



PORTLAND DEVELOPMENT CORPORATION
Board Meeting

DATE: Thursday, October 16, 2025

TIME: 4:00 PM

LOCATION: This meeting will take place remotely via Zoom.

Please click below to join the webinar.

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

International numbers available: <https://portlandmaine-gov.zoom.us/u/kiIXpoqU0>

AGENDA

1. President's Comments

2. Review and vote on a Brownfield Subgrant Request from Portland Housing Authority for 70 E Oxford Street - COMB Block
 - a. See attached Memorandum and backup.

3. Review and vote on loan request for \$125,000 for Health Resonates, LLC, 773 Congress Street
 - a. **Note:** Pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119—A, the Board may go into executive session to review proprietary confidential information associated with this loan application.

4. Treasurer's Report - September 2025
 - a. Monthly Administrative Budget Report
 - b. Cash Management Report
 - c. Schedule of Loans Receivable
 - d. Confidential - Loan Delinquency Report
5. Other Items to be discussed/brought up by Board Directors
6. Next Regular Meeting Date: December 18, 2025 (Business Award Event on November 20, 2025)



MEMORANDUM

TO: President Kierston Van Soest and PDC Board Members
FROM: Nancy L. Martin, Business Programs Manager
CC: Greg Watson, Director, Housing and Economic Development Department
DATE: October 16, 2025
RE: Brownfields Subgrant Request of \$450,000 from Portland Housing Authority

PROJECT OVERVIEW:

The Portland Development Corporation is being presented with a \$450,000 Brownfields subgrant request from the Portland Housing Authority (PHA) to fund remediation of contamination at the 70 E. Oxford Street housing development, part of the PHA's COMB Block redevelopment project.

BUDGET AND BACKGROUND:

This funding request is to support environmental cleanup of the first and second phases of the three-phase COMB Block redevelopment project, part of a broader plan to deliver 173 affordable housing units. The first and second phases of the project will add 55 new homes and remove blighted structures on a deteriorated site in East Bayside. The redevelopment addresses severe housing shortages with most units reserved for low- and very-low-income households. The project also advances Portland's Reimagining Franklin Street initiative, creating a more walkable and connected neighborhood.

The existing structures contain hazardous building materials, and residents have already been relocated in anticipation of the project. The existing buildings will be abated using funds from the Maine Department of Economic and Community Development (DECD) Brownfields program and subsequently demolished. Cleanup activities funded by the City will include excavation and off-site disposal of contaminated soil generated during construction, construction of a protective cap and cover system to prevent residents from being exposed to remaining contaminated soil, design and installation of vapor mitigation systems in the new buildings, and other activities necessary for cleanup. Construction will create 25 skilled labor jobs during remediation and involve 175 construction professionals. Cleanup is scheduled to begin in March of 2026 and continue through 2027.

The total cleanup cost for the entire project is approximately \$4.6 million, and the majority of the cleanup costs will be incurred in the first two phases. The PHA received a direct cleanup grant from the EPA of \$3.3 million. GPCOG is providing \$500,000 in Brownfields cleanup funding. The PHA's total cleanup request to the City is \$802,977.57, which they have split across two years. The initial request is for \$450,000. The City expects to receive an application for approximately \$350,000 in cleanup funding from PHA next year once the City has requested, and hopefully received, additional supplemental cleanup funds from the EPA.

RECOMMENDATION:

PDC staff (Nancy Martin) and underwriter David McLaughlin) propose approving a Brownfields subgrant of \$450,000 to the Portland Housing Authority for the first and second phases of environmental cleanup of the COMB Block development.

ATTACHMENT:

PDC Underwriting analysis

PORTLAND DEVELOPMENT CORPORATION

BROWNFIELDS GRANT REQUEST

DAVID MCLAUGHLIN, UNDERWRITER

October 16, 2025

Note: This underwriting analysis was originally done in August for PHA's Brownfields loan request to GPCOG. The proposed Portland Development Corporation financing for this project is a subgrant.

APPLICANT/BORROWER: Portland Housing Authority

APPLICANT'S ADDRESS: 970 Baxter Ave, Portland, Maine

PROJECT LOCATION: 70 E. Oxford St., Portland, Maine

GRANT REQUEST: \$450,000

INTEREST RATE: N/A

TERM: N/A

PURPOSE: Funding the remediation costs of contamination at 70 East Oxford St., Portland. Estimated cost of cleanup is \$4,602,977.57. The remediation costs are to be funded by:

EPA Grant	- \$3,300,000
GPCOG Grant	- \$250,000
GPCOG Loan	- \$250,000
City of Portland/PDC Grant-	\$450,000
*Future PDC request	- \$352,977.57
TOTAL	\$4,602,977.57

*PHA expects to apply to the City for additional funding next year, once the City has requested and received supplemental funding to EPA, in order to make up the shortfall of \$352,977.57

OVERVIEW:

The Portland Housing Development Authority has been in operation since 1943. It provides long term rental housing and assistance to more than 3,000 low income families, seniors and disabled individuals. It houses close to 10% of the City of Portland population. Management is experienced and has demonstrated long term success. They are the developer for this project and management of the planned three phase 173 residential units. The first and second phases of the project will add 55 new homes and remove blighted structures on a deteriorated site in East Bayside.. The Source and Use of Funds for the permanent financing of the project is as follows. MSHA will provide construction financing for the total project.

SOURCES		USES	
Maine State Housing mtg.	\$11,228,000	Construction Costs	\$18,737,000
Maine State Housing subsidy	650,000	Contingency 10%	1,859,000
City of Portland	650,000	Shared Construct	1,117,500

AHP Loan	1,600,000	Contingency (5%)	708,531
AHP Subsidy	2,000,000	Soft costs	5,680,000
Deferred Developer Fee	500,000		
Net Syndication of tax credit	11,249,000		
TOTAL	\$26,276,000		\$26,276,000

The AHP Loan and City of Portland Trust Fund (loan) both have terms of 30 years with no interest.

They are in process of securing the financing. Applications are being completed for submission to Maine State Housing for construction and permanent financing, a grant and the Low Income Housing Tax Credit, and to the Federal Home Loan Bank for AHP financing and a grant. MSHA has issued a Notice of Intent and has allocated the funds. The construction cost was estimated by DEW Construction. This cost estimate was noted is subject to change, but noted that it anticipated increased costs until the commencement of construction.

Phase I and Phase II environmental site assessments have been done by Sevee and Maher Engineers. The Phase II found evidence of environmental hazards. The study did suggest several voluntary steps that could be taken to further reduce environmental risk. These recommendations are incorporated into the project costs. Maine State Housing Authority has reportedly indicated this cleanup will be a condition of approval.

FINANCIAL OVERVIEW: CPA audited statements of the Portland Housing Authority were provided for fiscal 2021 -2024 and reviewed. The major pertinent findings are as follows:

Portland Housing Authority (000)				
	2021	2022	2023	2024
Current Ratio	17.3	12.0	12.0	11.5
Working Capital	30,998	30,979	30,725	30,423
Net Assets	16,573	22,315	25,824	45,085
Total Debt	38,819	35,655	37,697	41,820
Debt Worth Ratio	2.3	1.6	1.5	.93
Revenues.	42,672	44,377	48,850	73,277
Net Income.	2,294	5,742	3,509	19,261
Debt Service Coverage	3.1	4.9	3.4	11.1
Excess Cash Flow.	3,838	7,117	4,875	22,381

- The net working capital position is strong at \$30,243k with an 11.5 current ratio as of 6/30/24. This is significantly stronger than the industry average and evidences the ability to fund any needed project equity.
- The balance sheet is well capitalized with \$45,005k in net assets and a .93 debt/worth ratio.
- The debt service coverage ratio was strong in 2024 at 11.1 with excess cash flow of \$22,338k.
- Revenues increased by 50.0% in 2024
- There is a significant increase in Net Assets in 2024 that was noted as the result of increases in HUD funding

- Growth appears consistent and well managed with improved profitability
- PHA is in a strong financial position and is well positioned to support this project on a contingency basis if needed.

Project Operating Budget:

This current request is to clean up environmental contamination on 1.53 acres located in East Bayside Portland. This clean will be followed by Phase 1 of a three phase development of 173 units of affordable housing. The current \$26,276,000 Phase1 and 2 includes the construction of 55 residential units. Seventeen of the units will be below 60% Area Medium Income and thirty-three units will be below 50% Area Medium Income. The remaining five units its will be market rent. This will replace 40 units in three buildings that are in need of significant repairs and maintenance, and will be demolished. The total three phase project has an estimated cost of 72,000k. Construction is projected to start spring 2026.

RECOMMENDATION : I recommend approval.

**Portland Development Corporation
Preliminary Draft Operating
Report FY2026
For Month Ending
9/30/2025**

Operating transfer from EDF	42,352

Total Funds Available	42,352

		Current	Year to	Percent	
FY2026 Expenditures	Budget	Month	Date	of Budget	Balance
Administrative Services	\$11,505	\$0	10,320	89.7%	1,185
Postage	\$200	\$0	0	0.0%	200
Travel, Training, Meetings	\$9,000	\$0	0	0.0%	9,000
Contractual Services	\$8,000	\$2,178	2,178	27.2%	5,823
Operating Transfer to Fin.	\$9,647	\$0	0	0.0%	9,647
Advertising	\$2,500	\$0	0	0.0%	2,500
Auto Expense Reimb.	\$100	\$0	0	0.0%	100
Printing & Binding	\$650	\$35	125	19.2%	525
Office Supplies	\$750	\$0	0	0.0%	750
Total FY2026 Expenditures	\$42,352	\$2,213	12,623	29.8%	29,730

FY2026 PDC CASH MANAGEMENT REPORT/Non-Brownfield Program

(Preliminary and Subject to Change)

Period Ending: 08/31/2025	UDAG		CIP		CIP		FAME		FAME SSBCI		TOTAL
	271		272		274		277		279		
	Unrestricted Loans/Grants		Restricted		Unrestricted		REDLP				
Beginning Balance	290,049		366,031		175,015		430,793		489,658		1,751,545
Additions	th Date No Updated	MTD	YTD	MTD	YTD	MTD	YTD	MTD	YTD	MTD	YTD
Principal payments received		5,450	5,450	6,722	6,722	4,949	4,949	11,302	11,302	7,986	7,986
Interest payments received from loans		3,565	3,565	84	84	51	51	5,590	5,590	4,858	4,858
Interest Income		0	-	(4)	(4)	-5	(5)	(17)	(17)	(9)	(9)
Other Income/Adjustments			-		-		-		-		-
Pass Through From FAME/SSBCI			-		-		-		-		-
Deductions											
FAME Annual Admin. Fee; Invoices											
Disbursements - Expenses											
Disbursements - Loans/Grants											
Ending Cash Balance (Munis)		299,064		372,833		180,010		447,668		502,492	1,802,067
Less Reserves for: Loans											
Beautification Program (EC0301)		(72,000)									
Transfers not yet recorded (UDAG Int)		(3,565)									
Adjusted Ending Cash Balance		223,499		372,833		180,010		447,668		502,492	1,726,502

FY2025 PDC CASH MANAGEMENT REPORT - BROWNFIELD PROGRAM

(Preliminary and Subject to Change)

Period Ending: 08/31/2025	Brownfield 1		Brownfield 3		Brownfield 10/1/2022		TOTAL
	278		281		280 RLF		
	Unrestricted Loans/Grants		Restricted/Assessments		Restricted/Cleanup		
Beginning Balance	472,251		85,672		2,402,468		2,960,391
Additions	MTD	YTD	MTD	YTD	MTD	YTD	
Principal payments received	1,803	18,557		-		-	
Interest payments received from loans		2,149		-		-	
Interest Income		12,364		-		-	
Other Income/Adjustments		-		-		-	
Pass Through From FAME/SSCBI/EPA		-		-	2,000,000	2,000,000	
Deductions							
FAME Annual Admin. Fee; Invoices							
Disbursements -Other	(12,767)		(37,265)		\$	(9,971)	
Ending Cash Balance (Munis)	461,288		48,407		4,392,497		4,902,192
Less Reserves for:							
Reserve For Commitments	(19,941)				(2,886,424)		
Fund 280 Reserve for Administration							
Adjusted Ending Cash Balance	441,347		48,407		1,506,073		1,995,827

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

Case ID	Account No. & Name	Date of Loan	Maturity Date	---Committed/Disbursed Funds---			Outstanding Princ. Bal.
				Original Loan	Not Yet Disb.	Total Disb.	
Portland Business Fund 271 (UDAG/Unrestricted):							
30124	Rosemont Market, Inc.	8/8/2019	9/1/2029	\$150,000	0	\$150,000	\$56,652
30179	Forefront Brick South, LLC	11/18/2016	12/1/2026	\$100,000	\$0	\$100,000	\$21,171
30400	Friends and Family	3/10/2023	4/1/2027	\$50,000	\$0	\$50,000	\$23,017
30423	Longfellow Property, LLC	6/26/2023	7/1/2030	\$200,000	\$0	\$200,000	\$193,273
30514	Longfellow Property, LLC	5/6/2024	7/1/2031	\$182,688	\$0	\$182,688	\$176,312
Sub-Total PBF (UDAG)							<u>\$470,426</u>
Portland Business Fund 272 (Restricted - CIP):							
30568	Cultivating Community	10/17/2024	11/1/2026	\$80,000	\$0	\$80,000	\$40,399
Sub-Total PBF (Bonds/CIP Restricted)							
Portland Micro Capital Fund 271 (UDAG/Unrestricted):							
30250	Portland Trading Co. LLC	4/26/2013	8/1/2018	\$15,000	\$0	\$15,000	<u>\$3,203</u>
Sub-Total Micro Capital Fund							<u>\$3,203</u>
Portland Business Fund 274 (CIP/Unrestricted):							
30062	On Time Transportation	3/26/2018	4/1/2023	\$10,000	\$0	\$10,000	\$762
30070	Emerson, James (C19RR[Brick Trust])	5/21/2021	6/1/2023	\$10,000	\$0	\$10,000	\$10,000
30075	Dos Naciones LLC	3/3/2021	3/1/2023	\$5,000	\$0	\$5,000	\$5,000
30316	Rankin WA, LLC	2/28/2022	2/1/2024	\$5,000	\$0	\$5,000	\$1,884
30119	Quattrucci & Rouda, LLC	3/19/2019	4/1/2029	\$100,000	\$0	\$100,000	-\$11
30400	AAA Rue Marchie, d/b/a Timber	3/28/2023	4/1/2028	\$40,000	\$0	\$40,000	\$33,085
30606	Luna, LLC	3/19/2025	11/1/2032	\$69,000	\$0	\$69,000	<u>\$69,000</u>
Sub-Total PBF (Bonds/CIP Unrestricted)							<u>\$119,720</u>
FAME Fund 277:							
30198	Auto-Care, LLC	2/5/2016	3/1/2021	\$32,500	\$0	\$32,500	\$18,567
30061	Forefront Brick South, LLC	11/18/2016	12/1/2026	\$250,000	\$0	\$250,000	\$51,704
30127	Gallery Acquisition Co. Inc.	5/16/2019	6/1/2026	\$75,000	\$0	\$75,000	\$12,636
30125	Zootility Co.	8/7/2019	9/1/2024	\$150,000	\$0	\$150,000	\$122,197
30416	Forefront Partners I, LP	5/31/2023	5/31/2033	\$200,000	\$0	\$200,000	\$167,568
30530	Biodiversity Research Institute	8/22/2024	10/1/3031	\$250,000	\$0	\$250,000	\$245,893
30536	Blackbird Baking, d/b/a Two Fat Cats	10/1/2024	11/1/2031	\$40,000	\$0	\$40,000	\$37,092
30591	Salud Studios	11/19/2024	12/1/2030	\$137,500	\$0	\$137,500	\$127,037
30605	Lebel Holdings, LLC	3/20/2025	5/1/2035	\$200,000	\$0	\$200,000	\$198,052
30107	Biodiversity Research Institute	3/26/2021	4/1/2026	\$200,000	\$0	\$200,000	\$169,574
30086	Driscoll Child Dev. Center	5/5/2021	6/1/2026	\$60,000	\$0	\$60,000	\$27,499
30085	Flores Restaurant LLC	6/9/2021	7/1/2026	\$38,000	\$0	\$38,000	\$14,733
30071	Wynsum, LLC	11/5/2021	12/1/2026	\$131,250	\$0	\$131,250	\$119,582
30068	688 Forest Ave., LLC	12/21/2021	1/1/2027	\$168,000	\$0	\$168,000	\$150,957
30527	Another Round	6/5/2024	8/1/2029	\$225,000	\$0	\$225,000	\$222,246
30592	Yardie Ting	11/14/2024	12/1/2029	\$45,000	\$0	\$45,000	\$39,238
30624	Kehben Grier	5/1/2025	1/1/2033	\$80,000	\$0	\$80,000	\$77,419
	Reo Miyake LLC	9/18/2025	11/1/2030	\$100,000	\$0	\$100,000	\$100,000
	Coco Miyake LLC	9/18/2025	11/1/2030	\$100,000	\$0	\$100,000	\$100,000
	Eduardos Brazillian Grill One	9/25/2025	11/1/2030	\$22,500	\$0	\$22,500	\$22,500
	Maine Foot and Ankle	9/25/2025	11/1/2035	\$50,000	\$0	\$50,000	<u>\$50,000</u>
Sub-Total FAME							<u>\$2,074,494</u>
FAME GROW ME SSBCI 279							
	Eduardos Brazillian Grill One	9/25/2025	11/1/2030	\$22,500		\$22,500	\$22,500
	Maine Foot and Ankle	9/25/2025	11/1/2035	\$50,000		\$50,000	<u>\$50,000</u>
							<u>\$72,500</u>
DOWNTOWN FUND 263:							
30636	Another Round	8/22/2025	10/1/3030	\$8,000	\$0	\$8,000	\$8,000
Brownfields Loan Fund 278 and 280							
30515	Forefront Partners I, LP/Fund 280	5/31/2023	4/30/2033	\$200,000	\$0	\$200,000	\$190,054
30072	Forefront Partners I, LP/Fund 280	4/12/2018	1/1/2032	\$350,000	\$0	\$350,000	<u>\$300,370</u>
Sub-Total Brownfields							<u>\$490,424</u>
Grand Total Loans				\$4,201,938	\$0	\$4,201,938	\$3,279,166
Allowance for uncollectable loans at 15%							\$491,875
Total with Allowance for uncollectable loans:							<u>\$2,787,291</u>