	#DIV/0!
\$104,261	10%
\$2,816,694	13%

627,797.00 POAH Total excludes solar

Soft Costs			
Building Permit & Fees	\$750,000	\$10,417	\$12
Survey & Engineering \$ 556,796.00	\$556,796	\$7,733	\$9
Design & Permitting (% of const exp) 4.0%	\$1,338,048	\$18,584	\$22
Borrower Legal (all closings, excluding syndication legal)	\$185,000	\$2,569	\$3
Title & Recording	\$64,000	\$889	\$1
Accounting	\$50,000	\$694	\$1
Construction Period Taxes	\$30,000	\$417	\$0
Construction Period Insurance	\$225,000	\$3,125	\$4
Other: Owners Construction Rep		\$0	\$0
Other		\$0	\$0
Total Soft Costs	\$3,198,844	\$44,428	\$53

\$ (86,000)	-10%
\$ 458,796	468%
\$ 250,441	23%
\$ 75,000	68%
\$ 14,000	28%
\$ -	0%
\$ -	0%
\$ 75,000	50%
\$ 787,237	33%

(\$87,000)	-10%
\$458,796	468%
\$605,441	83%
\$85,000	85%
\$39,000	156%
\$30,000	150%
\$0	0%
\$165,000	275%
\$1,246,237	64%

Financing Costs							
Construction Loan Origination Fees		\$0	\$0				
Construction Period Interest	\$906,000	\$12,583	\$15	\$ 24,642	3%	(\$217,000)	-19%
Lender Inspection Fees	\$27,000	\$375	\$0	\$ 27,000	#DIV/0!	\$27,000	#DIV/0!
Letter of Credit Fee		\$0	\$0				
Permanent Loan Fee	\$359,800	\$4,997	\$6	\$ 24,800	7%	\$53,800	18%
Construction Lender Legal		\$0	\$0				
Other Tax Credit Monitoring Fee	\$174,860	\$2,429	\$3	\$ 174,860	#DIV/0!	\$174,860	#DIV/0!
Total Financing Costs	\$1,467,660	\$20,384	\$24	\$ 53,740	4%	(\$139,944)	-9%

Miscellaneous							
Market Survey	\$10,000	\$139	\$0	\$ (20,000)	-67%	(\$5,000)	-33%
Appraisal	\$12,000	\$167	\$0	\$ -	0%	(\$3,000)	-20%
Environmental Study	\$ 15,000.00	\$0	\$0	\$ (20,000)	-100%		
LIHTC Fees -- prepaid monitoring		\$0	\$0				
Other: FF&E	\$95,000	\$1,319	\$2	\$ (15,000)	-14%	\$0	0%
Relocation Costs		\$0	\$0				
Other		\$0	\$0				
Soft Cost Contingency (% of soft costs excl Dev Fee)	\$71,637	\$995	\$1	\$ (136,591)	-66%	(\$82,132)	-53%
Total Miscellaneous:	\$188,637	\$2,620	\$3	\$ (358,623)	-66%	(\$249,240)	-67%

Acquisition							
Acquisition: Buildings		\$0	\$0				
Acquisition: Land	\$5	\$0	\$0	\$ -	0%	\$0	0%
Acquisition: Legal		\$0	\$0				
Other		\$0	\$0				
Total Acquisition	\$5	\$0	\$0	\$ -	0%	\$0	0%

Reserves and Developer Fee							
Operating Deficit Escrow	\$645,424	\$8,964	\$11	\$ 50,262	8%	\$39,177	6%
Prefunded Replacement Reserve	\$190,959	\$2,652	\$3	\$ (26,382)	-12%	\$34,212	22%
Taxes & Insurance Escrow	\$ 185,193.00	\$200,415	\$3	\$ 123,278	160%	\$132,415	195%
Developer Fee PAID	\$750,000	\$10,417	\$12	\$ -	0%	\$0	0%
Developer Fee Deferred	\$3,000,000	\$41,667	\$50	\$ -	0%	\$1,630,000	119%
Rent Up Reserve & Marketing		\$0	\$0				
Other : Working Capital + "Insurance Reserve"	\$ 50,000.00	\$50,000	\$694	\$ -	0%	\$0	0%
Total Reserves and Developer Fee	\$4,836,798	\$67,178	\$80	\$ 147,158	3%	\$1,835,804	61%

Total Uses of Funds							
	\$34,570,163	\$480,141	\$572	\$ 2,398,226	7%	\$5,509,551	19%

Developer Fee Analysis: Total Fees: \$3,750,000
(excluding reserves & developer fee) percent of TDC: 12.61%



To: Councilor Ali, Chair

Members of the Housing and Economic Development
Committee

MEETING DATE: September 23, 2025

AGENDA ITEM

Review and Recommendation to the City Council re City of Portland Right of First Refusal Amendments to the Declaration of Condominium for Dougherty Commons Phase 2 (Dougherty Commons Condo)

PURPOSE

To provide direction to staff regarding potential impacts to affordability covenants at Dougherty Commons Phase 2.

COMMITTEE WORK PLAN/CITY COUNCIL GOAL ALIGNMENT

Increase, and modify the overall supply of housing city-wide to meet the needs, preferences and financial capabilities of all Portland residents.

BACKGROUND/ANALYSIS

When the City of Portland sold the Dougherty Commons property, the deed included covenants to ensure the long-term affordability of the three projects to be developed. An issue with these covenants was discovered during the marketing of units for the Dougherty Commons Phase 2 condominium project: MaineHousing has identified a concern with providing mortgage financing to buyers because the covenants do not extinguish upon foreclosure.

Many first-time homebuyer loans are insured by lenders like MaineHousing or the FHA and are then sold on the secondary mortgage market. Affordability covenants that do not extinguish upon foreclosure are not compliant with secondary mortgage market requirements, particularly those of mortgage insurers such as the FHA and MaineHousing.

To enable buyers to qualify for loans through programs like MaineHousing's First Home Program, the developers are requesting that the City of Portland allow an amendment to the Declaration of Condominium. This amendment would subordinate the affordability covenants to a MaineHousing mortgage and provide the City with a notice of right to purchase the obligations under the MaineHousing loan to maintain the affordability covenants.

If the City chooses to exercise the right to purchase, it would own the mortgage debt and have the option to work with the unit owner to bring the debt current or initiate foreclosure proceedings. This is the type of situation where staff would ask the City Council to use minimum balance in the Jill C. Duson Housing Trust Fund. If the City does not exercise this right, MaineHousing would be permitted to proceed with a foreclosure action or accept a deed in lieu of foreclosure

from the unit owner and the affordability covenants would be "null and void, and of no further effect as to the affected Unit."

FISCAL IMPACT – N/A

CONCLUSIONS

MaineHousing provided data on foreclosures, deeds in lieu, and short sales of MaineHousing loans and mortgages on condominiums from 1993 to the present (see attached). This data indicates that the last foreclosure occurred in 2015 and that, overall, their portfolio shows a very low foreclosure risk.

Given MaineHousing data indicates low foreclosure risk, staff requests committee approval for the Dougherty Commons Phase 2 right of purchase option. This approval is crucial as the unavailability of insured loans, such as those offered through MaineHousing or FHA programs, could impact potential buyers for this project.

1. Motion to recommend to the City Council approval of the inclusion of a right to purchase to maintain affordability covenants at Dougherty Commons Phase 2.

PRIOR COMMITTEE REVIEW:

PREPARED BY

Mary Davis, Division Director
Housing and Community Development
Division

ATTACHMENTS

Draft Amendment to Declaration of Condominium
MaineHousing Foreclosure Data

**AMENDMENT TO THE DECLARATION
FOR
DOUGHERTY COMMONS UNIT 2,
A CONDOMINIUM**

THIS AMENDMENT TO THE DECLARATION FOR DOUGHERTY COMMONS UNIT 2, A CONDOMINIUM (the “Amendment”) is made by **MCDP DOUGLASS, LLC**, a Maine limited liability company with a place of business in Portland, Maine (the “Declarant”), the declarant of the Dougherty Commons Unit 2, A Condominium (the “Condominium”) in **Portland**, Cumberland County, Maine.

WHEREAS, Declarant established the Condominium pursuant to the Declaration of Condominium for Dougherty Commons Unit 2, A Condominium, dated February 14, 2025, and recorded in the Cumberland County Registry of Deeds in **Book 41300, Page 213** (the “Declaration”), which Condominium is depicted on the plat and plan recorded in the Cumberland County Registry of Deeds in **Plan Book 225, Pages 52 and 53**;

WHEREAS, as of the date of this Amendment, Declarant has not conveyed title to any of the Units (the term “Unit” and all other capitalized terms not otherwise defined in this Amendment shall have the meaning ascribed to them in the Declaration);

WHEREAS, Declarant desires to amend the Declaration to correct the inadvertent omission of a Unit from allocations set forth in Exhibit B attached to the Declaration;

WHEREAS, Declarant desires to amend the Declaration to allow Unit owners to be eligible to borrow from MaineHousing’s mortgage lending programs-First Home Loan Program;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Declarant hereby amends the Declaration as follows:

1. The Exhibit B attached to the Declaration is replaced with the **Exhibit B** attached hereto, and all references to “Exhibit B” in the Declaration shall refer to the Exhibit B attached hereto for all purposes.
2. Article 10 of the Declaration is deleted in its entirety and replaced with the following:

ARTICLE 10 AFFORDABILITY RESTRICTIONS

From and after the date of this Declaration and for a period of ninety-nine (99) years, except as set forth below in this Article 10 regarding Maine State Housing Authority and its successor or assigns (“MaineHousing”), after the date on which all Residential Units have been completed, all Residential Units shall be made affordable to, and shall only be sold to, households earning less than or equal to one hundred percent (100%) of the area median income (“AMI”), adjusted for family size, based on figures published annually by Housing and Urban Development (“HUD”) for the Portland Metropolitan Statistical Area (“PMSA”) at a purchase price that is affordable, as that term is defined below. For the purposes of this Declaration, the Residential Units will be deemed “completed” upon the date that a Certificate of Occupancy has been issued by the City of Portland (the “City”) for all of the Residential Units, and the term “affordable” means that the percentage of income the minimum size household per unit size as specified below at 100% AMI is charged in connection with its mortgage payment (sum of monthly principal, interest, and mortgage insurance) plus real estate taxes and homeowners insurance, including utilities, shall not exceed thirty percent (30%) of the household’s gross income.

If, at any time after the date of this Declaration, HUD ceases to provide said annual figures for determining AMI, the City shall identify another similar method of determining income guidelines for affordability. The minimum household size for a one-bedroom Residential Unit shall be one (1) person, and the minimum household size for a three-bedroom Residential Unit shall be three (3) people. The maximum household size for a one-bedroom Residential Unit shall be two (2) people, and the maximum household size for a three-bedroom Residential Unit shall be six (6) people.

Any sale or other transfer of a Residential Unit shall be subject to the terms and conditions of this Article 10, except as set forth below in this Article 10 regarding MaineHousing. The foregoing affordability restrictions runs with title to each Residential Unit during its term, and Declarant agrees to incorporate the foregoing affordability restrictions in each deed, or other legal instrument of conveyance, from Developer to a third-party purchaser. This Article 10 shall not be amended or modified without the express written consent of the City.

Notwithstanding anything to the contrary set forth in this Declaration, if MaineHousing holds a mortgage on a Unit that is recorded in the Registry (a “MaineHousing Mortgage”), the affordability restrictions set forth above in this Article 10 shall automatically be subordinated to the MaineHousing Mortgage without the need for further action or recorded instrument, and the City shall have the Purchase Option in regard to the MaineHousing Mortgage as defined below.

Prior to commencing a foreclosure action or accepting a deed in lieu of foreclosure in connection with a MaineHousing Mortgage that is in default, MaineHousing or its mortgage servicer shall send written notice of its intent to institute a foreclosure action and/or to accept a deed in lieu of foreclosure together with notice of the City’s right to exercise its Purchase Option (the “MaineHousing Notice”) to the City at: City of Portland, attn: City Manager with a copy to the Office of Corporation Counsel, 389 Congress Street, Portland, Maine 04102. Receipt of the MaineHousing Notice shall be presumed to have occurred

~~3 days from the date it is sent.~~ The MaineHousing Notice shall be sent to the City by certified mail, return receipt requested or other trackable mail service. A copy of a pre-foreclosure Notice of Right to Cure sent to the Mortgagee(s) or to the Unit pursuant to 14 M.R.S.A. § 6111 together with notice of the City's right to exercise its Purchase Option shall constitute an adequate MaineHousing Notice.

Upon the City's receipt of a MaineHousing Notice, the City shall have the option, but not the obligation, to purchase the obligations underlying the MaineHousing Mortgage and to have the MaineHousing Mortgage assigned to it or to its designated assignee by paying the total amount due under the MaineHousing Mortgage and the underlying obligations, including any Promissory Note, and including any principal, interest, late fees, and other amounts due as of the date the payoff is made (the 'Purchase Option'). To exercise the Purchase Option, no more than ~~60~~30 days from its receipt of the MaineHousing Notice, the City shall send written notice of its intent to purchase (the "Notice of Exercise of Purchase Option") to MaineHousing or to its mortgage servicer at the address or addresses identified in the MaineHousing Notice. The Notice of Exercise of Purchase Option shall contain a request for payoff information and payment instructions for the amounts due under the MaineHousing Mortgage and any underlying obligation. Receipt of the Notice of Exercise of Purchase Option shall be presumed to have occurred 3 days from the date it is sent.

If the City exercises the Purchase Option as set forth above, MaineHousing or its mortgage servicer shall have 10 days from receipt of the Notice of Exercise of Purchase Option to send the payoff information and payment instructions to the City, and the City shall have 60 days from the date the Notice of Exercise of Purchase Option is received to make payment of all amounts due to the party and at the address provided by MaineHousing or its mortgage servicer. This 60-day time period may be extended by mutual agreement of the City and MaineHousing or its mortgage servicer. If full payment is received in conformance with the above, MaineHousing or its mortgage servicer shall forward to the City documentation assigning the MaineHousing Mortgage, and endorsing and transferring the underlying obligations, to the City or its designated assignee and endorsee. Such documentation will be in form and substance reasonably satisfactory the City and MaineHousing and will include loan histories and such other information and documentation, and in such time frame, as is customary~~ly~~ in the industry when a mortgage and loan are transferred to a new owner.

If the City fails to exercise the Purchase Option as set forth above and within the period allowed, or exercises the Purchase Option but fails to tender full payment as set forth above and within the period allowed, the Purchase Option will automatically terminate with no further action required, and MaineHousing or its mortgage servicer will be permitted, but not obligated, to proceed with a foreclosure action on the MaineHousing Mortgage or to accept a deed in lieu of foreclosure from the Unit owner. If either occurs, and the resulting Judgment of Foreclosure or deed in lieu of foreclosure is recorded in the Registry, it shall render the affordability restrictions in this Article 10 null and void, and of no further effect as to the affected Unit.

[signature~~s~~ appears on following page~~s~~]

IN WITNESS WHEREOF, the Declarant has caused this Amendment to be executed by its undersigned representative, thereunto duly authorized, this ___ day of ~~August~~September, 2025.

MCDP Douglass, LLC

By: _____
 Matthew Peters, Member

STATE OF MAINE

Cumberland County

September __, 2025

Personally appeared the above named Matthew Peters, Member of MCDP Douglass, LLC, and acknowledged before me the foregoing instrument to be his free act and deed in his said capacity and the free act and deed of said company.

Notary Public/Attorney at Law

Print or Type Name as Signed

LIMITED JOINDER BY CITY OF PORTLAND

The City of Portland hereby joins in the execution of this Amendment for the limited purposes of accepting and agreeing to the amendments to Article 10 that are set forth herein.

WITNESS: _____ CITY OF PORTLAND

By: _____
_____ Danielle West
_____ Title: City Manager

STATE OF MAINE
COUNTY OF CUMBERLAND, SS. _____ September ____, 2025

Personally appeared before me the above-named Danielle West, City Manager of the City of Portland, and acknowledged the foregoing to be her free act and deed in her said capacity and the free act and deed of the City of Portland.

_____ Before me,

_____ Notary Public/Maine Attorney at-Law
_____ Commission Expires:
_____ Print Name:

EXHIBIT B

<u>Unit</u>	<u>Undivided Interest in Common Elements</u>	<u>Common Expense Liability</u>	<u>Votes in the Association</u>
1	6.50	6.50	7
2	6.50	6.50	7
3	6.50	6.50	7
4	6.50	6.50	7
101	2.75	2.75	3
102	2.75	2.75	3
103	2.75	2.75	3
104	2.75	2.75	3
105	2.75	2.75	3
106	2.75	2.75	3
107	2.75	2.75	3
108	2.75	2.75	3
201	6.38	6.38	6
202	6.38	6.38	6
203	6.38	6.38	6
204	6.38	6.38	6
205	6.38	6.38	6
206	6.38	6.38	6
207	6.38	6.38	6
208	6.38	6.38	6
	99%	99%	99
Rooftop	1.00	1.00	1
TOTAL	100%	100%	100

Condos Foreclosed, DIL, or Short Sale

City	Closing Date	FCL Date	FCL Type
SANFORD	08/03/89	02/01/93	Regular Forecl
OLD ORCHARD BCH	08/29/88	10/06/93	Regular Forecl
SACO	10/07/88	10/23/93	Regular Forecl
WELLS	11/07/85	01/31/94	Regular Forecl
PORTLAND	11/20/87	04/12/94	Regular Forecl
OLD ORCHARD BCH	11/10/88	04/03/95	Regular Forecl
KITTERY	09/29/89	10/05/95	Regular Forecl
AUBURN	07/15/88	12/19/95	Regular Forecl
OLD ORCHARD BCH	12/22/88	02/08/96	Regular Forecl
SANFORD	07/21/89	02/26/96	Regular Forecl
SANFORD	07/21/89	10/29/96	Regular Forecl
SACO	11/29/88	12/29/98	Regular Forecl
OLD ORCHARD BCH	06/30/89	11/16/99	Regular Forecl
TOPSHAM	04/26/96	09/30/00	Regular Forecl
PORTLAND	11/05/87	07/06/01	Regular Forecl
WESTBROOK	02/27/04	06/06/06	Regular Forecl
OLD ORCHARD BCH	01/27/06	01/20/09	Regular Forecl
AUBURN	11/14/06	03/08/10	Regular Forecl
WESTBROOK	04/05/07	05/25/10	Regular Forecl
AUBURN	05/27/08	10/29/10	Regular Forecl
KITTERY	07/31/07	02/18/11	Regular Forecl
SACO	06/22/06	04/05/11	Regular Forecl
GRAY	10/26/07	11/28/11	Regular Forecl
PORTLAND	09/15/00	08/20/12	Regular Forecl
GORHAM	12/28/01	10/19/12	Regular Forecl
WATERVILLE	08/08/06	12/04/12	Regular Forecl
SACO	09/07/07	02/04/13	Regular Forecl
GRAY	08/30/04	03/07/13	Regular Forecl
LEWISTON	12/11/06	08/15/13	Regular Forecl
LEWISTON	04/22/05	08/27/13	Regular Forecl
AUGUSTA	07/14/06	06/30/14	Regular Forecl
OLD ORCHARD BCH	12/20/07	08/05/15	Regular Forecl
LEWISTON	07/29/04	11/03/15	Regular Forecl
OLD ORCHARD BCH	04/18/08	11/30/15	Regular Forecl
WINDHAM	10/19/05	01/25/16	Regular Forecl
SACO	08/30/04	02/04/16	Regular Forecl
LEWISTON	05/11/11	05/04/16	Regular Forecl
WATERVILLE	05/31/12	05/05/16	Regular Forecl
SPRINGVALE	06/06/08	07/20/16	Regular Forecl
WESTBROOK	10/29/03	09/01/16	Regular Forecl
BIDDEFORD	07/01/08	05/24/17	Regular Forecl
LEWISTON	11/05/04	07/13/17	Regular Forecl
LEWISTON	09/30/02	11/29/17	Regular Forecl
SOUTHWEST HBR	07/28/08	12/05/17	Regular Forecl
WINSLOW	12/14/10	09/11/19	Regular Forecl

Grand Total Foreclosed

45

BATH	04/11/06	09/06/12	Deed in Lieu
BAR HARBOR	06/30/08	08/07/12	Deed in Lieu

Grand Total Deed-in-Lieu of Foreclosure 2

OLD ORCHARD BCH	04/12/06	03/25/11	Short Payoff
WESTBROOK	06/27/08	05/13/11	Short Payoff
SACO	06/19/06	01/06/12	Short Payoff
GRAY	12/30/05	06/22/12	Short Payoff
SACO	11/14/07	08/31/12	Short Payoff
SANFORD	05/30/07	10/18/12	Short Payoff
BATH	09/11/06	01/16/13	Short Payoff
PORTLAND	11/21/06	04/05/13	Short Payoff
PORTLAND	07/11/08	04/30/13	Short Payoff
TOPSHAM	02/24/06	05/06/13	Short Payoff
PORTLAND	08/01/08	07/31/13	Short Payoff
TOPSHAM	09/26/05	08/15/13	Short Payoff
SACO	12/20/07	09/10/13	Short Payoff
SANFORD	07/24/06	04/24/14	Short Payoff
SPRINGVALE	05/25/06	09/03/14	Short Payoff
WATERBORO	09/01/04	09/11/15	Short Payoff

Grand Total Short Sale (Pre-Foreclosure Sale) 16