



HOUSING & ECONOMIC DEVELOPMENT COMMITTEE

DATE: Tuesday, June 1, 2021

TIME: 5:30 PM

LOCATION: VIA ZOOM

Virtual meetings are allowed using emergency legislation approved by LD 2167; 1 M.R.S. §403A, that authorizes cities and towns to conduct meetings online. Allow your computer to install the free Zoom app to get the best meeting experience. If you are not able to attend live, a recording will be uploaded to portlandmaine.gov/livestream the next day.

**For public comment, you will need to use the "raise your hand" feature. To raise your hand via the telephone, please hit *9.
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1. Zoom Virtual Public Meeting Information

- a. Please click the link below to join the webinar:
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2. Review and accept draft Minutes from May 18, 2021, meeting.

- a. See attached draft meeting Minutes.

3. Public Hearing and Vote to Recommend to City Council First Letter Agreement with Developers Collaborative for the Homeless Service Center Project – Greg Mitchell

- a. See attached memorandum and materials.

NOTE: Executive Session - Pursuant to 1 M.R.S.A 405(6)(C) and 5 M.R.S.A. 13119-A, the Committee may go into executive session to provide staff direction on negotiations.

4. Committee Review, Discussion and Direction related to Affordable Housing Developer Selection related to City-owned 622 Auburn Street and 0 Gray Road Property – Mary Davis

- a. See attached memorandum and materials.

NOTE: Executive Session - Pursuant to 1 M.R.S.A 405(6)(C) and 5 M.R.S.A. 13119-A the Committee may go into executive session to provide staff direction on negotiations.

5. Committee Discussion and Direction to staff regarding Housing Policy Options for Missing Middle Housing – Mary Davis and Victoria Volent

- a. See attached memorandum and materials.

- Executive Session: Pursuant to 1 M.R.S.A 405(6)(C) and 5 M.R.S.A. 13119-A the Committee may go into executive session to provide staff direction on negotiations related to the 45 Brown Street Affordable Housing Tax Increment Financing Credit Enhancement Agreement Request - Mary Davis**
- 6.
- a. See attached memorandum and materials.

Next Meeting Date: June 15, 2021; Discuss Committee July and August Meeting Schedule.

Minutes

Remote Housing and Economic Development Committee

May 18, 2021

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, May 18, 2021, at 5:30 p.m. via Zoom. Present from the Committee was its Chair Councilor Spencer Thibodeau and members Councilors Pious Ali, Tae Chong, and Andrew Zarro. Also present from the City Council was Mayor Kate Snyder, and Councilors Belinda Ray and April Fournier. Present from the City staff were Housing and Economic Development Director Greg Mitchell, Housing and Community Development Division Director Mary Davis, Associate Corporation Counsel Michael Goldman, Public Buildings and Waterfront Department representative David Onos, Director of Health and Human Services Kristen Dow, and Housing Program Manager Victoria Volent.

Item #1: Zoom Meeting Information – no Committee action required.

Item #2: Review and vote on May 4, 2021, draft meeting Minutes.

On motion made by Councilor Chong, seconded by Councilor Zarro, the Committee voted unanimously (4-0) to accept the Minutes as published.

Item #3: Public Hearing on Developer Proposals and vote to select the Developer to proceed with negotiations to enter into a public-private agreement to support construction of the proposed Homeless Service Center to be located on City-owned property at 654 Riverside Street

NOTE: Executive Session: Pursuant to 1 M.R.S.A 405(6)(C) and 5 M.R.S.A. 13119-A, the Committee may go into executive session to provide staff direction on negotiations.

Chair Thibodeau outlined the evening's proceedings regarding the item in front of the Committee.

Mr. Mitchell indicated the meeting is a public hearing in which the Committee would be given the opportunity to select a developer in order for staff to proceed with negotiations to form a public-private partnership that would include a land lease and a tenant lease arrangement in a privately owned, and privately constructed and managed homeless service center. The negotiated leases would come back to the HEDC for more discussion towards finalization.

Mr. Mitchell presented an overview of the three proposals for consideration. The Feugo Blue, LLC proposal was not scored as it provided an alternative to the RFP rather than respond to the RFP. The two proposals that were reviewed and scored were submitted by Developers Collaborative, and FD Stonewall. The Developers Collaborative proposal scored the highest due to extensive local experience with redevelopment, creative site design, and proven ability to navigate challenging neighborhood and publicly controversial development projects.

Chair Thibodeau thanked Mr. Mitchell for the overview. Committee members asked clarifying questions regarding the Developers Collaborative and FD Stonewall proposals.

Chair Thibodeau opened the meeting to public comment.

Joey Brunelle (61 Kellogg Street) noted the make-up of the Developers Collaborative team are "fifteen dudes" and that including gender diversity, as part of the planning team, would be an acknowledgement that gender issues are a function of the facility and should be taken into account. He asked what happens at the end of the twenty-five year land lease agreement?

Chair Thibodeau noted the city could sell the land and then lease it back with the building; the city could lease the land and lease it back with the building. The final outcome is

for a future discussion.

Norm Maze (Shalom House Deputy Director/Board of Director for Amistad) voiced support from Shalom House to the Developers Collaborative proposal.

Cullen Ryan (Community Housing of Maine) supports the Developers Collaborative proposal and the City moving forward with the homeless service center.

Councilor Chong made a motion to proceed with negotiations and enter into a public-private agreement to support construction of the proposed Homeless Service Center with Developers Collaborative; Councilor Zarro seconded the motion.

Committee members held a brief discussion regarding the proposals during which Mr. Mitchell shared the staff scoring matrix, Kristen Dow noted Developers Collaborative's prior experience, and David Onos responded to a questions regarding flat roofs by noting they are a tried and true design, and they provide more room for solar panels in response to the Green Building Code.

Council members who are not on the HEDC joined the discussion and noted their support for the Developers Collaborative project. The proposed building materials, and track record and philosophy of the Developer Collaborative team were favorably highlighted. Developers Collaborative was encouraged to hear from other demographics for their unique perspective. Mayor Snyder thanked the Committee and City staff for their consideration and work, and thanked all the developers who submitted proposals. She urged the Committee to vote to move forward with the Developers Collaborative proposal.

Chair Thibodeau noted the vote in front of the Committee is a first step towards negotiations. Based on a request from the Committee, staff is directed to provide information to the HEDC regarding the impact of the referendum on the homeless center that was previously shared during the Health and Human Services Committee meeting.

Chair Thibodeau asked for a vote on the motion and it passed 4-0.

Item #4: Public Hearing and Vote to Recommend to the City Council the Proposed Land Exchange Agreement between the City of Portland and Maine Department of Transportation (MDOT)

NOTE: Executive Session: Pursuant to 1 M.R.S.A 405(6)(C) and 5 M.R.S.A. 13119-A the Committee may go into executive session to provide staff direction on negotiations.

Mr. Mitchell provided an overview of the real estate exchange proposal process regarding the land parcels owned by the State of Maine and the City. Mr. Mitchell discussed each parcel and the financial side of the transactions.

Chair Thibodeau opened the meeting to public comment. Seeing no one, the public comment period was closed.

A motion was made by Councilor Zarro to recommend to the City Council approval of this request; Councilor Chong seconded the motion.

Council Zarro inquired into the cost savings to the City to convey the Cliff Island Wharf to the State. He also asked if the parking lot next to Miss Portland diner would ever be considered for housing or would it always be for transportation use (Mr. Mitchell noted it would be restricted for transportation use). And he asked about the process should any environmental materials be discovered on any of the parcels. Mr. Mitchell noted the City would conduct an investigation of the sites during the six month due diligence period from the effective date of the agreement.

Councilor Chong thanked staff for negotiating the deal and noted his support of the land exchange.

Councilor Ali is supportive of the proposal.

Chair Thibodeau asked if the air space above the parking lot adjacent to the Miss Portland Diner is restricted from residential use.

Michael Goldman indicated Section 6 of the Agreement allows for the parties to agree on any rights to be released in connection with the land exchange.

Chair Thibodeau thanked staff for their work and asked for a vote on the motion, and it passed 4-0.

A motion was made by Councilor Chong to adjourn the meeting, seconded by Councilor Zarro. Chair Thibodeau asked for a vote on the motion and it passed 4-0 at approximately 7:27 p.m.

Respectively submitted, Victoria Volent



CITY OF PORTLAND
Housing and Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: Housing and Economic Development Committee

FROM: Greg Mitchell, Housing and Economic Development Director

DATE: May 27, 2021

SUBJECT: Riverside Street Homeless Service Center Project – First Letter Agreement.

I. ONE SENTENCE SUMMARY

A First Letter Agreement with the Developers Collaborative is proposed to begin the design and public engagement process only to support new construction of the Homeless Service Center (HSC) to be located at 654 Riverside Street.

II. DESCRIPTION

The Housing and Economic Development Committee, on May 18, 2021, selected Developers Collaborative to be the developer for the Riverside Street HSC. A copy of the Developers Collaborative (DC) HSC Proposal is enclosed.

Step one for the HSC is to prepare conceptual site and building design plans, along with handling a public engagement process to include working with the City Health and Human Services Committee, City staff, HSC facility partners, and the general public. To begin this process, DC proposes entering into the Proposed First Letter Agreement (copy attached). The First Letter Agreement Scope of Work includes:

- **Conceptual Site and Building Design along with the Public Process.**
- **Due Diligence.** Project feasibility in design, site constraints, permitting, and financing.
- **Deliverables.** Formulate a financing, partnership, and phasing strategy that best fits the circumstances.

- **Compensation and additional items.** DC and third-party consultants will receive no compensation for the scope of work included in the First Letter Agreement for a period of sixty days (60) days.

Next steps include:

- **Second Letter of Agreement** is proposed to provide for City payment of and/or reimbursement for Developer fees and third-party costs related to the HSC Project.
- **Ground Lease/Master Lease.** Following the Second Letter of Agreement, a Ground Lease/Master Lease between the parties is proposed to include the final terms of the partnership.

III. BACKGROUND

Under City Council direction, the City issued a Request for Proposals (“RFP”) from developers to construct and lease to the City a Homeless Service Center located at 654 Riverside Street on City-owned property. The deadline to submit proposals was April 27, 2021. Three proposals were received. On March 18, 2021, the Housing and Economic Development Committee held a public hearing on the three developer proposals, selected Developers Collaborative, and authorized staff to proceed with negotiations.

IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

Design and construction of a new Homeless Service Center with wrap around services to better serve the homeless population.

V. FINANCIAL IMPACT

There are no financial impacts associated with entering into this First Letter Agreement with DC. DC and their subcontractors will proceed at their risk

VI. RECOMMENDATION

Staff recommends that the HEDC vote to recommend approval to the City Council to enter into the First Letter Agreement with DC.

VII. LIST ATTACHMENTS

- First Letter Agreement Homeless Service Center (the “Project”)
- Developers Collaborative Proposal
- 5/28/2021 Memo from Corporation Counsel Regarding Shelter Referendum Impact

_____, 2021

ATTN: Jon Jennings
City Manager
City of Portland
389 Congress St.
Portland, ME 04101

**First Letter Agreement
Homeless Service Center, 654 Riverside Street, Portland, Maine (the “Project”)**

We have outlined in concept a multi-step process in predevelopment of the proposed Homeless Service Center to be located at 654 Riverside Street in Portland, Maine whereby: (1) this First Letter Agreement will be effective for a period of 60 days from execution by Developer and City to allow the Project to begin while final terms are being negotiated; and (2) a Second Letter Agreement that will be effective from execution by Developer and City through the end of the 2021 calendar year, or upon completion of the Planning Board approval process, whichever comes first. Following mutual satisfaction of both Letter Agreements, the Parties (Developers Collaborative Predevelopment LLC, “Developer,” and City of Portland, “City”) will consider negotiating and entering into a ground lease, and master lease, which would codify and define the relationship for financing, construction, and operations of the Project, and the leaseback of the Project to City.

The major difference between the First Letter Agreement and Second Letter Agreement is that in the First Letter Agreement the Developer will receive no compensation for 60 days, and will work totally at their own risk. Developer will merely be managing the process and hiring consultants for pre-development work for the Project. The Second Letter Agreement will be a more comprehensive agreement, which is contemplated to provide for City payment of and/or reimbursement for Developer fees, and third party costs related to the Project. The work under the First Letter Agreement is intended to vet out major feasibility issues on all aspects of the property and provide a comprehensive basis for a permitting application to the City of Portland, as well as a Second Letter Agreement and eventually a ground lease, and a master lease, between the parties. On behalf of City, Developer will undertake the following as part of the First Letter Agreement:

SCOPE OF WORK:

1. Conceptual Site and Building Design; Public Process

- Manage design professionals and other consultants and be responsible for all work products from the development team.
- Contract with consultants identified in the Homeless Service Center RFP #21041 (the “RFP”) to complete a conceptual building and site design which will be the basis of a Planning Board application to be submitted with a target of early July for a July 27 Planning Board meeting.

- With the help of City, coordinate and lead interactions with a) internal and b) community stakeholders as needed. This is anticipated to involve multiple community meetings in addition to the required neighborhood meeting (which only takes place after the July 27 submission). Meetings will be facilitated by Developer and Amistad. Developer and Amistad will enter into a third party consulting contract, which will govern Amistad's role of facilitator of community meetings. The goal of the public process will be to improve final product and gain community consensus on major Project elements. Best practices will be discussed and implemented.

2. Due Diligence

- Develop a due diligence scope intended to vet out major issues that affect project feasibility in design, site constraints, permitting, and financing.
- Design a schedule for entitlements (local and state), community reviews and obtaining permits for construction.
- Work with City to determine any title issues on the property (assumed none; rely on City legal/title due diligence and examination results; review for issues only).

3. Deliverables

- Provide all third party generated due diligence to City as it becomes available for review.
- Provide recommendations for next steps and timeline to binding agreements. Second Letter Agreement to be agreed upon by Developer and City within 60 days from the effective date of this First Letter Agreement.
- Formulate a financing, partnership, and phasing strategy that best fits the circumstances, exploring various alternative transaction structures. While a myriad of other structures is possible, the working assumption is that Developer, through a new single purpose entity, will ground lease land from City, construct Project, and master lease-back to City, and City will own Project free and clear after a period of time.
- Within the context of the basic financial/legal arrangement, however, the parties both understand that this will be a high profile project and its community impact will be closely watched. As such, it is of utmost importance to both parties that the Project, while it must be financially feasible, must also satisfy a host of other criteria so it is a credit to the reputations of both City and Developer. These criteria will be mutually agreed upon and incorporated into in any ground lease and master lease between the Parties.

4. Compensation and additional items

- Developer will receive no compensation for this phase, for a period of 60 days.
- The Second Letter Agreement is contemplated to provide for City payment of and/or reimbursement for Developer fees, and third party costs related to the Project, on a mutually agreeable basis.

- All work to be undertaken by third party consultants will contract directly with Developer and costs will be consistent with amount of work performed relative to Developer's Total Development Costs Budget set forth in its April 27, 2021 response to the RFP; provided, that, prior to Developer entering into any contract or agreeing to any amount of work to be performed relative to the Project, such contract and/or work shall be approved in writing by the City Manager. Such written approval shall not be unreasonably withheld or delayed. Additionally, Developer shall provide to City, on a monthly basis, detailed expense reports related to any and all third party consultant work.
- Upon signing of a Master Lease or similar instrument, it is contemplated that costs expended under this Letter Agreement will be assumed by the Project.
- If Project does not proceed, and Second Letter Agreement is not signed, upon terms which Developer and City shall mutually agree, Developer will assign all of its rights in all work products generated by any third party consultants including all drawings, schematics, reports and similar items to City, if City chooses to reimburse Developer in full for all third party costs.

City of Portland

Developers Collaborative
Predevelopment LLC

By: _____

Jon Jennings
Its: City Manager

By: _____

Kevin R. Bunker
Its: Manager

Response to Request for Proposal

City of Portland, Maine
Homeless Service Center RFP# 21041

Developers Collaborative | April 27, 2021



April 27, 2021

Ms. Karen C. Marston
City of Portland
389 Congress Street
Portland, ME 04101



**RE: Response to Request for Proposal
Homeless Service Center at 654 Riverside Drive**

Dear Ms. Marston,

After a thorough review of the RFP, we have assembled a strong local team with a track record of delivering successful projects. Our team retains the experience necessary to ensure the project meets the City's current and future needs for the citizens of Portland.

Integral to our team is our open-book and collaborative approach to all aspects of the project; design, construction, and financial terms. Through this approach, all project stakeholders can provide input and will be vested in the final decisions. Included within our submission, we have advanced the schematic design to offer accurate, indicative pricing and a detailed financial model for the project.

We firmly believe that our team is particularly well-suited to serve as the City's partner of choice for several key reasons:

- ▶ ***A strong local team with a track record of delivering successful projects throughout the State.***
- ▶ ***Experience and a depth of resources capable of efficiently addressing the inevitable design and construction challenges.***
- ▶ ***Experience in permitting, developing, and constructing a multitude of projects in the City of Portland.***
- ▶ ***Open-book collaborative approach to the design, construction, and financial options that will give the City the greatest level of project input and flexibility.***

We look forward to the opportunity to work with the City of Portland to support this important project. If you have any questions or require further clarification, please contact us at bunker.kevin@gmail.com, dsigfridson@boulos.com, or 207.766.1632.

Sincerely,

Kevin Bunker
Developers Collaborative

Drew Sigfridson
Developers Collaborative

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1. Developer & Team Experience

- a. Team Overview
- b. Organizational Chart
- c. Key Team Member Resumes
- d. Experience Highlights



An Experienced Team

Housing Development & Ownership Experience

Developers Collaborative has developed 34 housing projects between 2009 and the present, 26 of which are affordable housing. This represents over 1,100 total housing units, nearly 900 of which are affordable housing. Nine of these projects are located in Portland, and the remainder are distributed throughout 15 communities across the state. DC currently owns 770 of these housing units. These projects have run the gamut from new construction to historic renovation, but are all characterized by thoughtfulness, creativity, and an unprecedented willingness to tailor private development to community goals.

Housing Design & Construction Experience

We have assembled a team with a strong track record of developing housing projects, from small urban infill to master planned campus settings. Each of our designers is a local leader in their field. More information on our team design experience is found in the remainder of this section and in the appendix. Cianbro is Maine's largest construction firm. Based on 2020 revenue, they are over 7 times larger than the second largest competitor. This means they have an unparalleled set of resources and experience to provide a first-class project for the City of Portland. As a long-time member of the Portland community, Cianbro understands the project goals and is prepared to go above and beyond to achieve them.

Public-Private Financial Partnership Experience

DC's stock-in-trade is public-private partnerships. Since Kevin Bunker founded DC with Richard Berman in 2007, he has built on early projects such as Brickhill in South Portland, West Falmouth Crossing, and Unity Village in Portland, responding to the needs of different communities and institutions. Interestingly, the development at Brickhill included a ground-lease component through partnership with the State of Maine. Five of DC's projects in Portland are detailed in the following section and include: 66 State Street, Motherhouse/Stevens Square, Reed School, Nathan Clifford, and Crescent Heights. Two of these projects originated from City of Portland RFP awards and one is an RFP award from a public process through Maine Medical Center. In all of these instances, most recently 66 State Street, we worked with a wide variety of constituents, City departments, and partners to create projects that made Portland a better place.

Our public-private partnership experience is not limited to Portland, however. Kevin Bunker of DC is recognized as a state-wide expert not only in the smart growth and community development, but in the specific tools and methods of the public-private partnership.

An Experienced Team

Municipally Owned Land and RFPs

In addition to their Portland experience, DC has created many projects on municipal land, winning several RFPs in the process. This shows DC's flexibility, staying power, and statewide leadership in this sector. Kevin has overseen successful RFPs and developed on municipal or state-owned land in communities as diverse as Augusta, Belfast, Biddeford, Gardiner, Orono, and South Portland, in addition to Portland. Open book financial transparency and flexible agreements have been hallmarks of these projects.

Financial Tool Expertise for Public-Private Partnerships (PPP)

DC possesses an encyclopedic and nuanced understanding of the specific financial tools used to create a successful PPP. They are an acknowledged leader in the use of tax credits, TIFs, and layering capital from a myriad of sources to achieve public and private development goals. When a project has strong community-benefit components, yet seems too complicated for others to figure out, that is when DC is contacted. It is not uncommon for seven or more sources of debt and equity, with varying degrees of complexity, in a single project. Most developers simply will not take the time to do that amount of work, preferring instead to specialize in one type of project and repeat it again and again, forcing unique circumstances into a self-serving mold. DC specializes in one-off projects that are individually tailored, physically and financially.

Invited In and Asked to Return

DC is often sought out and invited in to help define and realize community development goals. Sometimes this leads to projects, and sometimes we consult or even offer advice. We are

typically invited back. In the last year alone, we have consulted in diverse places such as Presque Isle and Bar Harbor. We have been sought out and invited to develop projects with Gorham Savings Bank, Franklin Memorial Hospital, and Seacoast Management, among others. We are currently working on additional projects in Ellsworth and Belfast, because we successfully delivered on the first project. We did what we said we would do. In the Belfast example, the first project was a senior affordable housing development on private land. Based on our approach, the City approached us and sole-sourced a former public works site to us for redevelopment as mixed-income housing because they believed we were the ones who could get it done for them. We also count among our repeat clients several non-profits.

Non-Profit Experience

DC is the most closely aligned private developer with non-profits in the state of Maine. No other firm has the ability to pair the tools of the private sector with the community goals of non-profits. We have worked with many such organizations advancing the causes of smart growth and affordable housing, including:

- ▶ Amistad
- ▶ Augusta Housing Authority
- ▶ Avesta Housing
- ▶ Biddeford Housing Authority
- ▶ Catholic Charities
- ▶ Catholic Diocese of Maine
- ▶ Children's Odyssey
- ▶ Coastal Enterprises, Inc.
- ▶ Franklin Memorial Hospital
- ▶ Ignite PI
- ▶ Jackson Labs
- ▶ LearningWorks
- ▶ Lewiston Housing Authority
- ▶ Maine Medical Center
- ▶ Opportunity Alliance
- ▶ Preble Street

Our Local Portland Team

"The strength of the team is each individual member. The strength of each member is the team." - Phil Jackson

A Community Project

We believe that a project as critical as the Homeless Service Center requires a collective team that is invested in the community. As such, we have assembled a qualified group of local professionals. Portland is the home base for all of our proposed project partners. Each firm and individual has a desire to improve the local community, responsibly develop the city, and advance/support the residents of Portland, ME. This will be key to ensuring the project receives the required commitment and attention.

Local Management Team

Our team is led by Kevin Bunker of Developers Collaborative (DC). **Located in Portland**, DC is an independent real-estate developer focused on projects that build and support the local community. Central to their work is the development of environmentally sustainable, affordable, and innovative developments. DC has successfully developed and managed numerous projects throughout the local community.

Managing the design and construction of the Homeless Service Center is another local firm, Cianbro Corporation. Cianbro has been a cornerstone in the Maine marketplace for over 70 years.

Located in Portland, Bruce Cummings will provide leadership to the A/E and construction team. Bruce will work with DC and our A/E team to ensure the design achieves the outlined objectives and that the construction phase is completed on schedule and within budget.

Local Design Team

Under Bruce's leadership, our design team will be led by another Portland native. Stephen Weatherhead of Winton Scott Architects (WSA) will lead the design phase of the project. Also **located in Portland**, WSA is a licensed architectural practice focusing on urban development in the local area.

WSA will be supported by several firms, including Aceto Landscape Architects (ALA), Gorrill Palmer (GP) for Civil Engineering, and Thornton Tomasetti (TT) for sustainability consulting. These best-in-class firms are also **local, and in close proximity to the proposed Homeless Service Center**.

Our team has been fortunate to collaborate on several initiatives together. This has allowed us to develop a comprehensive partnership and implement successful projects throughout the State of Maine. Several projects include:

- ▶ Stevens Square/Motherhouse Campus (DC, ALA, GP)
- ▶ 66 State Street (ALA, DC)
- ▶ 101 Fore Street / WEX Headquarters (Cianbro/GP)
- ▶ Scarborough Downs (DC/ALA)
- ▶ Crescent Heights Apartments (DC/WSA)
- ▶ Unity Village (DC/WSA)
- ▶ Husson University Living & Learning Center (WSA/TT)

In addition, the balance of this section includes brief firm overviews, key team member resumes, and relevant experience for your review.



Diverse Services

- ▶ Real Estate Development
- ▶ Property Management
- ▶ Financial Management

Our Firm

Based in Portland, **Developers Collaborative** is an association of like-minded independent real estate developers interested in projects that build community. While this can mean different things, core themes like smart growth, environmental sustainability, affordable housing, and innovative design are central in our work.

DC makes an extra effort to listen to neighbors and employ creative solutions in order to create successful places. We employ a community-based approach to planning and building our projects, and we participate in public-private partnerships to achieve public goals. We highly value our reputation for creating developments that enhance their surrounding neighborhoods and address community needs.

Our Values

Developers Collaborative members share common values, yet our diverse skill sets and interests result in different types of projects and at different scales, from master planned campus redevelopments to more finely grained small urban mixed-use buildings. We partner on projects; with each other and with others, according to talent, time, and interest. Our values and diversity also translate beyond our work: we are all involved in various community based efforts that reflect our particular interests.

At Developers Collaborative we believe a developer has great responsibility. The ways that we intervene in the built environment will affect peoples' lives for a long time. We feel all developers owe it their respective communities to do more than just make a piece of land or building generate the highest short term financial return possible. Serving the community while creating a financially viable development is what we do best, and we see smart growth as a primary vehicle to achieve it.



Founded in 1949, Cianbro is **one of America's largest, employee-owned** construction services companies.

We are currently operating in over 40 states and employing more than 4,000 multi-skilled team members.



Our Capabilities

As a full-service contractor, Cianbro offers a diverse range of preconstruction, construction management, design-build, and self-perform construction services. Supported by decades of diverse experience, deep in-house resources, and the latest technology, Cianbro strives to maximize the potential for cost savings to our clients while maintaining our commitment to quality and safety.

Our Safety Commitment

Cianbro is committed to ensuring the health and safety of our team. This commitment includes our journey to Beyond Zero – creating an environment where our team members go home in better condition than when they arrived at work...

healthier, more educated, and able to influence the people around them.

Diverse Services

- ▶ Preconstruction
- ▶ Construction Management
- ▶ Design-Build & EPCM
- ▶ Self-Perform Construction
 - Civil & Structural
 - Mechanical
 - Electrical
 - Telecommunications
 - Fabrication & Coating

Building Maine

The Cianbro team represents more than 70 years of history and pride of work in the state of Maine. While our projects take us across the country and beyond, we are involved in the fabric of the community of this state and understand the intricacies of designing for our climate and culture.

With an office in Portland, our professionals are local and committed to the development of the Homeless Service Center. We are deeply committed to delivering superior function, increased efficiency, and a comfortable environment. Before, during, and after the project, we will be there when you need us, bringing value through our responsive, diligent efforts.



Ranked 8th in Associated Builders & Contractors' 2020 Top 120 Contractors



Ranked 101st Engineering News-Record's 2020 Top 400 Contractors



Ranked 101st Engineering News-Record's 2020 Top 400 Contractors



Diverse Services

- ▶ Architecture
- ▶ Interior Design
- ▶ Programming & Planning

Our Firm

Established in 1975, **Winton Scott Architects** (WSA) is a design-oriented architectural practice located in Portland, Maine. Our work encompasses a diverse array of project types and scales ranging from multi-block urban developments, to historic renovations, commercial and institutional buildings, and multifamily and single family residences.

WSA has been recognized numerous times for design excellence by the Maine and New England Chapters of the American Institute of Architects, and the United States Green Building Council. In addition, our work has been profiled in national trade journals, local publications, and several books focused on design and architecture.

Our Values

We believe that architecture should be sustainable, adaptable, timeless, and derivative of its context and function. All buildings, even the most modest in scale and budget, can be at once artful, functional, and inspiring if they are rigorously conceived and executed with craft and precision. Each of our designs responds to the specific needs of our clients and the individual character of a particular site and its surrounding context.

Winton Scott Architects is comprised of a staff of five, including four senior architects ranging in experience from 20 to 40 years. The office is organized horizontally with all staff members capable of managing projects from program and design through production of construction documents and construction contract administration. This depth of experience and continuity in staffing have allowed WSA to take on large, complex projects while consistently delivering the highest level of professional services to our clients. The culture of the office is that of an open, creative collaboration of seasoned architects striving for the highest level of design excellence and client satisfaction.



Gorrill Palmer Consulting Engineers is an integrated land development, municipal, and transportation consulting engineering firm based in South Portland, ME. Their principal business includes land development, transportation, and municipal engineering with expertise in land use permitting, design, management, and economics.

Core Services

- ▶ Civil Engineering
- ▶ Land Development
- ▶ Programming & Planning
- ▶ Municipal Engineering



Aceto Landscape Architecture (ALA) is a process-driven, landscape architecture and urban design firm committed to thoughtful, creative intervention at the intersection of environment, economics, art, and culture. ALA was founded on the notion that great design is a product of careful listening, inclusive decision-making, and unrelenting passion for enduring built spaces.

Core Services

- ▶ Landscape Architecture
- ▶ Urban Design

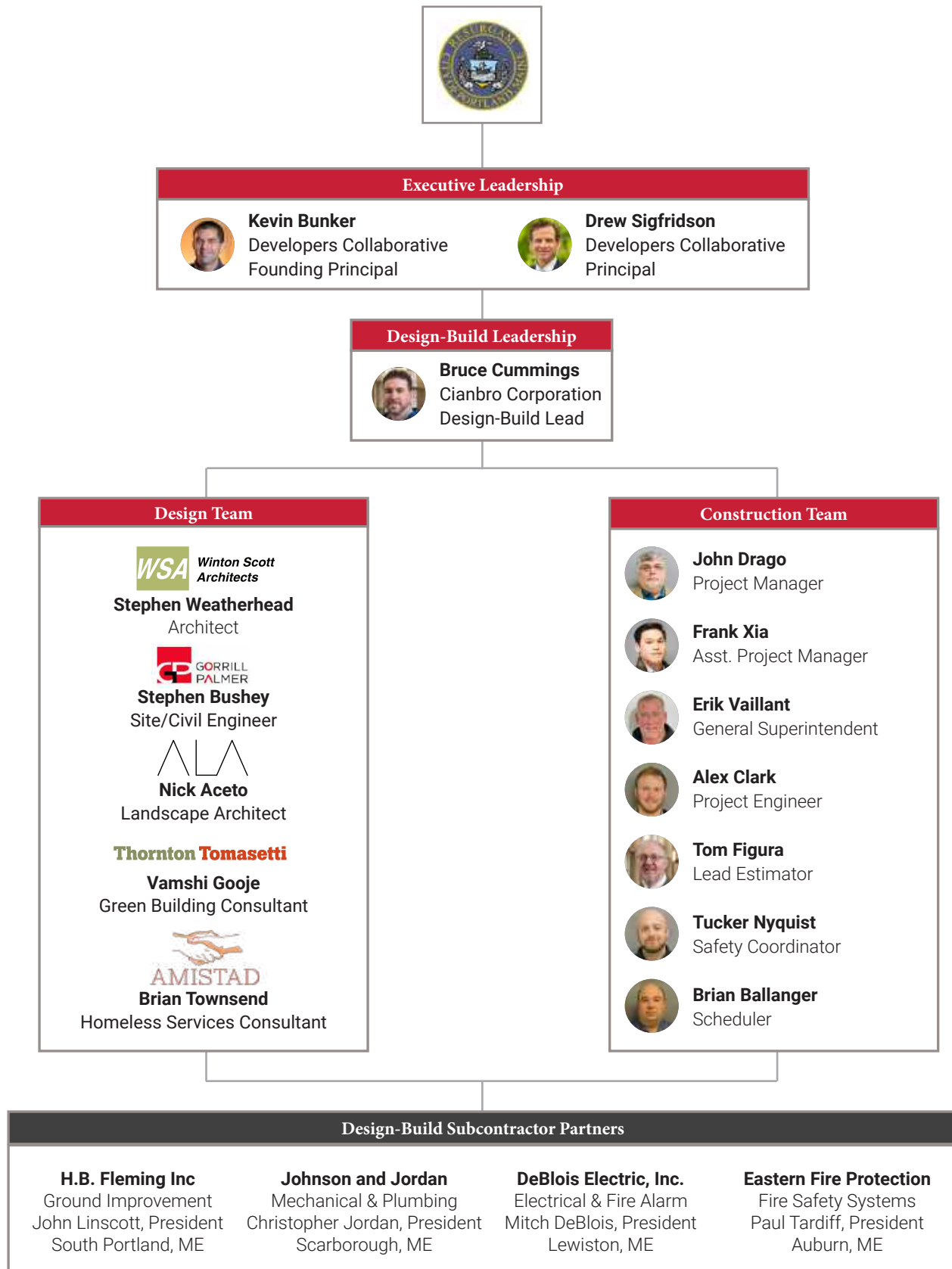


Thornton Tomasetti has been providing sustainability consulting services in Maine since 1995, and opened their first office in Portland in 2004. For more than 25 years, the firm has been involved in the design and revitalization of Portland. Thornton Tomasetti understands how pursue questions to arrive at the smartest solutions for clients.

Core Services

- ▶ Sustainability
- ▶ Building Analytics/Physics
- ▶ Life-Cycle Impacts
- ▶ Airflow Modeling

Organizational Chart





Principal:

Kevin Bunker



A former municipal planner, Kevin is a founding principal of the Developers Collaborative. He brings experience in complex financing models including tax increment financing, use of tax credits, and other public-private partnerships, all leading to creative projects that build community and strengthen the Maine economy in innovative ways. Kevin is a board member of Tedford Housing and former board member of Maine Affordable Housing.

14 years of industry experience | Master in Urban Planning - Harvard University Graduate School of Design

Project & Career Highlights

66 State Street | Developers Collaborative - Portland, ME

The 66 State Street building is a unique adaptive reuse project that is transforming a market rate property into a resource for affordable housing and addiction recovery. Originally intended as a residential condominium conversion, the building became the center of a partnership between Developers Collaborative and the social service providers Amistad and Catholic Charities. Together, these organizations are working together to create transitional housing for women in recovery as well as permanent affordable housing. When complete, the 66 State Street facility will provide a total of 68 affordable housing opportunities to support this vulnerable population.

Reed School | Developers Collaborative - Portland, ME

DC successfully responded to a City RFP to redevelop yet another vacant school structure in the Riverton neighborhood in 2018. Through a stakeholder engagement process, DC created a well received proposal for a mixed-use conversion. The result serves as home to Children's Odyssey - a daycare for children at diverse developmental milestones - and provides eight residential units.



Motherhouse / Stevens Square | Developers Collaborative - Portland, ME

The Motherhouse at Baxter Woods is the first building in the multi-phase redevelopment of the Sisters of Mercy site located in Portland's Deering Center Neighborhood. The building has been redeveloped into 88 apartments for adults 55 years of age and older, with onsite resources such as a library and a Resident Service Coordinator. Further developments on the property include the Stevens Square 55+ community, a series of five four-story buildings with campus amenities including green space and a fitness center.



Crescent Heights | Developers Collaborative - Portland, ME

Located in Portland's historic West End neighborhood next to Maine Medical Center, Crescent Heights is a unique facility specifically designed with the help of student focus groups to provide a balance to the demands of working and learning the medical field. The 11 units house 44 medical students and residents and was Maine's first multi-family LEED Platinum certified building.

Core Responsibilities

- ▶ Prepare capital and operating costs budget.
- ▶ Assist with zoning and development approvals.
- ▶ Support the financial management.
- ▶ Collaborate with the design-build team.

Other Notable Projects

- ▶ Nathan Clifford School - Portland, ME
- ▶ Birch Hill Apartments - Lewiston, ME
- ▶ Osprey Circle - South Portland, ME
- ▶ Village Run - Yarmouth Village, ME



Principal:

Drew Sigfridson



Drew is a Partner and the Managing Director of The Boulos Company, a commercial real estate brokerage and consulting firm with offices in Portland, ME and Portsmouth, NH. He is also Managing Director of CEI-Boulos Capital Management and a Principal and Partner with Kevin Bunker at Developers Collaborative on the proposed Homeless Service Center Project. His dedication to Maine's business and philanthropic communities is reflected in the roles and endeavors he has pursued as a Portland resident for more than two decades. Drew has experience and background in construction and finance and has had a long-term working relationship with the City of Portland.

22 years of industry experience | B.A. - Bowdoin College

Project & Career Highlights

Drew has been an active participant in Maine's business and philanthropic communities through leadership positions with organizations such as the following, among others:

- ▶ Realize!Maine
- ▶ Maine Real Estate and Development Association
- ▶ Maine Commercial Association of Realtors
- ▶ AVESTA Housing
- ▶ Focus Maine
- ▶ Maine & Company
- ▶ Cianbro Corporation
- ▶ Maine Community Foundation - Cumberland County Commission

Social Impact Real Estate Experience

In 2019, Drew co-founded CEI-Boulos Capital Management in a joint venture with Coastal Enterprises, Inc. He remains an active participant as a Board Member and Managing Director of CEI-Boulos. This management company was established to source, underwrite, and invest in significant social impact real estate projects in under-served and under-invested communities throughout the country by taking advantage of investment benefits through Qualified Opportunity Zones. To date, the first fund established through Woodforest National Bank, has invested approximately \$20,000,000 of equity in multiple projects ranging from student housing for a rural college in South Carolina, several affordable housing projects, medical office development for a non-profit institution in Washington D.C., redevelopment of a historic hotel in Selma, AL, among others. In each instance, these projects will have a significant social impact on the local communities.

Professional Affiliations / Accreditations

Maine Real Estate Broker License	Past-President, MEREDA (ME Real Estate & Development Assoc.)
New Hampshire Real Estate Salesperson License	Realtor Magazine's 30 Under 30, 2005
Society of Industrial and Office Realtors (SIOR) certification	Maine Commercial Realtor of the Year, 2006
Maine Commercial Association of Realtors, past president (2007–8)	Board Member, Maine & Co.
Board Member, New England Chapter SIOR	Board Member, Cianbro
Past Board Chair, Avesta Housing	

Community Involvement

Co-Chair, Capital Campaign Committee for Friends School of Portland
Good Medicine Collective, Board Member



Homeless Services Consultant:

Brian Townsend, MS, LCPC

Brian serves as the Executive Director of Amistad - the largest Peer Support- and Recovery-based agency in Maine. He is a licensed Clinical Professional Counselor with nearly two decades of experience in family, community, and recovery support services. Brian's expertise in program and operational requirements will enhance the collaborative development process of the Homeless Service Center.

19 years of industry experience | Master of Science in Community Mental Health / Counseling | LCPC State of Maine

Project & Career Highlights

Executive Director | Amistad, Inc. - Portland, ME

Brian directs the largest peer support and recovery-based agency in Maine, including oversight of the agency's twelve programs throughout the state. Working with agency leadership and the board of directors, the role involves the guidance and delivery of mission-driven programming quality, establishing directions for the agency to follow in seeking to maximize its impact, and ensuring sustainability and adaptability.

ACT Team Leader | Catholic Charities Maine - Portland, ME

Brian briefly joined the support and recovery services team, in order to take part in an effort by the agency to change the culture of the ACT team. In a very short time with the team, Brian worked with agency leadership and with Preble Street, ESAC, and Oxford Street to intentionally connect the team to individuals who are experiencing homelessness, and as such, are faced with significant barriers to effective engagement. This position entailed supervision of social workers, interns, nurses and the team's psychiatrist, as well as significant collaboration with community partners.

Clinical Coordinator and Clinical Team Lead | Community Support Services - Portland, ME

This position entailed supervision of 10 Behavioral Health Home Care Coordinators, including clinical oversight of BHH service delivery to the approximately 300 clients enrolled in the program. It also involved partnership with the Program Director in managing all facets of the program, supporting a recovery oriented service that sought to improve health outcomes, cost effectiveness, and improved consumer-provider partnership for the population served by the program. Brian partnered with two full time Intentional Peer Support workers who served as Peer Navigators. He also served as agency representative with the Long Term Stayers subcommittee of ESAC, the committee initiative to reinstate monthly bus passes for Mainecare recipients, and as advocate for assistance options for asylee seekers.

Other Notable Experience / Training

- ▶ Coordinator, Clinical Intervention Program | Preble Street
- ▶ Case Manager & Crisis Clinician | HowardCenter
- ▶ Clinical Supervisor | Catholic Charities Maine
- ▶ Lead Family Consultant | Family & Community Support Svcs
- ▶ Case Manager | Catholic Charities Maine
- ▶ Teacher & Mental Health Tech | Whisper Ridge Health Center



Architectural Lead:

Stephen W. Weatherhead, RA



With over 32 years of experience in all phases of architectural practice, Steve knows how to effectively manage the design team and consistently produce successful building projects based on the specific needs of his clients. He has managed projects for WSA totaling over \$75M in construction value that have utilized a full range of project delivery methods both in the private and public sectors.

32 years of industry experience | B.Arch - Syracuse University | Licensed Architect - State of Maine

Project & Career Highlights

Crescent Heights | Developers Collaborative - Portland, ME

Located in Portland's historic West End neighborhood next to Maine Medical Center, Crescent Heights is a unique facility specifically designed with the help of student focus groups to provide a balance to the demands of working and learning the medical field. The 11 units house 44 medical students and residents and was Maine's first multi-family LEED Platinum certified building. This smart growth housing solution proved to be best for both users and the neighborhood.

Boys & Girls Clubhouse | Boys & Girls Clubs of Kennebec Valley - Gardiner, ME

This new Boys & Girls Clubhouse, scheduled to break ground in April 2021, includes new instructional and daycare space, a multi-purpose room, cafeteria and kitchen, as well as administrative office space, a teen center, and extensive outdoor play areas and soccer field. The new building will be built on the same site as the current club and located on an existing soccer field.



Family Center & Offices | Youth Alternatives - South Portland, ME

This project combines the renovation of a former dairy barn with a new 28,000 SF addition to create a family center and office space for a local social services agency. The barn has been converted to house meeting rooms, training facilities, a resource library and multi-purpose community spaces. The facility supports delivery of family based services such as counseling, supervised visitations for foster children, and family mediations, while providing access to training and resource materials.



Unity Village | Developers Collaborative - Portland, ME

Unity Village consists of four three-story buildings developed on three city-owned lots in downtown Portland. Designed with neighborhood engagement in mind, the apartments have stoops, porches, and entrances that face the street. Seven apartments at Unity Village are reserved for market-rate rents. Seven other apartments are dedicated as transitional housing for individuals moving out of shelters. The remaining 19 apartments are subsidized for working families and singles, with some units designed to accommodate large families.

Core Responsibilities

- ▶ Overall design support and coordination.
- ▶ Interface with the design-build team and owner.
- ▶ Constructibility and VE support.
- ▶ Budget and preconstruction support.

Other Notable Projects

- ▶ Pearl Place Apartments - Portland, ME
- ▶ Husson University Living Learning Center - Bangor, ME
- ▶ Oak Leaf Terrace - Freeport, ME
- ▶ Brickhill Heights - South Portland, ME



Landscape Architect:

Nick Aceto, PLA, ASLA



Nick is a licensed landscape architect and urbanist to the core, born and raised in Maine where rich coastal New England heritage meets unfettered wilderness. Nick's approach to design stems from his hands-on experience coupled with a deep passion for design. Nick endeavors to approach each project by testing the definition of the built landscape, community, and garden.

16 years of industry experience | Licensed Landscape Architect | Member - Portland Society for Architecture

Project & Career Highlights

The Downs | Crossroads Holdings - Scarborough, ME

ALA has worked collaboratively with Gorrell Palmer Consulting Engineers along with a large team of consultants and stakeholders in developing a master plan for this 500+ acre former harness racing facility. The project was recently granted a TIF agreement based in large part on the attributes ALA visualized in their plans for the proposed Town Center which included a 4 acre community park with music venue, playground, and sport courts.



Cumberland Multi-Gen Neighborhood | Town of Cumberland - Cumberland, ME

ALA worked collaboratively with Kevin Bunker of Developers Collaborative to provide a proposal for a multi-generational community proposed to be located in Cumberland. The proposal included walkable street, various home typologies, a community garden and community center "barn" with village cafe and micro co-op. The proposed concept won unanimous council/staff selection in a competitive RFP process.



Libbystown Visioning | Libbystown Neighborhood Association - Portland, ME

ALA worked closely with the Libbystown Neighborhood Association to provide conceptual design and visuals for an interpretive playscape in Dougherty Field Park in Portland. The project was awarded more than \$130,000 in CDBG funding in 2018.

Hotel Redevelopment | Hotel Aspen - Aspen, CO

ALA continues to play a key role in the planning and design of this landmark hotel redevelopment in downtown Aspen, CO. Our scope includes the design of intimate public amenity spaces as well as a private 'grotto' pool deck and courtyard spaces.

Core Responsibilities

- ▶ Landscape Programming & Planning.
- ▶ Landscape Virtual Design.
- ▶ Landscape Design Documents.
- ▶ Project Coordination.

Other Notable Projects

- ▶ Breckenridge Sustainable Community | Project Workshop
- ▶ Our Town Basalt | Town of Basalt
- ▶ Retreat Center | Orion Community
- ▶ Office Building & Garage | 100 Fore Street, LLC



Civil Engineering: **Steve Bushey, PE**



With over 30 years of experience in Land Development and Municipal projects, Steve directs the preparation and review of preliminary and final design as well as permit applications for numerous civil/site engineering projects. His expertise includes site feasibility/selection, civil/site design, street reconstruction and culvert design, hydraulic and hydrologic analysis, permitting, and public presentations.

30 years of industry experience | B.S. in Civil Engineering | Professional Engineer

Project & Career Highlights

The Downs | Crossroads Holdings - Scarborough, ME

Steve led the community design, master planning and engineering, permitting, and project management for a 500+ acre mixed used development. The planned community included mixed residential, commercial, light industrial, and recreational amenities including a mixed-used center designed at the core of the project.



Mixed-Use Redevelopment | Shipyard Brewing - Portland, ME

Steve managed the repurposing of an existing industrial property for a new mixed-use infill and urban redevelopment project. The urban location and historic use as an industrial property required extensive design considerations for the environmental conditions such as contamination soil and groundwater.

Academic / Office Building & Parking Garage | 100 Fore Street - Portland, ME

Steve and his team led the site design, traffic analysis, permitting, and support the construction phase of this campus style office park. The four-story facility constructed on the property provides offices and parking. The site is surrounded on two sides by tributaries of Long Creek, requiring the development to carefully focus on water quality enhancement.



August Crossing | New England Development - Augusta, ME

Steve managed the permitting and design for this 460,000 SF retail development. The project served to enhance the retail experience in Augusta by adding several major brands to the local area as well as traffic improvements. Granite retaining walls were selected as the focal point for the new turnpike, enhanced by the addition of cedar fencing to screen loading areas

Core Responsibilities

- ▶ Coordinate with the collective team.
- ▶ Prepare the initial civil conceptual design.
- ▶ Civil design development.
- ▶ Ensure permitting requirements are met.

Other Notable Projects

- ▶ Lynnhaven Mall Phase 2 | General Growth Properties
- ▶ Biddleford Crossing | New England Development
- ▶ New Resort | The Cliff House
- ▶ Nashua Landing | New England Development



Sustainability Consultant:

Thornton Tomasetti

Vamshi Gooje, LEED AP, BEMP, CEM

Vamshi joined Thornton Tomasetti in 2004 and is responsible for advising clients on green building strategies and technologies. He has extensive experience in energy analysis and sustainability consulting for a multitude of projects. Vamshi is an expert in building science related to whole building energy, daylighting and thermal comfort and is proficient in energy simulation engines.

21 years of industry experience | M.S. in Building Design | B.S. in Architecture

Project & Career Highlights

Oak Street Lofts | Avesta Housing - Portland, ME

Vamshi led the LEED for Homes Provider and sustainability consulting services for a 37-unit artist-focused housing development that achieved LEED Platinum certification. The building utilizes several green building features such as the use of a solar hot water heating system, high-efficiency condensing boilers, and an air recovery ventilation system that led to roughly a 40 percent improvement over ASHRAE requirements.



Pearl Place I | Avesta Housing - Portland, ME

Vamshi managed the sustainability consulting and LEED for Homes Provider services for a 60,000-square-foot multifamily housing development located on a former brownfield site. Sustainable and energy savings were taken into consideration during every stage of the design and construction. The finished affordable housing complex achieved LEED Gold certification.



Pearl Place II | Avesta Housing - Portland, ME

Vamshi supported the sustainability consulting services for the second phase of the Pearl Place multifamily housing complex. The new buildings were designed with more sustainable strategies to achieve an even higher LEED rating than the first phase, including panelized construction, installation of a solar hot water system, and use of highly efficient heating and ventilation systems.

Village Center | Community Housing of Maine - Brewer, ME

Vamshi supported the Passive House consulting, energy modeling, thermal analysis and structural engineering services for a three-story, affordable housing complex. Sustainable design features include double stud R-40 walls, R-80 roof system, triple pane windows tuned for each orientation and exterior shading. The 48-unit complex was the largest passive house project in North America at the time of completion.

Core Responsibilities

- ▶ Review/analyze energy consumption.
- ▶ Ensure compliance with the Green New Deal.
- ▶ Support third-party sustainability requirements.
- ▶ Support the design and construction teams.

Other Notable Projects

- ▶ Maine Hall | Community Housing of Maine
- ▶ Loring House | Loring House Apartments
- ▶ 83 Middle Street | Community Housing of Maine
- ▶ 58 Boyd Street Apartments | Portland Housing Authority



Design-Build Lead:

Bruce Cummings

CIANBRO

In the role of Design-Build Lead, Bruce will provide close oversight of our design-build team and the overall adherence to the City of Portland's goals for this facility. He leverages a diverse background of logistically complex projects that will allow him to provide insightful guidance to our team as they plan and implement the City Homeless Service Center Project.

19 years of industry experience | A.S. in Electrical Power & Automation – Eastern Maine Community College

Project Highlights

Senior Living Complex | Maine Veterans' Home - Augusta, ME

Cianbro is serving as Construction Manager for a new two-story, 179,000 SF senior living complex. The 138-bed complex consists of four separate buildings dedicated to supporting long-term care, assisted living, transitional care, and memory care. In addition, a village center with shops, rehabilitation center, and patio/outdoor space is also being constructed.



Canopy Hotel | Fathom Companies - Portland, ME

Cianbro is serving as Project Manager for the construction of a six-story, 104,551 SF, 135-guest-room hotel including a fifth-floor restaurant and bar, and a rooftop bar overlooking Casco Bay. The hotel is composed entirely of high-end materials and finishes including millwork, flooring, furnishings, HVAC, lighting and brick exterior with decorative black-framed glazing.

Academic / Office Building & Parking Garage | 100 Fore Street - Portland, ME

Cianbro is managing the construction of a five-story, 277,000 SF structure comprising of 80,000 SF of academic and office space covering two stories above a three-level, concrete parking garage pedestal for 538 vehicles. The project scope includes fitting out one full 40,000 SF floor as academic space for Northeastern University's Roux Institute.



Alfond W2 Ocean Engineering Lab | University of Maine - Orono, ME

Cianbro managed construction of a 13,000 SF addition to the existing Offshore Wind Laboratory, comprising a 9,000 SF wave tank and 3,750 SF of robotics space. The addition is approximately 45-feet high to accommodate the Tunnel Positioning System.

Core Responsibilities

- ▶ Ensure execution of project management practices for Lean, risk management, and performance tracking.
- ▶ Provide oversight for project administration, contract management, payroll, accounts payable, and purchasing.
- ▶ Monitor project costs and execute reporting.

Other Notable Experience

- ▶ Oxford Casino Expansion & New Hotel | Churchill Downs
- ▶ Correctional Center Renovation & Expansion | Maine DOC
- ▶ Corporate Headquarters | WEX
- ▶ Bangor Savings Headquarters | Bangor Savings Bank



Project Manager:

John Drago, PMP

CIANBRO

John has over 30 years of professional experience, including two years of experience with Cianbro working on various projects. John has experience managing both national and international projects. Responsibilities have included developing comprehensive project plans to identify scope, resource usage, risk triggers, and critical task dependencies.

30 years of industry experience | B.S. in Business Project Management | OSHA 10-hour

Project Highlights

Global Corporate Headquarters | WEX - Portland, ME

Cianbro served as Construction Manager for a new 116,000 SF, four-story, mixed-use world headquarters, including collaborative work spaces, a 35,000 SF rooftop lounge, and an expansive curtain wall system on Portland's waterfront. With the building occupying 95% of the project site and two additional significant construction projects only a block away, logistical control was essential to Cianbro's success.



Academic / Office Building & Parking Garage | 100 Fore Street - Portland, ME

Cianbro is managing the construction of a five-story, 277,000 SF structure comprising of 80,000 SF of academic and office space covering two stories above a three-level, concrete parking garage pedestal for 538 vehicles. The project scope includes fitting out one full 40,000 SF floor as academic space for Northeastern University's Roux Institute.



Maine Correctional Center Renovation | State of Maine Department of Corrections - Windham, ME

Cianbro is serving as Construction Manager for the renovation and expansion of the Windham, Maine Correctional Center. Cianbro is working on the existing grounds of the Maine Correctional Center, while facility operations remain fully active throughout the duration of this project.

DLA Consolidated Warehouse | Confidential - Kittery, ME

Cianbro is currently completing a 29,200 SF addition to an existing warehouse. The project consists of constructing a one-story, high-bay steel-framed storage warehouse addition with an insulated pitched metal standing seam roof, set on a reinforced concrete floor slab and foundation. The project includes staging areas, scale, mechanized overhead doors, utility services, fire suppression, fire pumps, alarm and security systems, grounding and lightning protection, anti-terrorism force protection, and related work.

Core Responsibilities

- ▶ Lead all vendor and subcontractor meetings.
- ▶ Bid package and equipment evaluation and procurement.
- ▶ Execute all project-required deliverables and reporting.
- ▶ Oversee compliance with the project budget and schedule.

Other Notable Experience

- ▶ Bangor Savings Headquarters | Bangor Savings Bank
- ▶ Special Project Field Manager | Dimeo
- ▶ Managing Member | Drago General Contracting

Frank Xia: Assistant Project Manager

6 years of industry experience | M.B.A – Boston College | B.S. in Civil Engineering | OSHA 10-Hour



Frank will provide vital support to ensure compliance with best practices from all team members. This focus on both field activities and corresponding documentation will help provide excellent communication and coordination between all stakeholders as the City Homeless Service Center moves forward with careful coordination and documentation. Frank's local projects include Wex Global Headquarters in Portland, and Oxford Casino Expansion & New Hotel in Oxford, ME.

Eric Vaillant: General Superintendent

20 years of industry experience | B.S. in Construction Management | OSHA 30-Hour



Erik is a building industry leader with over 20 years of experience directing multi-million-dollar commercial facilities and site development projects. He has a safety-conscious approach and consistently succeeds in achieving time, budget, and quality goals. Erik is a team-oriented leader whose skills are certain to benefit the City of Portland Homeless Service Center as construction moves forward. In Portland, Eric has been supervising the 104,551 SF Canopy Hotel construction.

Alex Clark: Project Engineer

7 years of industry experience | B.S. in Civil Engineering | OSHA 30-Hour



Alex has over seven years of experience, including two years with Cianbro. He has been responsible for supporting cost controls, schedule adherence, procurement, as well as overall project logistics and subcontractor coordination. Additionally, Alex has experience with producing RFIs and submittals for ongoing construction and quality control purposes. Most recently Alex has supported the construction of the Canopy Hotel and 100 Fore Street, both in Portland.

Tom Figura: Lead Estimator

42 years of industry experience | B.S. in Civil Engineering & Construction Management



Tom and his estimating team play a central role in ensuring that each of our clients are earning the most from their investments in capital expansion and improvement projects. Drawing on his background of experience, Tom will work closely with the collective team to develop estimates for the City Homeless Service Center as well as VE and constructability reviews. Tom has been integral to the Canopy Hotel and 100 Fore Street projects in Portland.

Tucker Nyquist: Safety Coordinator

7 years of industry experience | B.S. in Marine Transportation Operations | OSHA 30-Hour



Tucker has over seven years of professional experience. In his role as Safety Coordinator, Tucker has led the safety effort on some of Cianbro's largest projects for both public and private owners. Tucker is well-respected by our clients, and has proven experience planning and communicating safe work activities and conducting daily inspections of work areas. Tucker's recent local experience includes the Canopy Hotel, 100 Fore Street, and the Maine Veteran's Home in Augusta.

Brian Ballanger: Scheduler

20 years of industry experience | B.S. in Power Engineering Technology | G.E. Project Management | OSHA 10-Hour



Brian has nearly 20 years of professional experience, including 13 years of progressive, hands-on experience managing business-critical initiatives. Brian has expertise in developing and implementing Six Sigma Lean programs for driving significant improvements in service ability, reliability and operating cost efficiency. Brian has driven the schedule development for the Canopy Hotel, the Puritan Test Swab facility in Pittsfield, and the Maine Correctional Center projects.

Community is Our Focus



"A community needs a soul if it is to become a true home for human beings. You, the people must give it this soul." - Pope John Paul II

Our Community Background

Our team has a deep background in housing facility design, ownership, management, and unparalleled experience in local public private partnerships to reach consensus and achieve community goals. As a Maine native, Kevin Bunker of Developers Collaborative (DC) is one of Maine's most respected community developers. **Over the past fifteen years, DC has developed some of Maine's most notable projects, including over 1,100 housing units, nearly 900 of which are affordable housing.** Kevin has received two MEREDA Notable Project awards and many historic preservation awards, having completed far more historic tax credit projects than any other developer in Maine. He also received Portland's Economic Development Award for 2019. Kevin serves on the board of Tedford Housing, a homeless services provider based in his hometown of Brunswick, and DC serves as a development consultant to Preble Street in their various city projects.

In undertaking this work, DC's signature style has been to take on projects often considered too complex for other developers. DC firmly believes that community consensus is possible and that our shared community goals can bring all parties together. Our in-house asset and property management team currently oversees 770 units across 22 different projects in the state, as well as nearly 200,000 square feet of commercial space. Additionally, at the conclusion of this section of our submission, we have listed numerous DC's housing projects. Given the scope of this RFP, we have selected several Portland projects that are illustrative in their complexity, mission, location, or consensus-building aspect. These initiatives include **66 State Street, Stevens Square Campus, Reed School, Nathan Clifford School, and Crescent Heights.**



66 State Street Project

The land and building at 66 State Street had been marketed as a market-rate residential conversion for some time. In fact, when purchased by DC in 2018, it was contemplated to be a market-rate condominium project due to its location.

Social service providers Amistad and Catholic Charities had run successful and essential programs out of this location for decades, notably Amistad's day drop-in center. Still, it appeared that this location would be lost to the gentrifying building boom in Portland. However, **DC decided to switch its business plan and team up with Amistad to magnify conversations around homelessness issues in the City.** Interestingly this same conversation has led to the current RFP at Riverside Street.

The 66 State Street project is a rare example of anti-gentrification and is a prime example of de-concentrating poverty and expanding housing and economic opportunities. The development plan consists of two phases. The first, currently under construction, will be a 38 bed SRO lodging facility for women in recovery. It is funded by historic tax credits, developer debt and equity, inclusionary zoning funds, has a TIF from the City of Portland, and 25 project-based Section 8 vouchers from the HUD and the Maine State Housing Authority. Phase two will a new building constructed in the current parking lot and feature an additional 30 apartments, all permanently affordable, funded by tax credits from MaineHousing, City of Portland HOME funds, and a TIF. Through creativity and public

purpose, this market-rate condominium project has been converted into 68 affordable housing opportunities for women at a stage of their lives where safe housing is a paramount concern and an extremely scarce resource.

Residents within the building will benefit from easy access to multiple community resources. Many of the residents will appreciate being able to walk to neighborhood resources such as grocery stores, the YMCA, places of employment on the peninsula, churches, etc. All residents will be able to utilize the Metro bus system, which has a stop just across State Street and will connect residents to peninsula and off-peninsula destinations. For the population residing within this project, access to treatment and services of various types will be critical to maintaining recovery, stability, and housing. The location of the buildings, combined with the presence and reach of the bus system, creates a reality of almost zero barriers to this level of access.

Each floor will contain common gathering space, cooking areas, bathrooms, and individual units. The project can operate as a single community but also target specific populations on each floor. This design allows for privacy and "a space of their own," yet at the same time promotes accountability, community, and peer support. The project also contains a full commercial kitchen used for job training and larger community meals once concerns around the pandemic are relieved.

Learn more about this project from the Portland Press Herald:

- ▶ <https://www.pressherald.com/2018/09/25/portland-center-for-mentally-ill-displaced-by-building-sale/>
- ▶ <https://www.pressherald.com/2019/07/02/portland-developer-pitches-housing-project-for-homeless-women/>

The project is an adaptive reuse of an existing building but not a rehabilitation project in the housing sense as there are no existing units in the building. The building will be a full rehabilitation, as the brick structure will be retained, but new mechanical, electrical, and plumbing systems will be added. This will include new high-efficiency heating and cooling units running off the existing geothermal wells. The site will be redeveloped as well, including a pocket park in the center of the site, directly outside the proposed community spaces in the lodging house.

The renovated building will be run as a rooming/lodging house and will target some of Portland's most vulnerable individuals for tenancy in its 38 units. The population of the rooming house will be individuals meeting one or more of the following criteria: 1) coming out of recent and/or chronic homelessness; 2) returning to the community from recent incarceration; or 3) in early and sustained recovery from substance use. All or nearly all of the individuals housed in the rooming house will be at or under HUD's extremely low-income definition (30% of AMI). Most rooming house residents will either enter with a documented disability or will receive support in identifying and receiving targeted treatment for a disability once stabilized within this housing unit with its wrap-around supports. Amistad partners with the City of Portland's Health and Human Services teams and functions as an active partner with the City's Long Term Stayers initiative and other efforts to solve homelessness in the community. **This level of collaboration will support the placement of individuals most in need of this specific and valuable version of supportive housing.** As Councilor Ray noted in her blog dated April 7, 2019, this project is specifically designed around the target population; it's not a set-aside in an otherwise affordable or market-rate project.

From the physical design and layout to the partnership between DC and Amistad, the only purpose of this project is to help vulnerable women. In navigating the twists and turns to successful realization, DC has gained a much deeper understanding of the challenges and opportunities of the most vulnerable of our citizens and will bring this understanding to the Riverside Homeless Service Center. Additionally, 66 State Street has been designed to complement the planned coordinated entry aspect of the Services Center, being ready to take referrals from the latter, as the system has been designed.

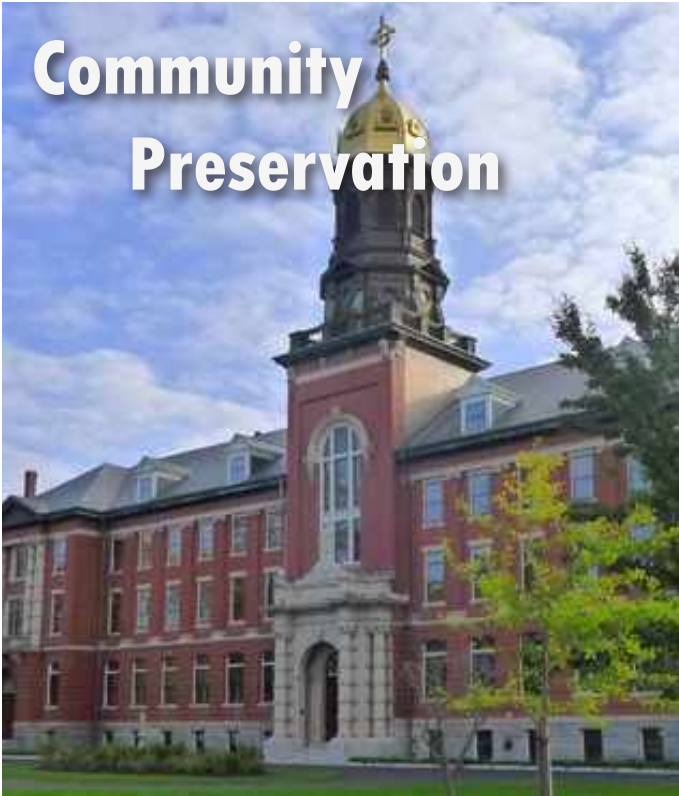
A Team Effort

"There's a great story behind this partnership, which will result in the creation of around 40 units of housing for women experiencing homelessness in Portland. The collaboration between Kevin Bunker and Amistad began outside of the city process to develop a new Homeless Service Center, when Bunker purchased 66 State Street with a plan to develop condominiums there. Understanding that two organizations housed in the building, Amistad and Catholic Charities, would need to relocate, Bunker assured them he would extend their leases until they were able to secure new spaces.

Bunker is no stranger to the issue of homelessness or the need for affordable housing. As a founding principal at Developers Collaborative, he's been involved with multiple projects that mix units of affordable and market rate housing, and since 2017 he's served on the Board of Tedford Housing, a nonprofit focused on "creating pathways from homelessness to home by partnering with people and their communities in Midcoast Maine."

While Bunker considered his plans for 66 State Street, Catholic Charities was able to find new space relatively quickly, but Amistad was having difficulty. After multiple conversations between Bunker and Brian Townsend, the Executive Director of Amistad, Bunker pitched a proposal that would allow Amistad to stay and continue its programming at 66 State Street. Townsend had a different idea. He was pretty certain that Amistad was close to finding space in a nearby building, but he saw a great need in the community to help women experiencing homelessness. While the OSS/HSC is open to people regardless of gender, women sometimes have a more difficult time finding success in the shelter system because there are fewer treatment and recovery resources available for them, and they may face greater vulnerabilities connected to substance use, trauma, and sexual exploitation. Amistad has been working to assist this vulnerable population, but Townsend recognizes that there is still great need for additional resources in the community.

Bunker listened to Townsend's proposal, agreed that housing for women could be a good fit at 66 State Street, and went to work exploring new financing structures to make the project viable. While this collaboration began outside of the city's process, it has evolved into a partnership which brings together Amistad, the City of Portland, [and] Developers Collaborative." - City Councilor Belinda Ray



Stevens Square Campus

The Stevens Square project has been two decades in the making. Seacoast Management, a retirement community developer, had been working with the Sisters of Mercy on a campus redevelopment. They created a master plan for a retirement community in 2009, but the recession derailed it. Fast-forwarding to 2014, DC principal Kevin Bunker, who had partnered with Seacoast on two previously successful projects, became involved. By this time, there was a clear community consensus that someone had to figure out the 140,000 square foot Motherhouse, even as the fate of the larger campus was unknown.

DC was brought on specifically because of their experience with complex, layered financing sources to figure out the Motherhouse, which was both the centerpiece of the campus as well as its most challenging element. DC successfully financed the Motherhouse with seven different sources, all with varying requirements. The Motherhouse opened for occupancy as 88 units of senior housing in November 2018 and has been fully occupied. The Motherhouse has won several awards, including the prestigious MEREDA Notable Project award. However, a statistic that we are most proud of is that we had zero COVID

cases due to a focus on safety and sanitation best practices.

To develop the project, a master plan had to be created, and a zone change adopted. This was completed in the face of a committed neighborhood minority who did not want to see the project move forward. As DC worked on the Motherhouse apartments only (itself a condo unit within a commercial subdivision), the larger project was struggling politically. Stated concerns were typical such as density, traffic, and the like. However, the real emotional core of the resistance was the fear that the developers would close the McAuley School, an on-campus 50,000 square foot building. The reality was far more complex and related more to demographic changes within the Sisters of Mercy and the viability of private single-sex education in a small market. DC was brought in to work with the neighborhood and City Council. As part of that work, DC oversaw changes in the Master Plan that built consensus around a smart growth plan for a total of 249 units of senior housing, a mix of market-rate, affordable, ownership, and rental, with associated amenities.

This process is a good example of DC's willingness to work with diverse stakeholders to achieve a project that meets multiple community goals. When DC entered the picture as a minority partner to Seacoast Management, the project was in disarray. The neighborhood had risen up due to a perception of too much density on-site and fears that the development could be a factor in the possible closing of the McAuley School. DC immediately began neighborhood outreach and implemented compromises from the original redevelopment, limiting the number of units and preserving some athletic fields for school use in perpetuity.

DC also committed to improvements to the public transportation system and to adjacent Baxter Woods, a much-loved green space. These concessions paved the way for a unanimous vote on a zone change that was headed to a 5-4 vote. This allowed the redevelopment of the iconic Motherhouse to proceed, which has opened in recent months and contains 88 apartments, both market-rate and affordable.

The Motherhouse building is a good example of our willingness to work with the municipal and neighborhood stakeholders and our expertise in the technical aspects of complex development. All of this was completed with coordination



from the Sisters of Mercy, who retained an active interest that the site would be redeveloped in a sensitive way that respected the organization's history and protected the Sisters still living on a portion of it, where they remain today.

The Motherhouse had to be designed to the Maine State Housing Authority's standards as well as the National Park Service. TD Bank was the lead tax credit investor for the project, and their financial requirements needed to be met along with those of MSHA and the City of Portland (who provided a HOME loan and a TIF). There are likely not many capital stacks in the state of Maine more complex than that of the Motherhouse.

After the Motherhouse development, DC purchased Seacoast entirely in 2018 and is now the owner of the entire site. The second phase of the redevelopment is Stevens Square condominiums. Thus far, one building containing 20 units has been built. Despite the pandemic, DC was able to complete a high-quality construction project and have sold all but the final unit. Four more buildings with 140 more total units are planned.

Another challenging aspect of the project was the sudden closing of the Maine Girls' Academy. Ultimately, through a consensus building and an understanding of the needs of the community, a three-phase construction project was planned. The first phase was the conversion of 10,000 square feet of classroom space to a 94-child daycare, Growing Learners, and a lease with Blue Wave Basketball, a youth basketball organization. The building also continues to be the home of

the winter farmer's market. Its 480 seat auditorium is currently the home of the Portland Life Center, a church, and is available for community rental and non-profit events.

The next phase includes office, and studio space on the second floor, is finally underway and will be complete in June 2021. It features seven office suites with a variety of tenants, including a speech therapist, massage therapist, media company, and will be DC's headquarters. The hallway will feature work by local artist Molly Maps.

The final phase is perhaps the most exciting and will tie the building and the campus together. Health Coaches at Stevens Square, will open in late 2021 and feature an outdoor fitness patio with state-of-the-art equipment. Finally, Tally's at Stevens Square is a café that will be in the atrium, serving a variety of sandwiches, soups, salads, and drinks in the atrium, the common space for the building. What was once a formerly vacant school at the end of its useful life has now been transformed into an environment where people will come to live, work, and play in a vitally re-purposed asset in the heart of Deering Center.

Overall, the Stevens Square master plan process shows our ability to navigate a complex regulatory and political environment while maintaining a high-quality vision on an extremely prominent in-town Portland site. Its total development costs have been approximately \$35 million and will be over \$100 million upon full buildout.

Community Collaboration



Reed School

Another example of DC's consensus building is in the Reed School project. DC successfully responded to a City RFP to redevelop yet another vacant school structure in the Riverton neighborhood in 2018. The process featured a community seemingly at odds with City staff over redevelopment goals. Numerous physical development and zoning challenges seemed at times to preclude any project at all.

DC first applied with Avesta Housing to develop affordable senior housing on the site. Another team responded similarly when the controversy began. Unlike the Nathan Clifford RFP (see below), the Reed School RFP did not fully capture the neighborhood consensus around the site. While the RFP favored housing among other uses, the neighborhood nearly unanimously felt that the number of units required to complete an affordable housing project was far too many. Amid controversy, the RFP was shelved and subsequently was re-issued a few months later. One team responded much as they had before, simply adding a group facilitation effort to their proposal. DC listened to the neighborhood.

While we believe in affordable housing, being one of the state's largest providers, it is not always the fit for every site nor always politically feasible (much like Nathan Clifford). In this case, it didn't seem to fit. We already felt it was marginal and would require a large amount of City subsidies, as detailed

in our first RFP response. We changed tactics and proposed an educational use in the 1950s main building with a small number (eight) apartments in the original 1920s structure. While we felt we had a more feasible plan, we were surprised by the **immediate change in the tenor of the conversation and the nearly universal neighborhood support** for our proposal.

The first phase became an expansion of Children's Odyssey, an innovative daycare with a 25-year history of successfully caring for children with developmental issues, notably autism, right alongside children without those same issues. They had outgrown their current space yet could not afford to expand. DC used historic tax credits, Brownfield funds, and traditional debt and equity to provide GL the opportunity to own its own space at a fraction of what the 400% physical expansion would have cost. DC partnered with Drew Sigfridson on the project, who is a principal on this proposal as well.

The second phase, eight market-rate apartments, also a partnership with Drew Sigfridson, is under construction now and will be occupied by the fall of 2021.

Learn more about this project and the amazing things that take place:

- ▶ <http://www.childrensodyssey.org/>
- ▶ <https://www.mainebiz.biz/article/developers-collaborative-completes-3m-school-rehab>
- ▶ https://www.youtube.com/watch?v=ig-B1E7_IQA

Community Understanding



Nathan Clifford School

In 2013, DC responded to the City of Portland's RFQ to reuse and redevelop the Nathan Clifford School, proposing 22 market-rate units. The only other respondent proposed a large number of units on the site, which was expressly what the neighborhood had said it did not want to see during an extensive community process. **DC proposed a project that fit within existing zoning, creating large, market-rate units.** Affordable housing would have been entirely unfeasible. DC also offered to pay \$200,000 for the building.

DC's proposal was chosen and we began to engage the neighborhood. Generally, the response was very positive as we had listened to the community (having attended all the meetings). However, we had initially proposed four units in the additional land next to the school and 18 in the building (zoning allowed 22). The one factor our original proposal did not consider was the strong community desire to retain publicly accessible open space such as a playground and park.

In response, we gave the City Council two purchase and sales agreements and said that we would sign either. One was for \$200,000 and was based on the original development plan. The other was for \$1 and included an innovative concept: a public park on the land upon which we had proposed duplexes. We would allow public access in perpetuity and maintain at our own expense. The price reduction was necessary because

even though we moved the other four units inside the building, the rentable square footage did not change. We wanted the City to decide whether the priority should be the purchase price or the park.

The park itself is working very well. It is designed to blend seamlessly into the project and provide a unique gradient of public, semiprivate, and private spaces from the public playground and open space to the private patio and resident community gardens and the building. The relative privacy of the space is signaled through visual cues such as a low unlocked gate as opposed to an actual barrier or off-putting signage. Park users and dog owners have been respectful of the park and have kept it largely clean, while we have maintained it to a high standard without assistance from the City.

The overall development has also been a neighborhood success. **This project created 22 housing units while preserving a community landmark and existing open space within walking distance of downtown.** The unit mix includes one single-bedroom, sixteen two-bedroom, and five three-bedroom units. The units were rented very quickly upon completion and provide a compelling value compared to the higher rents and smaller units found on the peninsula. In 2020, the units were marketed as condominiums, and most have now been sold.

Community Growth



Crescent Heights

DC developed Maine's first LEED Platinum multi-family building in 2010, called Crescent Heights. The City required Maine Medical Center to divest twelve residential properties it had acquired over the years as part of a contract zone for a major expansion. **DC saw a smart growth opportunity to provide housing for medical students near MMC.** However, this could not overtake the neighborhood and overwhelm its capacity to provide affordable rental housing and on-street parking. Crescent Heights, a 44-bed student housing facility, was the answer. Due to strong management skills and correct timing of a competitive bidding climate, the base bid for Crescent Heights delivered a LEED Platinum building at under \$130 per square foot of construction costs, including site work.

Crescent Heights was built primarily for MMC/Tufts medical students. MMC and Tufts gained a major new recruiting tool for their joint MD program, and the neighborhood breathed more easily, with less pressure on the housing market and the transportation system. The project also added over \$3 million to the City's tax base. While there was initial controversy over MMC's plans to expand, **DC's project met with positive consensus not only from the MMC decision-makers, but the West End, St. John, and Parkside neighborhoods as well.**



Developers Collaborative Additional Project Sampling

Project Name	Location	Type	Completion	#Units	SF
Brackett, Ellsworth, Hill Apartments	Portland	Market-rate	2009	7	
Gilman Place	Waterville	Affordable	2010	35	
Birch Hill Apartments	Lewiston	Affordable	2010	20	
Crescent Heights	Portland	Market-rate	2010	44	
Healy Terrace	Lewiston	Affordable	2011	32	
Emery School	Biddeford	Affordable	2012	24	
Hyacinth Place	Westbrook	Affordable	2013	37	
Nathan Clifford Residences	Portland	Market-rate	2014	22	
Osprey Circle	South Portland	Affordable	2014	48	
Webster Point	Orono	Market-rate	2014	14	
Mission Hill Phases I and II	Biddeford	Affordable	2015	50	
River Landing	Topsham	Affordable	2015	36	
St. Ignatius	Sanford	Affordable	2016	66	
Hodgkins School	Augusta	Affordable	2016	47	
Griffin Road Apartments	Scarborough	Market-rate	2016	36	
Plummer School	Falmouth	Affordable	2017	34	
Rosa True	Portland	Affordable	2017	10	
St. Dom's Family Housing	Portland	Affordable	2017	12	
Riverbrook Apartments	South Portland	Market-rate	2017	118	
Motherhouse	Portland	Affordable	2018	88	
Oriole Way	Ellsworth	Affordable	2018	50	
477 Minot Ave.	Auburn	Affordable	2019	36	
St. Francis Phase II	Waterville	Affordable	2019	18	
Summer St Workforce Housing	Gardiner	Affordable	2020	15	
Maple St. Housing	Augusta	Affordable	2020	29	
75 Wight St	Belfast	Affordable	2021	25	
Uplands Phase 1	Scarborough	Affordable	2021	39	
Stevens Square Condominiums	Portland	Market-rate	2021	20	
66 State St. Phase 1	Portland	Affordable	2021	38	
Reed School Phase 2	Portland	Market-rate	2021	8	
Preble Street Healing Arts Center	Portland	Affordable	2021		
Oriole Senior	Ellsworth	Affordable	2022	29	
Uplands Phase 2	Scarborough	Affordable	2022	39	
66 State Street Phase 2	Portland	Affordable	2022	30	
Androscoggin Valley Medical Arts Center	Livermore Falls	Commercial	2012		14,000
Lamb Block	Livermore Falls	Commercial	2012		11,000
135 Walton St.	Portland	Commercial	2015		56,000
34 Spring Hill Road	Saco	Commercial	2019		35,000
Reed School Phase 1	Portland	Commercial	2019		19,000
420 Cumberland Avenue	Portland	Commercial	2020		5,000
Stevens Square Community Center	Portland	Commercial	2021		50,000

Best-in-Class Partners

Developers Collaborative has partnered with some of the best local talent in the industry. Our design, construction, subcontractor, and consultant teams retain extensive experience in their respective disciplines. We have included Amistad and Thornton Tomasetti as our consultants throughout the project. Our design partners include Winton Scott Architects, Gorrill Palmer, and Aceto Landscape Architects. Additionally, the overall design and construction will be managed by Cianbro and supported by several key design-build subcontractors.

Our local partners are dedicated in providing a safe and welcoming environment for the City's homeless population. This team has worked together, and within the City on many initiatives. They understand the requirements necessary to navigate City approvals, permitting, site safety, and site logistics. Below we have highlighted several key projects our partners have completed in the City of Portland. In addition, ***we have developed an appendix (section four) to further highlight and demonstrate their collective experience.*** We are excited to assemble a team of this breadth and expertise to serve the City of Portland.



100 Fore Street



Unity Village Apartments



Oak Street Lofts



Pearl Place Apartments



Canopy Hotel



Libbystown Visioning

2. Project Approach

- a. Vision of Project Goals
- b. Design Approach
- c. Construction Approach
- d. Conceptual Plans
- e. Schedule Overview
- f. Preliminary Project Schedule



The Vision of Project Goals

What constitutes a successful public-private partnership?

Every successful public-private partnership must, by definition, achieve multiple goals. While the partnership comprises two stakeholders in the public and private sectors, additional groups must be represented and integrated into the process. Most importantly, there are City Officials and City Council as well as neighborhood groups, abutters, and other political stakeholders.

Political engagement in Portland is all-encompassing, yet diffuse, passionate, and thoughtful. A team that does not appreciate this reality and has experience navigating its complexities will not be successful. A private sector development team represents themselves along with contractors, designers, lenders, and investors. A transparent, local team ensures that the City knows who they are dealing with during the interview and selection phase as well as the design, construction, and operations.

The Basic Project Goal

How is it possible to have an organizing principle given the disparity of goals in a public-private partnership?

We feel it's helpful to step back and look at what absolutely must happen for the endeavor to be considered a success. While it is critically important to involve our prospective partner in this goal definition, some initial thoughts are below. Once defined and agreed upon, the basic project goal should be non-negotiable.

The City of Portland has decided that the homeless population deserves better than what is currently provided. Thus, one definition of the basic project goal is that the service center should **effectively house and serve the population** for whom it is intended. The center must be large enough and have the functionality necessary for the staff and volunteers to provide the intended services effectively.



It should be designed and constructed with the quality and technical considerations that constitute a state-of-the-art facility. Even more importantly, however, the design should recognize the basic dignity and humanity of its residents.

The facility must be efficiently designed and constructed to be affordable to build, lease, and operate. There will inevitably be some level of repetition and scale to realize particular efficiencies. However, it must also offer a human experience in the design, or the basic project goal will not be met. We imagine this facility, not as a “warehouse for the homeless out by the highway” or a “mega-shelter,” but rather our best foot forward as a community and an expression of our shared values. We propose to imbue this ethic into the entire design, construction process, and its long-term operations.

To achieve our mission, we must implement effective design elements that express these values. The shelter must represent our community values and provide a comfortable and safe location for its visitors. Regardless of the partnership type or project, the human element is a significant consideration. As the development team, we are not viewing this as a build-to-suit government building but as a facility for the long-term needs of an underserved segment of our community.

The facility needs to be warm and welcoming, safe and comfortable, and built-to-last for people who need shelter. While costs are certainly a factor, there are ways to create a cost-effective space and convey a quality of compassion and caring. Our team has tremendous experience working on affordable housing projects and has been involved in housing-first projects. We believe design elements of the interior and exterior of this center will significantly contribute to an environment in which a person in need can feel safe, respected, and valued.

We will facilitate this by including community stakeholders early and continuously. ***This means working with neighbors about the location's specific attributes; working with the City to learn exactly how services will be delivered; working with Amistad as a convener; and working with community groups with local expertise on homelessness.*** Given the history, we understand the associated challenges. We intend to help accelerate this long-awaited project to the next phase. While acknowledging the work that has brought the project to this juncture, we propose helping to lead a team forward to make a measurable positive impact.



An example of this team’s commitment to engaging a broad spectrum of stakeholders and industry specialists can be found in the inclusion of Amistad within the ranks of this project partnership. The causes of homelessness are multiple and complex. The work of identifying models of sheltering and services that demonstrably improve the likelihood that people experiencing homelessness will secure and maintain housing is challenging and ongoing.

Amistad has decades of experience providing a variety of services to those experiencing homelessness in Greater Portland. This experience includes robust engagement with the cross-section of stakeholders upon whom this partnership intends to lean upon throughout the process, including Amistad's direct, meaningful, and supportive involvement in the development of the Homeless Service Center concept, from the earliest discussions through to the present moment.

Their involvement included supporting an independent survey of a large number of people currently experiencing homelessness in the Portland area, which resulted in the availability of data that challenged specific arguments against the model that were being made by entities claiming to speak for the homeless. This proximity to the population and its promise of access to vital, first-hand feedback on the strengths and weaknesses of specific, proposed building and program design features renders Amistad's involvement particularly valuable. Our partnership will utilize Amistad's position within the community for access to broad stakeholder feedback as we identify and develop features that offer the community a best practice-informed Homeless Service Center that meets the complexities of the challenge with collaboration, innovation, experience, and expertise.

In addition to achieving the basic project goal, the facility must be delivered on time and budget. We have outlined some considerations for achieving this. We are very aware of the desire to move this project forward quickly and have made suggestions to potentially "fast-track" the development.

Design Approach

Our team's approach to the design process will be open and inclusive. We recognize that the City Council and the Department of Health & Human Services (HHS) have completed significant work defining the design and operational goals for the new facility. HHS has researched best practices, visiting similar facilities in the region, and reviewed successful approaches in communities across the country.

We intend to build upon this work by bringing together our local design, development, and construction expertise, with the knowledge of City staff and administrators as well as other community leaders who have been dedicated to helping support our homeless population. ***We view ourselves as facilitators, helping to organize and lead the process in collecting stakeholder goals and ideas and then finalizing design development, and proceeding to permitting and approvals.*** We anticipate opportunities to convene community involvement and an open discussion of ideas and goals that will further inform the work that has been done to date. This will ensure that the resulting facility fulfills its promise to better serve some of the most vulnerable members of our community with dignity, safety, and compassion.



In addition to the essential programmatic needs that the facility will support, this project will be one of the first to be constructed under the updated version of Portland's Green Design Code. We see this as an opportunity to create a building with meaningful, sustainable features that keep operating costs down and contribute to a clean environment, all while helping to meet long-term climate change goals. To that end, our design team includes a nationally recognized sustainability consultant that will help guide the process in achieving conformance with the new regulations.

We also recognize that every step in the design phase, including features, materials selections, and systems, will be implemented with cost-efficiency. This allows the design to align with the budget criteria that ultimately will drive the lease arrangement and ongoing operational costs. Therefore, the construction team will be an integral part of the design. They will determine the cost implications of design decisions in real-time and guide the team towards a financially feasible solution.

It is clear that the new Homeless Service Center is urgently needed, and time is of the essence to design and construct the facility as soon as possible. It is equally important that the building is well-conceived and the result of a rigorous design process that has considered the needs of the stakeholders and those that it seeks to serve. We will establish a well-defined design process with ample opportunity to hear all voices, build consensus, and make decisions promptly.

Our value is based on our past experience, our team approach, and our relationships within the community. We have been involved in designing, permitting, and constructing buildings in Portland for decades. We are confident in our ability to finalize a design reflective of our collaborative process. Our team of construction professionals will deliver the project on time and budget. We will build consensus, listen to the community on stakeholders' needs and desires to integrate into the project, and create a center that is warm, welcoming, safe, and built-to-last.

Site Design Considerations

With these goals in mind, we have engaged Nick Aceto from Aceto Landscape Architecture (ALA), whose site design concept for the project incorporates elements from research on other similar facilities around the country, such as The Bridge in Dallas, Texas (see more below). In order to achieve the desired design goals, ALA has incorporated thoughtful human-scale elements such as configuring the entry to extend a "welcome mat," leading guests of the shelter across a colorful, welcoming landscape that provides transitional, flexible space extending from the street to the facility. The idea is to scribe a more legible pedestrian connection between the bus stop and shelter entrance (a metaphor for connection to the broader cityscape). A potential 'open pavilion' concept and/or raised gardens introduce a sense of human-scale elements and opportunity for interaction with the landscape. The broad plaza near the building is envisioned to be durable, yet simple, utilizing inexpensive materials with painted or integrally colored bands that pick up on a consistent color palette weaving the landscape into Winton Scott Architects' proposed building.



We have developed conceptual plans starting on page 42 for your review.

The “loop” around the building will be designed for efficiency both for vehicles and pedestrians and integrate into the entryway and outdoor pavilion area, which links to an outdoor service area. The western flank of the site continues the same language with colored paving, providing an organizational framework for a series of interspersed raised planters and benches. A small lawn surrounds a simple concrete patio space for small gatherings, musical performances, and a safe outdoor space to rest and eat. We anticipate the tree plantings to be minimal with vegetated buffers as appropriate, particularly with adjacent properties. The planting palette could be a reclamation approach with native seed mix and minimal formal planting besides shade and evergreen trees in key locations for shade and buffering.



Incorporating easy-to-maintain yet practical outdoor spaces will be a critical element for the overall project. The lawn area is anticipated to have a slight slope to be comfortable for outdoor sitting. The future development labeled as ‘great meadow’ on the concept plan would also be slightly sloped and planted with grass for easy maintenance, but also to serve as a useful outdoor space.

We also have several ideas to discuss as we move into more detailed design development. While inappropriate to propose before vetting with our municipal partner, we feel they could add purpose and interest to the site and make it a more vibrant place. In particular, we think raised garden beds and an outdoor pavilion are worth a discussion.

Raised garden beds would provide an outdoor activity with a tangible outcome, as food raised could be served meals at the facility. Growing food is a healthy activity providing a tangible sense of pride and achievement. The concerns over possible contaminants in the soil and the site’s long industrial history, however, probably preclude growing directly in the existing soil. Raised beds are still a way to grow edible crops. They are also more age-inclusive, especially if the bed wall is wide enough to allow sitting while gardening.

An outdoor pavilion is an idea that has been used successfully in other settings, such as The Bridge in Dallas, Texas. In this setting, admittedly a warmer location, outdoor space is used in much the same manner as indoor space, in response to the truth that often the homeless population feels more comfortable in less enclosed spaces, even sleeping outdoors.



Initial Building Design Considerations

We recognize the importance of the design process in shaping the facility's final design. However, we also included concept images of the facility and layout to provoke conversation and illustrate some of the thinking we bring to the table as a team. We see the need for this facility to recognize that many people seeking shelter and services have likely experienced significant trauma in their lives and need an environment that mitigates trauma-response behavior and promotes feelings of security, dignity, and safety.

The large site allows for opportunities to create purposeful connections to nature and bring indoor and outdoor spaces together. Inside the building, guiding characteristics include:

- ▶ *Clear sightlines*
- ▶ *High ceilings*
- ▶ *Natural light*
- ▶ *Minimal barriers*
- ▶ *Space that is easy to navigate*
- ▶ *Efforts to reduce perceived crowdedness*
- ▶ *Accessibility*
- ▶ *Designated areas that provide a sense of privacy*
- ▶ *Limited visual complexity*
- ▶ *Visual symmetry*

The building entrance illustrates the intent of the building to be immediately welcoming with clear entrance points for both the Service Center and the onsite health clinic. A large covered porch area provides immediate shelter with places to sit and presents a simple visual element that can be recognized from a distance as one progresses from the street to the front door.

The central arrival and gathering space aspire to illustrate many of the above features. A centrally located entry into a balanced and symmetrical space. A large central skylight and clerestory windows flood the space with natural light that supports a planted living wall element and potted trees. A palate of warm neutral materials balanced by a few colorful elements provides visual calmness, and ample seating provides a sense of welcoming. The space is analogous to the town square, which are clear connections to the day room/cafeteria, sleeping quarters, health clinic, social services, laundry, lockers, etc. The space is the heart of the facility that orients the building's occupants, so they always know where they are and how to get to other parts of the building.

These are just some of the early design concepts our team has begun to orchestrate, and we look forward to more stakeholder involvement in creating the final product.

Construction Approach

Cianbro, being a Lean organization, promotes a Lean culture of continuous improvement aimed at creating more value for the customer while identifying and eliminating project waste. The management philosophy is based on a cooperative approach focused on a common goal: what is best for the project's success is best for the individual team members' success. The project is divided into construction phases, a group of activities, and subcontractors that are interrelated in the completion of a specific segment of the building. Prior to the start of each phase, the Cianbro team, with the input of the project's subject matter experts (designers, subcontractors, material suppliers, equipment suppliers, and end-users), will create a flow of work that ensure the most efficient use of the subcontractors' resources to meet the project goals. The collaborative nature of these meetings instills in the subcontractors a sense of ownership and commitment to the activities' durations, ultimately creating a more reliable workflow.

Site Logistics

The team is prepared to manage the unique challenges presented by the Homeless Service Center site. Perimeter fencing and barricades will be used to create a safe passage for citizens utilizing the Portland Trails network to the Presumpscot River. The construction site will be fully enclosed with fencing and signage to protect the residents from the construction activities. The Cianbro team will develop and maintain an erosion and sediment control program to ensure that the disturbed soils remain onsite and protect against soil infiltration into the Presumpscot River. Construction traffic to the site's entrances will be monitored and controlled to ensure the safe passage of pedestrians and local traffic.

Site Work and Foundations

The Phase II Environmental Site Assessment (ESA) soil borings and monitor wells tests suggest that contamination of existing soils and groundwater does not present a risk to the workers during construction or to individuals of the proposed use of the property. However, it may exceed the Maine legal limits of reuse for other purposes if shipped off-site. Cianbro will develop and maintain a soil management plan to identify contaminants in the soil, the degree of contamination, and the process for handling contaminated soils if they are encountered. By working closely with the site designers and the site subcontractor, the team will work to reuse the site soil, mitigating the amount of soil required to ship off-site and reducing the cost of disposal of the soil.

The Phase II ESA subsurface findings also reveal the building site is generally underlain by uncontrolled fill containing construction debris unsuitable for direct support of spread footing foundations and slab-on-grade construction. We will support the building's foundation by utilizing ground improved with aggregate piers penetrating the uncontrolled fill and terminating the relatively stiff upper crust of the silty clay beneath the fill. The aggregate piers will support conventional footings, foundations, and a concrete slab.

Structure and Envelope

The Murox building system consists of prefabricated insulated steel wall panels. The panels are load-bearing, eliminating columns around the building perimeter and interior vertical bracing, which increases the flexibility of the space. The system includes fabricated structural steel, joists, roof decking, and exterior doors and windows. The prefabricated nature of the Murox systems reduces onsite construction time while offering an outer skin that surpasses the longevity of a tension fabric structure.

Although tension fabric structures can offer a clean appearance and fast construction, we found the current layout, for a northern environment, poses many problems, particularly during winter snow build-ups. The areas between the cafeteria, offices, and adjacent dormitories pose as dead-end corridors with sloped roofs pitching inward, creating a drainage issue between the structures. As currently laid out, snow coming off adjacent roofs will build between the structures, requiring removal. Removal of snow adjacent to a fabric structure will need to be handled very carefully to avoid damage to the structures. With our proposed Murox system, we have consolidated the facility as a whole, eliminating the separation between building components, thus taking advantage of more efficient heating/cooling and security issues. Drainage is handled conventionally at the perimeter of the building, along with internal drainage on the roof. This flat roof design prevents dangerous snow slides, as is the case with most sloped roof structures. The Murox structure offers a hard shell, more resilient to damage from maintenance equipment. We feel that a more durable and less maintenance-intensive solution is better for this particular climate and application, will lead to lower life-cycle costs for the facility, and will provide a better building for the future, when the city acquires it.

Interior Rough-In & Finishes

With the completion of the building envelope, the trades' concentration transitions to the building's interior. Features on the building's interior are designed to offer a durable, low-maintenance solution that enhances the usefulness of the spaces. Concrete masonry walls serve as an indestructible surface in the shower rooms, while impact-resistant wallboard creates a durable surface throughout the rest of the building. Polished concrete floors produce a long-lasting finish throughout the common areas, and welded seam vinyl sheet flooring creates an easy to clean hygienic surface for the day rooms. At the same time, carpeting is utilized in the office areas. Sound batt insulation maintains privacy in the offices, small group areas, and exam rooms.

During the rough-in and finish phases of construction, more than 20 trades will be competing for real estate in the building for material laydown, equipment space, and work area to complete their individual tasks. Tight coordination between trades is required when concurrently scheduling tasks such as floor finishes, ceiling painting, and millwork installation. Maintaining a reliable workflow during these phases of construction is crucial to complete the project successfully. Cianbro's collaborative phase planning approach effortlessly creates a workflow that diminishes conflict and confusion between the trades, allowing for a safe, organized approach to successfully complete the project on budget and on time while maintaining high standards of quality.







SHELTER

RIVERSIDE STREET

- 01. BUS SHELTER
- 02. ACCESS DRIVE
- 03. 'THE WELCOME MAT' (PAVED WALKWAY)
- 04. POTENTIAL OPEN-AIR 'SLEEP PAVILION'
- 05. GUEST/STAFF PARKING
- 06. STAFF PAVILION
- 07. EXISTING COMM. TOWER
- 08. ENTRY PLAZA
- 09. SECURED YARD, GREAT LAWN
- 10. POTENTIAL SECURED EATING/SLEEP PAVILION
- 11. RAISED GARDENS AND BENCHES
- 12. OPEN TERRACE
- 13. BUFFER PLANTING
- 14. STAGE
- 15. READING TREE
- 16. GREAT MEADOW (FUTURE TRANSITIONAL HOUSING)
- 17. PERIMETER EXERCISE TRACK
- 18. PORTLAND TRAILS TRAILHEAD
- 19. SERVICE AND LOADING AREA





Schedule Overview

Preconstruction

There are considerations that we could offer to compress the amount of time needed to construct and open the facility. Due to the fundamental principle that risk must align with control, most development teams would be most comfortable



with a linear approach. By way of example, in a private development project, one would be ill-advised to do detailed and expensive design work without having site control of the property. In this instance, a development team may be reluctant to commit a large amount of time and resources without being assured of the project.

However, with a thorough understanding of the nature of risk and control, it is often possible in a public-private partnership to compress the schedule by breaking the project into different components and allocating risk and control fairly and appropriately. Typically, the pre-development phase of the project might be conceptualized as follows:

- | | |
|---|---|
| 1. <i>Read RFQ responses.</i> | 6. <i>Continue with design, along with periodic cost estimates that inform lease/financial discussions.</i> |
| 2. <i>Select the first choice development team.</i> | 7. <i>After site plan approval, sign the lease and proceed to permitting and construction.</i> |
| 3. <i>Negotiate with the team.</i> | |
| 4. <i>Select team with Council vote and public input.</i> | |
| 5. <i>Proceed to the design phase and planning board.</i> | |

There are many inefficiencies in this approach that all flow from the fact that the development team is on one side of the table, the City on the other, and they only come together at the final step when there is a true contractual relationship. If selected, we propose a concept along the following lines (step 2 above):

- | | |
|--|---|
| 1. <i>Negotiate a limited pre-development consulting agreement with the developer.</i> | <i>to proceed, the developer is compensated for the limited work to date, and both parties separate.</i> |
| 2. <i>Immediately proceed to concept site and building design to submitting a Planning Board application as soon as possible—perhaps well before final terms are finalized with the developer.</i> | 5. <i>Based on seasonality and the City's appetite for risk and public consensus, consider starting ground preparation work before final approvals.</i> |
| 3. <i>City to apply as an applicant to Planning Board with the developer as a co-applicant.</i> | 6. <i>Finish design and permitting and sign the lease, as above.</i> |
| 4. <i>During the Planning Board process, hold a council vote on the choice of developer. If the Council does not choose</i> | 7. <i>Consider applying for a foundation permit before a full building permit.</i> |
| | 8. <i>Proceed to the remainder of construction, as above.</i> |

Taking the opportunity to move linear tasks to a parallel track when possible enables considerable time to be removed from the schedule. Most project delays are not created by construction period overruns but rather at the beginning of the schedule when it seems like there is plenty of time. In the given scenario, where the goal is a safe place for our most vulnerable citizens, we do not have the luxury of delivering the project one day more than is necessary.

The Pre-Development Consulting Agreement

A master lease, joint development agreement, or similar instrument will ultimately document the official relationship with the City and the developer. These instruments are by nature complicated and take time to negotiate. Even when negotiations are very collaborative, the level of detail required in the documents is only evident after a significant amount of the process is complete. Typically, the developer will not have certainty of execution until late in the process, creating an impulse to slow-track the project until more unknowns become known and all parties are comfortable proceeding.

Developers Collaborative (DC) believes in the opposite approach. We have a long track record of stepping into the unknown and committing full-time with energy. We will commit resources to a project even before a final commitment—a strategy made possible by negotiating letters of intent or interim pre-development consulting agreements with our partners. This approach helps us fast-track the project and gives both parties the chance to work together on a trial basis while still moving the project forward.

There are many types of these agreements, but in essence, they are of limited scope and risk for both parties. Many times our partners are investigating a concept and unsure how to proceed and with whom. In these instances, we will perform the feasibility work for a fixed fee and only move to a higher level of engagement if asked.

For this project, much of the feasibility work has been completed, and there is a pre-determined site that has already been acquired. However, there are still many unknown elements that must be vetted out, such as:

- ▶ *What does the final building design look like?*
- ▶ *Can the City afford the lease rate it will take to build the desired facility?*
- ▶ *Can enough consensus among stakeholders be reached to move forward?*

We propose a permitting and pre-development scope that appoints us as the City's authorized agent to seek Planning Board approval for the new facility. As the authorized agent, we will advance the project through the public process, work with the design and construction team, and incorporate constituent stakeholder input along the way to vet out the basic program. We would establish a limited budget to be paid to third parties (civil and environmental engineers, architects, landscape architects, green design consultants, and cost estimation, among others). For example, the Planning Board application would require

civil engineering at least at 75% level of completion. In comparison, architecture need not be more than perhaps 20%. These costs would be initially be paid upfront by the developer. After permitting, the relationship may take one of two basic tracks:

- 1. The parties decide to work together. Upon signing a firm commitment, these costs become the final responsibility of the developer and are incorporated into the project. The developer is not paid a separate fee for pre-development consulting.**
- 2. The parties decide not to work together. If this occurs, the City reimburses the developer for the third-party costs according to the mutually approved pre-development budget and a fee to be negotiated for the developer's consulting work to date. All the work completed is transferred to the City, and they become the owner of the documents.**

As noted, we prefer this suggested process for fast-tracking projects, developing a relationship with our partners and creating a well-informed development approach for all parties. As a result of this proposed process, the development projects we have led are characterized by being built on a rock-solid foundation while being fast-tracked.

Construction

The attached schedule is a living document consisting of the sequenced activities required to complete the project. The schedule was developed with the most current knowledge of the project's construction requirements, the City of Portland's permitting process, and the current availability of materials and labor resources. All of these factors were considered to ensure the creation of the realistic sequencing and duration of activities. This schedule sets a baseline for activity durations and sequencing that, with the collaborative effort of all of the project stakeholders, will be utilized as a tool to refine the project's completion date.



While the schedule is composed of numerous tasks that define and organize the project scope, the team's optimization of the schedule will focus on the critical path (identified as red bars in the schedule), the sequence of activities that represents the longest path through the project, and the only tasks that pose the ability to change the completion date of the project. Activities related to the critical path will change as the schedule is enhanced, and the project team will monitor the critical path throughout the life of the project. Focusing on compressing the duration of the critical path activities, as opposed to pushing the completion date of all the activities, is a surgical approach to shortening the project's overall duration while controlling costs, preserving quality, and maintaining the highest standards of safety.

The project team has identified that the timeline from July 2021 to early February 2022 is a critical duration period with multiple tasks that need to be reduced as much as possible. This period is between the pre-application meeting with the City (projected as 07/13/21) and the start of the concrete foundation work (02/02/22). Placing concrete foundations and slabs

through the winter months creates the additional cost of controlling winter conditions (frost and snow). The team's efforts will be focused on minimizing the duration of the permitting activities as well as the feasibility of obtaining early city approval to proceed with the ground improvements creating an earlier start date for the foundations, reducing the duration of winter conditions and shortening the project's overall completion date.

Following our Lean principles, the construction activities in the schedule have been divided into phases, a group of activities, and subcontractors that are interrelated in the completion of a specific segment of the building. Phase meetings are held before starting specific segments of work with all the subject matter experts to collaboratively identify activity constraints while refining and optimizing the sequences and durations to ensure the earliest start of the following phases. This process develops a more reliable workflow by obtaining the subcontractors' buy-in and accountability to the schedule.

- ▶ ***The City of Portland's permitting process – work together to shorten the permitting time and/or early release of foundation plans***
- ▶ ***Current availability of materials - early release packages***
- ▶ ***Labor resources – Cianbro's subcontractor pool - 70 years, subcontractor loyalty, commitment to their subcontractors***
- ▶ ***Neighbor communication***

The preconstruction team will work diligently with the City of Portland to work through the required programming to achieve the permitting phase in July. Upon submission of the permit, design will continue where we will develop documents that can be issued for construction at the end of August. This will allow the construction team to procure the remaining trades partners, materials, coordinate all mechanical/electrical/plumbing through our Building Information Modeling (BIM) and plan for construction before the permitting process is complete.

Site mobilization will occur in December of 2021 to prepare for the needed ground improvements below the foundations of the building. Construction would commence going vertical with foundations in late February, and while we are waiting for the building steel and envelope from our partner Murox, we will install all under-slab utilities through March. The structure will be completed along with the slab-on-grade in June of 2022, leaving us the interior rough-ins and finishes that will take place from March to Thanksgiving. The site and site landscaping will be complete in the summer of 2022. This will leave enough time for the City of Portland to occupy the building before the winter of 2022-2023.

[illegible]

[illegible]

3. Cost Arrangement

- a. Cost Arrangement
- b. Proposed Terms
- c. Basis of Estimate & Budget
- d. Signature Form

Cost Arrangement to Support the Project

Creativity & Flexibility

We understand that, although we will be the developer and landlord, this is a project for the benefit of the City of Portland as opposed to a private real estate development. We have kept this consideration in mind as we have applied our creativity to come up with some potential structures for conversation. While we may not lay out the exact final version, we do trust and expect that our willingness to negotiate, be creative, and give up deal points for the public goodwill shine through. In partnering with Developers Collaborative, the City of Portland will find that we will work harder and be more creative than anyone in tailoring a financial arrangement and solution matching this project's set of goals. Our company will be engaged, flexible and proactive in responding to the City's needs, and we will be responsive and decisive in negotiating agreements. We are accustomed to creating one-off development structures and hearing our partners say, "I have never seen anything quite like this."

Initial Development Terms

In another section of this proposal, we discussed the Predevelopment Consulting Agreement (PCA) as a way to move the project forward before all factors are known. This approach is also a great way to show off our open-book, financially transparent approach, and build trust right away with a comparatively low level of mutual risk. While we are working under the PCA, we will develop the program alongside the City and additional cost estimates for the project. All subcontractor bids and third-party costs are always available to the City for verification. We will propose a fixed return on total project costs for the lease rate. This protects both tenant (against a windfall profit by the developer) and the landlord (against unbudgeted program changes and time delays by the public process). We are proposing an annual lease rate of 7.6% of total development costs (TDC). We feel this number strikes a fair balance between the requirements of the lender, City, and developer. For the lender, there will need to be appropriate debt service coverage (DSCR), loan-to-cost (LTC), and loan-to-value (LTV) ratios to finance the project. For the developer, there should be a lease rate that respects the time, work, and risk put into the project. For the City, there should not be a windfall profit because a developer takes advantage of the City's desire not to bond for a large building.

Operating Considerations

Ground Lease and Initial Lease Term

We propose an initial 50-year ground lease term from City to the developer with a 25-year NNN leaseback for the facility. Significantly, we would propose no escalator in the rent for 10 years. Escalators are commonplace in commercial real estate and are a source of great profit to owners, whose debt terms are typically fixed for 10 years. Here, we plan to fix the rate, so we propose to pass those savings on to the City.

NNN Structure

In this lease type, the tenant pays for base rent plus all of the operating expenses associated with the property. We are proposing this lease structure since the City will be intimately involved in all aspects of running the facility, and the landlord will not control the expenses first-hand. Furthermore, the City may want the flexibility of self-performing any number of functions. Thus, in our NNN estimates, found below, we tried to only account for those items to be paid to third parties. We have also eliminated a discussion of utility costs at this time, as we need further direction on the design goals of the facility while noting that there is typically a tradeoff between upfront capital expense and life-cycle operating costs. An additional note about capital costs is worth mentioning here. Typically, in NNN lease structures, the roof and structure capital replacements may be the landlord's responsibility. The landlord is presumably maintaining its equity by keeping up the building's capital components over time. In this case, the City will retain ownership of the land, and the expectation is that the City will own the building over time. The landlord is giving up future upside or a sale of the facility to a third party. Thus, it makes sense for the City to be responsible for the costs associated with maintaining the building during their occupancy and contributing towards a capital reserve account for when the City owns the building. All applicable warranties associated with new construction shall be in place upon rent commencement.

TIF

One example of our creativity is a discussion we might have around tax increment financing (TIF). While we have not modeled this in our numbers, we think the City should TIF this parcel today for its own benefit and cost savings. The reason is straightforward. Today, the taxable original assessed value (OAV) is zero. Any improvements by a private party will lead to a large taxable increase (IAV). In this proposal, where the City is the single-tenant and responsible for the cost of real estate taxes under the NNN structure, the taxes, whatever they are, are a pass-through from the landlord's perspective. A TIF will, of course, shield this IAV from increased county taxes, decreased state aid to education, and decreased municipal revenue sharing that would otherwise be a very significant loss of revenue, perhaps in the neighborhood of 50%. With a conservative property tax estimate approaching \$250,000, this would be an annual savings to the City of \$125,000. The TIF payment could be used for debt service on the facility, as specified in the development program, and used as a credit in the NNN lease payment calculation. As described in this scenario, the City, not the developer, realizes the benefit in annual cost savings.

Purchase Options

In this effort, we do not intend to create an asset to hold forever or one that we can advertise on the open market as a "stable government long-term lease" and then sell to the highest bidder. We intend to be a development partner and a steward of the facility during the lease term and collect a fair return while we own the property. We are under no illusions that this project is for our long-term benefit. The long-term benefit of this project is for the City and the community it serves. Thus, we have proposed several purchase options according to a formula that gives the upside to the City, as opposed to the developer.

The first purchase option would be active starting in year 20 through the end of year 25 of the initial 25-year lease term. Thus, we have some predictability that we will have some ownership for a number of years but ultimately want the City to have

control of its destiny on the building. The City would give notice of intent to purchase according to a formula. The formula is key to this creative proposed structure due to the value created for the City.

The formula would be the original TDC less the amortized pay-down amounts under any loans. Thus, the purchase price drops over time. Additionally, we would agree not to re-leverage (borrow more money) against the asset at any time, as is a typical practice for commercial developers/owners. This will protect the City from an artificially high purchase price. By way of illustration, if we have a 25-year amortization schedule on the debt and a 75% loan-to-cost mortgage, the price will only be the remaining 25% equity used to build the building, if purchased at the end of year 25. Meanwhile, the facility has been kept up, invested in, and still has many years of useful life, but is available to the City at a depreciated price.

Refinance events occur at year 10, typically, and are asymmetrical with the amortization term. However, we will agree not to refinance for more than the then-outstanding loan amount, assuring that the purchase price will continue to drop over time until it eventually bottoms out to only the initial equity investment when all the debt is repaid.

If the City does not exercise this first purchase option, we would offer a second purchase option that would kick in at year 10 of a renewed lease term (overall year 35 of the partnership). This would be according to the same formula. If the City renews its lease at the end of year 25 but chooses not to exercise this second purchase option, then the developer would own the building for the full 50 years of the ground lease, at which time all ownership reverts to the City. The only way the land would ever become the property of the landlord would be if the City did not exercise its first purchase option and chooses not to renew its lease after 25 years. If this happens, the landlord will be left with a single-purpose building that will be hard to redevelop for an alternate use and would need the title to the land in order to re-tenant the property.

Obviously, this outline is not the only possible scenario, and we are willing to entertain any and all discussions. We feel the bottom line is:

- The facility development costs will cost what it will cost, given the ultimate program requested and the market at the time of commitment.
- A standard commercial financing assumption allows a fair calculation of rent that protects both the City and developer.
- The City should realize the equity (upside) in the building. The developer is a temporary (if somewhat long-term) intermediary that helps the City build the facility and address the homelessness issue in a cost-effective way, rather than a profiteer that takes advantage of a situation.

We welcome the opportunity to further these conversations and arrive at a creative and well-balanced lease structure with purchase options meeting both parties' needs.

Proposed Term Sheet

Development of Homeless Service Center, Portland, ME

This proposal sets forth the terms of a build-to-suit for the City of Portland's Homeless Service Center located at 654 Riverside Street in Portland, Maine.

Real Estate Development and Lease Terms

Property Address	654 Riverside Street, Portland, Maine
Tenant	City of Portland
Developer/Landlord	Developers Collaborative (Project entity owner to be created upon award of the project).
Premises	Approximately ~ 50,000 +/- SF facility as described in the attached proposal. Developer/landlord shall be responsible for all permits, approvals, land improvements, and building improvements described in the proposal.
Lease Start Date	Lease start date and rent commencement date to be upon substantial completion of landlord's work.
Lease Term	A base lease term of 25 years. Additional City option to renew for an additional 25 years with 15 months notice to the landlord.
Lease Type	NNN lease structure with tenant responsible for all operating expenses for this property, including, but not limited to, real estate taxes, insurance, building maintenance, management, replacement reserves for capital costs based on the useful life of improvements, electricity, stormwater, water, and sewer, grounds maintenance, janitorial, etc. New construction warranties to be in place post-construction for the benefit of the landlord and tenant.
Land Ownership	The landlord anticipates entering into a long-term ground Lease with the City of Portland for the land parcel contemplated in the agreement at the cost of \$1.00. If the tenant does not exercise its option to renew or exercise its first purchase option, then the ownership in the land transitions to the landlord for \$1.00 at least six (6) months prior to the end of the base term. If the City does exercise its option to renew, at the end of the renewal term (50 total years), all improvements become the property of the City.
Landlord's Work	The landlord will work closely with the tenant to design, develop, construct, and furnish a modern Homeless Service Center. The estimated cost of landlord's work is included in the TDC analysis and description of work included herein.

Lease Rate	The initial lease rate will be determined based on a total project return of 7.6%. Based on our current TDC of \$19,226,335, the NNN lease rate would be \$1,470,000/year. This initial lease rate would be fixed for the first ten years of lease payments with <u>no escalator</u>. In year 11, the annual lease payment would increase by a one-time cumulative CPI escalator and then an annual CPI escalation, with a floor of 2% and a ceiling of 3% through lease expiration.
Purchase Options	<u>First Purchase Option during the Initial Lease Term:</u> The tenant shall have an option to purchase the property at any time between twenty (20) years and twenty-five (25) years from the landlord, upon at least eighteen (18) months prior written notice (the "first purchase option"). The purchase price shall be based on the original TDC, less the amount of principal paid down on debt during the lease period. The Landlord intends to target a 75% first mortgage (of TDC) with a 25-year amortization and a ten-year fixed-rate term. Thus, if the rate and terms were fixed during the entire 25-year period, the purchase price would be 25% of the original TDC at year 25 (setting aside interest rate risk at refinancing). Additionally, landlord will agree not to re-leverage the property during this period. Thus, the property's purchase price goes down over time and does not go back up. Only re-financings that do not increase the principal amount of the debt are permitted, meaning eventually the price of the building will only be the initial equity invested once all debt is amortized. <u>Second Purchase Option in the event Tenant exercises its Option to Renew its Lease:</u> Tenant shall have an option at the end of ten additional (10) years to purchase the property according to the same formula by providing at least 18 months prior written notice (the "Second Purchase Option").
Security Deposit	Not required by developer/landlord.
Additional Terms	Additional terms and conditions for the lease to be determined and mutually agreed upon between the parties.

Annual Operating Expenses - Budget Estimate

Homeless Service Center • April 27, 2021



Common Area Maintenance		
	Cost Estimate	Notes
Cleaning		
Window Washing	\$ 1,200.00	Estimated expense.
Waste Removal	\$ 12,000.00	Variable based on waste production and recycling.
Repairs and Maintenance		
R&M Payroll	\$ 7,200.00	Estimate based on commercial building management.
HVAC - Contract	\$ 5,000.00	Estimate based on commercial building management.
HVAC - Repairs	\$ 2,500.00	Estimate based on commercial building management.
Plumbing Repairs	\$ 2,500.00	Estimate based on commercial building management.
Electrical - Repairs	\$ 2,000.00	Estimate based on commercial building management.
Electrical - Supplies	\$ 1,200.00	Estimate based on commercial building management.
Roof Repairs & Maintenance	\$ 1,200.00	Estimate based on commercial building management.
Locks & Keys	\$ 250.00	Estimate based on commercial building management.
Pest Control	\$ 2,400.00	Estimate based on commercial building management.
R & M - General Supplies		
Grounds Maintenance		
Landscaping	\$ 15,000.00	Estimate. Possible for City to Self-Perform.
Snow Removal	\$ 20,000.00	Estimate. Possible for City to Self-Perform.
Parking Lot R & M	\$ 5,000.00	Estimate. Possible for City to Self-Perform,
Grounds - Other	\$ 5,000.00	Estimate. Possible for City to Self-Perform.
Security and Life Safety		
Life Safety - Contract	\$ 8,000.00	estimate based on commercial property management.
Life Safety - Repairs	\$ 2,000.00	estimate based on commercial property management.
Fire Sprinkler	\$ 1,200.00	estimate based on commercial property management.
Additional Security	To be determined based on need	
Property Administrative		
Management Fees	Day-to-day property management by City	
Asset Management Fee (1%)	\$ 14,700.00	Fee to be charged by Landlord for administrative expense (1% of base rent).
CAM Estimate:	\$ 108,350.00	
Insurance		
Property Insurance	\$ 24,000.00	Insurance costs are extremely variable based on specific usage.
		Assumes additional insurance for the operator. This is building coverage and gen liab.
Real Estate		
Real Estate Taxes	\$ 232,100.00	Estimate based on \$200/sf psf valuation and \$23.31 mil rate. Recommend TIF.
Storm Water Assessment	\$ 7,776.00	Estimate based on 115,000 SF impervious and \$6.75/mo for 1200 SF of impervious.
Total RE Tax and Stormwater Estimate:		
Estimated Operating Expenses*:	\$ 372,226.00	

* Excluded items listed above and estimates are not deemed to be actual costs. Actual costs to be determined once building is occupied.

Costs to vary based on how the City decides to administer the property management of the facility. Also, some services may be self-performed by City

Costs of utilities for HVAC, electricity and water and sewer to be paid by the City based on usage.

Costs of cleaning to be determined based on scope of services

Basis of Proposal

We have developed our budget based on parameters outlined in the City of Portland RFP #21041, dated February 25, 2021, along with Addendum No. 1, dated March 2, 2021. We have utilized the RFP for specific building parameters and have chosen to provide a more substantial, hard-walled structure, which can sustain the high traffic expected in this facility. Per the drawings and descriptions provided, we have demonstrated conformance with the current goals. Our approach also recognizes the City of Portland Green Initiative standards now implemented, and we will elaborate on conformance through the following description of these clarifications.

Scope of Work Clarification

A. Design (Structural and MEP's)

1. We have included:
 - a. Design for structural steel, exterior prefabricated bearing wall panels, roof joists, and decking.
 - b. Fire Protection Systems
 - c. Plumbing Systems
 - d. Mechanical and HVAC Systems
 - e. Electrical Power, Lighting Systems and Fire Alarm Systems (With limited Security and Communications)

B. General Conditions and Requirements

1. We recognize necessary management staff during design and preconstruction.
2. Management staff during construction.
3. On-site temporary offices for management staff.
4. Temporary facilities for toilets, power, debris disposal, and required work to manage project construction.
5. City of Portland Building Permit.

C. Special Inspections and Material Testing

1. Special inspection costs for soils, steel, and concrete inspections.
2. Material testing of soil, concrete, steel, and masonry work.

D. Concrete Foundations

1. Concrete building foundations for the perimeter frost walls and footings.
2. Concrete footings for the interior columns.
3. Slab-on-grade, with thickened areas for CMU walls.
4. Perimeter door stoops and landings at the main entrance canopy.
5. All associated sidewalks.

6. Interior equipment and maintenance pads.
7. Exterior equipment pads.
8. Exterior pads for various site amendment buildings.

E. Masonry

1. We have included 6" CMU at all toilet/shower wet and perimeter walls to provide durability and ease of maintenance.
2. CMU walls in the central foyer area separating adjoining office spaces, dormitories, and offices providing fire separation as well as a substantial sound barrier. CMU walls will also provide a durable surface for these high-traffic areas.
3. CMU walls at separation headboards between beds for durability and strength.
4. Metal stud framed walls with GWB in the office areas.
5. Metal stud framed wall with Impact Resistant GWB at high traffic areas and dormitories.

F. Metals (Structural Steel)

1. Our building system includes a pre-fabricated, bearing wall system creating exterior walls with interior, exterior, and insulation value to meet the higher green energy standards. The prefabricated wall provides bearing at the exterior walls, eliminating the need for columns and the costly footings to accommodate them. A simple frost wall system can be utilized for the foundation.
2. The interior columns are topped with structural open web trusses and joists to form the flat, internally drained roof.
3. Metal roof deck tops the open web joists to provide a surface for the roof.
4. The structure includes loading for rooftop-mounted equipment and 30% of roof space for future PV Solar Panels
5. The prefabricated wall panels will be fabricated off-site and be delivered to the project in 10' widths, the full height of the exterior wall. This penalization expedites the erection of the building shell since the panels are pre-finished with an exterior metal siding and pre-insulated.
 - a. The interior of the panels at the exterior walls of the dormitories and cafeteria will be finished in a pre-painted factory-installed siding to provide a durable wall system at these locations.
 - b. Walls at the offices will be prefabricated with sheathing on the exterior to allow for the installation of the air and vapor barrier, insulation, and a brick veneer at the office and front entrance locations.
 - c. The walls also provide an air and vapor barrier within the system.
6. This system provides a substantial structure with durable pre-finished finishes that will be durable and long-lasting.
7. Stairs for the mezzanine locations at the observation platforms on the dormitories.
8. A ladder to access the roof hatch.
9. Misc. metals to provide and support necessary roof openings for roof air handling equipment.

G. Carpentry

1. Necessary wood blocking in walls and roof representative of this type of building.

H. Thermal and Moisture Protection

1. Damproofing at perimeter foundation walls.
2. The roof will be 6" insulation with an EPDM membrane.
3. Air and vapor barrier at the exterior brick walls.
4. Fire stopping.
5. Joint sealing.

I. Doors and Openings

1. Hollow metal frames and pre-finished wood or primed metal doors.
2. Door hardware, with continuous hinges.
3. Coiling grill for kitchen/server area.
4. Aluminum storefront and doors at exterior locations of entrances and cafeteria yard access.
5. 35 card readers, door position switches, 200 credentials, PoE switch, and intercom tie-ins.
6. Windows will be aluminum framed with Low E ½ insulated glass and will be part of the pre-fabricated wall panel system, being delivered to the site within the pre-fabricated panels.
7. Skylight at the main lobby area.
8. Necessary glazing for doors.

J. Finishes

1. Light Gauge Metal Framing and GWB assemblies at the office area and strategic locations in the lobby group rooms and dormitory office areas.
2. Impact-resistant drywall at all areas other than the office walls.
3. Gypsum Wall Board suspended ceilings at the central lobby, toilet and shower areas, and the underside of the mezzanines at the dormitory offices.
4. Mezzanine floors at the dormitory observation platforms will be LGMF with plywood floors and GEB Ceilings at the underside.
5. Ceramic tile walls and floors at the single-use toilet rooms and office area toilet room locations.
6. Sheet vinyl on the kitchen floor with a vinyl base.
7. LVT at mezzanine observation platforms.
8. Tile carpeting at office locations.
9. Polished concrete at the lobby, cafeteria, dormitories toilet cores with a dye to provide a very durable maintenance friendly floor system.
10. Open ceiling spaces to exposed structures have been anticipated at the dormitories, foyer space, and cafeteria (all exposed structure, ductwork, piping, and conduit will be painted to a uniform color.
11. Painting of the CMU will be an epoxy system.

12. Painting of the GWB walls and ceilings will be latex.
13. Door frames and metal doors will receive appropriate paint systems.

K. Specialties

1. Signage for door labeling includes 75 doors for a numbering system.
2. Exterior letter sign for the main entrance.
3. Exterior entrance sign at the main road entry.
4. Toilet compartments and partitions (plastic for durability and maintenance).
5. Toilet Accessories (SS).
6. Fire protection cabinets and fire extinguishers.
7. Plastic lockers for tenant spaces (for durability and strength).
8. Metal lockers for the office area.
9. Benches for the shower room locations.

L. Equipment

1. Allowance for the kitchen equipment (\$200,000).
2. Allowance for the laundry equipment (\$40,000).

M. Furnishings

1. Casework and millwork with countertops for security and general office spaces.
2. Shelving in storage spaces and linen dispensaries.
3. Wood wall caps at dormitory headboard walls.
4. Solid surface window sills.
5. FRP paneled walls in the kitchen.
6. Window shades for window locations.
7. Main entrance Pedi-Mat walk-off mat.
8. Allowance for office furniture, beds, cafeteria furniture, and clinic furniture (\$125,000).

N. Fire Protection

1. Wet pipe sprinkler system distributed throughout the facility.
2. Main valve assemblies and backflow preventer.

O. Plumbing

1. Fixture carriers with wall hung stainless steel lavatories, water closets, and urinals for guest areas.
2. China fixtures at office spaces.
3. Sensor valve fixtures.

4. Janitor sinks.
5. Roof drains and downspouts.
6. Under-slab piping and floor drain with trap primers.
7. Shower stalls.
8. Necessary piping, waste vent piping, roof drain piping, recirculating and tempering valves, commercial laundry connections, wash down hose bibs, exterior hose bibs, gas waste piping, backflow prevention, insulation, and identification necessary for a complete system.
9. Plumbing permit.

P. HVAC Systems

1. Our proposal includes an alternate Mechanical system from that which was outlined in the RFP. The following alternates have been incorporated for a more efficient system considering the following:
 - a. The dormitory and cafeteria/day room areas will be occupied for a high percentage of each day. As each space is a single large zone, it does not allow for exchanging heating or cooling from one area to another.
 - b. The proposed alternate system utilizes high-efficiency heat pump rooftop units for the more open spaces at the cafeteria and dormitory.
 - i. Our proposed system will provide superior circulation, exchanges, and air filtration (especially considering COVID issues) as opposed to a VRV system specified in the RFP.
 - ii. Additionally, this system will accommodate the MERV 13 filter systems to consider COVID issues.
 - iii. These systems also tend to be easier to maintain, especially with less need to access interior spaces for coil and fan maintenance.
 - iv. VRF systems tend to make noise when they switch on and off during operation at the branch selector boxes for VRF systems, so they need to be kept at a distance from sleeping spaces.
 - c. We have utilized the heat recovery VRF system with ERVs in the office area for better individual control.
2. We have also included:
 - a. (6) 20-ton heat recovery VRF rooftop condensers.
 - b. (75) Indoor evaporators.
 - c. (5) 5,000 CFM ERV's.
 - d. Misc. electric heat.
 - e. Ventilation Air VAV's
 - f. Refrigeration piping.
 - g. Condensate piping.
 - h. Attic stock.
 - i. Spare filter allowance.
 - j. Indoor unit supports.
 - k. All sheet metal, duct insulation.

- l. Controls
- m. Rigging, balancing, material handling labor, start-up, warranties, and taxes for a complete operational system.

Q. Electrical

1. Service entrance and utilities including:
 - a. Riser conduits with pull strings, mounting hardware, and fasteners for electrical and communications services to the existing pole indicated in the RFP.
 - b. (2) 5" U.G. conduits and pull strings from the utility pole to transformer pad location indicated in RFP (Estimated 685 LF and includes (2) CMP manholes).
 - c. (4) 4" U.G. conduits with pull strings from the utility pole server room indicated on our plans (communications service if approx. 910 LF, with (3) Quartzite handholds).
 - d. 9'x 9' pre-cast transformer pad to meet CMP requirements (utility transformer to be provided by others).
 - e. CMP CT Metering at the transformer pad location (CMP meter and CT are provided by others).
 - f. 500kva 277/480-volt 3 phase demise generator with 24-hour run bottom-mounted tanks (our GC's include 1,000 Gal off-road diesel for start-up and fill at turn over).
 - g. Pre-Cast generator pad.
 - h. 600 Amp, 277/480-volt 3 phase ATS switch service rated with main utility circuit breaker.
 - i. 600 Amp, 277/480-volt 3 phase main lug only electrical panel.
 - j. 100 Amp 227/480-volt 3 phase main lug only electrical panel.
 - k. 30, 45 & 75 kva 120/208-volt 3 phase main circuit transformers.
 - l. 100 & 150 Amp, 120/208-volt 3 phase main circuit breaker electrical panels.
 - m. 200 Amp, 250-Volt 3 phase fuse disconnect on the load side of the 75 kVa transformer, located in the electrical room near the kitchen.
 - n. 200 Amp, 120/208 volt 3 phase main lug only electrical panel in the kitchen for the equipment electrical requirements.
 - o. Grounding required by code
2. Interior Lighting
 - a. High output LED flat panel lighting in the cafeteria and men's and women's dormitories.
 - b. 2' x 4' LED flat panel troffers in the kitchen.
 - c. 2' x 2' LED flat panel troffer in the remainder of the rooms and offices.
 - d. LED dual head emergency lights to meet safety code.
 - e. LED exit signs to meet safety code.
 - f. System stand-alone lighting controls.
 - g. Dimer and switches as required.
3. Exterior Lighting
 - a. LED building wall packs around the perimeter of the building.

- b. (13) LED site poles lights with 20 ft. poles.
 - c. Lighting contactor, time clock, and photocell for exterior lighting controls.
 - d. U.G. conduit and wiring for exterior pole lights and sign.
 - e. (13) pre-cast light pole bases.
- 4. General Power
 - a. Tamper-resistant duplex receptacles in the cafeteria and dormitories.
 - b. Tamper-resistant GFCI receptacle in the cafeteria and dormitories.
 - c. Tamper-resistant USB duplex receptacles in the dormitories next to beds.
 - d. Hospital-grade duplex receptacles in GFCI receptacles in the exam rooms and lab.
 - e. Duplex receptacles and GFCI receptacles in the remaining areas per code.
 - f. Quad receptacles in the offices and (3) quad receptacles in the server room.
 - g. GFCI receptacles on the building and the mechanical spaces.
 - h. GFCI receptacles for aching machines.
 - i. 30 amp receptacles for the dryers.
 - j. Floor box receptacles with data in the meeting rooms.
- 5. Mechanical Equipment
 - a. Power wiring and means of disconnect for:
 - i. All mechanical rooftop equipment.
 - ii. Fan units.
 - iii. Electric supplemental heat.
 - iv. Hot water heaters.
 - v. Exhaust fans.
- 6. Kitchen Equipment
 - a. Hook up of equipment associated with allowances:
 - i. All kitchen equipment controls to be part of the equipment package.
- 7. Telephone and Data
 - a. Conduit stubs back boxes, mud rings, cables, jack, and faceplates for voice and data locations.
 - b. Back boxes, mud rings, cables, jack, and faceplates for wireless access points.
 - c. Back boxes, mud rings, cables, jack, and faceplates for CATV points.
 - d. (2) 4-post data rack with cable wire manager racks in the server room.
 - e. Testing of voice and data cables at the completion of the project.
 - f. We have excluded:
 - i. All cable tray.
 - ii. Wi-Fi devices.
 - iii. TV's.
 - iv. Routers.

- v. UPS devices.
 - vi. Hubs.
 - vii. All associated equipment required for the complete system (To be provided by others).
- 8. Fire Alarm / Security / Paging
 - a. Complete addressable fire alarm system.
 - b. Fire alarm devices.
 - c. Knox Box at the main entrance.
 - d. Testing and certification of the fire alarm system.
 - e. Conduit stubs, back boxes mud rings, and pull string for security system.
 - f. Conduit stubs, back boxes mud rings, jacks, and cabling for paging speakers.
 - g. Ceiling mounted speakers in common areas and wall speakers in dormitories.
 - h. Paging system to tie into the phone system.
 - i. We have excluded the security, card access, CCTV systems, devices cabling, installation, terminations, testing, certification, and associated equipment (provided by others).
- 9. Temporary Power
 - a. Temporary power, lighting from temporary electrical service pole.
 - b. High-bay lighting in dormitories and cafeteria.
 - c. 100-watt incandescent bulbs with cages for every 250 SF.
 - d. GFCI protected receptacles in the work area.

R. Site Work, Utilities, and Improvements

1. Our proposal includes ground Improvements for the foundation support utilizing Rammed Aggregate Piers (based on soil conditions, this is a requirement identified by the geotechnical engineer).
 - a. A load transfer platform consisting of 12" compacted crushed stone underlain with filter fabric at the perimeter footings.
 - b. 24" of compacted structural fill will be required for the floor slab area that does not require piers.
2. The site includes necessary general conditions to execute the work.
3. Erosion and sediment control and maintenance of the same.
4. Street sweeping and dust control during construction.
5. Traffic control necessary for utility work and tie-ins.
6. Demolition of existing pavements as well as clearing and grubbing.
7. Stripping and stockpiling of topsoil (assume to be an allowance at \$40,000).
8. Site cuts and fills to attain subgrade.
 - a. The existing soil conditions and disposal of such material to a licensed off-site facility could lead to a costly disposal value of greater than \$1.10M dollars. We have anticipated the ability to raise the building elevation and grade of the site such that conditions of cut/fills will be considered balanced, thus avoiding and

eliminating waste oil removal. We have predicated our proposal on the ability to create a balanced site and have not included off-site disposal.

9. Building excavation and backfill.
10. 2" rigid insulation at perimeter foundations 4' vertical and 2' horizontal, below the slabs.
11. Fine grading floor slabs.
12. Sched. 40 PVD Radon piping in the stone layer below the slab.
13. Road subgrades with 12" MDOT Type D and 3" MDOT Type A gravels.
 - a. Pavement areas include 2.5" HMA and 1.5" HMA as well as tack coats.
14. Utility Trench Areas include 18" MDOT Type D and 6" MDOT Type A gravels.
 - a. Pavement areas include 4" HMA and 2" HMA as well as tack coats.
15. Gravel drives.
16. Concrete sidewalks.
17. Trail connection.
18. Concrete pads.
19. Stromata ponds.
20. Loam and seed.
21. Planting beds, rip rap apron, and drip strip.
22. Drainage systems.
23. Water systems.
24. Sewer systems.
25. U.G. electrical system trenching.
26. Fencing.
27. Curbing.
28. Site improvements.

General Exclusions

The following is excluded from our proposal:

1. Escalation for materials, labor, and equipment.
2. Winter conditions or protection costs of any kind.
3. The exterior trash compactor (see original RFP).
4. Continuous on-site resident architect or engineer for the duration of any pre-occupancy period (see Administration section of original RFP).
5. All furniture outside of the listed allowance value.
6. All ledge removal.

Allowances

The following allowances are carried within our proposal:

Strip & Stockpile Loam on Site	\$ 40,000
Entrance Sign	\$ 15,000
Landscaping (Plantings)	\$ 54,500
Site Benches	\$ 10,000
Bike Racks	\$ 2,000
Bus Shelter	\$ 10,000
Smoking Hut	\$ 12,500
Furniture Allowance	\$ 125,000
Laundry Machine Allowance	\$ 40,000
Kitchen Equipment	\$ 200,000

Total Development Costs (TDC) Budget
Homeless Service Center • April 27, 2021



#	Description	Value
Hard Costs		
1	Construction & Site Work	\$17,380,000
2	Additional Furniture	\$200,000
Subtotal – Construction Costs		\$17,580,000
Soft Costs		
3	Architectural/Civil	\$564,000
4	Insurance	\$50,000
5	Landscape Architect	\$20,000
6	Testing/Special Inspections	\$25,000
7	Survey	\$10,000
8	Accounting	\$10,000
9	CMP/Fairpoint	\$30,000
10	Permitting/Inspections - City	\$65,000
11	Legal	\$50,000
12	Construction Taxes	\$30,000
13	Miscellaneous/Overhead	\$15,000
14	Soft Cost Contingency	\$50,000
15	Construction Lender Inspections	\$7,500
16	Loan Fees/Closing Costs	\$110,000
17	Construction Interest	\$359,835
18	Developer Fee	\$250,000
Subtotal – Soft Costs		\$1,646,335
Total		\$19,226,335

PROPOSAL FORM

City Homeless Service Center Project
- Request for Developer/Owner

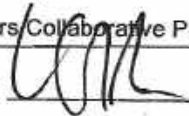
** THIS SHEET MUST BE INCLUDED IN YOUR PROPOSAL **

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, and that no person acting for or employed by the City of Portland is directly or indirectly interested in this proposal or in any anticipated profits which may be derived there from. (**other than as noted; see note below)

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

The bidder acknowledges the receipt of Addenda numbered: 1

COMPANY NAME: Developers Collaborative Predevelopment LLC

AUTHORIZED SIGNATURE: 

DATE: 4/23/21

PRINT NAME & TITLE: Kevin Bunker, Manager

ADDRESS: 100 Commercial St. Suite 414, Portland, ME 04101

E-MAIL ADDRESS: bunker.kevin@gmail.com

PHONE NUMBER: 207-766-1632 FAX NUMBER: n/a

TYPE OF ORGANIZATION - PARTNERSHIP, CORPORATION, INDIVIDUAL, OTHER:
LLC

STATE OF INCORPORATION, IF APPLICABLE: Maine

FEDERAL TAX IDENTIFICATION NUMBER (Required): 27-1402705

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

***Kevin Bunker and Drew Sigfridson intend to form a new single-purpose real estate LLC to serve as long-term developer/owner

4. Appendix: Additional Experience



Scarborough Downs Master Plan & Town Center

Scarborough Downs is the largest master plan currently being implemented in the state of Maine—located fifteen minutes south of Portland and proximate to the highly desirable Higgins Beach. The project includes various public spaces and parks, a trail system, transit-oriented development, a mixed-use town center, stormwater treatment, and a signage plan.





Cumberland Multi-Gen Neighborhood

ALA collaborated with Kevin Bunker of Developers Collaborative on a multi-generational community located in Cumberland. The proposal included walkable street, various home typologies, a community garden, and a community center “barn” with village cafe and micro co-op. The proposed concept won unanimous council/staff selection in a competitive process.





Living Learning Center

Completed in the summer of 2012, this mixed-use facility combining student residences and classroom space for experiential learning is the first of its kind on campus and is intended to reflect the University's renewed commitment to experiential education and student life. The 65,000 SF facility includes residential suites for 250 students on the upper 4 floors and ground floor classroom and faculty office space.

The building is constructed of long-span precast concrete plank floors supported on a steel frame, which allowed for a completely column-free interior and total flexibility for the layout of spaces. The exterior walls are constructed of shop-fabricated panels that were delivered to the site and attached to the steel frame.

The building has many features to enhance sustainability and energy efficiency including low flow plumbing fixtures, waste water heat recapturing, solar domestic hot water system, lighting daylight sensors and high efficiency HVAC systems. The project has been awarded LEED Gold Certification by the USGBC.





Family Center & Offices

This project combines the renovation of a former dairy barn with a new 28,000 SF addition to create a family center and office space for a local social services agency. The barn has been converted into a Family Center that houses meeting rooms, training facilities, a resource library, and multi-purpose community spaces. The facility will support delivery of family-based services such as counseling, supervised visitations for foster children, and family mediations, while providing access to training and resource materials.

The new addition, housing office space and support facilities for a staff of 75, is linked to the barn by a two-story connector that overlooks an exterior courtyard formed between the two wings with easterly views of Long Creek and the City of Portland.

The office wing is sited and designed to maximize the use of natural day lighting and ventilation. The 60' x 170' plan is organized with hard-walled spaces located along the north, east and west leaving the long, south facing facade exposed to the major open office area.





Boys & Girls Clubs of Kennebec Valley

This new Boys & Girls Clubhouse, scheduled to break ground in April 2021, includes new instructional and daycare space, multi-purpose room, cafeteria, and kitchen as well as administrative office space, a teen center, and extensive outdoor play areas and soccer field.

The new building will be built on the same site as the current club and located on an existing soccer field. This allows the club to continue to operate in its existing facility until the new building is complete. Once the new club is operational, the old club will be demolished and a new soccer field built in its place.



Pearl Place Apartments

Location: Portland, Maine
Units: 66 Units
Completed: 2008



Crescent Heights Apartments

Location: Portland, Maine
Units: 44 Beds
Completed: 2010



Unity Village Apartments

Location: Portland, Maine
Units: 33 Units
Completed: 2001



Maine Avenue Building

Maine Avenue LLC, a partnership of Cianbro Development Corporation and Cross Financial Corporation, redeveloped this 45,000 SF building, originally constructed in 1993, and leased the space to the Maine Department of Health and Human Services (DHHS) in 2019. The work consisted of renovating the building, formerly a data center for Bangor Savings Bank, to use as office space meeting DHHS program requirements. Cianbro Corporation performed the construction work on a fast-track schedule in four and half months. This was during the short window of time between the date Bangor Savings bank vacated the Maine Avenue Building and moved into a new 116,500 SF headquarters building Cianbro had just constructed and the date by which DHHS was required to vacate its previous location. Cianbro's team completed building system upgrades, ADA requirements, firewall separations, and other work necessary to meet then-current building code requirements.





Senior Living Center

Cianbro is serving as Construction Manager for a new 180,000 SF senior living complex with 138 residential rooms on a 12-acre campus. The complex consists of three separate two-story buildings (Assisted Living & Transitional Care, Long-Term Care, and Memory Care) connected to a central Community Center. The buildings are conventional steel-framed structures finished with Hardie board siding, cultured stone base accents, and TPO roofing. The living spaces are laid out as clusters of private rooms around a living room, dining room, den, and kitchen. Amenities include patio areas and outdoor space, a rehabilitation pool, gym, multipurpose room, and a village center with retail and personal care outlets. Resident care features include a wander-guard system, nurse call system, and patient lifts.





Sebasticook Valley Hospital

Cianbro managed the construction and rehabilitation of an existing hospital that remained 100% operational during construction. This included 12,000 SF of renovations and 7,800 SF of new construction. Our team provided constructability reviews during the design phase of the project to manage cost and project objectives. We constructed two new intensive care units with adjacent recovery rooms, new nurses' facilities, x-ray rooms, two operating rooms, patient rooms, laboratories, and common areas. As part of the renovations, Cianbro also installed new medical gas and electrical infrastructure.





Facility Additions, Renovations, & Central Utility Plant

The Cianbro | Brasfield & Gorrie team managed the preconstruction process and worked collaboratively with the architect and engineers to ensure a viable project through the schematic design, design development, and finishing with the construction documents/guaranteed maximum price (GMP) estimate. The team managed the entire construction phase as well for this new 25,000 SF patient wing and support area. The project included 6,140 SF of phased renovations with upgrades to existing patient areas. A new central utility plant provides facility support services areas, 25 new patient rooms (each with a full private bathroom), and shell space for future kitchen and dining area. The team also coordinated the phased tie-in of new utility services for new and existing power requirements along with fire protection needs.





Dining Hall Renovations & Addition

Cianbro renovated an existing dining facility and constructed a 12,000 SF addition on the Maine Central Institute (MCI) campus. The team managed the overall design and construction, which included demolishing existing exterior walls, placing cast-in-place concrete foundations and slabs, erecting the steel-framed structure, insulating the foundation, installing all pre-manufactured wall panels and trusses. Cianbro performed interior and exterior carpentry and installed all ice and water shields and shingles, roofing, electrical and data cabling. An 800-amp electrical service entrance was upgraded. Cianbro installed architectural landscaping blocks, and fabricated and supplied the steel beams, columns, and patio hand rails.





100 Fore Street

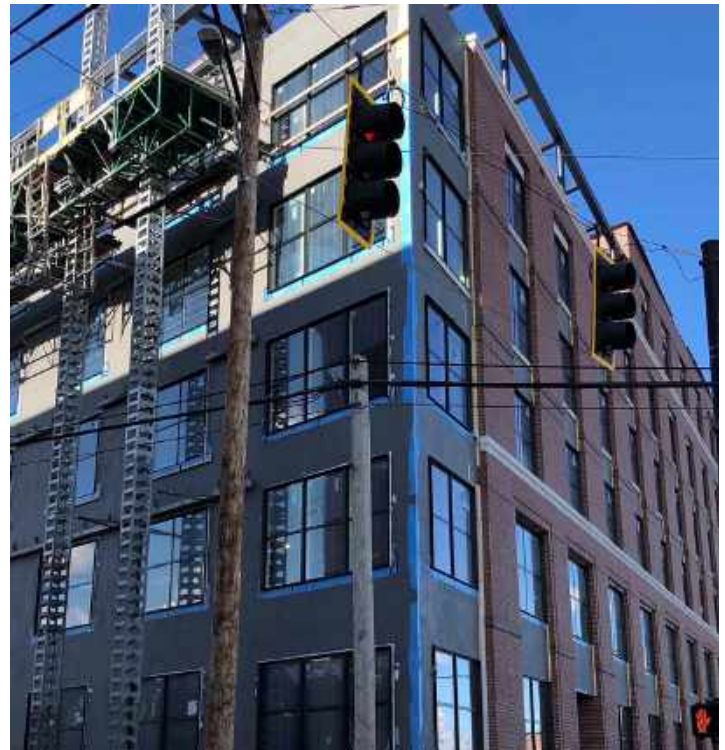
Cianbro served as Construction Manager for a new 116,000 SF, four-story mixed-use world headquarters, with a 19,000 SF roof deck overlooking Casco Bay for WEX Inc., a rapidly expanding provider of payment processing and information management services. The project encompassed H-piles, 5,000 SF of retail space, utility relocations, structural steel erection, concrete foundations, exterior sheathing (curtain wall systems), gym, cafe, bike storage, roof patio, and the MEP infrastructure to drive it all.





Canopy Hotel

Cianbro is overseeing the ground-up construction of Fathom Companies' new six-story, 105,000 SF hotel in the historic Old Port neighborhood of downtown Portland, ME. In addition to 135 guest rooms, the hotel will feature a fifth-floor restaurant and retail space as well as an indoor/outdoor rooftop restaurant and bar overlooking Casco Bay. Additionally, the hotel will include a range of meeting and function space. The design features high-end finishes throughout the new facility, including millwork, flooring, furnishings, and lighting, plus brick exterior with decorative black-framed glazing. As the construction is taking place at a major intersection, logistics and site control have been paramount to the ongoing project's success.





Office Building & Pedestal Parking Garage

Cianbro is managing the construction of a five-story, 276,564 SF pedestal garage comprising 84,000 SF of office space covering two stories above three levels of structured parking for up to 518 vehicles. The team is responsible for demolishing the existing building, performing excavations for the new building foundations in soil classified as “urban fill”, installing 415 LF of sheet pile and 1,400 stone aggregate piles, installing spread footings and foundation walls, and erecting 1,500 tons of structural steel, placing 535 pieces of precast concrete planks for the elevated parking level, installing 2,000 LF of curtain wall system to encompass the office levels of the overall building.





Developers Collaborative

developerscollaborative.com | 207.766.1632



MEMORANDUM

TO: Portland City Council; Mayor Snyder

FROM: Danielle West, Corporation Counsel

DATE: May 28, 2021

RE: Impact of Emergency Shelter Referendum on New Emergency Shelter Proposals

There is currently a referendum petition circulating for signatures that would change certain conditional use approval criteria for emergency shelters in the City's Land Use Code, including limiting the size of emergency shelters in Portland. Specifically, the petition would:

- Require adequate space for all basic shelter operations, and removes the specific requirement for providing space for security searches.
- Remove the requirement for providing a centralized office on each level providing sight lines to sleeping areas.
- Remove the requirement to be within ¼ mile of a METRO line.
- Require that the facility be open 24 hours per day.
- Provide that, except for family and domestic violence shelters, the emergency shelter may serve no more than 50 people at a time.

The petition asserts that "the effective date of the proposed amendments . . . shall be April 20, 2021." There is some question whether that effective date will be valid, given the conflicts in language between Section 11 of the City Charter and the provisions of Chapter 9.

Regardless of whether the April effective date is valid, under state statute, it cannot act to reverse any final decision that is reached 45 days prior to passage. 30-A M.R.S. § 3007(6) states, "A municipality may not nullify or amend a municipal land use permit by a subsequent enactment, amendment or repeal of a local ordinance after a period of 45 days has passed after: A. The permit has received its lawful final approval; and B. If required, a public hearing was held on the permit." Thus, any emergency shelter that receives conditional use approval at least 45 days before the vote on the referendum (if any) will not be impacted by that referendum.



CITY OF PORTLAND
Housing and Economic Development Department
Housing and Community Development Division

TO: Councilor Thibodeau, Chair
Members of the Housing and Economic Development Committee

FROM: Mary Davis, Division Director
Victoria Volent, Housing Program Manager
Housing and Community Development Division

DATE: May 28, 2021

SUBJECT: Public Hearing and Vote on Selection of Developer Proposals to Construct Affordable Housing Projects on City-owned Property at 622 Auburn Street and 0 Gray Road, Falmouth and to Authorize Staff to Begin Negotiations on a Purchase and Sale Agreement

Introduction

A public hearing is scheduled for the June 1, 2021 Housing and Economic Development Committee meeting to discuss and vote to on the selection of proposals to construct affordable housing on City-owned property located at 622 Auburn Street and 0 Gray Road, Falmouth and to authorize staff to begin negotiations on a Purchase and Sale Agreement.

On November 17, 2020, the Economic Development Committee voted to authorize staff to move forward and advertise a Request for Proposals for the sale of City property located at 622 Auburn Street and 0 Gray Road, Falmouth for affordable housing development. The RFP was issued on March 2, 2021 and responses were due by May 2, 2021. Three development proposals were received. This memo highlights the key points from each proposal as it applies to the three City-owned properties.

A public notice of the June 1st Housing and Economic Development Committee meeting was sent to Portland abutters within 500 feet of the property on May 25.

622 Auburn Street, Portland and 0 Gray Road, Falmouth

Three proposals were received for the disposition and development of the subject property. A review of each of the proposals follows. A copy of each proposal is attached.

Review Committee Scoring Matrix - RFP #21042

Selection Criteria/Value	Habitat for Humanity of Greater Portland	Maine Cooperative Development Partners	Great Falls Construction
Proposed use to achieve the City's goals (Assigned Weight: 40)	32.5	36.3	7.5
Impact on surrounding neighborhood, including design (Assigned Weight: 25)	25.0	20	3.8
Applicant's ability to complete project, including financial feasibility, development team experience, capacity, and timeframe for completion (Assigned Weight: 35)	32.5	29.8	14
TOTALS	90	86.1	25.3

Habitat for Humanity of Greater Portland (HHGP)

Habitat for Humanity of Greater Portland is proposing to develop a 12 lot subdivision, each lot containing a single family home. The homes would contain between two and four bedrooms, 1.5 and 2 bathrooms and will range in size from 1,000 square feet to 1,500 square feet. The homes would be built in compliance with the City's Green Building Ordinance.

In conformance with City goals, all the homes would be affordable to households at or below 80% of the area median income (AMI). The financing model for the homes includes a purchase price equal to the appraised value. Financing would be provided through a first and second mortgage. The first mortgage is held by a local financial institution and is set so the monthly principal, interest, taxes and insurance plus a \$50 property maintenance reserve would not exceed 30% of the homeowner's income. The second mortgage is taken by HHGP for the difference between the sales price/appraised value and the amount of the first mortgage. No payment is required on the second mortgage until the home is sold. Examples of this financing model can be found on page 4 of the HHGP proposal.

One issue of concern raised by the Review Committee is that the HHGP proposal does not include long term affordability in accordance with City goals outlined in the RFP. HHGP addresses this issue on pages 8 and 9 of their proposal.

The Review Committee did note the HHGP proposal would promote efficient use of land that is compatible with the surrounding neighborhood through its moderate scale of residential density and lot intensity that would complement the proposed scale of development intensity for 165 Lambert Street.

HHGP would not require any City subsidy to complete this project. HHGP estimates a 5-year timetable to complete this project.

HHGP's initial assessment of the 0 Gray Road, Falmouth parcel indicates the parcel is undevelopable due to wetlands. If further investigation supports this initial assessment, HHGP would place a conservation easement on the site that would allow public access to the extent appropriate.

Maine Cooperative Development Partners (MCDP)

The Maine Cooperative Development Partners proposal is intended to build upon their project currently being designed at 165 Lambert Street, which is located across Washington Avenue Extension from the 622 Auburn Street site. Their proposed project would provide a mix of up to 48 one, two and three bedroom affordable limited equity cooperative units. Ownership shares would be affordable to households earning between 80% and 100% AMI following the City goals outlined in the RFP.

The proposal indicates their project would be financed with a HUD Section 213 loan. The developers would also seek an Affordable Housing Tax Increment Financing District and Credit Enhancement Agreement (75% for 30 years) to help to make the units affordable at 80% to 100% AMI. Resale restrictions would be consistent with the Maine limited equity cooperative statute and would result in a co-op purchase price or carrying charges affordable to households at 100% AMI. MCDP estimates about a 4-year completion timetable.

The Review Committee expressed concern about the location of the proposed parking for the project and the impact on site design and compatibility with the surrounding neighborhood.

Preliminary review by the MCDP team indicates the majority of the 0 Gray Road, Falmouth parcel is undevelopable and therefore no housing would be developed on this site. The MCDP team would preserve this parcel as open space.

Great Falls Construction (GFC)

Great Falls Construction noted they would design, build and sell and/or lease homes for mixed income families. The proposal includes a commitment for the site to be a workforce development site for training of skilled labor workers with an on-site trainer and manager along with an instructor who would teach both in the classroom and in the field.

While the Review Team found the training concept intriguing it also found the proposal difficult to score as it did not contain specifics on the number, type or affordability of the units. City goals regarding restrictions or terms on the affordability of the units, site design, rezoning requests, age restrictions, or City financing requests were not addressed.

Staff Recommendation

Based upon outcome of the Review Committee's scoring, Habitat for Humanity of Greater Portland had the highest scoring proposal. Additionally, there is interest from a Falmouth business owner, with property that abuts the Falmouth portion of the city-owned property, to acquire a small portion of the city site.

Staff is seeking a recommendation from the Housing and Economic Development Committee to:

- (1) Begin negotiations with HHGP for the development of City-owned property at 622 Auburn Street, Portland and 0 Gray Road, Falmouth; and
- (2) Investigate the possible sale of a small portion of property which would not adversely impact any affordable housing project.

Attachments:

Matrix of RFPs

Habitat for Humanity of Greater Portland Proposal

Maine Cooperative Development Partners Proposal

Great Falls Construction Proposal

2021 HUD Portland Metro Area Median Income Limits

Response Matrix - RFP# 21042 622 Auburn Street and 0 Gray Road, Falmouth

Developer	Habitat for Humanity	Maine Cooperative Development Partners Lambert Woods II	Great Falls Construction
Project	12 lot subdivision of 2-4 bdrm single family homes at 80% AMI	48 units of one, two and three bedroom limited equity cooperatives affordable at 80 to 100% AMI	Rental and homeownership units at 60% to 120% AMI
Type	single family homes	4 townhouses/4 condos/2 live/work bldgs	Rental/Homeownership
Zone change	Yes (R-3)	Yes (R-3)	possibility
Efficiency	0	0	TBD
One-bedroom	0	16 (spread-out within apts and 3-story bldg)	TBD
Two-bedroom	TBD	16 (spread-out within townhouses and 3- story bldg)	TBD
Three-bedroom	TBD	16 (in townhouses)	TBD
60% AMI	0	0	TBD
80% AMI	12	4 one-bdrm; 4 two-bdrm; 4 three-bdrm	TBD
100% AMI	0	12 one-bdrm; 12 two-bdrm; 12 three-bdrm	TBD
120% AMI	0	0	TBD
Future affordability restrictions	No	Yes	TBD
Subsidy request	No	Yes	No
Land	\$1 purchase price	\$1 purchase price	\$75,000 for both lots
AHTIF	No	Yes	No
Construction Start	Jun-23	Spring 2023	TBD
Completion	Nov-26	Winter 2024	TBD
Development Budget	\$758,100	\$15,040,801	TBD

PROPOSAL

NOTE: THIS PAGE IS TO BE COMPLETED AND RETURNED

The UNDERSIGNED hereby declares that he/she or they are the only person(s), firm or corporation interested in this proposal as principal, which 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 proposer acknowledges the receipt of Addenda numbered #1 & #2
If Applicable

COMPANY NAME: Habitat For Humanity / Greater Portland, Inc.

(Individual, Partnership, Corporation, Joint Venture)

AUTHORIZED SIGNATURE: Chad Mullin DATE: 05/03/2021

(Officer, Authorized Individual or Owner)

PRINT NAME & TITLE: Chad Mullin/Construction Manager

ADDRESS: 659 Warren Avenue, Portland, ME 04103

TELEPHONE: (207) 772-2151 E-MAIL: chad@habitatme.org

FEDERAL TAX ID #: 22-2570213 DUNS #: 802633722

STATE OF INCORPORATION _____

(If incorporated in another State, businesses must be authorized to do business in the State of Maine.)

In your organizations preceding completed fiscal year, did the organization receive:

(1) 80 percent or more of its annual gross revenues in U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements; AND

(2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements? ☐ Yes ☒ No

Does the public have access to information about the compensation of the executives in the organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (18 U.S.C. 78m(a), 78o(d) or section 6104 of the Internal Revenue Code of 1986? ☒ Yes ☐ No

NOTE: All bids must bear the handwritten signature of a duly authorized member or employee of the organization making the bid. **This sheet must be signed and returned with the application package.**

**Request for Proposals for Disposition and Development of City-Owned Property
Located at 622 Auburn Street, Portland and 0 Gray Road, Falmouth
RFP #21042**

A) Developer

Habitat for Humanity of Greater Portland
659 Warren Avenue
Portland, ME 04103
Office: (207) 772-2151

Contact:
John Shumadine – Interim Executive Director
john@habitatme.org

or

Chad Mullin – Construction Manager
Chad@habitatme.org

About Habitat for Humanity of Greater Portland

Habitat for Humanity of Greater Portland (Habitat) is a non-profit organization that builds communities of new energy efficient homes, with affordable financing. We are an independent affiliate of Habitat for Humanity International, a global, nonprofit housing organization. The mission of Habitat for Humanity is: “Seeking to put God’s love into action, Habitat for Humanity brings people together to build homes, communities, and hope.”

Founded in 1985, Habitat is not only committed to the construction of houses, but also to the development and uplifting of families and communities. Habitat has built 91 homes in Cumberland County Maine since its founding and has donated over \$500,000 to help build homes for more than 170 families around the world.

Habitat’s homeowner selection is done in a manner that does not discriminate based on race, color, religion, sex, sexual orientation, national origin, ancestry, age, physical or mental disability, or familial status.

Each applicant for Habitat housing is individually reviewed by the Family Services Committee (a volunteer committee of HFHGP) and Habitat staff based on the criteria listed below:

Demonstrated Ability to Afford a Subsidized Mortgage:

Habitat is committed to providing affordable housing. As a result, household income is restricted to 80% or less of the Cumberland County Median Income. Habitat uses figures published by HUD to determine the Cumberland County Median Income. Those numbers vary by family size and are updated every year.

In addition to meeting the income restriction, prospective homeowners must demonstrate the ability to afford a Habitat housing payment that includes principal & interest, taxes, homeowner insurance, repair fund and, when required, an association fee. As discussed in more detail below, Habitat has structured its program to limit these monthly housing costs 30% of the homeowner's income.

Demonstrated Need for Housing:

Prospective homeowners must demonstrate a need for a Habitat home, including one or more of the following:

- Living in overcrowded conditions or unsafe environments.
- Living with relatives, friends or in other temporary housing.
- Having a high monthly housing expense.
- Needing accessibility features for a household member.
- Unable to qualify for a conventional mortgage.

Willingness to Collaborate:

Prospective homeowners must show a willingness, and evidence of ability, to collaborate with Habitat in the construction of their home. They must also be willing to be ambassadors of the mission of Habitat for Humanity in the communities served by Habitat. Habitat home buyers are required to invest a minimum of 275 hours of "sweat equity" prior to purchasing a house. That sweat equity includes 1) volunteering on build projects or in Habitat's ReStore, 2) a financial education requirement in order to start the process of teaching our homeowners about the financial rewards and burdens of homeownership and (3) a community service requirement within the community where the home is located (such as at local food pantries or libraries) in order to begin the process of integration of our homeowners into their new community.

As members of the Habitat community, Habitat home buyers must also demonstrate an ability and willingness to be respectful neighbors and responsible homeowners, maintaining their home and property in good order and appearance.

B) Proposal

Habitat has retained Acorn Engineering to do the initial evaluation of this project. Habitat proposes to develop the parcel located at 622 Auburn Street in Portland into a 12-lot subdivision. Each lot will contain one freestanding single-family house. See Attachment A.

This proposal would require Habitat to pursue a zone change, to R-3, for the parcel located at 622 Auburn Street, to reduce the lot size from 10,000 sq/ft to 6,500 sq/ft per lot.

Additionally, the proposed concept design would require Habitat to receive waivers on two technical manual items, with the understanding that emergency vehicles will still have space to traverse the road as designed. These two items are:

1. Section 1.3 – Horizontal Alignment of Streets
 - Centerline of access road has a radius of 58' which is less than the required 110'.
2. Section 3.5 – Standards for Emergency Access Lanes and Gates
 - An outside turning radius of 100' is required, the design is proposing an outside turning radius of 70'.

The twelve single-family homes within this subdivision will be between 2 and 4 bedrooms, 1.5 and 2 bathrooms, based on the needs of selected homeowners. Houses will range in size from 1000sq/ft to 1500 sq/ft and will be built to exceed current energy star certification standards, and in compliance with the City of Portland's Green Building Code. See Attachment B.

Houses built by Habitat use all electric heat and appliances and will not require the installation of oil, natural gas, or propane boilers. This allows for cooling as well as heating. In addition, Habitat constructs extremely energy efficient homes, leading to relatively low heating and cooling costs.

Acorn Engineering's preliminary evaluation of the parcel located at 0 Gray Road in Falmouth indicates that that parcel is undevelopable due to an abundance of wetlands of special significance and the presence of a stream running diagonally across the parcel. Habitat reserves the right to develop that parcel should a full investigation reveal that it is possible to develop it. However, in the event that it is truly undevelopable, Habitat would instead look to place a conservation easement or similar restriction on it and explore options for allowing for public walking access, to the extent appropriate.

Considering that Habitat for Humanity's proposed subdivision design is quite compact and will only intersect with the comparatively undeveloped area on Washington Avenue, the impact to the neighborhood and local environment shall be seamless and relatively unintrusive. Moreover, placing the 0 Gray Road parcel into conservation will also offer a net benefit to the surrounding neighborhoods.

C) Affordability Matrix

Habitat has adopted a financing model to ensure that the sale of all of our newly constructed homes are affordable to our families. As discussed above, homeowners are restricted to 80% or less of the Cumberland County Median Income as published by HUD.¹ In order to ensure that our families can afford their homes, Habitat has adopted a financing model that limits the purchase costs to 30% of homeowner income.

All homes Habitat sells are priced at their appraised value. The sales are 100% financed through a first and second mortgage.² The first mortgage is placed through a local financial institution that has partnered with Habitat to provide these loans. The amount of the first mortgage is set so that principal and interest, plus insurance, taxes, and a \$50 a month property maintenance reserve payment will not exceed 30% of the homeowner's income.³ After purchase, the homeowners pay down that first mortgage in the same way as any standard mortgage.

The second mortgage is taken out in Habitat's favor and represents the difference between the amount of the first mortgage and the sale (appraisal) price. This is a silent mortgage. No payment is necessary on this silent second until the home changes hands. This silent second represents a subsidy for the initial homeowner. When it is paid off, Habitat uses those funds to provide services to more families.

The following two examples help illustrate this model and the subsidy it provides to our homeowners.

Example 1:

Homeowner #1 has a family size of 3 (one adults, two children). Their annual household income is \$65,000 (or 72% of AMI). Homeowner #1 purchases a 3-bedroom, 2-bathroom house from Habitat for the current appraised value of \$275,000. Based on their annual income and affordability ratio, Homeowner #1 takes out a 30-year first mortgage from a local lending institution of \$234,500 at 4% interest. This amount represents a monthly mortgage payment of \$1120 (principal and interest), \$350 property tax per month, \$80 per month for insurance, \$25 per month for homeowner's association fee, and \$50 per month for

¹ Habitat has also adopted a minimum required annual income of \$30,000. Habitat believes in giving people a hand up rather than a handout, which means that Habitat wants to do everything possible to ensure that our families can afford their homes, Habitat has adopted a financing model that limits the purchase costs to 30% of homeowner income.

² Habitat homeowners are required to contribute \$2,000 towards closing costs.

³ Habitat collects the \$50 maintenance reserve fund and holds this amount in trust for the homeowners to be able to access as the home ages and maintenance needs to be done. In addition, if there are any fees associated with a development, such as road maintenance fees if the road is private, then those fees are also calculated within the 30% restriction.

a maintenance reserve fund, totaling a monthly housing payment of \$1,625 or 30% of their monthly income.

Habitat then holds the remainder of the sale price, \$40,500, in the form of a silent second mortgage to be paid upon any future sale of the property.

Example 2:

Homeowner #2 has a family size of six (two adults, four children). Their annual household income is \$45,000 (or 39% of AMI). Homeowner #1 purchases a 4-bedroom, 2-bathroom house from Habitat for the current appraised value of \$300,000. Based on their annual income and affordability ratio, Homeowner #2 takes out a 30-year first mortgage from a local lending institution of \$125,000 at 4% interest. This amount represents a monthly mortgage payment of \$595 (principal and interest), \$375 property taxes per month, \$80 per month for insurance, \$25 per month for homeowner's association fee, and \$50 per month for a maintenance reserve fund, totaling a monthly housing payment of \$1125 or 30% of their monthly income.

Habitat then holds the remainder of the sale price, \$175,000, in the form of a silent second mortgage to be paid upon any future sale of the property.

D) Financial Feasibility

Habitat has a track record of successful development. Based on its established financial model for development, Habitat will not require the aid of specific grants to move forward with this project.

Habitat owns an ongoing funding source in its ReStore located at 659 Warren Avenue in Portland. All net proceeds from the ReStore support land development and home-building efforts for the organization.

In addition, Habitat is able to secure financing for any large upfront costs such as infrastructure associated with the project. Habitat may also apply for Maine State Housing Authority's Affordable Housing Subdivision Program loan but will not require this resource to complete the proposed subdivision project.

Although grants are not required to complete the project, Habitat conducts a continuous search for grants and other restricted funding sources to support all current and future development. No exception will be made for this proposed project.

As an example, HFHGP's development team secured grants and restricted donations from the Community Development Block Grant, Avangrid, Habitat for Humanity International, and several other sources for the construction of the Carpenter Court subdivision, a 13-home subdivision, in the Town of Scarborough built between 2015 - 2019. See **Attachment F**.

HFHGP anticipates similar success in pursuing additional grants and restricted funding for this proposed project.

See accompanying attachments:

Attachment C: General budget and committed courses of funding.

Attachment D: Development and operating budget.

Attachment E: Letter from lending institution.

Attachment F: Carpenter Court Subdivision photo & As-Built Survey

E) Subsidy Financing

No subsidies will be required by HFHGP for this project.

F) Timetable

HFHGP anticipates the following timetable for development of the property at 622 Auburn Street, Portland, ME:

Task	Estimated Start Date	Estimated Completion Date
Acquisition of Land from City		October 2021
Civil Design	November 2021	March 2022
Zone Change/Subdivision Application and Approval	April 2022	January 2023
Request for Infrastructure Bids	February 2023	March 2023
Apply for Private Infrastructure Loan (if needed)	March 2023	May 2023
Infrastructure & Road Construction	June 2023	October 2023
Home Construction	October 2023	November 2026
Occupancy	April 2024	November 2026

G) Developer Capacity

Habitat has completed two similar sized subdivisions in the Greater Portland area within the past 8 years. The first subdivision is located in Freeport. It was built between 2013 - 2015, and is a townhome style subdivision with eight housing units (1 duplex and 2 triplexes). The second subdivision is located in Scarborough. It was built between 2015 – 2019, is a detached single-family subdivision comprised of 13 homes.

Additionally, Habitat has partnered with South Portland Housing Development Corporation to build an eight home, detached single-family subdivision in South

Portland. Infrastructure for the South Portland subdivision has been built. Construction of homes will begin in the late fall of 2021 or early spring of 2022, with an anticipated completion date of late 2023.

Habitat is currently constructing a three-home subdivision in Freeport, with an anticipated completion date later this year.

Based on this experience and the above timeline, Habitat has the capacity to complete the project as proposed.

Key Board of Directors, staff, and development team members of HFHGP include:

John Shumadine – Interim Executive Director/Former President of the Board of Directors, 2012 – Present

- Mr. Shumadine has over two decades of experience with land development. From 2001 through 2019, John was an attorney at Murray Plumb & Murray in Portland, specializing in all aspects of property law. Over the course of his career, John was recognized as an expert on zoning, land use, boundaries, adverse possession, and other legal matters that underlie land development. John represented developers, municipalities, and abutters. In 2010, John joined the Board of Directors of Habitat for Humanity of Greater Portland. John served as President of the Board from 2015 through 2019 and joined as Interim Executive Director on December 22, 2020. Throughout his time with Habitat, John has used his experience to help Habitat transition towards larger subdivision style development. Under his lead, HFHGP has built a three-home subdivision in Westbrook, an eight-home subdivision in Freeport, and a thirteen-home subdivision in Scarborough. Habitat is currently constructing three homes in Freeport and has another eight-home subdivision under infrastructure development in South Portland. John has been integrally involved in all aspects of these developments.

Chad Mullin – Construction Manager, 2011 – Present

- Mr. Mullin has 15 years of experience managing construction with Habitat for Humanity, dating back to 2005, where he began work with Habitat for Humanity of Charlotte, NC. He has managed the construction process for HFHGP since 2011. Since that time, he has supervised the construction and development of the past three subdivisions, acting as the liaison between the contracted site development contractors and HFHGP.

Dana Whitney – Finance Director, 2013 – Present

- Mrs. Whitney has over 20 years of experience working as an accountant for non-profit organizations. She began working at Habitat for Humanity of Greater Portland in October 2012 and has overseen the financial

management and funding distribution of the past three subdivisions HFHGP has developed.

Habitat will also employ the services of Acorn Engineering, of Portland, ME, to design the civil engineering plan and assist with the subdivision approval and permitting process.

Habitat currently builds homes at a rate of four to five homes sold every calendar year, without additional resources to subsidize our efforts. Habitat attempts to maintain a land bank of approximately two to three years of buildable lots. As stated above, Habitat's next subdivision in South Portland is projected to be completed in late 2023. If selected for the City of Portland RFP, Habitat would plan to transition from the South Portland subdivision to the proposed subdivision on Washington Avenue in late 2023.

However, as the above timeline indicates, Habitat will begin the regulatory process as soon as possible after acquisition of the property.

H) Occupancy and Management Plan

Habitat has several restrictions in place to prevent a quick re-sale by any partner family. Habitat maintains the right of first refusal on any first re-sale of a Habitat built home. In addition, the combination of the first and second mortgage means that there is very little equity in the home during the initial years, thus removing any incentive for a homeowner to "flip" a house.

However, Habitat does not place restrictions on the re-sale of any home. Habitat for Humanity believes that any provisions that restrict the re-sale a home, based on income, invariably depresses the value of the property, and often makes the property virtually unsaleable. This potentially traps the homeowner in the house and removes a key benefit of Habitat's program, which is to use a home to build resources in the form of home equity, thus breaking the cycle of poverty.

Through this method, Habitat homeowners acquire a well-built desirable home, which would otherwise be unattainable to them. As homeowners pay down their mortgages, they in turn build equity in the property which would be negated by any restriction placed on the re-sale of said property.

In addition, Habitat partially forgives the silent second mortgage, up to 10%, after 5 years, and another 10% after 15 years, for a total of 20% reduction, additionally contributing to the growth of equity. Should the housing market increase in value over time, Habitat's program allows homeowners to reap the benefit of that increase, in the event they decide to sell their home.

It should be noted that the vast majority of Habitat partner homeowners stay in their homes for the duration of their mortgage term, 30 years. This is largely because

homeowners have very little incentive to sell, considering that they would very likely not find a more affordable housing option in the area.

Finally, HFHGP builds simple, decent, and affordable homes, that are well built and energy efficient, a sharp contrast to the larger and much more expensive homes that have filled subdivisions throughout southern Maine. The very nature of the smaller size, simple style, and location of homes built by HFHGP virtually guarantees that these homes will remain at the “starter home level”, at or near the bottom of the real estate market, regardless of if or when the home is sold. Even without an affordability covenant, Habitat houses will ultimately increase the supply of homes that are within the reach of first-time homebuyers, and others with more limited resources, in perpetuity.

As part of this proposal, Habitat asks that the City commit to accepting the subdivision road as a public way. Habitat makes this request because of the limited means of our homeowners. Although they can likely afford to pay for snow removal, the eventual repair and/or reconstruction of a private road is quite possibly beyond their means. If the City agrees to do so, Habitat obviously commits to constructing the road to City standards. In addition, no association would be required to manage any portion of the developed property. Each lot would be independently deeded to, and managed by, the buyer/homeowner.

If the subdivision road will remain private, however, Habitat may be prepared to go forward nonetheless. In that case, a homeowner association would be required to manage the subdivision road and Habitat would not be in a position to offer any payment for these properties.

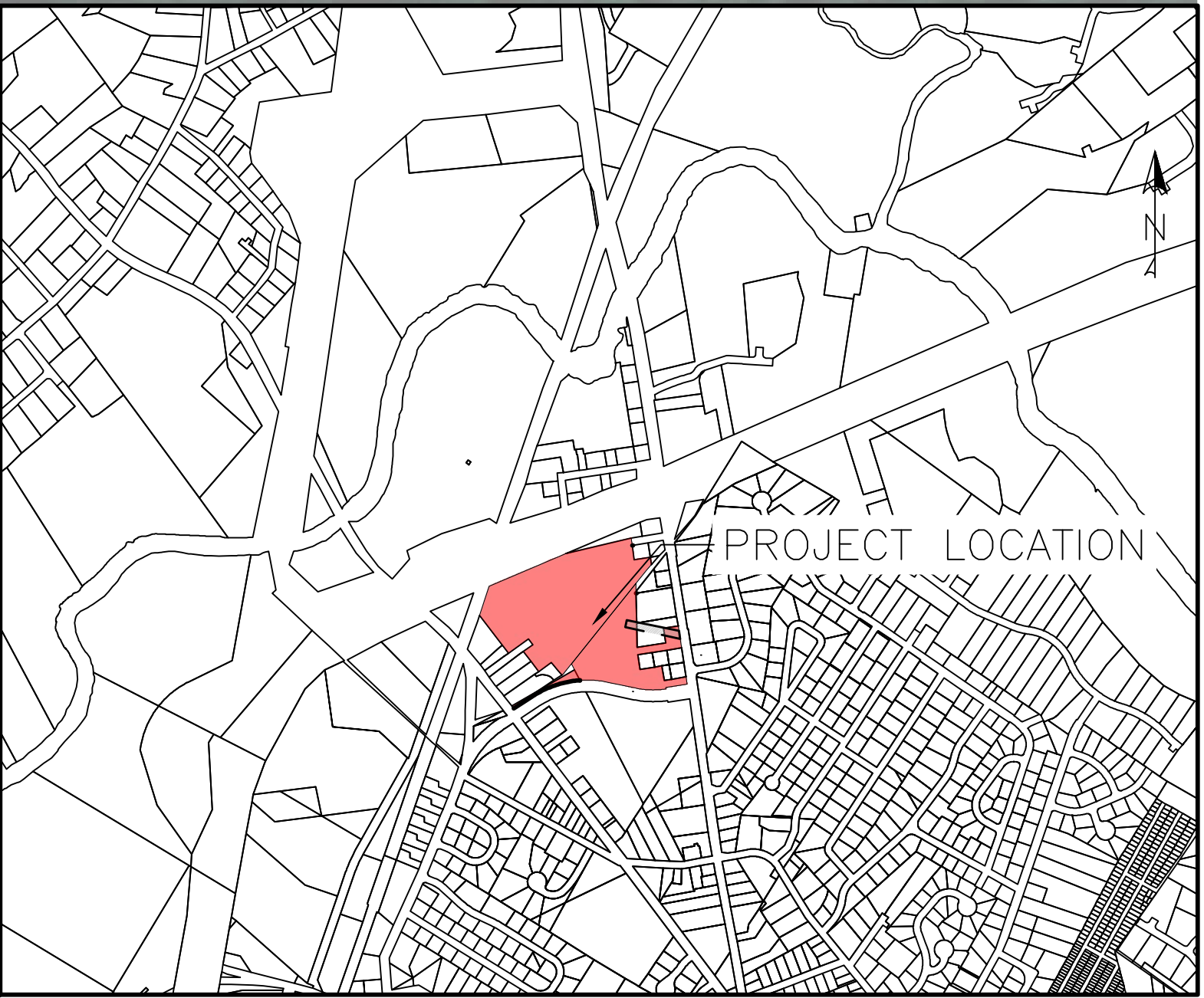
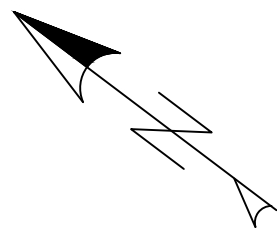
I) Purchase Price or Lease Terms

Habitat proposes that the City of Portland donate the property at 0 Gray Road in Falmouth and at 622 Auburn Street in Portland in accordance with the City’s stated goal of developing affordable homeownership opportunities. Habitat’s financial model has successfully used the sale of houses to help finance on-going construction. However, because the sales are heavily subsidized in order to make the homes affordable, the amount that Habitat receives at closing is far less than the overall cost of developing that house, particularly in a situation like this one where Habitat must construct infrastructure. Although Habitat plans on losing money with every house it sells, adding land acquisition costs to infrastructure costs can quickly make the project no longer feasible.⁴

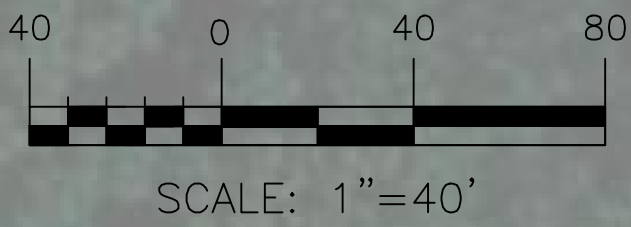
In addition, as part of the construction, Habitat will construct the subdivision street to City Street standards with the understanding that at the conclusion of construction, the City will accept the subdivision road as a public street.

⁴ Nonetheless, if a donation is not possible and the City requires payment, Habitat is willing to discuss reasonable terms. However, due to the above described restrictions, Habitat’s ability to pay for the land is limited.

SPACE AND BULK STANDARDS	
ZONE: R3	REQUIRED
MIN LOT SIZE	6,500 SF *
MIN LOT AREA PER DWELLING UNIT	51 UN **
MIN STREET FRONTAGE	50'
MIN FRONT SETBACK	25'
MIN REAR SETBACK	25'
MIN SIDE YARD SETBACK	8-16'
MIN SIDE YARD SETBACK ON SIDE STREET	20'
MAX COVERAGE	35%
MIN. LOT WIDTH	65'
MAX. BUILDING HEIGHT	35'
PARKING	2 PER UN
* 3 ACRES GROSS LOT SIZE FOR PRUD	
** 6,500 SF NET LOT AREA PER DWELLING UNIT; EXISTING LOT TOTALS 6.6 ACRES NET LAND AREA	



LOCATION MAP
SCALE: 1"=1000'



Qualifications & Experience



ACORN ENGINEERING, INC.

65 Hanover Street
Portland, ME 04101





Acorn Engineering, Inc. is a Portland-based civil and environmental engineering firm of nine full-time employees and four construction inspectors. Acorn's team has a diverse portfolio providing Maine with quality engineering and environmental services as well as state-wide construction administration on behalf of the Maine Department of Transportation.

A cornerstone of Acorn Engineering is the attention to quality and exceptional level of service on every project, regardless of size. Our engineers and scientists pride themselves on their extensive experience, which is backed by a broad knowledge of civil and environmental engineering practices from smaller residential projects to larger commercial projects that integrate environmental assessment and site redevelopment.

Acorn Engineering has demonstrated the ability to breakdown and synthesize widely disseminated regulations into accepted engineering practices and practical site assessment and development. As a result of Acorn's efforts, the Cumberland County Soil & Water Conservation District recently recognized Acorn as the Contractor of the Year. This was the first award associated with the nationally recognized Long Creek Restoration Project and the first time the Cumberland County Soil & Water Conservation District ever recognized an engineering firm as their Contractor of the Year.

Acorn's expertise covers the areas of: civil/site design, evaluation, development, and permitting; and construction phase services such as construction administration, construction documents, project bidding, and site inspection including erosion and sedimentation control. Acorn's experience also includes the field of environmental engineering and compliance such as: Phase I and Phase II environmental site assessments, soil and groundwater remediation planning and design; Maine's Voluntary Response Action Program (VRAP); and stormwater treatment system design and permitting.

Acorn's engineers have designed, permitted, and overseen construction on numerous single-family and multifamily residential projects including traditional subdivision designs featuring on-site sewage/septic disposal and drilled wells. Furthermore, Acorn has demonstrated extensive experience and capabilities with municipalities, the Maine Department of Transportation (MDOT), Maine Department of Environmental Protection (MDEP), soil & water conservation districts, conservation commissions, municipalities, and the private sector on environmental and site development projects as demonstrated by the following:

- Listed on Maine DEP's Pre-Qualified Vendor List for Environmental Consulting Services
- Listed on Maine DOT's Pre-Qualified Consultants for eight service areas (listed under Section I.D)
- Cumberland County Soil & Water Conservation District Contractor of the Year for work on the Long Creek Restoration Project

- **Munjoy Heights**

Acorn provided civil/site engineering and permitting for the design of Munjoy Heights – a six townhome, 29-unit development on the steep slopes of Munjoy Hill in the City of Portland. Acorn designed and developed construction drawings for the sanitary sewers, storm drains, water mains, driveways and pedestrian circulation, retaining wall locations, building locations, and drainage infrastructure to be built in compliance with City standards.



A key component to the project was coordinating with the City on the future combined sewer separation project and the site's overall stormwater management. Additionally, discussions with neighbors and stakeholders were paramount in the project's success.

The innovative urban infill project compliments the Munjoy Hill neighborhood with a communal design and plentiful native landscaping that replaced invasive species which previously dominated the eroding banks prior to the development. The \$22 million project features a courtyard, terraced landscaping, a Portland Trails-maintained path that connects the redevelopment to the existing trail system, and low impact development (LID) techniques that meet MDEP Chapter 500 regulations. The stormwater management includes an underdrained sand filter and chambers that detain and treat stormwater on site in tandem with strategically placed rain gardens.

The project required extensive coordination and collaboration between the client, City of Portland, Portland Trails, the structural engineer, the architect, and the contractor to successfully complete the project with the first “woonerf” in the state and maintaining the existing public walking path through the property.

- **Stroudwater Preserve**

In November of 2017, the City of Portland approved a conservation subdivision with nearly 100 house lots and a planned residential unit development for a total of 124 homes next to the Stroudwater River. The project encompasses over 55 acres of land and will be completed in three phases. Acorn provided the civil engineering and permitting for the project, including a zone change to provide denser housing to better accommodate City needs. Significant coordination occurred between the project team, stakeholders, utilities, and the City's planning staff and board.

Given the steep slopes and proximity to the natural resource, stormwater management was a major component in this project. Working closely with the City of Portland and their

delegated Site Location of Development Act (SLODA) review, a combination of three stormwater BMP's were selected and designed to meet the MDEP's standards. A feature of the development is a detention basin that will detain and cool water in the warmer months while acting as a skating pond in the winter. This component will encourage community involvement and provide a recreational option for residents of the subdivision.



Construction of Phase 1, which includes roughly half of the single-family homes is nearly complete. Acorn continues to provide routine submittal review, request for information responses, and site inspections for conformance with the approved plans and erosion control measures.

- **Sunset Place 8-unit Subdivision**

In coordination with South Portland Housing Authority (SPHA) and Habitat for Humanity of Greater Portland, Acorn designed a subdivision at the end of Sunset Avenue in South Portland, providing eight affordable housing units. The project uses a planning technique known as a cluster subdivision which allows for the homes to be fairly dense thus making the infrastructure more efficient. As a result, the remaining 2+ acres of open space and wetlands within the site were preserved and have been granted to the City who is anticipated to enhance the public trail network that runs through the site. The conservation subdivision matches the existing density and land use in the surrounding neighborhood while replacing the gravel laydown yard with eight new home ownership opportunities. Given the project went through a zone change before the Planning Board and City Council prior to its Site Plan review, the project required significant collaboration with the various City departments including Fire, Public Works, Planning, and Utilities.



Design, permitting, and bidding assistance was provided by Acorn. Furthermore, Acorn provides routine inspections to observe utility installation, erosion control, stormwater BMP connections, and grading activities. Due to the adjacent natural resources and complex sewer connection required to service the new homes, the project is subject to Maine DEP and US Army Corps permits whose provisions are monitored within the inspections performed by Acorn.

- **Public Works Redevelopment – Meeting House Hill**

Over the past two years, Acorn Engineering has worked in close association with the City of South Portland, neighbors, and private clients on the redevelopment of the former Public Works facility. The 6-acre site is nestled in the middle of the Meeting House Hill residential neighborhood and is currently



a mix of storage buildings, fuel fill stations, miscellaneous stockpiles, and pavement. The site will be redeveloped into a mix of multifamily townhomes and single-family dwellings comprising 38 units along with a public park and community gardens.

In addition to the environmental remediation, Voluntary Response Action Program (VRAP), and other environmental considerations given the previous land use, the project is subject to a Maine DEP stormwater management law. The redevelopment design results in a reduction in impervious area of over 50% and reduces land use intensity across the site. Though not required, several stormwater BMP's have been implemented into the site as a best practice, further attenuating and treating stormwater runoff. In addition to the significant redevelopment plan, Acorn has designed an infrastructure plan to separate the storm and sewer mains. This will include installing 400 feet of new storm drain along the existing O'Neil Street right-of-way and 700 feet of new storm drain along the proposed O'Neil Street right-of-way extension. Overall, this effort will reduce the effects of combined sewer overflows (CSO) into Casco Bay which occur due to wet-weather events and the wastewater treatment plant's inability to provide capacity for both storm and sanitary sewer flows.

As part of this project, Acorn held a multitude of meetings with the City including the assistant City manager, the former Mayor, the entire planning division, and the chief engineer of Public Works. Furthermore, Acorn has collaborated with department heads of the Fire, Parks, Public Works, and Water Resource departments to ensure a feasible and ideal project for all parties. As a result, the process was truly a collaborative effort with a number of stakeholders weighing in on the design.

Habitat for Humanity House Specifications

(1500sq/ft, 4 bedroom/2 bathroom plan)

Energy Star Certified House

- HERS rating between 40 – 48
- Wall system R-Value 33
- Ceiling R-Value 60
- Under slab R-Value 10
- Basement Wall R-Value 22



Exterior

- Vinyl Siding w/ PVC trim
- Continuous 2" Dow Styrofoam
- Insulated Concrete Form Foundation (R-Value: 22)
- Pressure treated decking on wrap around porch
- Energy Star certified windows and doors
- 25 Year architectural roof shingles
- Asphalt paved driveway

Interior

- Prefinished oak hardwood flooring
 - Continuous on 1st floor
 - Hallway on 2nd floor
- Carpet in Bedrooms on 2nd floor
- Roxul insulation in wall cavities (R-Value: 23)
- Oak Faced kitchen cabinets and bath vanities



Heating

- Mitsubishi Heat Pump (43kBtu/hr @ 43F, 23kBtu/hr @ 5F)
- E-Heat Resistance heat panels (bathrooms and bedrooms) for supplemental heat
- GE GeoSpring 80 gallon electric air source heat pump water heater

Ventilation

- 2 Panasonic Whisper Green continuous exhaust fans (Hire-wired/automated)
- Panasonic passive air inlet

USE OF FUNDS	Budget
Infrastructure Costs	
Land (In-kind)	-
Impact/Utility - Sewer	40,000
Impact/Utility - Water Inspection	5,000
Impact/Traffic	25,000
Letter of Credit Fee	3,000
Design/Permitting	60,000
Construction - on site	522,500
Construction - off site	-
As - built	6,500
Infrastructure Loans Interest Carry	25,000
Loan Closing Costs (fees,appraisal, environmental)	10,000
Legal Fees	10,000
Habitat Legal Closing	15,000
5% Contingency	36,100
Total Uses	758,100
Source of Funds	
Habitat Equity/Cash Flow	188,100
MSHA - Affordable Housing Subdivision Loan	270,000
Gorham Saving Bank - Construction Loan	300,000
Total Sources	758,100

Habitat for Humanity of Greater Portland
Profit & Loss Budget Overview
 July 2020 through June 2021

	Jul '20 - Jun 21
Ordinary Income/Expense	
Income	
45600 · RESTRICTED INCOME	100,500.00
44335 · UNRESTRICTED INCOME	175,750.00
44368 · RESTORE	1,498,400.00
44393 · OTHER REVENUE	486,165.00
Total Income	2,260,815.00
Cost of Goods Sold	
5100 · COST OF HOMES/DEVELOPMENT	461,000.00
5200 · Cost of Goods Sold - ReStore	749,200.00
Total COGS	1,210,200.00
Gross Profit	1,050,615.00
Expense	
6100 · COMPENSATION	628,753.00
6200 · VOLUNTEER COSTS	4,200.00
6300 · VEHICLES & RESTORE/PROJECT SUPP	129,387.00
6400 · OUTSIDE SERVICES	35,544.00
6510 · OCCUPANCY EXPENSE	104,200.00
6500 · OFFICE & SUPPORT	75,291.80
6600 · TRAVEL & EVENTS	3,000.00
6700 · EMPLOYEE DEVELOPMENT	4,000.00
6900 · TITHE	10,000.00
7000 · OTHER EXPENSES	91,348.00
Total Expense	1,085,723.80
Net Ordinary Income	-35,108.80
Net Income	-35,108.80



April 8, 2021

City of Portland
389 Congress Street
Portland, ME 04101

RE: 622 Auburn Street, Portland, ME

To Whom It May Concern:

We have been working with the Habitat for Humanity/ Greater Portland, Inc. on their proposal to purchase a 12-lot parcel currently owned by the City of Portland at 622 Auburn Street, Portland, Maine. We are excited about their plans for 622 Auburn Street, Portland, Maine, and look forward to working with them in further support of the project.

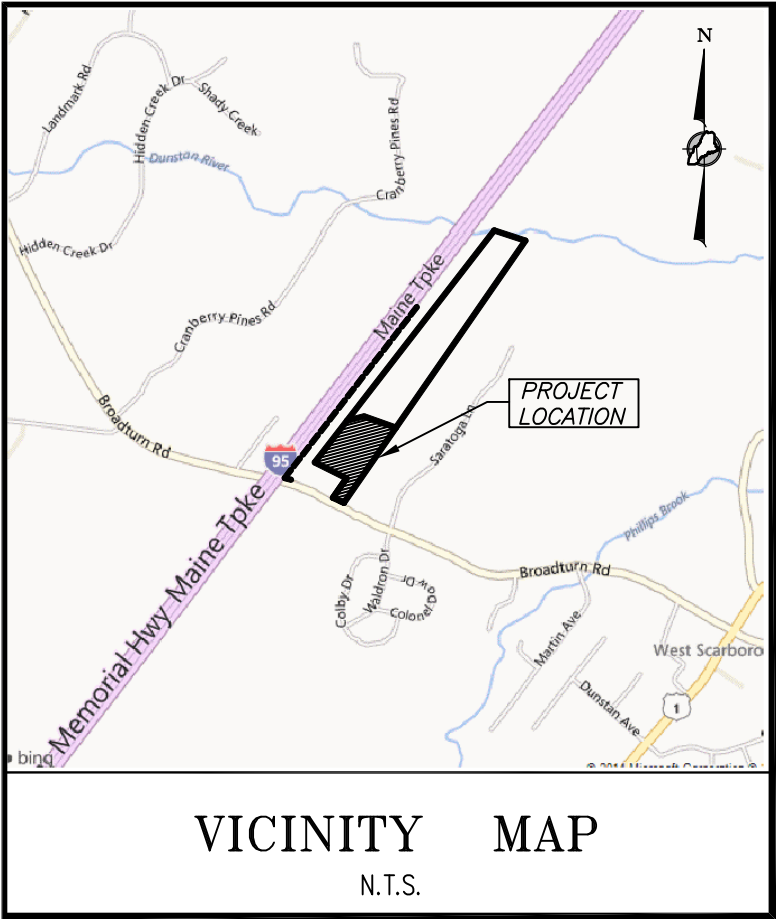
Please feel free to contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "MWE", is written over a light blue circular stamp.

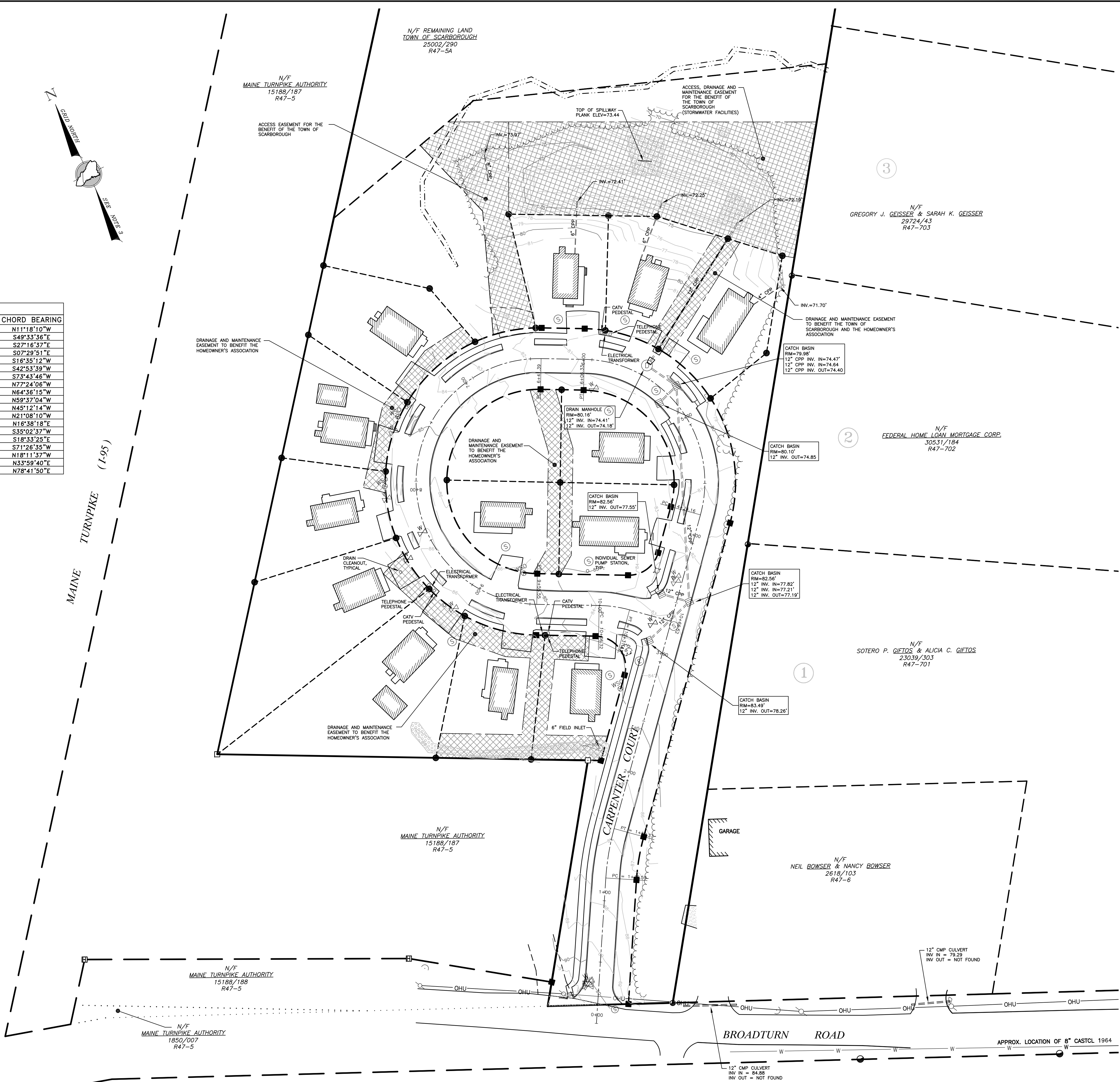
Matthew W. Early
Senior Vice President

MWE/JRS



CURVE TABLE				
CURVE	LENGTH	RADIUS	CHORD LENGTH	CHORD BEARING
C1	45.54'	25.00'	39.50'	N11°18'10"W
C2	60.79'	125.00'	60.19'	S49°33'36"E
C3	36.44'	125.00'	36.31'	S27°16'37"E
C4	49.86'	125.00'	49.53'	S07°29'51"E
C5	55.22'	125.00'	54.78'	S16°35'12"W
C6	59.56'	125.00'	59.00'	S42°53'39"W
C7	74.98'	125.00'	73.86'	S73°43'46"W
C8	50.98'	125.00'	50.63'	N77°24'06"W
C9	4.86'	125.00'	4.86'	N64°36'15"W
C10	16.90'	125.00'	16.89'	N59°37'04"W
C11	45.99'	125.00'	45.73'	N45°12'14"W
C12	58.02'	125.00'	58.48'	N21°08'10"W
C13	105.80'	125.00'	102.67'	N16°38'18"E
C14	35.69'	175.00'	35.62'	S35°02'37"W
C15	117.64'	75.00'	105.94'	S18°33'25"E
C16	117.98'	75.00'	106.19'	S71°26'35"W
C17	118.59'	75.00'	106.62'	N18°11'37"W
C18	18.04'	75.00'	18.00'	N33°59'40"E
C19	33.00'	25.00'	30.65'	N78°41'50"E

LINE TABLE		
LINE	BEARING	DISTANCE
L1	N63°29'28"W	7.24'
L2	N63°29'28"W	17.51'
L3	S63°29'28"E	17.15'
L4	S63°29'28"E	17.90'
L5	S40°53'07"W	38.80'



LEGEND

- #5 REBAR WITH PLASTIC CAP SET IN AUGUST, 2017
- GRANITE MONUMENT WITH PLASTIC CAP SET IN AUGUST, 2017
- FOUND IRON (SIZE & TYPE AS NOTED)
- FOUND MONUMENT (SIZE & TYPE AS NOTED)
- FOUND DRILL HOLE
- UTILITY POLE (NUMBER AS NOTED)
- GUY WIRE ANCHOR
- FOUND DECIDUOUS TREE (SIZE & TYPE AS NOTED)
- FOUND CONIFEROUS TREE (SIZE & TYPE AS NOTED)
- TREE LINE (APPROXIMATE)
- STONEWALL
- BOUNDARY LINE
- EASEMENT LINE
- EDGE OF GRAVEL
- EDGE OF PAVEMENT
- RIGHT-OF-WAY LINE
- ABUTTER LINE
- BUILDING SETBACK
- OVERHEAD UTILITY
- NOW OR FORMERLY OWNED BY
- DEED BOOK AND PAGE
- TAX MAP-LOT

NOTES

- THE BASIS OF BEARING FOR THIS SURVEY IS THE MAINE STATE COORDINATE SYSTEM, WEST ZONE, GRID NORTH.
- DEED AND PLAN BOOK REFERENCES ARE TO THE CUMBERLAND COUNTY REGISTRY OF DEEDS.
- RECORD OWNERSHIP OF THE PARCEL SURVEYED CAN BE FOUND IN A DEED FROM THE TOWN OF SCARBOROUGH TO HABITAT FOR HUMANITY/GREATER PORTLAND, INC., DATED MAY 27, 2015 AND RECORDED IN DEED BOOK 32298, PAGE 319.
- REFERENCE IS MADE TO THE FOLLOWING PLANS:
 - "FOSTER FARMS SUBDIVISION II, BROADTURN ROAD, SCARBOROUGH, MAINE" BY NORTHEAST CIVIL SOLUTIONS, DATED MAY 11, 2015, RECORDED IN PLAN BOOK 215, PAGE 218.
- THE PARCEL SURVEYED IS IDENTIFIED ON THE TOWN OF SCARBOROUGH TAX ASSESSOR'S MAP R-47, PARCEL 5A.
- THE PARCEL SURVEYED IS LOCATED IN THE VR-2 ZONE/DISTRICT. BULK AND SPACE REQUIREMENTS TO BE DETERMINED BASED ON THE PLANNED USE OF THE PROPERTY. (SEE SUBDIVISION NOTE S-4)
- THE WIDTH AND LAYOUT OF BROADTURN ROAD IS 50'. THE LAYOUT IS BASED ON MONUMENTATION FOUND.
- ELEVATIONS AND CONTOURS ARE BASED ON NAVD 88 DATUM. SEE PLAN FOR TBM DESCRIPTION.
- THE UTILITIES SHOWN ON THIS PLAN WERE FROM FIELD OBSERVATION ONLY. THERE MAY BE OTHER UTILITIES EXISTING THAT ARE NOT SHOWN. CONTACT DIG-SAFE (888)DIG-SAFE PRIOR TO ANY EXCAVATION WORK.
- A PORTION OF THE PAVEMENT OF BROADTURN ROAD APPEARS TO ENCROACH ONTO THE LOCUS PARCEL.
- PERIMETER BOUNDARY INFORMATION SHOWN HEREON WAS TAKEN FROM A BOUNDARY SURVEY PERFORMED BY NORTHEAST CIVIL SOLUTIONS, INC. DATED MARCH 24, 2014.

Revised:	By:	Date:	Change:

PROJECT: 32987.01	DRAWING NAME: 32987-01-AS BUILT.dwg
ISSUED: OCTOBER 21, 2019	SCALE: 1"=50' FB # 461 DRAWN BY: ASF
FIELD BY: ASF/DPH	FIELD DATE: 09/17/2019 CHECKED BY: DMM/TFM

Drawing Name and Location:
AS-BUILT SURVEY
CARPENTER COURT, SCARBOROUGH, MAINE 04074

Owner:
HABITAT FOR HUMANITY/GREATER PORTLAND, INC.
P.O. BOX 10505, PORTLAND, MAINE 04101

Prepared For:
HABITAT FOR HUMANITY



SURVEYING • ENGINEERING • LAND PLANNING

Northeast Civil Solutions

INCORPORATED

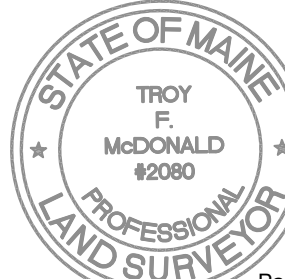
381 PAYNE ROAD, SCARBOROUGH, MAINE 04074

tel 207.883.1000 fax 207.883.1001 e-mail / website info@northeastcivilsolutions.com www.northeastcivilsolutions.com



0 50' 100' 200'

STAMP AND SIGNATURE



TROY F. McDONALD
MAINE PROFESSIONAL LAND SURVEYOR No. 2080

DATE: 10/21/2019

PROPOSAL**NOTE: THIS PAGE IS TO BE COMPLETED AND RETURNED**

The UNDERSIGNED hereby declares that he/she or they are the only person(s), firm or corporation interested in this proposal as principal, which 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 proposer acknowledges the receipt of Addenda numbered #21042 - #1 & #2

COMPANY NAME: Maine Cooperative Development Partners, LLC If Applicable

(Individual, Partnership, Corporation, Joint Venture)

AUTHORIZED SIGNATURE:  DATE: 5/2/21

(Officer, Authorized Individual or Owner)

PRINT NAME & TITLE: Liz Trice, Partner

ADDRESS: MCDP, 6 City Center, Floor 3
Portland, ME 04101

TELEPHONE: 207-776-0921 E-MAIL: liztrice@gmail.com

FEDERAL TAX ID #: 85-3335652 DUNS #: 118064408

STATE OF INCORPORATION Maine

(If incorporated in another State, businesses must be authorized to do business in the State of Maine.)

In your organizations preceding completed fiscal year, did the organization receive:

(1) 80 percent or more of its annual gross revenues in U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements; AND

(2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements? ☐ Yes ☒ No

Does the public have access to information about the compensation of the executives in the organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (18 U.S.C. 78m(a), 78o(d) or section 6104 of the Internal Revenue Code of 1986? ☐ Yes ☒ No

NOTE: All bids must bear the handwritten signature of a duly authorized member or employee of the organization making the bid. **This sheet must be signed and returned with the application package.**



Maine Cooperative Development Partners, LLC

Lambert Woods II

Proposal for the Disposition and Development of
City-owned Property Located at 622 Auburn Street,
Portland, Maine 0 Gray Street, Falmouth, Maine
RFP #: 21042

TABLE OF CONTENTS

DEVELOPER

PROPOSAL: Lambert Woods II

- *Affordable Resident Ownership through a Limited Equity Cooperative*
- *Buildings Designed for All Stages of Life and Family Sizes*
- *Green Design & Open Space Preservation Benefiting Residents and Neighbors*
- *Proposed Re-Zoning to Achieve City, Development and Neighborhood Goals*
- *Treatment of the 0 Gray Road Parcel*

FINANCIAL FEASIBILITY

- *Project Development Budget*
- *Prospective and Committed Sources of Funding*
- *Project Operating Budget*
- *Affordability Matrix and Rent (Carrying Charges) Roll*

OVERVIEW OF RFP SCORING

Proposed use to achieve the city of Portland's goals

1. *Market demand*
2. *Economic diversity*
3. *Age inclusivity*

Impact on surrounding neighborhood, including design

1. *Project design*
2. *Amenities and Unit Design*

Applicant's ability to complete project, including financial feasibility, development team experience, capacity, and timeframe for completion

1. *Readiness to proceed*
2. *Current capacity of development team*
3. *Track record of development team*

ATTACHMENTS

- A. Preliminary Site and Area Drawings**
- B. Maine Cooperative Development Partners - Portfolio**
- C. Letters of Support**
 - Centennial Mortgage - Sec. 213 Loan
 - Cooperative Development Institute
 - UHAB
 - Genesis Community Loan Fund

A. Developer

RFP 21042

Brian Eng
Maine Cooperative Development Partners, LLC
6 City Center, Floor 3
Portland, ME 04101
bri.d.eng@gmail.com
Phone: 413-262-2610 Fax: 207-899-4870

Alternative Contact:
Liz Trice
liztrice@gmail.com
Phone: 207-776-0921

Maine Cooperative Development Partners Proposal for 622 Auburn Street, Portland & 0 Gray Road, Falmouth.

B. Proposal: Lambert Woods II

Lambert Woods II will build upon the plan adopted by the city for the 165 Lambert Street parcel located across the Washington Avenue extension to create an affordable, green, transit-oriented, walkable, North Deering neighborhood center surrounded by conserved forest and wetlands. When completed, Lambert Woods will provide a neighborhood for people of all ages, backgrounds, and incomes to live in harmony with nature and their neighbors.

Maine Cooperative Development Partners (MCDP) believes that members of our community deserve to live in places that support connections with family, neighbors and nature, and more time to develop purposeful lives. Grounding principles for this project and all of MCDP's work include:

- Walkable neighborhoods
- Transit-orientation
- Healthy buildings
- Celebration of beauty, art, and the natural environment.

Affordable Resident Ownership through a Limited Equity Cooperative

Lambert Woods II will provide a mix of up to 48 1, 2, and 3 bedroom affordable limited

equity cooperative ownership units that meet the needs of households at every stage of life. Limited equity housing cooperatives are non-profit corporations owned by the residents. Limited Equity Cooperatives:

- Provide stable, affordable housing costs for generations,
- are democratically owned and managed by residents like a condo association,
- do not require residents to obtain individual bank loans, and
- preserve affordability for decades by limiting the equity individuals can take when they leave.

Ownership will be priced to be affordable to households between 80% and 100% area median income (AMI). This housing will be affordable forever as required by the Maine affordable housing cooperative statute. Furthermore, residential ownership in a cooperative is compatible with the Section 8 voucher program - opening a form of stable ownership to households below 80% AMI who receive this form of rental assistance.

Buildings Designed for All Stages of Life and Family Sizes

To ensure uniform design and development along the Washington Avenue Extension, units and buildings will follow the design developed for across the street at 165 Lambert Street. The project will likely include three types of buildings (depending on final result of a proposed zoning amendment - discussed below - and final site plan review and approval). These building types and related amenities are:

1. **Three-story Neighborhood Center Type:** A three story building with community space on the first floor managed by the cooperative and 1 and 2 bedroom units above.
2. **Two-story Townhouse Type:** 2 floor, 2 and 3 bedroom units with some private outdoor space.
3. **Three-story Apartment Style Walkup Type:** Smaller 1 bedroom units providing a less expensive unit option for smaller households of all ages to be a part of the cooperative.

All units will benefit from the indoor community space located within the neighborhood center buildings and shared outdoor spaces such as quiet neighborhood streets, gardens and sitting areas to enjoy as a household, or to come together with other residents and neighbors.

Green Design & Open Space Preservation Benefiting Residents and Neighbors

The development will be designed and built to be efficient consistent with the Green Building Code and the Green New Deal for Portland. Lambert Woods homes will follow passive house or similar construction techniques to keep energy costs low. Materials with low toxicity will be used. Parking and street design will minimize pavement use to reduce runoff and to preserve habitat. Rooflines will be aligned for solar panels. Open space around the site will be preserved and accessible to

residents and neighbors alike in partnership with Portland trails.

Treatment of the 0 Gray Road Parcel

The MCDP's review and evaluation of the wetland surveys completed by Jones & Associates show that the majority of the 0 Gray Road parcel is undevelopable wetland. The small portion of developable land is not accessible without considerable infrastructure costs and disruption to surrounding wetlands. Therefore, MCDP will not develop housing on the 0 Gray Road Parcel.

This gives us the opportunity to continue the MCDP's commitment to open space and forest preservation established at 165 Lambert Street. Lambert Woods II will preserve the 0 Gray Street parcel in its entirety. This decision also reflects the community feedback received by MCDP over the course of 4 neighborhood meetings in 2021 for the 165 Lambert Street Parcel that wooded natural space is of high value to the existing neighbors.

Proposed Re-zoning

To accomplish these project goals, MCDP will seek to extend the R-3 zoning amendment currently before the planning board for 165 Lambert Street to the 622 Auburn street parcel. To allow for greater density, MCDP would propose a zoning map amendment to change the 622 Auburn site from the R-2 to R-3 residential zone.

Additionally, we hope to benefit from the R-3 planned residential unit (PRUD) text amendment application submitted by MCDP and currently pending before the City of Portland Planning Board. This text amendment permits vertically stacked dwelling units and allows for forested space to count towards a development's open space requirements. If this text amendment is approved by the planning board, MCDP would only pursue a map amendment which would extend the R-3 zone at 165 Lambert Street across to 622 Auburn Street.

The zoning amendment would achieve the design goals for a neighborhood center, the city's goals for increased housing, and the neighborhood's goal for natural space preservation.

C. Financial Feasibility, Development and Operating Budgets

Lambert Woods II will be financed with a HUD Section 213 Loan issued through Centennial Mortgage (Letter Attached) and sale of cooperative equity shares to residents. To keep the property costs affordable for the long term, the cooperative will also plan to apply for a City of Portland Affordable Housing TIF. The TIF will help to make the units affordable to the 80% - 100% households.

Additionally, the long term financial feasibility of the cooperative itself will be ensured because Lambert I and Lambert II will likely be held by a single cooperative corporation. This provides resident owners an economy of scale for governance support,

maintenance, and capital costs for the lifetime of the cooperative.

Please Note: That development operating budget and rent roll (including the precise unit count and AMI breakdown) are estimates presuming approval of the proposed zoning amendment from an R-2 to an R-3 and final the site plan.

Project Development Budget

Uses			Line Item Cost
Acquisition			\$1
Construction			\$11,006,496
Construction Contingency			\$550,325
City Fees			\$241,000
Arch/E/Site			\$670,000
Other Soft Costs/Fees			\$1,251,600
Financing Fees/Interest			\$837,578
Operating Reserve			\$288,802
Lease Up Reserve			\$96,000
Taxes & Insurance			\$96,000
Total			\$15,040,801

Prospective and Committed Sources of Funding & Letter from Lending Institutions

- Centennial Mortgage HUD Section 213 Cooperative Loan - letter attached
- Share sales from prospective residents - equivalent of down payment on condo (Approximately \$10,000/unit, potentially variable by income level) - Not Available
- City of Portland Affordable Housing TIF (75% for 30 years) - letter not allowed

Sources			Source Total
HUD Section 213 Loan			\$12,510,00
HUD 213 TIF Loan			\$2,047,000
Resident Owner Share Equity	(\$10,079/unit)		\$483,802
Total			\$15,040,802

Operating Budget

Income			Line Item Amount
Residential Gross Potential Rent (GPR)			\$1,040,509
Vacancy	5%		-\$52,025
Other Charges	12	250	\$36,000
Parking	26	50	\$15,600
Affordable Housing TIF			\$121,970
Total Income			\$1,162,054
Expenses	Factor	Per Unit	Total
Property Management	6%	\$1,281	\$61,469
Utilities		\$1,200	\$57,600
Maintenance		\$1,500	\$72,000
Insurance	.35%	\$730	\$35,023
Property Taxes		\$3,388	\$162,627
Replacement Reserve		\$400	\$19,200
Total Expenses		\$8,498	\$407,919
Net Operating Income			\$754,135
Debt Payment		HUD 213	\$625,336
	HUD 213 TIF		\$121,952
Cash Flow		\$1.01	\$6,847.00

Lambert Woods II - Affordability Matrix and Proposed Rent Roll (Carrying Charges)

Unit - AMI Limit	# of Units	Monthly Carrying Charges**	Annual Carrying Charges
1BR - 80%	4	\$1,399	\$67,136.00
1BR - 100%	12	\$1,600	\$230,400
2BR - 80%	4	\$1598	\$76,716
2BR - 100%	12	\$1,800	\$256,200
3BR - 80%	4	\$1,798	\$86,296
3BR - 100%	12	\$2,228	\$320,760
Total	48		\$1,040,509

**Carrying Charges: Carrying Charges is the term used for all co-op housing expenses assessed to each household and will include: (1) rent equivalent payments; (2) utilities; (3) maintenance costs; and (4) any other community charges that serve a similar purpose as a condominium HOA fee.

D. Project Timetable**Month**

Month, Year	Milestone
July, 2021	RFP Awarded, Begin Negotiation of P&S with City of Portland
September 2021	P&S signed; Submit Zoning Amendment Application; Start HUD Sec. 213 Co-op Loan Concept Package.
September 2021 - January 2022	Planning Board Zoning Amendment Approval; Site Plan Design and Neighborhood Meetings
Winter 2022-Summer 2022	Planning Board Site Plan Workshops & Approvals
Summer 2022 - Spring 2023	Sec. 213 Co-op Loan Construction to Permanent Loan Closing; Construction Design and Planning.
Spring 2023 - Winter 2024	Construction Period

E. Developer Capacity

Maine Cooperative Development Partners has assembled an experienced and qualified team for 165 Lambert Street and will do the same for the 622 Auburn Street development. Every core member of this team has completed projects of this size and scale. Maine Cooperative Development Partners is composed of experienced housing and community development professionals (details of relevant projects outlined below). MCDP's project partners have tremendous breadth and depth of experience bringing similar scale developments online. This includes experience developing housing cooperatives and ensuring the long term financial and management wellbeing of resident owned entities.

Furthermore, Lambert Woods II will benefit from both economies of scale and MCDP's existing work in the neighborhood to develop the adjacent 165 Lambert Street Site. Design features and cooperative organizational documents will be adapted from 165 Lambert providing cost and time savings. Components of the zoning amendments under consideration by the planning board will also minimize the necessary zoning changes for 622 Auburn Street. MCDP's proactive work with neighbors, interested parties, and future residents has created relationships that will also benefit the subsequent development at 622 Auburn.

Finally, MCDP is confident that financing will proceed as HUD has completed preliminary review of the Section 213 loan application for 165 Lambert Street and issued approval to proceed with the loan closing process. HUD's familiarity with the area and the adjacent development will aid in the approval of 622 Auburn for Section 213 financing.

Project completion is projected for Winter 2024.

Team Member	Company/ Organization	Role	Similar Projects Completed
Brian Eng	Owner, Maine Cooperative Development Partners	Development Team	M North in Orlando, 288-units in Orlando, Florida. (https://www.mnorthorlando.com/); Master developer of city-owned land on the former Maine Energy Recovery Corp. in Biddeford
Liz Trice	Owner, Maine Cooperative Development Partners	Development Team	645 Congress Street (with Shinberg/Alfond), Danforth on High (Rando Orbit/Peter Bass), 58 Boyd (Portland Housing

			Authority), all Portland.
Matt Peters	Owner, Maine Cooperative Development Partners	Development Team	Young St Apartments, South Berwick; Ridgewood II, Gorham One Meeting Pl, Exeter, NH; Meadows, North Hampton, NH; Carleton St, Portland; Bayside Anchor, Portland; Bartlett Woods, Yarmouth
Julian Rowand	Cooperative Development Institute	Co-op Formation & Management	Mountainside Cooperative, Camden, ME (52 units); Charter Oaks, Arundel, ME (40 units); Sunset Terrace, Rockland, ME (76 units); Wardtown Cooperative, Freeport, ME (60 units); Halifax Mobile Home Estates Association, Halifax, MA (430 units); Farrington's/North Avenue Co-op, Burlington, VT (117 units)
Andy Reicher	UHAB	Co-op Formation Consultant	In Manhattan: 3603-3605 Broadway, 42 unit conversion, 520, 540-550 West 144th Street, 90 units, 421-555 West 148th Street, 98 units; 110 Madison Ave & Jupiter 21, Off-site Inclusionary
Trevor Nugent	Portland Housing Authority	Occupancy and Property Maintenance (upon completion)	Manages admissions and property management for over 1,200 units of affordable rental housing in Portland.

F. Occupancy and Management Plan

Lambert Woods II will likely be organized under the same limited equity cooperative corporation formed for Lambert Woods I under the Maine limited equity cooperative statute (13 M.R.S. § 1754). Residents purchase shares which give them an ownership interest in the cooperative and hold a long term lease agreement for their specific unit. The lease will have a term of up to 3 years. Residents pay monthly carrying charges that cover the mortgage, utilities, maintenance and required reserves which are comparable

to rents. Maine's limited equity cooperative statute provides the main affordability restriction and requires that unit prices and carrying charges be affordable to households at 80% or 100% AMI. Household income will be screened at entry into the cooperative and households will be allowed to remain in the cooperative even as their income increases.

The precise resale restrictions and resale process will be determined democratically by the resident owners. However, it will need to be consistent with the Maine law and not result in a co-op purchase price or carrying charges unaffordable to households at 100% AMI. Residents will determine through the by-laws what departing residents may receive for a return on their initial share purchase (or equity investment) into the cooperative. In order to provide the intergenerational benefits of ownership, MCDP plans to allow for residents to pass their share in the cooperative by gift or inheritance to future generations. Finally, the cooperative will ensure that owners are residents as Maine law places restrictions on subletting cooperative units.

To preserve affordability and ensure successful democratic governance, MCDP will partner with Portland Housing Authority (PHA), The Cooperative Development Institute (CDI), and UHAB. PHA will manage lease up and income eligibility screening to ensure households meet income requirements at move in. PHA will also provide property management services for the co-operative. CDI will provide technical assistance and management support for the cooperative and its resident owners. This will include support for democratic governance, supervision of day-to-day operations, and planning for long term capital repairs. CDI's direct work will be supported by UHAB who provides similar management to 25,000 cooperatively owned units in New York city.

G. Purchase Price

We propose that the City contribute the land to the Lambert Village cooperative at no cost. Doing so would serve to balance the cost of new construction against the objective of maximizing permanent affordability for an economically diverse range of households.

OVERVIEW OF RFP SCORING CRITERIA

Proposed Use to Achieve the City of Portland's Goals

(40 Points Total)

1. Market Demand (20 Points)

One Hundred percent of the Lambert Woods II units will be affordable to households between 80% and 100% AMI and will remain so indefinitely. Unlike other affordable ownership opportunities, this affordability is maintained as units change hands and cooperative interests are sold to new owners. As of the date of this submission, MCDP has received over 60 inquiries from individuals and families interested in becoming resident owners in one or both of our current projects in Portland. This is without any marketing, advertising or focused future resident outreach.

2. Economic Diversity (10 Points)

Lambert Woods II provides a range of ownership opportunities to households at differing income and sizes. These affordable ownership opportunities will remain affordable to future generations of Portlanders through the cooperative form. The long term affordability will ensure economic diversity both within the development and the North Deering Neighborhood as Portland continues to experience economic growth in the decades ahead. Twenty of the homes will be within the payment standards for the Section 8 program and therefore accessible to families receiving this form of rental assistance. The ongoing restriction of affordability down to 80% AMI and monthly carrying charges affordable to Section 8 voucher holders will ensure that the project is accessible to the full range of low and moderate income households.

3. Age Inclusive (10 Points)

Lambert Woods II will ensure age-inclusivity through development design and management structure. The project will include a mix of unit sizes - 1, 2 and 3 bedroom units. This will provide a range of housing options for households at every stage of life, from young workers, to families with children, and retirees. Additionally, resident owners will get management support from the Cooperative Development Institute (CDI). CDI works with over 50 successful cooperatives across New England, including 7 in Maine, to ensure inclusive governance of the project by the resident owners regardless of age, income and background.

Impact on Surrounding Neighborhood, including design**(25 Points Total)****1. Project Design (15 points)**

The project design will be integrated into and consistent with design characteristics of the development across the street at 165 Lambert Street. Along Washington Avenue, buildings will be oriented to provide a neighborhood center look and feel when taken in conjunction with the 165 Lambert Street development.

This neighborhood center will provide a place for existing and future neighbors to walk to catch the bus and gather with other neighbors. The indoor community space located on the first floor of some of the buildings may provide for recreational, cultural, social, educational, health and/or artistic opportunities for neighbors and residents. This is part of our goal to create a walkable node in the North Deering neighborhood as expressed in the city's comprehensive plan.

The multiple building typologies will also ensure that the development is consistent with the surrounding neighborhood. The townhouse typology is similar in size to the adjacent single family homes and offer a natural transition from these homes to the apartment style homes at the site. Additionally, the building typologies will be consistent in size and scale with condominium developments within a quarter mile of the site at 55 Lambert Street and rental apartments at 65 Lambert Street.

Amenities and unit design (10 points)

Amenities and unit design will comprehensively meet the needs of residents. The layout of the development will provide shared common space for all residents to use. Both Residents and neighbors will also have and access to forested open space around the development. MCDP will partner with Portland Trails to develop trails and related amenities throughout the sites. Finally, the neighborhood center design along the Washington Ave Extension will bolster the public transit connection by providing sidewalks and a covered bus terminal for for the Metro #9A/9B bus (which runs to and from the site). An improved transit stop will benefit residents and neighbors alike.

A mix of unit sizes and designs accommodate a wide range of household sizes and types. The Co-ops buildings will likely be built to passive house standards and have solar panels - exceeding the city's green building standards.

MCDP plans to achieve the following unit mix if granted the proposed re-zoning discussed above: up to 48 1, 2 and 3 bedroom units with the precise number of each dependent on the final site plan approval.

Applicant's ability to complete the project, including financial feasibility, development team experience, capacity, and timeframe for completion.

(35 points Total)

1. Readiness to proceed (15 points)

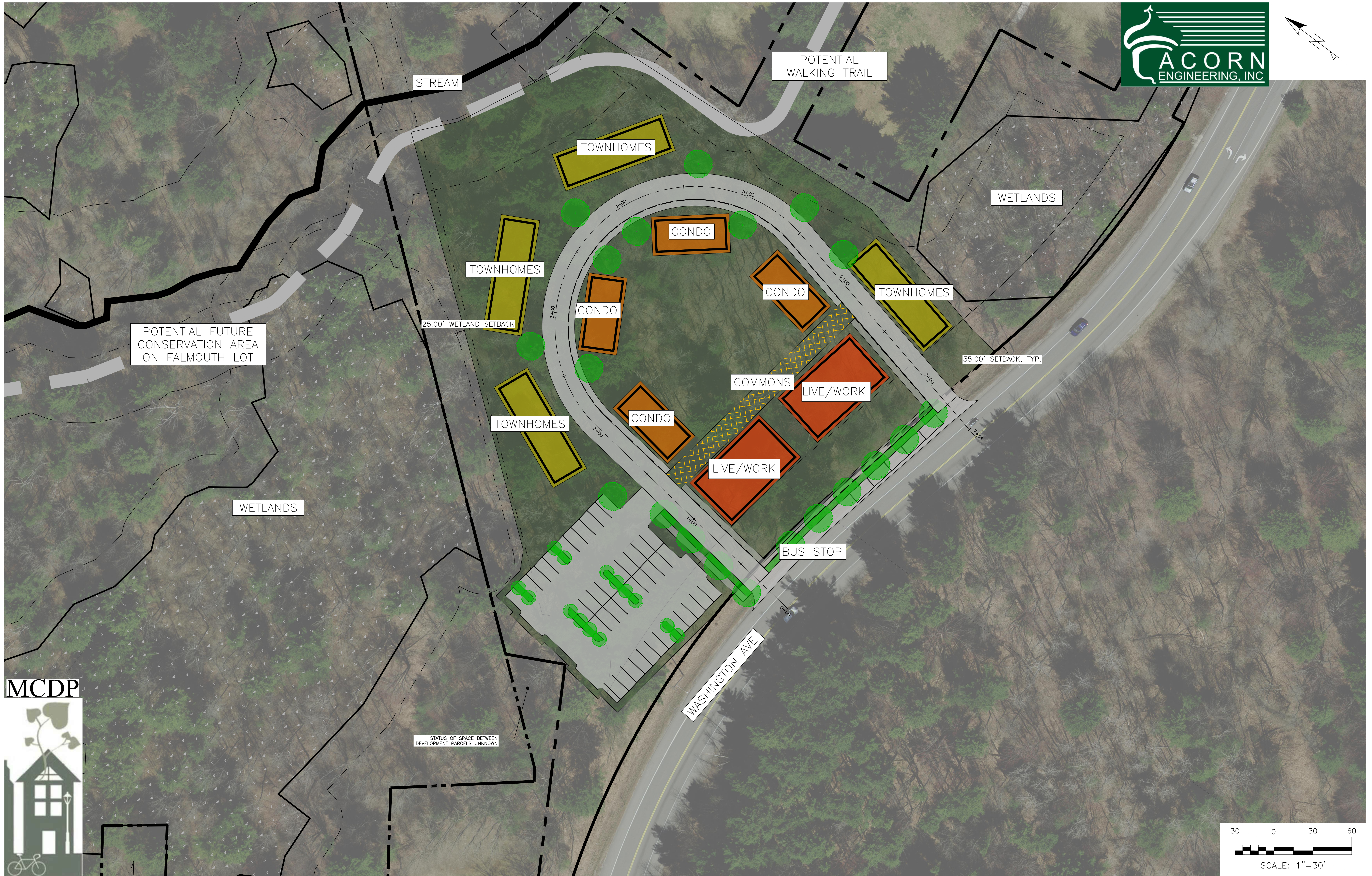
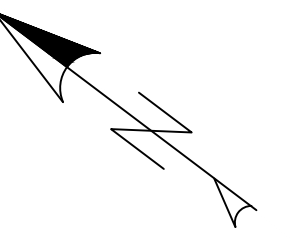
We have letters of commitment or interest from all projected sources of funding except where procurement rules disallow. The MCDP Development team also has the experience with the specific neighborhood to hit the ground running for the zoning amendment and city planning process.

2. Track record of development team (10 points)

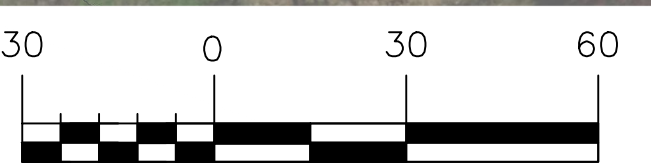
Every development team member has a successful track record with this type of project and at this scale. (See Developer Capacity Section E)

3. Current capacity of development team (10 points)

Our development team members have exceptional depth of human and financial resources to complete this project and for this project in particular there will be a benefit from the developers existing experience and work in the neighborhood for the development across the street. (See Developer Capacity Section E)



MCDP

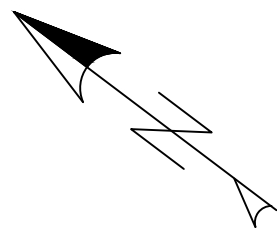


SCALE: 1"=30'

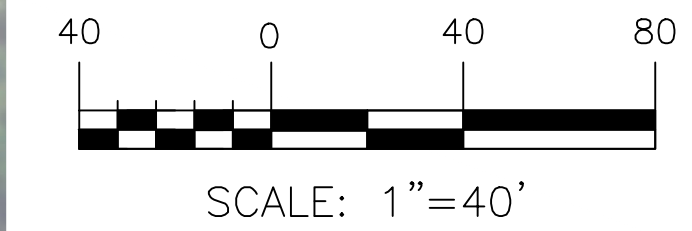
LEGEND:

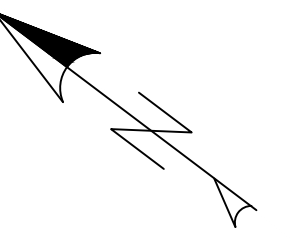
PORTLAND DEVELOPMENT PARCELS: 

RESERVED FALMOUTH PARCEL: 

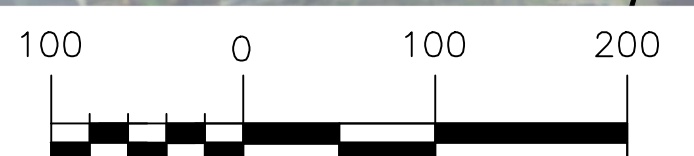


MCDP





MCDP



SCALE: 1"=100'



Maine Cooperative Development Partners

MAINE COOPERATIVE DEVELOPMENT PARTNERS

build neighborhoods where the elements that constitute quality of life—access to green space, healthy lifestyles, community, privacy, and affordability—are not at odds with each other. Grounding principles for this work are creating equitable communities; complementing walkable neighborhoods; building healthy buildings; and celebrating beauty, art, and the natural environment. We use Limited Equity Cooperatives as a form of ownership to create options for people of all ages, backgrounds, and incomes to live in harmony with nature and their neighbors.

WE ENVISION small towns, urban neighborhoods, and suburban neighborhood centers that are walkable to daily needs and adjacent to recreational facilities, trails, and transit corridors; homes that use energy efficient construction, and shared gardens, patios, and play spaces for people to get to know and enjoy their neighbors.

WE GIVE BACK by partnering with organizations that support trails and green space, transit, local businesses, social equity, and efforts to mainstream energy efficient building and land use.



PRINCIPALS



MATTHEW PETERS has been involved in the completion of over twenty new construction, major rehab, and acquisition deals. Matt worked for seven years at Avesta Housing, one of the largest non-profit housing developers and owners in Northern New England, project managing affordable housing developments, building out and overseeing the Asset Management department, and ending in an executive role overseeing the entire development and acquisitions pipeline as Vice President of Real Estate Services. In 2018 he began to consult for Housing Authorities, housing non-profits, and Community Development Finance Institutions in Maine supporting these organizations in acquisition, ground-up development, and underwriting of affordable housing properties. Matt also is currently the Executive Director of Freeport Housing Trust based in Freeport, Maine. He has strong working relationships with MaineHousing, Rural Development, lenders, tax credit syndicators, and other professionals in the design and construction field, holds a Masters in Urban Planning from the University of Washington, and certifications such as Spectrum's C3P and Rural Development STAR trainings and LEED Accredited Professional.



BRIAN ENG is a real estate investor who has worked on commercial projects in Florida, Connecticut, New Jersey, and Maine. He has worked as a principal on developments of over 200 units, is a principal on redeveloping the MERC site in Biddeford, and has redeveloped several smaller properties in Portland. He also has worked on community-based real estate and infrastructure planning projects in Lewiston, Skowhegan and Greenwood. He brings strong expertise in financials, fundraising, advocacy, and public speaking. He grew up in a co-op in New York City, and is on the board of UHAB, the entity that manages 20,000 units of cooperative housing in New York.



LIZ TRICE is a policy professional who builds multidisciplinary partnerships across real estate, economic development, entrepreneurship, and public health. Liz holds a masters degree in Public Policy & Management with a certificate in Community Planning & Development from the Muskie School at the University of Southern Maine. She has worked on multi-unit projects in Portland to obtain zone changes, lead the public engagement process with neighboring residents and businesses, apply for TIFs and grants, and direct the design of shared spaces. Her work includes award-winning research on the regulatory barriers to people living alone achieving home ownership, leading the process to redesign Bramhall Square, and working with medical and economic development institutions to develop strategic plans. Her projects to re-envision urban spaces for livability and natural ecosystems won two of three awards given by the 2019 Portland Society of Architecture's Complete City Competition. Liz trained as a cohousing developer and Passive House Design Consultant and has visited over twenty cohousing developments in the United States. She is currently the owner of PelotonLabs, a coworking space in Portland.



CURRENT PROJECTS



LAMBERT WOODS—The MCDP Team was chosen by the City of Portland, Maine, to redevelop a 14-acre, North Deering neighborhood parcel into a transit-oriented neighborhood center for middle income households of all sizes and ages.

The MCDP Team will build a minimum of (60) one-, two-, and three-bedroom apartment and townhome units owned by residents through a limited equity cooperative. Shared indoor and outdoor community spaces will allow neighbors to gather and know one another. MCDP will also partner with Portland Trails to preserve over half the site for nature trails—providing access to nature for residents and neighbors alike. Project completion is targeted for 2024.



DOUGLASS COMMONS—MCDP partnered with the Szanton Company to bring a mix of affordable rental apartments and limited-equity, cooperative-ownership homes to the former West School Site in Portland's Libbytown Neighborhood.

MCDP will develop an approximately 52-unit, limited equity cooperative that will share open space and gardens with the Szanton Company's 56-unit, mixed income rental project. Project completion is targeted for 2024.



REPRESENTATIVE TEAM MEMBER EXPERIENCE



M NORTH ORLANDO

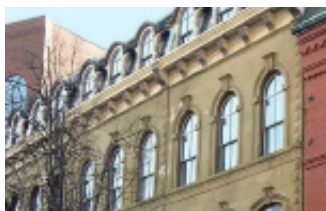
As a principal of Clay Cove Capital, Brian was the control capital partner in the ground-up development of M North in Orlando, a \$37.1M, 288-unit, multi-family development in Orlando, Florida.

www.mnorthorlando.com



BIDDEFORD MERC REDEVELOPMENT

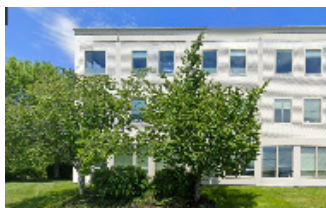
Brian worked with Jim Brady of Fathom Companies, to serve as master developer of city-owned land on the former Maine Energy Recovery Corp. incinerator through a public-private partnership with the City of Biddeford.



6 CITY CENTER, PORTLAND

Brian redeveloped and retenanted a largely vacant, mixed-use building in the Old Port, including executive office suites that are home to a law firm, Lio Restaurant, and HE Paintbar nail salon.

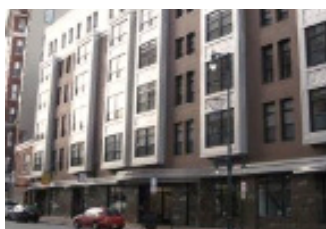
www.sixcitycenter.com



1685 CONGRESS STREET, PORTLAND

Brian redeveloped a half-vacant office/medical building and retenanted it. The property is now home to the Maine Plastic Surgery Center and Maxim Healthcare.

www.maineplasticsurgery.com



645 CONGRESS STREET, PORTLAND

Liz worked with developers Shinberg and Alfond to convert this former downtown college dormitory to (55) one-bedroom and studio apartments, with retail on the first floor. She worked on the initial concept, conducted market analysis, developed relationships and communication with neighbors and businesses, created plans for bike storage, parking, as well as community management, and assisted with lease-up.



HIGH & DANFORTH

This innovative, 26-unit, affordable loft condo development in downtown Portland, Maine, was originally developed by Random Orbit. The project was the first in the city to charge separately for parking, and developed contract zone language to build less than one space per unit due to an innovative car-sharing program, proximity to transit, and bike parking that was eventually brought into the land use code.

Liz worked on the initial concept, interior design and layout, and developed educational materials for the planning board, city council, and staff regarding the impacts that parking requirements have on the cost of units, and the prevalence of car-free urban singles. The zoning was approved, but the project was put on hold in 2009 and sold to another developer, who built the project for a different audience in 2012.



BOYD STREET APARTMENTS

This 55-unit tax credit property is under development by the local housing authority in Portland, Maine. As Development Associate, Liz researched contractors for hazard remediation of the site, designed a survey of public housing residents to develop a plan for including wifi for residents, wrote a successful grant of over \$80k—under tight deadline—to put solar panels on the roof, and prepared the TIF application.



BRAMHALL SQUARE REDESIGN

Liz led multiple iterations of design for a small park in Portland's West End; first hosting a neighborhood charrette, then partnering with the Portland Society for Architecture to host a design competition in which thirteen firms and over 180 members of the public participated. The project received funding and is now in process to have a final design created.

LOW INCOME HOUSING TAX CREDIT PROJECTS

Matt has been involved in the completion of over (20) new construction, major rehab, or acquisition deals, including:

- Young Street Apartments, South Berwick, ME
- Ridgewood II, Gorham, ME
- One Meeting Place, Exeter, NH
- Meadows, North Hampton, NH
- Carleton Street, Portland, ME
- Bayside Anchor, Portland, ME
- Bartlett Woods, Yarmouth, ME



April 28, 2021

Matthew Peters
Principal
Maine Co-op Development Partners
6 City Ctr, Fl 3
Portland, ME 04101

RE: Lambert Woods II/Property Acquisition – 622 Auburn Street

To whom it may concern:

Centennial Mortgage has been engaged by Maine Co-op Development Partners to secure mortgage insurance through the FHA 213 program for cooperative housing and fund a construction/permanent mortgage for Lambert Woods Cooperative, a new cooperative housing project in Portland, ME. We recently had a successful concept meeting at HUD and preliminary approval of the project with the development team. HUD has invited a full application for mortgage insurance. HUD was impressed by the overall concept, development team and the market. Maine Co-op Development partners has made us aware of an additional opportunity to acquire a parcel of land adjacent to or across the street from the Lambert Woods site that could possibly support 40 homes/units. Depending on timing, this site could potentially expand the availability of housing units for Lambert Woods or make an excellent site for an additional stand-alone cooperative. Given the need for affordable housing in the market, there would be substantial support for a new cooperative project, Lambert Woods II, or expanding Lambert Woods.

Given HUD's support of the initial project, the development team and the need for affordable home ownership in the market, we support the idea of Maine Co-op Development Partners acquiring this parcel and feel it would be easy to justify extending the number of units at Lambert Woods or developing a new cooperative, Lambert Woods II.

Centennial Mortgage has substantial expertise and experience completing FHA financing transactions. We are very active in lending to cooperative housing projects throughout the country. Cooperative housing provides a unique form of home ownership and we are actively working with several groups to create new home ownership at affordable prices. Personally, I have been involved in cooperative housing for over 20 years, through financing and serving on the board of the National Association of Housing Cooperatives.



We encourage other funding sources as well as other potential partners to join us in supporting Maine Co-op Development Partners in the creation of affordable cooperative home ownership opportunities in the Portland area and Maine overall.

Sincerely,

A handwritten signature in blue ink, appearing to read "H. Jeffers", is positioned above the printed name.

Hugh Jeffers
Vice President of Originations



COOPERATIVE DEVELOPMENT INSTITUTE

P.O. Box 1051, Northampton, Massachusetts 01061-1051
PH 413-665-1271 • FX 413-541-8300 • www.cdi.coop • info@cdi.coop

April 29, 2020

To whom it may concern:

The Cooperative Development Institute (CDI) is excited to support the Maine Cooperative Developers' proposal for Lambert Woods II (at 622 Auburn Street, Portland and at 0 Gray Road, Falmouth). CDI believes this will be a beneficial addition to the adopted plan at the 165 Lambert St. parcel, which we also enthusiastically support.

CDI is a 501(c)3 nonprofit founded in 1994 by co-op leaders to work with people in the Northeast to create cooperative businesses and networks that grow a prosperous, equitable economy.

CDI provides expert assistance, organizational development, and support to groups undertaking cooperative development. In the past decade, CDI has helped create 49 new Resident Owned Communities (ROCs) in New England, representing 4,479 households. 10 of the ROCs are conversions of manufactured home parks in Maine. CDI's role is to help form new cooperatives, train residents, and ensure that the cooperative has the support it needs to remain permanently affordable.

Our intention is that at Lambert Woods II, CDI will:

- Lead the creation of the new Co-op entity.
- Lead resident training and resident participation in the construction phase.
- Create and administer a long-term management plan that would meet the city's TIF requirements to ensure that the property meets the city's affordability metrics for at least 30 years.
- Be the long term training & support organization for the Co-op.

We are pleased with the proposal and the development team, and hope to be part of this exciting project!

Sincerely,

Noémi Giszpenc
Executive Director

THE SOURCE FOR COOPERATIVE BUSINESS DEVELOPMENT IN NEW ENGLAND & NEW YORK

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ANDREW REICHER EXECUTIVE DIRECTOR

April 29, 2021

To whom it may concern:

UHAB is pleased to support the Lambert II Project to create a Limited Equity Cooperative providing affordable home ownership on Lambert Street in Portland.

The Urban Homesteading Assistance Board was created to assist neighborhood residents in NYC to create, own and operate their own housing. Our original projects were Homesteading Projects where residents would take over abandoned buildings in NYC's low-income neighborhoods and rehab them using their own sweat equity and owning and operating them as affordable housing cooperatives. Since that time UHAB has assisted with the creation of about 1,200 limited equity cooperatives providing affordable homeownership to almost 30,000 households. We continue to support these co-ops with stewardship services, ongoing training and technical assistance as well as group insurance, fuel buying, green energy services, bookkeeping and election services.

Throughout our nearly 50-year history, UHAB has occasionally provided, training, capacity building and services to organizations and developers creating affordable co-ops in cities around the country. Six years ago, we began a census and survey of all limited equity housing co-ops in the nation. The results and a map of the 320,000 units can be found at www.sixthprinciple.coop. But also, as a result we have received requests for our capacity building, technical assistance, and services from organizations, local governments, and housing developers around the country. It has become part of our mission and our work to serve and grow the cooperative housing community not only in NYC but nationwide.

UHAB has also agreed to provide pre-development financing for the Lambert Woods I at 165 Lambert Street and would be open to considering additional support as Lambert Woods II moves forward.

Our work on the Lambert II project in support of CDI and MCDP is part of this national effort and we couldn't be more excited to be part of this effort. Lambert II is a great proposal with a strong development team.

Sincerely,

Andrew Reicher
Executive Director



April 28, 2021

City of Portland
RE: RFP #21042
389 Congress Street
Portland, ME 04101

To whom it may concern:

The Genesis Fund is pleased to provide this letter of support for the Maine Cooperative Development Partners (MCDP) proposal to the City of Portland to develop the property located at 622 Auburn Street, Portland & O Gray Road, Falmouth (Lambert Woods II).

MCDP is already bringing the cooperative development model to Portland with their 165 Lambert Street and 45 & 91 Douglass Street projects, both of which are in the predevelopment stages. If selected, their proposal to develop the additional Lambert Street parcel would allow MCDP to complete the vision for a North Deering neighborhood center along the Washington Avenue Extension.

The Genesis Fund is excited to work with MCDP partners Brian Eng, Matt Peters, and Liz Trice to bring the limited equity cooperative home ownership model to Portland. The model has been highly successful in other urban areas, and Portland's growth and increasing pressure on affordable housing makes it a perfect location to introduce cooperative ownership as an option for low and moderate income homeowners. The target population for MCDP's project is closely aligned with the Genesis Fund mission, and Genesis can attest to the need for increased opportunities for home ownership among households at 80-100% AMI.

The partners have significant experience with cooperatives, community organizing, and housing development in the region and beyond. They are working in partnership with the Cooperative Development Institute (CDI), Urban Homesteading Assistance Board (UHAB), and other seasoned resources to utilize the HUD 213 model to bring cooperative single-family home ownership to Portland. Together, they have the capacity and the connections to successfully carry out their plans.

The Genesis Fund is familiar with each of the MCDP partners through their individual work in housing and real estate development and community organizing. Genesis has also committed a \$95,000 predevelopment loan to the Douglass Street project, and we are open to considering requests for additional support based on the collateral and value available as MCDP moves forward on each of the three projects.

Please don't hesitate to get in touch with any questions, and we appreciate your consideration of MCDP's proposal. The Genesis Fund looks forward to helping MCDP's cooperative vision for Portland come to fruition.

Sincerely,

Erica Quin-Easter
Senior Loan Officer



622 Auburn Street, Portland &
0 Gray Road, Falmouth

Proposal Prepared for Disposition & Development
of City-Owned Property



May 4, 2021

Great Falls Construction, Developer
20 Mechanic Street Gorham, Maine 04038
PH: (207) 839-2744 | FAX: (207) 839-3737

Submitted by:
Jon Smith, President: jon@greatfallsinc.com &
Julie Smith, Business Development: jasmith@greatfallsinc.com



"Constructing and Developing with a Purpose Since 1988."

May 4, 2021

Purchasing Department
Room 103, City Hall, 389 Congress Street
Portland, Maine 04101

Re: Letter of Interest and Ability for Development of 622 Auburn Street, Portland and 0 Gray Road, Falmouth

To Whom it May Concern:

On behalf of our team here at Great Falls Construction, we appreciate the opportunity to submit a proposal for the development of 622 Auburn Street and 0 Gray Road. Thank you in advance for your time in reviewing our submission and for considering us for the upcoming development project. Since our inception in 1988 we have prided ourselves on "Constructing and Developing with a Purpose". For this project, we are thrilled to see the City of Portland and Town of Falmouth's commitment to missing middle housing. We feel that this goal and objective fits nicely into our mission of working with a purpose. As a family owned and ran company with 45-talented employees, we are excited about the opportunity to build our fellow and new community members and their families a beautiful new home.

We understand that the city's goal is to provide mixed income units so as to meet the missing middle housing bracket. We appreciate this mission and have demonstrated experience in making these types of development visions a reality. While our goal is aligned with the City's on housing, we'd also like to add another goal: to train the state's next generation of essential construction industry workers. As local well experienced construction and development professionals, we are confident in our ability to design, train, and execute the most efficient site, buildings and community for this parcel of land while also training the future workforce on the importance of the meticulous construction trades. All the while, the future inhabitants will always be at the forefront of our planning, design, and execution.

Throughout our submission we seek to demonstrate our talented design build team's strong reputation, qualifications, performance, and commitment to quality. We are confident in our team's collective ability to dive in and understand how best to develop, design, and execute this project for the community. We look forward to sharing our similar experiences and elaborating on why we feel we are a great fit for this development project.

Our team is extremely talented in successfully managing every detail for the construction of great spaces all throughout Maine and Northern New England. We look forward to bringing this project for our community to life and ensuring the comfort, productivity, and happiness of the future residents and the entire community for years to come. Thank you in advance for your time and consideration. If you have any questions please do not hesitate to contact me at (207) 839-2744 or (207) 329-5825.

Sincerely,

Jon Smith

Jonathan Smith, *President*
Great Falls Construction

PROPOSAL

NOTE: THIS PAGE IS TO BE COMPLETED AND RETURNED

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

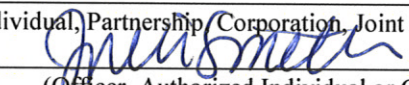
The UNDERSIGNED hereby declares that they have read and understand all conditions as outlined in the Request for Proposals, and that the proposal is made in accordance with same.

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 proposer acknowledges the receipt of Addenda numbered 1 dated March 15, 2021 & 2 dated March 29, 2021
If Applicable

COMPANY NAME: Great Falls Construction

(Individual, Partnership, Corporation, Joint Venture)

AUTHORIZED SIGNATURE:  DATE: 05/04/2021

(Officer, Authorized Individual or Owner)

PRINT NAME & TITLE: Julie Smith, Business Development

ADDRESS: 20 Mechanic Street Gorham, ME 04038

TELEPHONE: 207-839-2744 E-MAIL: jasmith@greatfallsinc.com

FEDERAL TAX ID #: 01-0487089 DUNS #: 868451691

STATE OF INCORPORATION Maine

(If incorporated in another State, businesses must be authorized to do business in the State of Maine.)

In your organizations preceding completed fiscal year, did the organization receive:

(1) 80 percent or more of its annual gross revenues in U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements; AND

(2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

☐ Yes ☒ No

Does the public have access to information about the compensation of the executives in the organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (18 U.S.C. 78m(a), 78o(d) or section 6104 of the Internal Revenue Code of 1986?

☐ Yes ☒ No

NOTE: All bids must bear the handwritten signature of a duly authorized member or employee of the organization making the bid. **This sheet must be signed and returned with the application package.**



Table of Contents

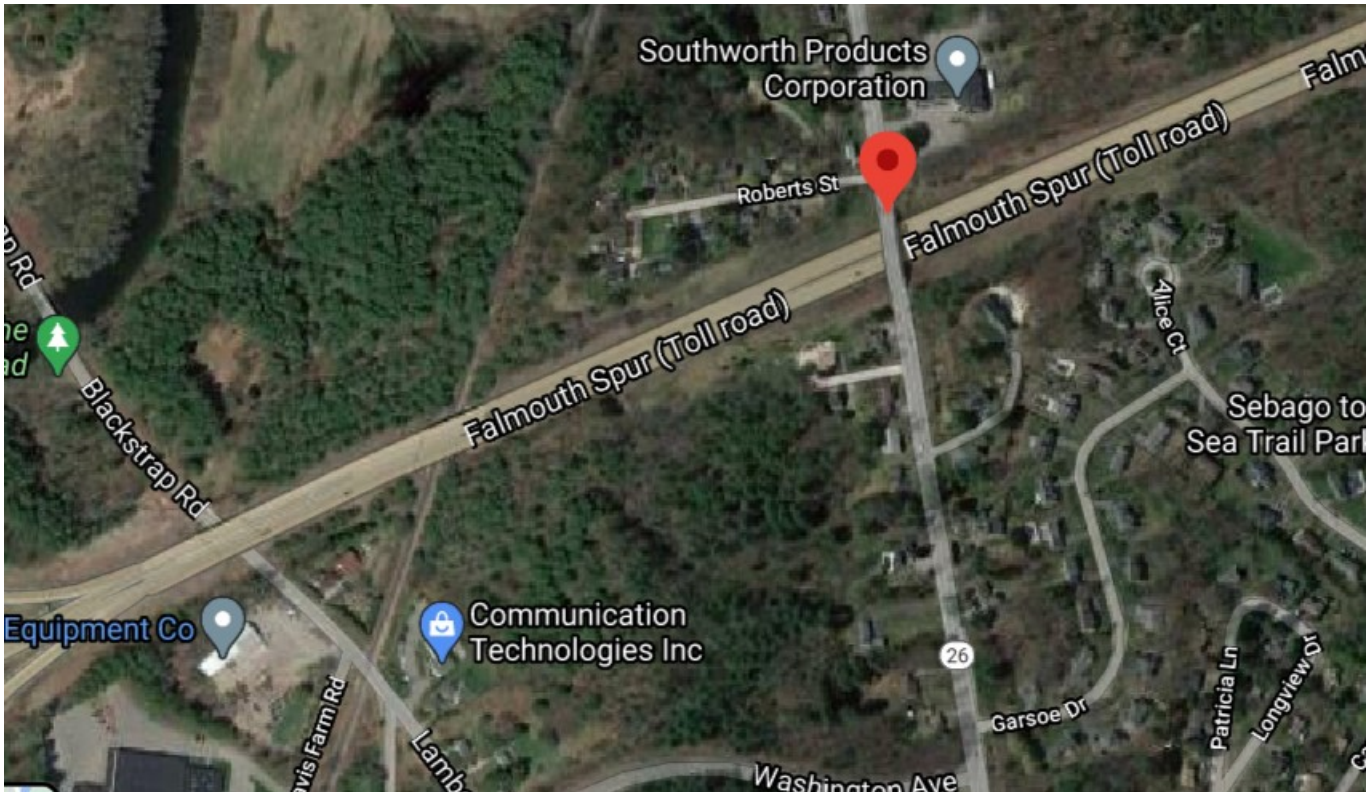
For ease of navigation, please simply click on the text of the section you would like to navigate to.

1. Our Vision
2. Our Experience & Capacity
3. Use, Occupancy, and Management Plan
4. Affordability Matrix and Financial Feasibility
5. Schedule & Purchase Price



1

Our Vision



OUR VISION



Constructing and Developing with a Purpose is at the core of what we do as a team. We cannot think of a better purpose than supporting the housing needs of our community through responsible and meticulous construction and property management but we see an opportunity to do more with the social mission.

Here in Maine we have an aging population and an economy centered around skilled labor. These two factors make for a challenging road ahead for professions that are at the core of our State's economy. Accordingly we propose, we would commit to the site being a workforce development site for the next generation of skilled labor workers. In order to be successful we will commit to assigning a dedicated Great Falls Construction site trainer and manager who will serve as the overall liaison and trainer for the work at hand. The Great Falls instructor will teach both in the classroom and field settings to the students/employees. It is our intent to impart invaluable knowledge to the state's, and therefore country's, next generation of essential and leading carpenters, electricians, roofers, plumbers, designers and beyond.

While our goal is aligned with the City/Town on housing and we are committed to engineering a path to responsible homeownership, we'd also like to add this workforce development on site training as another goal and our primary vision for the project. As local, well experienced construction and development professionals, we are confident in our ability to design, train, and execute the most efficient site, buildings and community for this parcel of land. No matter the project, the future inhabitants are always at the forefront of our planning and design.

Our vision for the development of 622 Auburn Street and 0 Gray Road is simple: design, build and sell and/or lease superior homes/living quarters for mixed income families while also training the next generation of the construction trades. We see this as a hugely impactful way to utilize this land as it not only meets the City's goals outlined in section III for housing but also our own added goal of training the next generation of construction tradespeople in Maine. Our firm is dedicated to establishing this site as a space where the next generation of the workforce can come and be trained to execute meticulous and superior construction. This will of course take some investment from us which we are committed to providing. We understand the necessary requirements relating to the Portland work and the Green New Deal and see this workforce development program exceeding the requirements set forth. We will be taking formal steps towards meeting the acknowledged requirements relating to this workforce development program. Should we be selected, we would intend to further develop the workforce development training program to be one that safely and effectively teaches the next generation of Maine's tradespeople.

The remainder of our proposal will elaborate on the feasibility of our plans. It will also discuss in detail our thoughts on how best to shape not only the construction but the post-construction sales and/or management. Should we be selected we would refine the concept and flush out the formalities of the training management.





2

Experience & Capacity



ABOUT GREAT FALLS CONSTRUCTION

Since 1988, Great Falls Construction has been a premier Construction Management, Design-Build, General Contracting and Real Estate Development firm respected throughout northern New England for meticulous craftsmanship and committed customer service. Great Falls Construction is a single source firm located in Gorham, Maine. Our forty-five talented employees, consisting of both office and construction field staff, all work closely together to diligently manage projects in multiple industries including but not limited to residential, municipal, educational, commercial, historical, medical, financial and retail. We apply our founding principle of “construction and developing with a purpose” to meet project and community needs through practical development, construction, and property management knowledge. In addition, we operate JCS Property Management, which maintains our 100-unit + existing portfolio needs and ensures the continued success and committed customer service to our development projects post construction.

Our dedication to ‘*Constructing and Developing with a Purpose*’ permeates our organization’s culture and informs our approach to every project here at Great Falls. The opportunity to develop this property in Portland and Falmouth excites us because of our demonstrated success in breathing new life into our local Maine communities. The opportunity to provide sound and suitable housing for Maine’s “missing middle” speaks to who we are as a firm and what we genuinely enjoy doing. We look forward to purchasing the real estate and getting to work envisioning and building all of the future residences of 622 Auburn Street & 0 Gray Road. We are confident that our vision for development at this location will make future residents proud of their homes and neighborhood. In addition to building homes for our community, we see an opportunity to do more with this development project—that is to teach.

We live in a state with an aging workforce, a workforce centered around the trades and industries and the interest in these trades and industries is dwindling. This is why we feel it our duty to help re-establish an interest in the trades throughout our state and country. It is with excitement we share our vision for developing the next generation of designers, construction, and trades women and men through the construction and development of this property at 622 Auburn St. and 0 Gray Road in Portland and Falmouth.

To learn more about who we are and our experience please see the following pages of this section.

ABOUT GREAT FALLS CONSTRUCTION

CONSTRUCTION

From mixed-use commercial centers to small town centers of commerce, multi-unit affordable housing projects to single family residential, University campuses and major municipal structures, Great Falls has a wide range of development and construction project experience and resources. We participate in development and construction at every level in order to move a project successfully forward. Some of the disciplines we perform are listed below:

- Preconstruction and Project Estimating
- Development
- Design Build
- Construction Management
- General Contracting Services



DEVELOPMENT

Great Falls has enjoyed designing, developing, building and property managing many properties throughout Maine. Our most recent developments are listed below and elaborated on in the following pages.

- The Edge at Berwick at the former Prime Tanning Facility in Berwick, ME (in design)
- Station Square, a mixed use facility at 7 Railroad Avenue, Gorham
- 109 Main Street, Gorham
- Perennial Place at White Rock: redevelopment of a former school building.
- Redevelopment of a former fire station, South Windham, ME (in design)



PROPERTY MANAGEMENT

JCS Property Management formed in order to internally manage our conservative real estate portfolio and ensure the continued success of our developments after construction and acquisitions. Through JCS Property Management, we are able to extend our mission of service to others beyond the temporary services we provide in development and construction. JCS Property Management handles the following units throughout Southern Maine.

- 105 total units
 - 50 residential
 - 55 commercial tenants



STATION SQUARE AT 7 RAILROAD AVENUE GORHAM, MAINE

BEFORE: A STORAGE FACILITY WAREHOUSE LOCATED IN THE VILLAGE CENTER



AFTER: 70,000SF OF MIXED-USE BRAND NEW SPACE IN THE VILLAGE CENTER



STATION SQUARE

RESIDENTIAL AND COMMERCIAL MIXED USE FACILITY IN GORHAM, MAINE



Location: Station Square, 7 Railroad Avenue Gorham, ME 04038
Square Feet: ~70,000 SF | **Project Completion:** November 2019
Owner/Developer: Great Falls Construction/JCS Property Management, Gorham
Design Team: Custom Concepts, Inc., Sebago Technics, Structural Integrity
Award Winning: [MEREDA Top 7 Most Notable Projects](#) and 2020 Grow Smart ME award.

Great Falls Construction has been committed to constructing with a purpose since its inception in 1988 and remains dedicated to furthering the importance of quality construction and sound development to enhance and sustain responsible economic growth and prosperity for Maine. Station Square is a great representation of Great Falls' most recent commitment to excellence in meeting diverse community needs in construction and development to best support Maine's economy. Station Square stands as a five story, thirty-three residential, six commercial unit property located in the heart of Gorham's thriving Village. Station Square is currently home for nearly sixty residents as well as the new hub for Village entertainment, dining, commerce and more. The residential offerings are estimated to nearly triple the rental offerings in the Village prior to this development. In addition, Station Square has employed over 100+ people throughout the construction and development process and will continue to employ 150+ people with the commercial offerings onsite. Throughout the planning and development process, this project contracted over 75 Maine companies. These companies worked hard together to produce this project with millions of dollars circulated through to the hard working Maine people who's talented hands created this facility.

In addition to the economic impact, Station Square includes countless thoughtfully chosen environmentally sustainable upgrades. Throughout the entirety of the project significant choices for sustainable upgrades were selected and executed upon. Some notable examples include the building's envelope at an R value of 42, which is double the amount required by code. In short, this selected upgrade drastically reduces the consumption of heat and a/c. Should the occupants turn on their heat or a/c they use a highly efficient ducted electric heat pump. Each unit of the 33-residential units are equipped with an efficient heat pump system to ensure sustainable consumption by all occupants. This of course lowers consumption and combined with the upgraded envelope R value of 42, maintains heat and a/c at significantly sophisticated and sustainable levels. We also have a sophisticated storm water treatment system on site which includes a system made with storm tree brand filters to filter water run off on site. In addition, our upgraded choice in flooring for the numerous outdoor patios and a common roof deck is a recycled tire material that allows water to pass through and run off where required. By using recycled materials we help eliminate waste and reuse existing materials that withstand the harsh Maine climate conditions. The durability of this upgrade will ensure that they last for years to come.

Finally, from a historical and cultural perspective the building intentionally preserves Gorham's historic identity and modernly invites the community to enjoy working, living and playing in the center of Gorham. The name and design of the space is centered on Gorham's history as a heavily traveled train village. The building is situated at 7 Railroad Avenue atop where the old train ran from 1851 until the tracks were ultimately abandoned in 1961.

109 MAIN STREET GORHAM, MAINE

BEFORE: A RUNDOWN, 15-YEAR +/- ABANDONED GAS STATION ON MAIN STREET



AFTER: A 4-UNIT VIBRANT COMMERCIAL HUB ON MAIN STREET



109 MAIN STREET FEATURING SUBWAY, AROMA JOES, 9 ROUND FITNESS &
NAIL XPERTS
GORHAM, MAINE



Developer: Great Falls Construction
Property Manager: JCS Property Management
Architect: Bild Architecture
Square Feet: 11,086
Project Completion: Spring 2015

This new construction retail center was a welcome change from the vacant dilapidated structure occupying this site for over 15 years. This new building is highly visible from all angles at the prominent intersection of Main Street and New Portland Road in Gorham, Maine. Great Falls constructed the new building and four interior tenant fit-ups for the new Aroma Joes, Subway, 9 Round Fitness and Nail Xperts.

The project houses four retail spaces with future second floor residential or office areas. Site work includes ample parking and drive through windows for Aroma Joes. Both Aroma Joes and Subway use the brand's latest interior retail store designs.

Great Falls Construction was the Developer and Construction Manager for the project having worked closely with the project team to ensure a high quality building and conducive spaces for all tenants and the community. The building changed the dynamic of Gorham's busy Village center and greatly enhanced the economic vibrancy of the town's center. Great Falls and JCS Property Management, an affiliated company owns and operates this busy downtown commercial building.

PERENNIAL PLACE AT WHITE ROCK GORHAM, MAINE

BEFORE: A FORMER SCHOOL THAT WAS ABOUT TO BE TORN DOWN

This project was put out as an RFP by the Town of Gorham in which we were selected to develop the project.



AFTER: A RENOVATED, UPGRADED, 12-UNIT 55+ MODERN APARTMENT FACILITY



PERENNIAL PLACE AT WHITE ROCK - 55+ LIFESTYLE APARTMENTS

GORHAM, MAINE



Developer: Great Falls Construction

Property Manager: JCS Property Management

Engineering/Design: MacLeod Engineering

Square Feet: 11,360

Project Completion: Winter 2015

Perennial Place at White Rock is the former White Rock School in Gorham, Maine converted into twelve 55+ lifestyle apartments. This development provides local residents with a beautiful facility that boasts extensive grounds including ball fields, nature paths and gardens. All units are on a single level and have wide hallways and generous common spaces providing residents with easy access from their units to all amenities. A storage structure is located on site and provides each unit with a sizable private secure storage unit.

Great Falls construction was the developer and Construction Manager and worked closely with the town throughout the entire planning, design and construction phases to complete this successful and community-orientated project. Perennial Place is a great example of our experience working with municipalities on needs and executing on thoughtful design and usages for the community. JCS Property Management continues to operate this property that is



THE EDGE AT BERWICK (FORMERLY THE PRIME TANNING FACILITY)
BERWICK, ME



BEFORE: A RUNDOWN, 15-YEAR +/- ABANDONED ~11 ACRE TANNERY SITE IN THE
MIDDLE OF TOWN



AFTER: CURRENTLY IN DEMO AND DESIGN—
THE FUTURE WILL UNVEIL A VIBRANT MIXED USE VILLAGE CENTER WITH DIVERSE
HOUSING OPTIONS AND COMMERCIAL OFFERINGS



THE SOUTH WINDHAM BREW PUB

A FUTURE COMMERCIAL DEVELOPMENT LOCATED AT 8 MAIN ST., WINDHAM, ME

BEFORE: ABANDONED FORMER SOUTH WINDHAM FIRE STATION

This project was put out as an RFP by the Town of Windham in which we were selected to develop the project.



AFTER: CURRENTLY IN DESIGN—

THE FUTURE WILL UNVEIL A VIBRANT COMMERCIAL OFFERING. A CATALYST FOR SOCIAL AND ECONOMIC CHANGE IN THE SOUTH WINDHAM VILLAGE



MEDIA DEMONSTRATING OUR COMMITMENT TO
“DEVELOPING WITH A PURPOSE”



- <https://www.mainebiz.biz/article/maine-real-estate-group-names-seven-notable-projects-for-2019>
- <http://www.gorhamtimes.com/smiths-moving-forward-plans-revitalize-gorham-village/>
- <https://www.pressherald.com/2015/03/02/vacant-gorham-eyesore-may-finally-be-replaced/>
- <https://growsmartmaine.org/smart-growth-awards/>
- <https://www.pressherald.com/2021/02/17/restaurant-brewery-planned-for-old-south-windham-fire-station/>
- <http://frontpage.thewindhameagle.com/2021/02/windham-awaits-closing-on-sale-of.html>
- <https://mereda.org/2020/10/06/the-right-equation-for-responsible-development-spotlight-on-3/>
- <https://www.pressherald.com/2019/11/04/new-owner-pledges-to-transform-former-tannery-site-in-berwick/>

PRINCIPALS FOR THE PROJECT DEVELOPMENT



With over 33 years of experience in the industry Great Falls has grown into more than a Construction Management, Design Build, and General Contracting Firm by adding a development portfolio to its repertoire. Our development portfolio currently has over 100-managed units which are managed by our in house property management firm—JCS Property Management. Jon and Cindy, co-owners of Great Falls, are passionate about promoting community and economic development and their drive for constructing with a purpose permeates the family owned organization and all of its talented and passion-ate staff. Cindy, Jon and Julie will be the primary team responsible for and involved in the early develop-ment and pre-construction process of this project. As the project moves further along, more team mem-bers will be brought into the project planning and execution. Our entire team of Great Falls employees and talented local subcontractors are top talents in the industry and have experience on numerous con-struction and development projects. For all of our construction and development projects we meticulously choose the design and execution team that will best facilitate the most successful project depending on their specific skill sets, interest in the project, and ability to get it done on time and on budget. We are confident and excited to assemble the entire team should we be selected. At this stage, below is the currently assembled early development team.



Cindy is the Vice President of Great Falls Construction. She oversees Human Resource operations, accounting, and the procurement and overall design of our executed development projects. She has over 30 years of experience in everything from balancing the books to employee onboarding and training to procurement for our development projects. Cindy's commitment to the project's design and character ensures all of our tenants feel right at home from the very start.



Jon is the Founder and President of Great Falls Construction. He is the overall project executive on all of Great Falls Construction's projects. He also oversees JCS Property Management, ensuring the continued success and community enjoyment of each of the properties. He has over 35 years of experience in the industry with extensive knowledge in all divisions of construction and development. He oversees the daily operations of the company and all its talented staff. Jon is an electric leader with a strong commitment to bettering his community through education and equitable housing.



Julie went to Cheverus, a Jesuit high school, and then on to Saint Anselm's for her undergraduate degree in Sociology and Criminal Justice. She went on to get her Master's Degree in Management with a focus in Strategic Management at Harvard University School of Extension. Her previous experiences are in permanency placement for youth coming out of detention and development for non-profits. The need for equitable and quality housing is one of her core beliefs. Julie joined her family business to pursue her interest in Development where she seeks to responsibly and sustainably develop the business through strategic growth—invigorated by her passion to help others.

In addition, should our submission be selected, we have many deep working relationships with top talented engineers and architects whom we would intend to bring onto the team. Any of the firms that would be brought on as a part of the team are highly regarded and have extensive industry knowledge. Should you like additional information about how we would formulate our design team please don't hesitate to ask.

PRINCIPALS FOR THE ONGOING PROPERTY MANAGEMENT



JCS Property Management, an affiliate to Great Falls Construction, is a dynamic company based in Gorham, Maine near Portland, passionately dedicated to building a cohesive community, locally and beyond, through purposeful property stewardship and service to others. Our tenants are our partners. JCS Property Management is focused on finding perfect spaces for both our residential and commercial tenants. Whether a new business owner looking for the right location to launch a fresh venture, a growing company that requires more office or retail space, or looking for a place to call home, JCS Property Management works with the community to find which of our properties best satisfy their specific needs. We take great pride in helping our community find the right space for whatever their needs may be. Community is at the core of what we do.



Becky Parker is the Property Manager for JCS Property Management. Becky works directly with Jon and Cindy Smith leading the day-to-day at JCS Property Management. Becky has extensive experience in customer service and makes a point to personally get to know each and every tenant—serving as an invaluable resource and leader of the JCS property management portfolio.



Devyn Harrington is the Property Administrator and works directly with Becky assisting in the daily administration of all of JCS's properties. She has a strong knack for customer service and helps to manage the social media accounts.



Jerry Farina is the Property Maintenance Technician for JCS Property Management. Jerry works directly with Becky on any and all maintenance needs. Jerry is quick to become a tenant favorite with his quick wit, customer service, and kindness.

OUR TEAM



If selected, we would intend to include our entire team in the training and development program at the direction of one dedicated site manager who helps to administer the training. This individual will be supported by Great Falls Construction's resources and extensive knowledge. Our commitment to training, safety, and workforce development is second to none. As evident by our diverse team we are committed to cross collaboration and training in the workforce already. This project would allow us to expand our reach of on the job training for the next generation of the trades. We will work with our subs, designers, and suppliers to engage in workforce development practices on the site. The result of this site development will not only be quality homes/living spaces for the missing middle, it will also be the on the job training necessary for the trades yielding trained workers in all aspects of development and construction.

See our talented Great Falls team below many if not all of whom will be involved in this project—exhibiting their strong skills and abilities so as to train our industry's workforce for a brighter, stronger, and more educated tomorrow!



Jonathan Smith
President



Cynthia Smith
Vice President



Darren
Operations Manager



Aaron
Project Manager



Debbie
Director of Finance



Julie
Accounting Reception



Lindsay
Payroll Coordinator/ Human
Resources



Julie
Business Development



Karen
Director of Preconstruction
and Estimating



Jim R
Senior Estimator



Jim A
Senior Estimator



Josh
Estimating Assistant

OUR TEAM CONTINUED....



Beth
Office Administrator



Valerie
Project Manager Estimator



Jeff
Project Manager



Patrick
Project Manager



Jenna
Assistant Project Manager



Ben
Site Superintendent



Dan
Site Superintendent



Mike
Site Superintendent



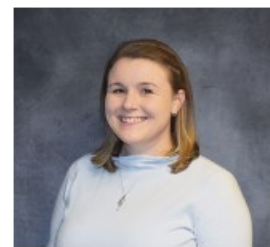
Matt
Site Superintendent



Mike
Site Superintendent



Bob
Site Superintendent



Becky
Property Manager



Mike
Field Staff



Colby
Field Staff



James
Field Staff



Nate
Field Staff

OUR ENTIRE TEAM CONTINUED....



Jerry
Property Maintenance
Technician



Devyn
Property Administrator



Joseph
Project Administrator



Quintin
Project Engineer



Ryan
Project Engineer



Matt
Project Engineer



Dan
Field Staff



Jake
Field Staff



Ambroise
Field Staff



Eric
Field Staff



Luke
Field Staff



Aaron
Field Staff



Douglas
Field Staff



Steve
Field Staff

REFERENCES

Please see below for references that can best speak to Great Falls Construction's recent development construction portfolio. From town officials to designers, we are happy to have been on (or in some cases still be on) the team with these talented and community-focused individuals.

Kevin Jensen, Economic Development Director in Gorham, Maine
(207) 222-1628
kjensen@gorham.me.us

James Bellissimo, Town Planner in Berwick, Maine
(207) 698-1101 x124
jbellissimo@berwickmaine.org

Owens McCullough, Sebago Technics, Senior VP of Strategy and Client Development
(888) 976-1123
omccullough@sebagotechnics.com

Michael Richman, President of Custom Concepts Inc. Architecture
(207) 883-0083
mike@customconceptsinc.com

Amy Valentine, Executive Director Gorham Community Art Center & current tenant
(207) 318-0584
gorhamarts@gmail.com



3

Use, Occupancy & Management



Duplex Home in Berwick, Maine by Great Falls Construction & managed by JCS Property Management

PROPOSED USE, OCCUPANCY & MANAGEMENT PLAN



USE & ZONING

In order to meet the market demand and attain the city's goals we intend to meet the intended economic diversity and inclusivity by creating a mix of options and scenarios for livability. The goal is mixed housing that meets affordability requirements set forth—we believe the best way to obtain housing diversity is to provide diverse options. This is why, should we be selected, we will be studying the lot so as to comfortably and appropriately maximize the site and housing options available. While it's currently not our intention to rezone, we reserve the right to do so should it become apparent as we dig in deeper.

We understand that the Portland site is zoned as R2 and if fully developable allows for 21 single-family dwelling units and that the Falmouth site, if fully developable, is approx. 13 acres in the MUC zone which allows for Multiplexes as part of a mixed use development. With that in mind, we would likely seek to utilize the Portland side for low density housing and the Falmouth side for mixed use development with potentially some low density housing options as well. We are strong believers that in order to have diversity in housing you must offer diversity in options. It is imperative that there are different scenarios (i.e. rent v. own) and different options (i.e. single family homes v. apartments) so that the diversity in affordability is met and responsibly sustained.

Should we be selected, we would intend to dive into the zoning in detail so as to best maximize not only the right balance of housing options and affordability but also the right layout of the site. That said, if selected and as we dive in further, if the most effective and efficient way to meet the projects prescribed goals is by changing the zone, we intend to do so. The impact on project timelines will play a role in our ultimate decision as to whether we pursue zoning changes. We understand that the need for housing is great and thus we intend to move swiftly, efficiently, and effectively to meet the intended goal of the site.

DESIGN

The property will be of exquisite design as we intend to work with many of the talented design firms in our state to design and best lay out this site to match aesthetic, enhance the neighborhood, and provide home offerings our fellow and new Mainers would be proud of.

MANAGEMENT & OCCUPANCY PLAN



JCS Property Management LLC manages all of Great Falls Construction's own development projects. The portfolio is over 100-units of both commercial and residential throughout Southern Maine. The team and team's credentials are detailed out in section 1 of this proposal. JCS Property Management is a leading professional real estate steward ensuring the comfort, safety, and excellence of all of our properties day in and day out.

As of now, should we be selected, we intend to dive into the most efficient and effective layout of the site which we expect to include occupancy options ranging from rental offerings, controlled home sales so as to meet affordability requirements, and long-term "missing middle" affordability assurances. In order to best dictate the mix, it will require significantly more investment of time and resources which is why, should we be selected, we would expect to dive into the details in earnest.



4

Affordability Matrix & Financial Feasibility



Multi-Family Apartment Unit in Gorham, Maine by Great Falls Construction & managed by JCS Property Management

AFFORDABILITY MATRIX

In order to meet the goals of affordability we will offer the following options: rental options, rent-to-own options, and homeownership options. The rates of these scenarios will be decided upon after selected and once we design the site. In all instances we agree to uphold the spirit of affordability to the best of our ability given current market conditions. Please see below for what the options for affordability will entail:

- **Rental Options:** Standard leasing terms to apply and lease rate to be established based off of construction costs. We assume that most all units will meet the 60%-120% AMI.
- **Rent-to-Own Options:** Tenants who wish to become homeowners of their unit will have an advantage that will make homeownership easier. We anticipate we will work with Macias Savings Bank in order to make this option feasible and that the details will be worked out should we be chosen for the property.
- **Homeownership Options:** Perspective homeowners between the 60% - 120% AMI who are able to purchase at the onset will be set to do so at a sale amount directly correlated with the cost of construction. We anticipate that we will work with Machias Savings Bank to ensure feasibility and affordability for the 60-120% AMI folks. Again, the details will be flushed through should we be selected.

In all three scenarios of calling this land home, we will be working on cultivating the next generation of Maine's construction and trades workforce. Mainers building homes for Mainers will not only meet the City's and our shared goals of attainable "missing middle" homes but also add a layer of social mission and that is to teach and train the upcoming workforce for a better and brighter tomorrow.

FINANCIAL FEASIBILITY

Please see the following page for our bank reference to indicate our ability to finance the project.



April 23, 2020

RE: Great Falls Builder's proposal in response to RFP#21042

To Whom it May Concern:

As per the request of Jon and Cindy Smith of Great Falls Builders, Inc, this letter is to accompany their response to the City of Portland's proposal for the disposition and development of city-owned property located a 622 Auburn Street, Portland and 0 Gray Road in Falmouth.

I am a Senior Vice President of Commercial Lending with Machias Savings Bank and have personally had a commercial lending relationship with Jon and Cindy Smith and their construction company for more than 18 years. I have financed numerous commercial construction projects for the company and have the utmost confidence in the Smith's ability to deliver a quality project on time and on budget. The Smiths have excellent credit and have handled all loan obligations as agreed. Additionally, Great Falls Builders, Inc has an excellent reputation in the industry.

The Smiths have discussed their concept of this project with Machias Savings and if their proposal is selected, they are ready to begin the financing process. Based on my extensive experience with the company, my knowledge of their financial status and the preliminary information of their project plans for this project, Machias Savings is looking forward to the possibility of working closely with the Smiths on the financing of this project.

If you have any further questions or concerns at this time, please feel free to contact me directly at (207) 561-3937.

Sincerely,

A handwritten signature in dark ink that reads "Francine Cram" followed by a stylized monogram "MTR".

Francine V. Cram
Senior Vice President
Business Banking

4 Center Street, PO Box 318 | Machias, ME 04654-0318

{T} 800-339-3347 | {W} machiassavings.bank

Member FDIC | Equal Housing Lender



5

Schedule & Purchase Price



Multi-Family Apartment Unit in Gorham, Maine by Great Falls Construction & managed by JCS Property Management

SCHEDULE & PURCHASE PRICE

SCHEDULE

Upon selection for the development project and closing, the estimated timeline of the project from design to completion is approximately three calendar years once receipt of all required building permits and planning approvals.

PRICE & TERMS

Great Falls Construction (“the buyer”) hereby offers to purchase the real estate at 622 Auburn Street, Portland and 0 Gray Road, Falmouth from The City of Portland and Town of Falmouth (“the sellers”) at a purchase price of **\$75,000**.

2021 Income Limits - Portland HUD Metro FMR Area

Household Size

AMI	1	2	3	4	5	6	7
30%	\$ 21,000	\$ 24,000	\$ 27,000	\$ 29,950	\$ 32,350	\$ 34,750	\$ 37,150
50%	\$ 35,000	\$ 40,000	\$ 45,000	\$ 49,950	\$ 53,950	\$ 57,950	\$ 61,950
60%	\$ 42,000	\$ 48,000	\$ 54,000	\$ 59,940	\$ 64,740	\$ 69,540	\$ 74,340
80%	\$ 55,950	\$ 63,950	\$ 71,950	\$ 79,900	\$ 86,300	\$ 92,700	\$ 99,100
100%	\$ 69,950	\$ 79,950	\$ 89,950	\$ 99,900	\$ 107,900	\$ 115,900	\$ 123,900
110%	\$ 76,950	\$ 87,950	\$ 98,950	\$ 109,900	\$ 118,700	\$ 127,500	\$ 136,300
120%	\$ 83,950	\$ 95,950	\$ 107,950	\$ 119,900	\$ 129,500	\$ 139,100	\$ 148,700

Maximum Rents

Bedroom Count

AMI	1	2	3	4	5	6
30%	\$ 525.00	\$ 600.00	\$ 675.00	\$ 748.75	\$ 808.75	\$ 868.75
50%	\$ 875.00	\$ 1,000.00	\$ 1,125.00	\$ 1,248.75	\$ 1,348.75	\$ 1,448.75
60%	\$ 1,050.00	\$ 1,200.00	\$ 1,350.00	\$ 1,498.50	\$ 1,618.50	\$ 1,738.50
80%	\$ 1,398.75	\$ 1,598.75	\$ 1,798.75	\$ 1,997.50	\$ 2,157.50	\$ 2,317.50
100%	\$ 1,748.75	\$ 1,998.75	\$ 2,248.75	\$ 2,497.50	\$ 2,697.50	\$ 2,897.50
120%	\$ 2,098.75	\$ 2,398.75	\$ 2,698.75	\$ 2,997.50	\$ 3,237.50	\$ 3,477.50



CITY OF PORTLAND

Housing and Economic Development Department
Housing and Community Development Division

TO: Councilor Spencer Thibodeau, Chair
Members of the Housing and Economic Development Committee

FROM: Victoria Volent
Housing and Community Development Division

DATE: May 27, 2021

SUBJECT: Committee Discussion and Direction to Staff Regarding Housing Policy
Options for Missing Middle Housing
(a) Financial Assistance Programs

Introduction

The City of Portland has made the development of affordable housing a priority, as identified in the City of Portland's 2016-2020 HUD 5-year Consolidated Plan, City Council Common Goals, and the Comprehensive Plan. To accomplish this, the City uses a Request for Proposal process to accept applications for financial assistance.

Financial assistance options include, but are not limited to, HOME, Housing Trust Funds and or Affordable Housing Tax Increment Financing. This memo summarizes these programs and the households they serve.

Home Investment Partnership Program (HOME)

Portland has been a participating jurisdiction in the U.S. Department of Housing and Urban Development (HUD) HOME Program since its inception by Congress in 1992. HOME funds are awarded annually as formula grants to participating jurisdictions.

Individuals, for-profit entities, nonprofit housing providers, and public housing authorities can participate in the HOME Program as owners, developers, or sponsors of housing. HOME funds can be spent on mixed-income projects.

The intent of the HOME Program is to:

- Provide decent, safe, affordable housing to lower-income households;
- Expand the capacity of nonprofit housing providers;
- Strengthen the ability of state and local governments to provide housing; and
- Leverage private-sector participation.

Portland's HOME Program is divided into three funding categories and targets assistance to households at or below 60% of the area median income.

- Administration
- Tenant-Based Rental Assistance (TBRA).
- Affordable Housing Development (Financing the acquisition, rehabilitation or new construction of rental housing).

Development projects financed with HOME funding are required to maintain a minimum term of affordability. Portland has set a minimum of generally 90 years for HOME assisted housing projects. The affordability term is to be secured by a declaration of covenants and restrictions recorded in the Cumberland County Registry of Deeds.

HOME has been the largest funding source for the City, helping to develop approximately 1,226 units of housing, 84% as affordable housing, through the allocation of approximately \$9.7 million in funds since 2000.

Housing Trust Fund

The Housing Trust Fund is a more flexible source of gap financing for projects. While the 2021 Annual Plan established the priority use of the Housing Trust Funds to support public/private partnerships that create housing units that are affordable to households earning 60% to 100% of the area median income (which includes the "missing middle"), the Housing Trust Fund Ordinance allows for the use of the funds to be used to assist very low-income (defined as not exceeding 50% area median income), low-income (defined as not exceeding 80% area median income) and moderate-income (defined as not exceeding 120% area median income) households. The Housing Trust Fund is established by Section 14, Article 18.3 of the City's Code of Ordinances.

Development projects financed with Housing Trust funds are required to maintain a minimum term of affordability. Portland has set a minimum term of 30 years. The affordability term is to be secured by a declaration of covenants and restrictions recorded in the Cumberland County Registry of Deeds.

The Housing Trust Fund is funded through a variety of sources including fees paid under the Housing Preservation and Replacement Ordinance, revenue from the Short Term Rental Registration Program, fee-in-lieu contributions from the Inclusionary Zoning Ordinance (including the hotel inclusionary zoning fees) and other sources. Since 2011, deposits into the Housing Trust Fund have totaled \$5,228,737.

Affordable Housing Tax Increment Financing (AHTIF)

The Affordable Housing Tax Increment Financing (TIF) is a financing tool authorized under state law that allows municipalities to assist affordable housing developments without raising taxes or relying on ever-scarcer federal subsidies. The TIF program allows municipalities to provide financial assistance to local affordable housing development projects by using new property tax revenue generated as a result of the new development. TIF revenue can be used to pay for a variety of costs associated with affordable housing development (capital and operating costs,

public infrastructure improvements, support services, recreational and child care facilities, public safety improvements, etc.).

Portland has prioritized the use of the Affordable Housing Tax Increment Financing Program (AHTIF) to support projects receiving assistance through the Low Income Housing Tax Credit Program as well as the projects that create housing units that are affordable to households earning 60% to 100% of the area median income. To comply with the AHTIF Statute's requirements, at least 33% of the housing units in the district are required to be affordable housing. Local policy requires that the ongoing affordability period is matched by the length of the term of the district. The affordability term is secured by a declaration of covenants and restrictions recorded in the Cumberland County Registry of Deeds.

Portland has fifteen AHTIF districts of which fourteen were allocated Low Income Housing Tax Credit funding from the State of Maine. The fifteenth project, 104 Grant Street, is a homeownership development.

Green New Deal Amendments to Inclusionary Zoning

Prior to the passage of the Green New Deal, the City's Inclusionary Zoning Ordinance required all residential developments of ten units or more to set aside 10% of the units as affordable workforce housing units. Workforce housing was defined as 100% of area median income for rental housing and 120% of area median income for homeownership housing. The Green New Deal amended this section of the ordinance, which now requires developers to set aside 25% of the units as workforce housing affordable at 80% of the area median income.

Financial Resources/Income Targeting

This chart is meant to show the income targeting allowed under each funding resource.

	HOME	HOUSING TRUST FUND	AFFORDABLE HOUSING TIF	INCLUSIONARY ZONING
50% AMI	X	X	X	X
60% AMI	X	X	X	X
80% AMI	X	X	X	X
100% AMI		X	X	
120% AMI		X	X	



CITY OF PORTLAND
Housing and Economic Development Department
Housing and Community Development Division

TO: Councilor Thibodeau, Chair
Members of the Housing and Economic Development Committee

FROM: Mary Davis, Division Director
Housing and Community Development Division

DATE: May 28, 2021

SUBJECT: Committee Discussion and Direction to Staff Regarding Housing Policy
Options for Missing Middle Housing
(b) Affordable Housing Tax Increment Financing

In 2017, the City Council amended the City's Tax Increment Financing (TIF) Policy to allow the maximum average percentage of 75% of captured revenue to be returned to a developer of an affordable housing project. The change was implemented to support projects competing for Low Income Housing Tax Credits (LIHTC). The tax credit application process, administered by MaineHousing, includes a scoring matrix that awards up to 4 points for projects receiving property tax relief. Points are awarded on a tiered approach based on the percentage and length of property tax relief. The LIHTC application process is very competitive. The City's willingness to provide tax increment financing is one way the City can support projects competing for this resource. It was assumed that only projects competing for LIHTC would request this level of TIF financing. The city is now seeing projects which are not pursuing LIHTC, requesting City assistance through an Affordable Housing TIF. As a result, staff is proposing several changes to the maximum percentages and terms for credit enhancement agreements for discussion and consideration.

Potential Policy Discussion Topics

- (1) ***Percentage of affordable units within an affordable housing TIF district. Currently, the required number of City Inclusionary Zoning (IZ) Ordinance residential units are included to meet State Affordable Housing TIF district law requirements. See below State TIF district law requirements.***

The AHTIF statute (30-A M.R.S. §§5245-5250-G), states that *"The district must be primarily a residential development on which **at least** 33% of the dwelling units are affordable housing..."*. The Inclusionary Zoning Ordinance requires that **at least** 25% of the units in a project shall be affordable to a household earning 80% or less of area median income (as defined by the U.S. Department of Housing and Urban Development).

Staff recommends applicants for Affordable Housing TIF CEA requests be able to count City IZ residential dwelling units requirements to meet State Affordable Housing TIF district law requirements. If the HEDC agrees, staff recommends this be formalized in City TIF Policy.

(2) Tiered approach to determine the maximum percentage of captured revenue returned to the developer based on the number of restricted affordable units and the level of affordability in the project.

The AHTIF statute (30-A M.R.S. §§5245-5250-G), defines affordable housing as “... a decent, safe and sanitary dwelling, apartment or other living accommodation for a household whose income **does not exceed** 120% of the median income for the area as defined by the United States Department of Housing and Urban Development.....”. The City can impose local requirements as long as those requirements do not conflict with the state statute.

The following is offered as a discussion starting point.

Percentage of Restricted Affordable Units in the Project	Level of Affordability	Maximum Percentage of Affordable Housing TIF
33% to ≤ 49% of total units ⁱ	≤ 100% AMI	Up to 65% as determined by financial underwriting analysis
≥ 50% of total units ⁱⁱ	≤ 100% AMI	Up to 75% as determined by financial underwriting analysis
≥ 33% ⁱⁱⁱ	101% to ≤ 120% AMI	Up to 65% as determined by financial underwriting analysis

See footnote explanations

(3) Use of HUD area median income vs Portland median income as the income metric for AHTIF Credit Enhancement Agreement.

The issue of using HUD area median income vs. Portland median income was discussed by the Housing Committee several times. The 2020 Housing Committee agreed to a recommendation that this comparison of income become a part of the analysis for all future affordable housing tax increment financing applications. As part of the Housing Committee discussion, the members of the 2020 Housing Committee considered a recommendation to the 2021 City Council to evaluate the use of Portland median income as the income metric for city funding resources.

FY 2021 Income Limit Area	Median Income	FY 2021 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Portland, ME HUD Metro FMR Area Portland Median Income (PMI)*	\$99,900	HUD AMI 80% Income Limits	55,950	63,950	71,950	79,900	86,300	92,700	99,100	105,500
		PMI 80% Income Limits	49,810	56,925	64,041	71,157	76,849	82,542	88,234	93,927
	\$88,946	HUD 100% Income Limits	69,930	79,920	89,910	99,900	107,892	115,884	123,876	131,868
		PMI 100% Income Limits	62,262	71,157	80,051	88,946	96,062	103,177	110,293	117,409
		HUD 120% Income Limits	83,916	95,904	107,892	119,880	129,470	139,061	148,651	158,242
		PMI 120% Income Limits	74,715	85,388	96,062	106,735	115,274	123,813	132,352	140,890

* American Community Survey 2019 1-Year Estimate Table S1901

(4) Other ideas for discussion as presented by HEDC members.

Attachments:

Portland TIF Policy dated February 22, 2021

ⁱ If a project has between 33% (minimum required under the state statute) and 49% of its total number of units restricted by covenant as affordable to households at or below 100% of the area median income, that project would be eligible for up to a 65% capture rate (as determined by financial underwriting).

ⁱⁱ If a project has 50% or more of its total number of units restricted by covenant as affordable to households at or below 100% of the area median income, that project would be eligible for up to a 75% capture rate (as determined by financial underwriting).

ⁱⁱⁱ If a project has 33% or more of its units, regardless of the number of units restricted by covenant, affordable to households between 101% and 120% of the area median income would be eligible for up to a 65% capture rate (as determined by financial underwriting).

PORTLAND TIF POLICY

February 22, 2021

I. INTRODUCTION

Tax Increment Financing (TIF) is an economic development program authorized under state law to support municipal projects. The TIF program allows municipalities to provide financial assistance to local economic development projects and programs – from infrastructure, municipal economic development programs and staff, to business expansions - by using new property taxes that result from new commercial or residential investment associated with the corresponding increase in property value.

Portland TIF Policy supports investment in municipal economic development programs, infrastructure investment (which is generally through the establishment of area wide or neighborhood TIF districts) and individual project site specific TIF districts to support either infrastructure or individual private project financing needs.

The City is committed to invest in infrastructure located within the public rights-of-way that encourage economic development. Use of TIF investment to invest in infrastructure recognizes the savings which occurs through the TIF Program tax sheltering benefits.

“Infrastructure” is defined, but not limited to: traffic upgrades, public parking facilities, roadway improvements, lighting, sidewalks, water and sewer utilities, storm water management improvements and placing above ground overhead electric and telecommunications lines underground.

II. STATE TIF LIMITATION

There are acreage and value caps limitations for municipalities to establish TIF along with term limits. Term limits include bonds which may be issued for a maximum of 20 years (anticipation notes for three years). TIF districts may be designated for a maximum of 30 years.

III. PURPOSE

The primary purposes of the TIF Policy include:

- A. To support Portland Economic Development and Housing Plans and Policies;
- B. To stimulate expansion of the City’s commercial and industrial tax base;
- C. To stimulate new affordable and market rate housing investment;
- D. To retain and create quality employment;
- E. To support Portland’s Capital Improvement Plan; and,
- F. To establish standards upon which the City Council will authorize TIF.

IV. GENERAL PRINCIPLES

The three primary general principles for the City Council to establish TIF districts include:

A. Investment

Minimum Real Property Investment. A minimum of \$1 million in new taxable investment property value for commercial and industrial development and \$500,000 for affordable housing development is needed to qualify for a TIF. This is the minimum amount which makes practical sense to consider use of the TIF program due to the amount of new municipal property tax revenue generated from new private investment.

B. Jobs Associated with Commercial and Industrial Development

Applicants for TIF participation will be required to provide a plan outlining the number and quality of jobs retained or created associated with each TIF district. While there is not a specific formula for the numbers of jobs associated with the amount of TIF financial assistance, the number and quality of the jobs will be taken into consideration for each TIF district. It is recognized that housing projects do not create many permanent jobs.

C. Maximize Tax Sheltering Benefits

A municipality's total equalized assessed value is used to calculate General Purpose Aid to Education (subsidy), State Revenue Sharing (subsidy) and County taxes (expense). When a municipality's equalized assessed value increases, State Aid for Education decreases, municipal revenue sharing decreases, and the municipality pays a greater portion of County taxes. TIF allows municipalities to "shelter" new value resulting from private investment from the calculation of its State subsidies (education and revenue sharing) and County taxes. In other words, specific municipal shelter benefits, for the term of the TIF, include:

- 1)** No reduction in State aid for education,
- 2)** No reduction in municipal revenue sharing and
- 3)** No increase in County taxes.

Annually, the Council Committee with jurisdiction over housing and community development and City Council will evaluate available TIF district capacity related to State acreage and value limitations to determine whether existing TIF districts need amending and/or new TIF district establishment. Scheduled public infrastructure investments included in the City's Capital Improvement Plan will inform decisions about adjustments to existing TIF districts or establishment of new TIF districts.

V. APPROACH, POLICY, and TERM REQUIREMENTS

Must meet or exceed the below requirements.

A. Approach

There are three approaches to consider establishing TIF districts. They include:

- 1) ***Municipal Economic Development Programs funded directly through a pay-as-you-go approach.***

Examples of municipal economic development programs include paying for economic development staff, annual funding to Creative Portland for city marketing/branding, and other TIF law allowable activities.

- 2) ***Area wide TIF districts financed by City Bond/Debt Issuance***

Issuance of municipal general obligation bonds or limited obligation bonds is a mechanism that may be used to fund a TIF district program. Allowable uses are spelled out in state TIF law. Generally, municipalities will issue debt to cover the cost of infrastructure investment.

- 3) ***Individual Site Specific TIF districts utilizing Credit Enhancement Agreements (CEAs)***

A CEA is a contract between a municipality and developer to assist an individual development project by using a percentage or all of the tax revenue generated by the investment to pay certain authorized project costs which could include site specific infrastructure or private individual project financing needs. Allowable project costs are spelled out in state TIF law.

B. Policy for the Three Approaches

1. **Policy for Municipal Economic Development Programs.**

Requires annual review and City Council financial appropriations.

2. **Policy for Area wide TIF District Locations (for City Bond/Debt Issuance)**

- a) Area wide TIF will be established for infrastructure investment which has applications beyond one individual project.
- b) City TIF emphasis will be placed upon the following general “Priority Revitalization Areas” to support commercial development, housing development, redevelopment, or to support buildings in need to redevelopment, address blight or historic preservation:

- Affordable housing projects off peninsula;
- Riverside Street commercial and industrial zoned areas;
- Forest Avenue corridor from I-295 to Woodfords Corner;
- Washington Avenue corridor from Congress Street to I-295;
- Portland Technology Park ;
- Areas in which future significant wastewater and/or stormwater infrastructure investments are planned;
- West Commercial Street vacant property;
- Libbytown;
- St. Johns Street Valley;
- Other areas based upon scheduled public infrastructure investment included in the City's Capital Improvement Plan.

The above list of general priority revitalization areas serve as guides to establish specific boundaries for TIF districts at time of district establishment.

- c) Market Rate Housing. Market rate rental housing projects must be located in priority revitalization areas to stimulate housing investment for the purpose of attracting 24/7 pedestrian activity. Pursuant to State Law, TIF for condominium projects are not allowed.
- d) Affordable Housing. Affordable Housing TIF (AHTIF) may be designated on an area wide or site specific basis.

The relevant City Council Committee will complete an annual assessment of housing needs and priorities. This assessment will include a determination regarding designation of an area wide AHTIF. Site specific AHTIF requests submitted by developers will be considered on a case-by-case basis. Area wide or site specific AHTIF designations must address an identified community need.

State law requires that at least 25% of the district area must be suitable for residential use, development must be primarily residential, and at least 1/3 of the units must be for households at or below 120% of area median income which allows for individual mixed income projects or area wide affordable housing TIF districts.

Allowable uses of AHTIF revenues are defined by State law.

- e) City preference is to invest in area wide public infrastructure TIF districts versus establishing individual private site specific TIF districts.

- f) Area wide TIF districts also should seek to maximize the benefit of downtown and transit oriented development (TOD) districts which are exempt from State TIF law for acreage and value limitations.
- g) Terms for area wide TIF districts will be considered for up to 100% of new tax revenue and upwards of thirty (30) years, the maximum allowed by State law, due to the long-term need to invest in neighborhood infrastructure.

NOTE 1: As of this Amended TIF Policy date, there are two existing area wide TIF Districts, i.e., Bayside and Waterfront TIF Districts.

NOTE 2: As of this Amended TIF Policy date, there also exists two Transit Oriented Development (TOD) District, namely the Thompson Point TOD TIF District and the Downtown TOD TIF District to support new or expanded transit services and improved transit connections between the Portland Transportation Center, Jetport and Downtown.

3. Policy for Individual Site Specific TIF Districts Utilizing Credit Enhancement Agreements (CEAs)

- a) CEAs for individual site specific TIF districts will be considered for investment in infrastructure or project financing need and cannot be applied to any agreed upon public infrastructure improvements associated with a City Council approved conditional rezone agreement. Additional provisions related to CEAs include:

- i) City Green Building Code

Compliance with the City's Green Building Code is required when TIF assistance is provided to individual private project CEAs.

- ii) Affordable Housing

Affordable Housing TIF (AHTIF) may be designated on an area wide or site specific basis. Developments are encouraged to promote economic diversity.

The City Council Committee will complete an annual assessment of housing needs and priorities. This assessment will include a determination regarding designation of an area wide AHTIF. Site specific AHTIF requests submitted by developers will be considered on a case-by-case basis. Area wide or site specific AHTIF designations must address an identified community need.

State law requires that at least 25% of the district area must be suitable for residential use, development must be primarily residential, and at least 1/3 of the units must be for households at or below 120% of area median income which allows for individual mixed income projects or area wide AHTIF districts.

Affordable means that the percentage of income a household is charged in rent and other housing expenses including utilities, or must pay in monthly mortgage payments (including real estate taxes, mortgage insurance, condominium/HOA fees, insurance and utilities), does not exceed 30% of a household's gross income, or other amount established in city regulations that does not vary significantly from this amount. These restrictions must remain in place for the full term of the AHTIF district.

Allowable uses of AHTIF revenues are defined by State law.

(iii) State Prevailing Wage Requirement

Any firms employed in the construction phase of a TIF-assisted project must compensate all employees the current wage rates and fringe benefits as required under applicable state prevailing wage law under 26 M.R.S.A. §1306, or Portland City Ordinance Ch. 33, §33-1 to 33-12, whichever is greater.

City staff shall provide to the relevant City Council Committee an annual update on:

- a) the impact of this prevailing wage requirements on CEAs;
- b) feasibility of construction firms to pay prevailing wages and benefits; and
- c) compliance with this section.

(iv) Equal Employment Opportunities and Nondiscrimination

The developer and its contractors employed in the construction phase of a TIF-assisted project shall adhere to a policy of non-discrimination in all employment actions, practices, policies, procedures, phases, and conditions of employment. All employment-related decisions (including but not limited to hiring, discharge, transfers, promotions, discipline, training, job opportunities, and wage and salary levels) will be made without discrimination based on an individual's race or color, religion, age, sex (including pregnancy), sexual orientation, gender identity or expression, ancestry or national origin, physical or mental disability, veteran status,

genetic information, previous assertion of a claim or right under Maine's Workers' Compensation Act, previous actions taken protected under Maine's Whistleblowers' Protection Act, or any other protected group status as defined by applicable law. Provisions in applicable laws providing for bona fide occupational qualifications, business necessity, or age limitations will be adhered to by the developer and its contractors where appropriate. This policy shall not be construed to prohibit any employment action or policy which is required by federal law, rule or executive order.

b) Applicants for CEA participation must demonstrate and pay the following:

i) Financial Necessity.

The applicant must demonstrate the City's participation is financially necessary in order for the project to proceed.

ii) Financial Capacity.

The applicant must demonstrate financial capacity to support their project.

iii) Fees

A financial underwriting analysis will be conducted by a third party on all projects requesting CEA participation. Applicants for CEA assistance will be responsible for reimbursing the City for all project third party legal and financial underwriting costs.

C. Terms for CEA Projects

1) Maximum Percentages.

A maximum average percentage of 65% for the entire term associated with individual project CEAs. Notwithstanding the previous sentence, the maximum average percentage for the entire term associated with individual project CEAs for affordable housing shall be 75%. For the purposes of this policy, the term affordable housing shall be defined as in "V. Approach, Policy, and Term Requirements" Section B(3)(a)(ii) (Affordable Housing) of the Portland TIF Policy.

2) Maximum Number of Years.

Up to twenty (20) years to match individual private sector commercial financing terms; for Affordable Housing projects, up to thirty (30) years (affordability must be maintained for the full term of the TIF). The term of a TIF may start upon

agreed trigger event, such as an increased assessed value. This would be included in a CEA on that negotiated triggering event.

3) Use of Maine Services for CEA Projects Encouraged.

VI. TIF APPLICATION AND ADMINISTRATION PROCESS

A. Application Information and Contact.

The Housing and Economic Development Department handle all TIF inquires and processes requests for TIF. An applicant must submit a letter or application to the Housing and Economic Development Department outlining the proposed project, including TIF project financial information, a plan outlining both the number of permanent and construction jobs associated with the proposed project, housing affordability, as well as a demonstrated ability to meet the requirements under Section B(3)(a) of this policy.

B. Approval Process.

There is a two step approval process which includes obtaining a recommendation from the City Council Committee and City Council approval. Two meetings (or readings) by the City Council are needed. The City Council vote on the TIF occurs at the second meeting.

C. Post-Construction Report to City Council.

The Housing and Economic Development Department shall provide a post-construction report to the City Council Committee and City Council regarding each TIF-assisted project which shall include, but not be limited to, an analysis of the adherence to Section (V)(B)(3)(a) of this policy.

D. Annual Report to City Council.

The Housing and Economic Development Department shall provide annual reports to the City Council Committee and City Council regarding TIF district activity.



CITY OF PORTLAND
Housing and Economic Development Department
Housing and Community Development Division

TO: Councilor Thibodeau, Chair
Members of the Housing and Economic Development Committee

FROM: Mary Davis, Division Director
Victoria Volent, Housing Program Manager
Housing and Community Development Division

DATE: May 28, 2021

SUBJECT: Executive Session: 45 Brown Street Affordable Housing Tax Increment
Financing Credit Enhancement Agreement Request

For purposes of discussion, staff is submitting the following documents related to the 45 Brown Street Affordable Housing Tax Increment Financing Credit Enhancement Agreement request.

- (1) One page summary of the terms of the Development Program and Credit Enhancement Agreement for the 45 Brown Street Affordable Housing Tax Increment Financing District.
- (2) Application of the Green New Deal as it applies to Chapter 6 and Chapter 14 re: Multiplex Residential Housing 2020 to present
- (3) May 17, 2020 City Council Memo re: 45 Brown Street

45 Brown Street

Unit Affordability

Total Number of Residential Units: 282

81 Units (29% of total) affordable at 80% AMI

141 Units (50% of total) affordable at/below 120% AMI

45 Brown Street Unit Affordability Matrix Mar 31, 2021				
	Studio	1-Bedroom	2-Bedroom	Totals
80% AMI	40	41	0	81
100% AMI	27	0	0	27
120% AMI	33	0	0	33
Market	16	85	40	141
Totals	116	126	40	282

Estimated Tax Assessment Values

Estimated new Assessed Value of the Project (parking garage and residential units): \$61,000,000

Estimated new Assessed Value of Parking Garage: \$6,500,000

Affordable Housing TIF Estimates

Captured Revenue to Developer (estimates): \$25,488,500/annually \$849,617

Non-captured General Fund Revenue (estimates): \$8,496,167/annually \$283,206

Sheltered Valuation (estimate): \$1,144,500,000/annually \$38,150,000

Avoid Loss State Aid for Education (estimate): \$8,799,570/annually \$293,319

Avoided Loss Municipal Revenue Sharing (estimate): \$857,685/annually \$28,589

Avoided Increase in County Tax (estimate): \$631,378/annually \$21,046

Total Avoided Impacts (estimate): \$10,288,633/annually \$342,954

Increased Assessed Value for TIF Purposes: \$54,500,000 (\$61 million - \$6.5 million)

Captured Valuation: \$40,875,000

Development Costs

Total Development Costs: \$91,018,480 (including parking garage)

Construction Costs \$64,920,808

Parking Garage Construction Cost: approximately \$9.7 million or about 15% of total construction cost

Multiplex Residential Housing: 2020 to present

Application of the Green New Deal (GND) as it applies to Chapter 6 (Building Code) and Chapter 14 (Land Use)

5/28/2021

Location	Unit #	Type	IZ units	Fee-In-Lieu	Low-Inc. units (below 80% AMI)	PB Site Plan Approval	GND Chap 14 (IZ) ² (25% of the units at 80% AMI)	GND Chap 6 ³ (Green Building Ordinance)
844 Stevens Avenue	20	Rental	0	\$ 217,572	0	7/21/2020	No	No
83 Middle Street ¹	45	Rental	n/a	\$ -	45	8/18/2020	No	No
200 Valley Street ¹	60	Rental	n/a	\$ -	48	8/18/2020	No	No
337 Cumberland Avenue ¹	60	Rental	n/a	\$ -	48	9/15/2020	No	No
1006 Congress Street	16	Rental	16	\$ -	0	10/20/2020	No	No
1844 Forest Avenue	17	Rental	2	\$ -	0	2/9/2021	No	No
52 Hanover Street	171	Rental	20	\$ -	0	3/23/2021	No	No
387 Commercial Street (Phase III)	64	Rental	0	\$ 707,130	0	5/25/2021	No	No
200 Federal Street	266	Rental	27	\$ -	0	5/25/2021	No	No
99 Winter Street *	50	Rental	0	\$ -	min 30	TBD	Yes	Yes
144 State Street (Mercy Hosp bldg) *****	175	Rental	18	\$ -	0	TBD	No	Yes
73 Winter Street ¹	41	Rental	n/a	\$ -	41	TBD	No	Yes
91 Winter Street ¹	52	Rental	n/a	\$ -	52	TBD	No	Yes
21 Randall Street **	13	Rental	yes	\$ -	0	TBD	Yes	Yes
43/91 Douglass Street *** ¹	56	Rental	n/a	\$ -	40	TBD	No	Yes
43/91 Douglass Street ***	52	Co-op	yes	\$ -	0	TBD	Yes	Yes
165 Lambert Street ****	20	Co-op	yes	\$ -	0	TBD	Yes	Yes
0 Dalton Street *****	48	Rental	12	\$ -	0	TBD	Yes	Yes

¹ These are LIHTC Projects which will provide deeper affordability than required by IZ

² GND applies to eligible residential development projects that have not been workshopped prior to December 6, 2020

³ GND applies to eligible residential development projects for which site plan or (if site plan is not required) building permit applications are filed after December 6, 2020

* 99 Winter Street requires rezoning approval by the Planning Board (to be conducted on June 8, 2021). City Council would review any recommendation for approval

**21 Randall will provide up to 20% of their units at 120% AMI; all subsequent sale will be at 100% AMI. Proposal requires rezoning approval (date TBD)

*** 43/91 Douglass will provide 52 co-op units at 100% AMI. Proposal requires rezoning approval (date of rezoning TBD)

**** 165 Lambert requires rezoning approval by the Planning Board (to be conducted on June 8, 2021). City Council would review any recommendation for approval.

***** 0 Dalton Street is a proposed four building project of twelve units each containing 6 one-bedroom and 6 two-bedroom units in each building.

***** Mercy Hospital Redevelopment project has conducted a Workshop to discuss 91 and 73 Winter, but has not gone to a public hearing nor have they submitted an application for site plan review for the main building known as 144 State Street. The dates for these meeting are to be determined.

MEMORANDUM
City Council Agenda Item

FROM: Mary Davis, Division Director

DATE: April 20, 2021

SUBJECT: Order 243-20/21 Designating the 45 Brown Street Unit 2 Affordable Housing District and Tax Increment Financing District and Adopting the Municipal Development Program for the District - Sponsored by Housing & Economic Development Committee, Councilor Spencer Thibodeau, Chair

SPONSOR: Councilor Spencer Thibodeau, Chair of the Housing and Economic Development Committee

(If sponsored by a Council committee, include the date the committee met and the results of the vote.)

COUNCIL MEETING DATE ACTION IS REQUESTED:

1st Reading 5/10/2021

Final Action 5/17/2021

Can action be taken at a later date: No (If no why not?) State statute requires that a public notice be posted a minimum of 10 days prior to 2nd reading and Council action.

PRESENTATION: (List the presenter(s), type and length of presentation) Greg Mitchell and Mary Davis will be available to answer questions.

I. SUMMARY

The City of Portland's Division of Housing and Community Development received an Affordable Housing Tax Increment Financing (AHTIF) application from Presidium for a project located at 45 Brown Street that will result in 282 new units of rental housing with fifty (50) percent having affordable housing restrictions for thirty (30) years. The developer is requesting that the City designate an Affordable Housing Tax Increment Financing Development District for the residential portion of the development. If approved, Tax Increment Financing will be provided through a Credit Enhancement Agreement at 75% of the increased taxable value for a thirty (30) year term, with the captured revenue to be returned to the developer to off-set project development costs.

II. AGENDA DESCRIPTION

The Housing and Economic Development Committee met on March 2, 2021, and voted 3-1 (Zarro) to recommend forwarding this to the City Council for consideration.

The Presidium Group development team submitted an application for Affordable Housing Tax Increment Financing for a project at 45 Brown Street. The proposal will result in 282 new units of rental housing with 50% having affordable housing restrictions for thirty (30) years.

The project proposal includes 116 studio apartments (40 affordable at or below 80% of the area median income, 27 affordable at or below 100% AMI, 33 affordable at or below 120% AMI and 16 at market rate); 126 one-bedroom apartments (41 affordable at or below 80% AMI and 85 at market rate); and 40 two-bedroom apartments, all at market rate. A total of 141 units will be affordable, restricted units; 81 (29%) units will be affordable to households earning at or below 80% AMI. (Applicable AMI income limits are included in the Backup section of the memo).

If approved, tax increment financing will be provided through a Credit Enhancement Agreement at 75% of the

increased taxable value for a thirty (30) year term; Captured revenue returned to the developer averages an estimated annual amount of \$849,617 or \$25,488,500 over the 30 year term of the district. The remaining 25% is non-captured General Fund revenue with estimated at an annual average \$283,206 or \$8,496,167 over the term of the district. Original assessed value revenue will remain in the existing Downtown TIF District, estimated at an annual average of \$42,276 or \$1,268,282 over the term of the district. With the tax sheltering benefits of TIF Districts, overall savings to the City during the term of the district averages an estimated annual amount of \$342,954, or \$10,288,633 over the term of the district.

Additionally, the Presidium team is willing to incorporate, in response to the City's request, a public restroom in the Project.

This item must be read on two separate days. This is its first reading.

III. BACKGROUND

The Presidium Real Estate development team proposal will result in 282 new units of rental housing with fifty (50) percent having affordable housing deed restrictions for thirty (30) years. The Housing Committee reviewed the initial project proposal at its June 10, 2020 meeting. While the Housing Committee did not take formal action on the request, the members did indicate support for the development of affordable rental housing in the downtown area.

The Housing and Economic Development Committee (HEDC) reviewed the proposal at their January 19, 2021 meeting. Based on the direction received at the January 19th meeting of the HEDC, staff met with the 45 Brown Street Presidium development team to discuss possible changes to the development proposal and the Affordable Housing Tax Increment Financing (AHTIF) request. A revised project proposal was presented to the HEDC, in executive session at their February 2, 2021 meeting. Staff had additional discussions with the development team and a revised project proposal was presented to the HEDC during the March 2, 2021 Committee meeting. The HEDC took public comment on this request at their January 19 and March 2 meetings.

IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

The project will create 282 units of rental housing with fifty (50%) percent having affordable housing deed restrictions for thirty (30) years to support the City Council's 2020 Common Goal to "Increase access to rental and homeownership housing that is safe, affordable, and accessible."

V. FINANCIAL IMPACT

45 Brown Street is located in an existing City Council approved area-wide TIF district, the Downtown TIF. The land and the parking garage portion of the development will remain in the Downtown TIF. All floors above the parking garage structure and encompassing a multi-story residential building to be constructed will be including in the Affordable Housing Tax Increment Financing District. When completed, the residential portion of the project's new building assessed value is estimated at \$54,500,000, which would yield an estimated \$866,550 in annual assessed property tax revenue using an estimated mill rate (post revaluation). It is noted that the future City mil rate will be determined this Spring associated with the City property revaluation process. For the property tax revenue projections, City staff used \$15.90/\$1,000 in municipal assessed value with a 2% annual escalator. The City Assessor was consulted to determine a conservative municipal mil rate in order to prepare as realistic as possible future property tax revenue estimates. In order to ensure that the City does not overly subsidize this affordable housing project, staff has negotiated a narrative approach to the TIF revenue "cap" versus a numerical approach. These allowable costs are called qualified reimbursable costs and

include capital costs (ex. demolition, site prep, construction, etc.), development soft costs (ex. architectural, permitting, engineering, legal etc.), financing costs (bond debt payments), operating costs associated with delivering the affordable deed restricted units. This amount of financial assistance is supported by third party financial underwriting analysis and is in line with past City Council approved affordable housing TIF CEAs based upon the type and number of restricted units

The increased assessed value is estimated at an annual amount of \$54,500,000 or \$1,526,000,000 over the 30 year term of the district.

Seventy-Five (75%) percent of the increased tax revenue will be captured revenue returned to the developer through a Credit Enhancement Agreement. Captured revenue returned to the developer averages an estimated annual amount of \$849,617 or \$25,488,500 over the 30-year term of the district.

The remaining 25% is non-captured general fund revenue with an estimated annual average amount of \$283,206 or \$8,496,167 over the 30-year term of the district. Original assessed value revenue referred to in the initial estimates will remain in the existing Downtown TIF District and is estimated at an annual average of \$42,276 or \$1,268,282 over the 30-year term of the district.

With the tax sheltering benefits of TIF Districts, overall savings to the City during the term of the district averages an estimated annual amount of \$342,954, or \$10,288,633 over the 30-year term of the district.

VI. STAFF ANALYSIS AND BACKGROUND

The project will provide 282 units of rental housing. 141 units or 50% of the total number of units, will be affordable deed restricted units. Eighty-one or 29% of the total number of units will be affordable to households earning at or below 80% of the area median income and will exceed the requirements under the City's Inclusionary Zoning (IZ) Ordinance.

HCD staff worked with the developer to determine the allowable rents for the income restricted units, including estimated utility costs. The developer has retained a local sustainability engineer to ensure the project achieves a high level of energy efficiency and anticipates that actual utility costs will be below the City's allowable estimates. Parking will be available to all tenants at the cost of \$175/month. The restricted affordable units will not be charged other miscellaneous fees, such as pet fees, late fees, admin fees, trash and pest control fees. HCD staff and the City's Corporation Counsel's office will ensure that this is built into the TIF district legal documents.

To address the concern with the rent associated with the market rate two-bedroom units, the developer decreased the size of the units from 1,120 square feet to 950 square feet. This allowed the developer to reduce the rent on the two-bedroom units from \$3,045 to \$2,604. In addition, the developer was able to increase the total number of units to 282, an increase of seven units. The Unit Affordability Matrix shown above outlines the changes in the types of units in the development.

HCD staff worked with the developer and the City's third-party consultant to review and analyze the financial aspects of the project proposal. This analysis included a review of updated project information to include additional requirements imposed by changes to the City Code as a result of recent citizen initiated referendum. The consultant's analysis is attached. The memo includes her recommendations, which are also noted below. A confidential supplemental memo from the consultant with an analysis of the developer's financials, both

corporate and personal, has been provided to the members of the City Council.

The developer must at minimum meet three primary criteria for an AHTIF approval of up to 75% for 30 years:

1. Community Need: "...site specific AHTIF designations must address an identified community need."

Presidium will provide 81 units of housing for households at 80% AMI, 27 units of housing for households at 100% AMI and 33 units of housing for households at 120% of AMI. Moderate income housing is identified as a community need in Portland's Plan 2030 and the City Council's 2020 Common Goals.

2. Financial Necessity: "The applicant must demonstrate the City's participation is financially necessary in order for the project to proceed."

Presidium has demonstrated that without TIF revenue the project would not be able to move forward. The TIF provides both necessary capital during the development period and important supplemental income during the operating period.

3. Financial Capacity: "The applicant must demonstrate financial capacity to support their project."

Presidium has not demonstrated financial capacity to support their project through the following:

- financing commitments (projected sources have expressed written interest, but are not yet at commitment stage in their review), or
- organizational financials (see confidential financial analysis)

However, the principals have submitted personal financial statements which show liquid assets in excess of their anticipated equity contribution and significant net worth. Based on their personal financial statements, they appear able to meet their equity stake in the project.

The third party underwriter recommends any AHTIF approval be condition upon satisfactory review of the following prior to finalizing the TIF:

- 1) A current appraisal supporting the acquisition price of \$4.8 million;
- 2) A current market study supporting the projected rent structure including all mandatory fees and parking income;
- 3) Financing commitments for debt, equity, and equity like financing on terms and conditions acceptable to the City of Portland;
- 4) Personal financial statements from the principals of Presidium which, in combination with Presidium Group financials, demonstrate developer's financial capacity to support the project, current (within 60 days) of the finalization of the TIF agreement;
- 5) All standard construction loan conditions, including satisfactory review of final contract with GC consistent with budgeted estimates, and total contractor overhead, profit and general conditions of not to exceed 14% of net construction costs.

VII. RECOMMENDATION

Approval by the City Council of the establishment of an Affordable Housing Tax Increment Financing District and a Credit Enhancement Agreement.

VIII. LIST ATTACHMENTS

1. Designating 45 Brown Street Unit 2 Affordable Housing TIF 5.10.2021
2. 1. 45 Brown Street AHTIF Application Summary
3. 2. Project Pro Forma

4. 3. TIF District Map
5. 4. TIF Projection Spreadsheets
6. 5. Third Party Underwriting Analysis
7. 6. Developer Provided Materials
8. 7. Income and Rent Limits 2020
9. 8. Development Program clean for Council 5.05.2021
10. 9. Declaration of Covenants 45 Brown St clean for Council 050421

Prepared by:

Mary Davis, Division Director

Date: 4/20/2021

Portland, Maine

45 BROWN ST

275 UNITS | 256 PARKING STALLS | 9-STORY

EXECUTIVE SUMMARY

PAGE 01

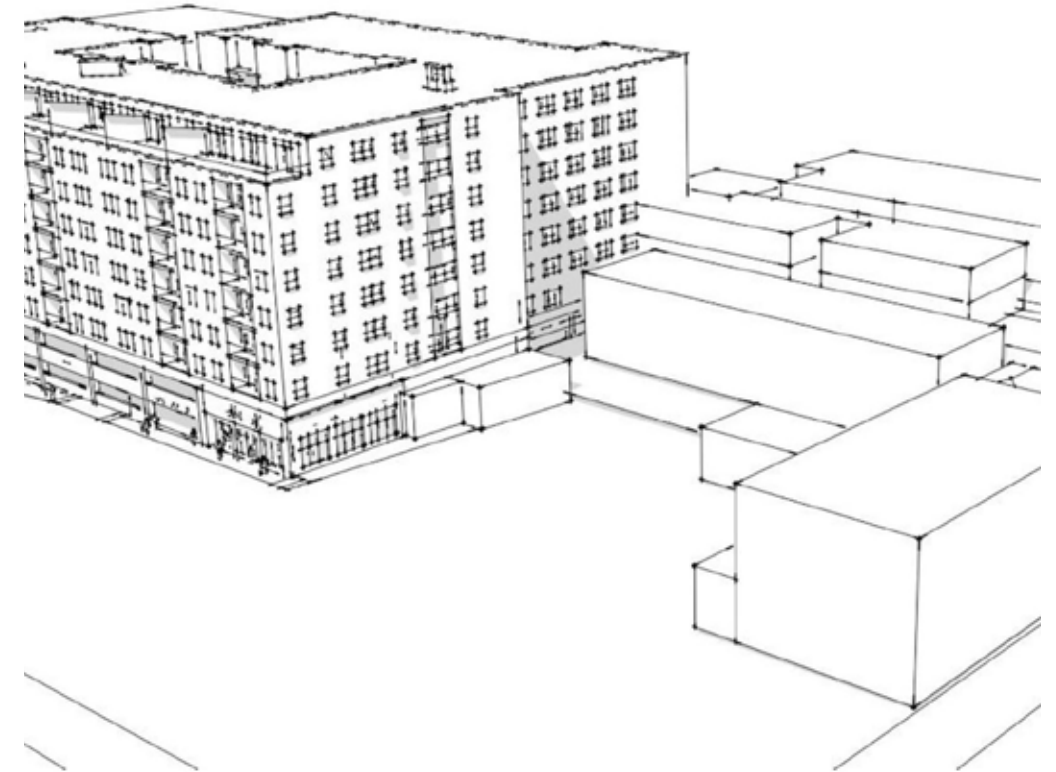


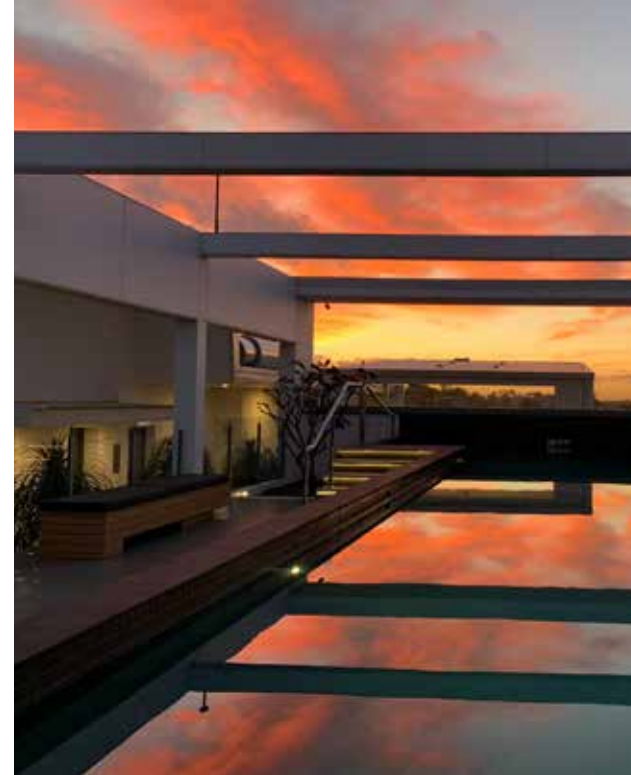
PROJECT SUMMARY

The current proposed project to be built at 45 Brown Street would replace the current parking structure located on approximately 1.09 acres with a newly built parking garage of 2.5 stories, providing parking for 256 vehicles with a 7 story, energy efficient apartment complex delivering 275 new apartments to the market.

The design of the apartments would deliver 116 studios, 125-1 bedroom units and 34-2 bedroom units. The anticipated amenities delivered to the residents would include a large outdoor terrace located in an atrium setting above the parking garage. This would produce outdoor seating, outdoor game space, BBQ area, fire pits and various garden space. The additional outdoor space would include a dog run for tenants. The interior amenities would include bike storage/bike workshop, dog wash, fitness area, large club room, game room, fitness facility as well as co working space. A focus on security for the tenants will be part of the building design to be delivered.

The parking garage located at 45 Brown Street, also referred to as the “Monument Square Garage” was part of the 477 Congress Street parcel that went into foreclosure in 2016. The parking garage, after several years of neglect is in disrepair. The goal of redeveloping the parcel into a new parking garage that will also contain new, energy efficient apartments should be a welcomed addition to the neighborhood.







PROJECT SUMMARY

According to a market study completed by Collier's International in April, 2019 there is a tremendous need for new rental housing supply in the Portland market. Based on the analysis at the time of the report, there were 3,893 existing multi family rental units in the immediate market that would be comparable to 45 Brown Strret at an average vacancy of 1.7%. Collier's estimated the subject's competitive primary market are supply currently consisting of 474 units. At the time, when adding the estimated number of units created from the subject property and an additional 54 competitive units proposed for the subject's primary market area, the total potential supply of class "A" units were estimated to be 806 units. The total estimated qualified renter households were 3,119, when adjusting for 5% vacancy left excess demand of 2,353 units.

The Collier's market study was used in the HUD application for project financing. The anticipated financing for the project will be the HUD 221 (D) (4) program which is utilized for FHA multi family apartment construction. The development team formerly presented the project to the HUD regional office in person and received an invitation to proceed. Part of the application process with HUD requires the demonstrated ability to perform, which not only includes the successful construction experience but requires that all apartment buildings owned maintain stable occupancy levels which meet HUD standards.

The 45 Brown Street parking garage was part of a parcel that had been deteriorating for several years and left in disrepair. The redevelopment of the subject property will revitalize and invigorate a part of downtown Portland that has witnessed years of neglect and provide rental housing product that is in extreme demand. This area is located in one of the most visible locations of downtown Portland and sits on the edge of the gateway to the Downtown Historic District.

According to a market study completed by Collier's International in April, 2019 there is a tremendous need for new rental housing supply in the Portland market. There has been a demand for new, Class A inventory. The market will likely continue to grow with new businesses and employment centers relocating to downtown. According to the report, the new rental units at 45 Brown Street will be absorbed at an estimated rate of 25 units per month.

SITE LOCATION

45 BROWN ST SITE
47,400 SF

PROJECT IMAGES



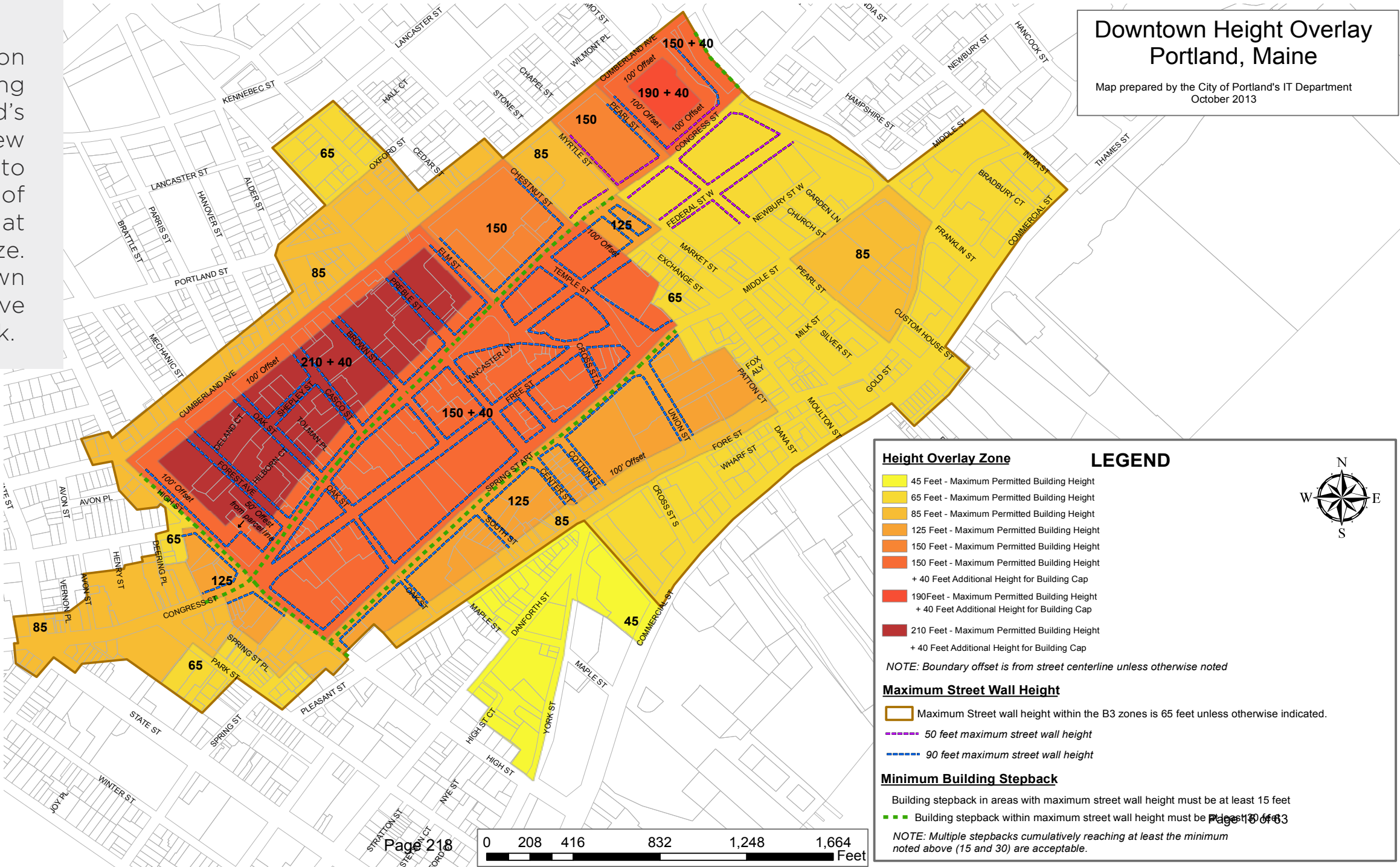
PROJECT SUMMARY

PROJECT CATALYST #1

45 Brown is located within the highest elevation point of downtown Portland and current zoning allows for the parcel to support the target building height in Portland. The views of the ocean, back cove and Mount Washington will be unmatched by any new development in the City of Portland.

PROJECT CATALYST #2

There is a demand for new construction housing as Maine has the 8th oldest housing stock in the country, with 86% of Portland's housing stock being built before 1980. New construction apartments that are used to support the rental income assumptions of 45 Brown Street are smaller floor plans that cater to the trend of shrinking household size. The demand for apartments in downtown Portland is evidenced in the comparative market sales later in the presentation deck.



LOCATION & ECONOMICS



LOCATION

UNE UNIVERSITY OF
NEW ENGLAND
WESTBROOK COLLEGE CAMPUS

PORTLAND

CASCO BAY

45 BROWN ST.

 UNIVERSITY OF
SOUTHERN MAINE

PORTLAND
TRANSPORTATION CENTER
 **AMTRAK** 

 SOUTHERN
MAINE
COMMUNITY
COLLEGE
envision a future

 sable oaks

 Maine Medical Center
MaineHealth

THE MAINE MALL

 PORTLAND
INTERNATIONAL
JETPORT

SOUTH
PORTLAND

STRATEGIC LOCATION



PORTLAND INT'L JETPORT

MAINE MEDICAL CENTER

WESTIN
HOTELS & RESORTS



45 BROWN ST.

PORTLAND HARBOR

WATERFRONT DISTRICT

ARTS DISTRICT

OLD PORT DISTRICT

AUTOGRAPH
COLLECTION
THE PRESS HOTEL

GOVERNMENT DISTRICT

CASCO BAY LINE
FERRY TERMINAL

Hilton
Garden Inn

Hampton
Inn

FRANKLIN STREET

CONGRESS STREET

OCEAN GATEWAY TERMINAL

THAMES STREET

AC
HOTELS
MARRIOTT

Residence
Inn
Marriott

wex
FUTURE HQ
+400 EMPLOYEES

SHIPYARD
BREWING CO.

COVETRUS
FUTURE HQ
+1,200 EMPLOYEES

LOCATION & ECONOMICS

45 Brown Street sits in the center of downtown Portland in the financial district. The buildings boast water views from all floors 4 and higher. Maine Medical Center, which employs over 8,000 people is located nearby. This is a level 1 trauma center and is currently undergoing a \$512 Mil expansion. The subject property is not only close to all major downtown employers but also walking distance to the waterfront, walking distance to the Back Cove parks, bike paths as well as easy access to major highways. Additional amenities that are in close proximity are Whole Foods, Trader Joe’s, workout facilities and neighboring restaurants. The City of Portland sponsors a monthly “Art Walk” directly in front of the “Time and Temperature” building. The site directly faces Monument Square which provides a weekly farmer’s market as well as holiday parades and is home to the annual Christmas Tree lighting ceremony.

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MARKET OVERVIEW

Portland Maine is the largest populated city in the State of Maine. 70% of the State’s population is within commuting distance of Portland. Because of the jagged coast and numerous inlets, Maine has the longest coastline of any state in the continental U.S. There are over 4,600 islands off the coast of Maine. Portland Maine still maintains an active working waterfront and has over 100+ cruise ships visit the port annually.

As the state of Maine’s largest city and being its business, financial and retail capital, Portland benefits from a healthy and vibrant economic climate. The city leads the state in economic growth – in fact, over the last five years, Portland accounted for four out of five new jobs created statewide. This new job creation has been fueled primarily by expansion in the professional services, healthcare and education sectors. Portland’s vibrant business environment is home to major employers such as Unum Provident, Bank of America and TD Bank, and serves as the corporate headquarters of Oakhurst Dairy, Sage Data Security, Key Bank, and many other national and international businesses. Additionally, Portland is home to four colleges and universities – The University of New England, University of Maine School of Law, University of Southern Maine and Maine College of Art – along with a wealth of healthcare-related institutions, highlighted by Mercy Hospital and Maine Medical Center.

By virtue of its location within Portland, Southern Maine’s major city and a key residential, education and business hub, the project will draw upon a well-educated, affluent local population. In fact, the nearly 170,000 residents who live within just 10 miles of the property have an average household income of more than \$80,000. Additionally, Portland has been ranked within the top 15 most-educated cities in the United States by WalletHub. Furthermore, approximately one-quarter of Portland residents fall within the primary renter demographic (18 to 34 years old). Consequently, the project will benefit from an exceptional residential base.

The City of Portland has become a popular travel destination with local restaurants receiving several James Beard awards in addition to several accolades from Bon Appetit Magazine. New Construction of market rate apartments over the last decade in downtown Portland have lagged pent up demand for housing. The current realized vacancy of Class “A” apartments in the target comp set is less than 3.7%. At the depth of the last real estate recession apartment vacancy rates bottomed out at 8% and made improvements in immediate subsequent quarters. The apartment rental market in Portland Maine historically has been very stable. The City of Portland recently completed an independent market study which revealed a significant short fall in meeting the current demand for market rate apartments.



DEMOGRAPHIC HIGHLIGHTS

- A growing housing stock is needed due to household size shrinking from 3.03 persons per household in 1960 to 2.07 in 2010.
- Maine has the eighth oldest housing stock in the country. Nearly 50% of Portland's housing stock was built before 1939, and 86% was built before 1980. There are issues associated with the age of the City's housing stock, as older units can be more expensive to heat and cool and are more likely to contain lead paint.
- Portland Maine is the largest populated city in the State of Maine. 70% of the State's population is within commuting distance of Portland. Because of the jagged coast and numerous inlets, Maine has the longest coastline of any state in the continental U.S. There are over 4,600 islands off the coast of Maine. Portland Maine still maintains an active working waterfront and has over 100+ cruise ships visit the port annually.
- Between 2000 and 2010, Portland's population increased by 1,945 residents (a growth rate of 3%).
- Portland's current population is roughly 11,000 residents shy of the City's record high of 77,634 residents in 1950.
- As the region's major employment center, Portland's daytime population is estimated to exceed 96,000 people.
- Millennials (20-29) and Gen Xers (30-39) comprise the largest share of Portland's population, while Baby Boomers (50-69) are the fastest growing age group.
- Portland's population is diversifying. Since 2000, the number of foreign born residents has nearly doubled (from 4,895 in 2000 to a current estimate of 8,767). An estimated 11% of Portland residents are now foreign born.
- Portland's population is increasingly well educated. When compared to Cumberland County and the State, as a whole a higher proportion of Portland's residents have obtained advanced degrees (45% of Portland residents over 25 years old have bachelor or graduate degrees).
- From 2010-2014, 1,130 residential units were built in Portland, representing a faster pace of construction than during the 2000s. New construction, both on and off the Portland peninsula, included 384 condominiums and single-family homes and 746 rental units.





CITY & STATE SUPPORT

PLANS AND PROGRAMS:

In the aftermath of the great recession, Portland is once again emerging as a magnet for jobs and economic activity. This past year, Portland’s job growth kept pace with the nation, and exceeded that of both the region and the state. In the last three years alone, the City has reaped the benefits of \$400 million in combined public and private investment, and has been the focus of \$140 million in planning funds

PLANNING INITIATIVES:

Master Plan for Redevelopment of the Eastern Waterfront was originally drafted in 2002, adopted into the City’s Comprehensive Plan in 2004, and amended to include a policy statement for the Maine State Pier in 2006. It was formed by an extensive public process, seeks to integrate the Ocean Gateway Passenger Terminal with the surrounding area, and includes design guidelines, a building height study, and a buildout scenario. It lays a framework for improving pedestrian safety, traffic management, and open space, as well as calls for zoning that facilitates growth and prosperity, with the areas along the water prioritizing marine uses and areas away from the water allowing mixed-use. It identifies five adjacent “impact areas,” including Munjoy Hill, India Street, the Old Port, Commercial Street, and the islands. It also includes a statement of principles and objectives that promote the development of land use policies pertaining to the character and impacts of development, the creation of a mixed-use urban area, maritime uses, and economically responsible development. Building on this effort, in 2016 the City’s Economic Development Department headed the creation of an Eastern Waterfront Integrated Work Plan. The plan identifies existing and future planning and development projects that implement the goals of the 2002 plan, including the Portland Company integration, Amethyst Lot open space, and railway design, Maine State Pier circulation and CBITD integration, Portland Ocean Terminal building reuse, Ocean Gateway queuing lines, and the construction of a new pier.

BOND ALLOCATIONS:

The Western Waterfront is slated for new investment and expansion. The West Commercial Street Multi-Modal Corridor Study, intended to design multi-modal improvements to safely accommodate all modes of transportation while sustaining marine-industrial uses and promoting mixed-use development along Portland’s Western Waterfront, was completed in 2016, this project strove to balance sometimes competing right-of-way needs of this unique area. Also in 2016, the Maine Port Authority was awarded a \$7.5 million grant for improvements to the International Marine Terminal, which will assist in doubling the annual freight capacity of the terminal.

NEW DEVELOPMENT

Recently approved commercial development includes a mix of retail, restaurant, office space, hotel, and marine uses. The India Street neighborhood and the Eastern Waterfront have been the focus of much of the commercial and mixed-use redevelopment activity in the city, as well as the Bayside neighborhood and Downtown. Several large mixed-use proposals have been constructed, and others are in the pipeline for the Commercial Street corridor as well. Development has also occurred within the neighborhood-centered B-1 and B-2 zones, which has resulted in more residential and mixed-use projects both on and off peninsula. A renewed interest in office development has emerged for sites within the O-P zone, as evidenced by the construction of the Patrons Oxford Insurance building in the Portland Technology Park and the approval of a large office complex at 1945 Congress Street.

New industrial developments, such as warehouses, breweries, and technology firms, have generally occurred in the areas along Riverside Street and Presumpscot Street. Portland’s burgeoning food and arts-related industries have reused existing buildings and the revitalized industrial areas located in East Bayside and Libbytown. After an extended period of limited investment in the working waterfront, the Western Waterfront has grown substantially in the past decade, with the redevelopment and expansion of the International Marine Terminal and the relocation of the Portland Yacht Services. Within the Central Waterfront area, redevelopment and reuse proposals have been constructed, which support the marine uses on the adjoining piers.





AREA ATTRACTIONS

PLANS AND PROGRAMS:

In the aftermath of the great recession, Portland is once again emerging as a magnet for jobs and economic activity. This past year, Portland’s job growth kept pace with the nation, and exceeded that of both the region and the state. In the last three years alone, the City has reaped the benefits of \$400 million in combined public and private investment, and has been the focus of \$140 million in planning funds

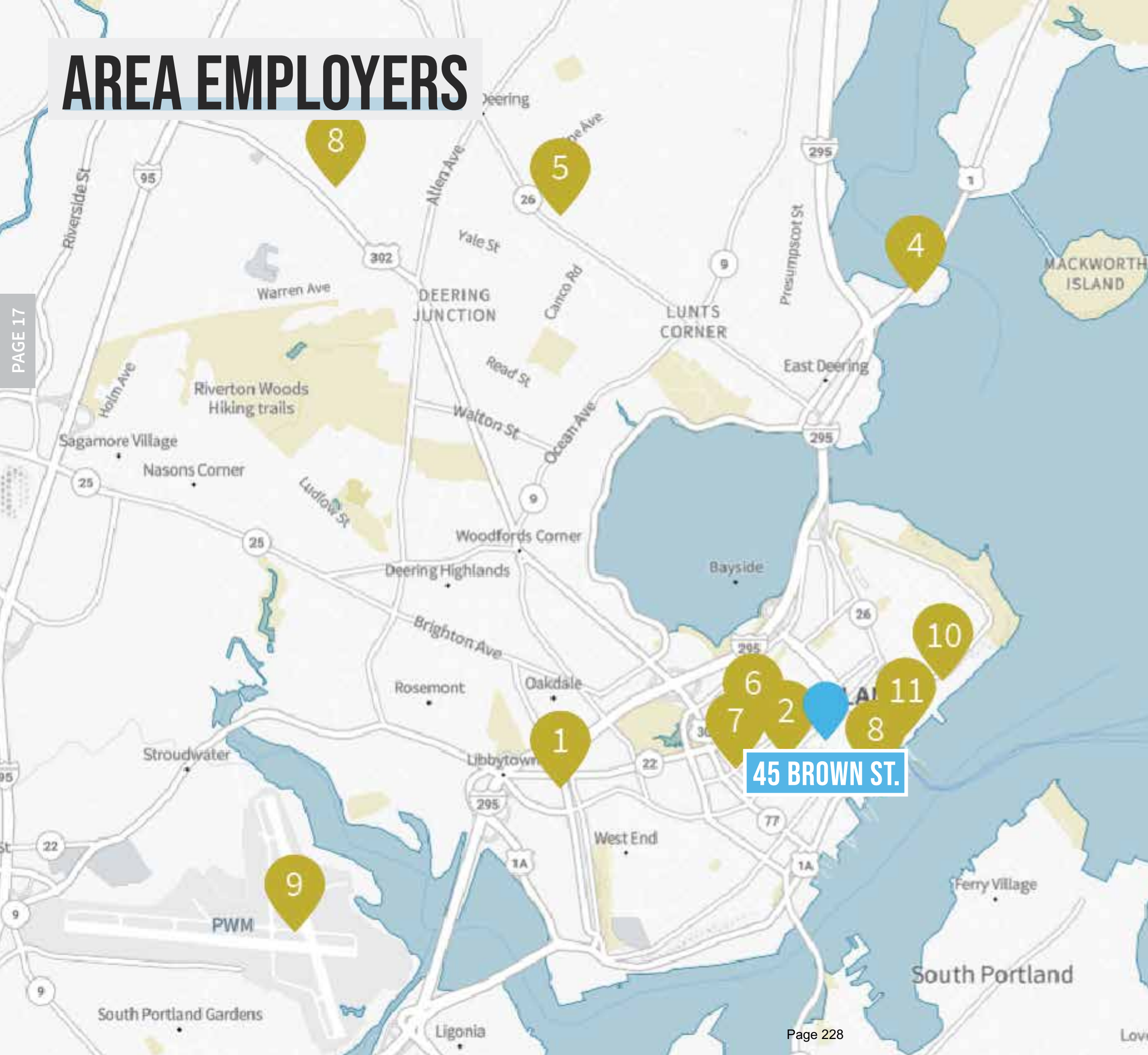
BAYSIDE: PORTLAND’S “NEIGHBORHOOD OF THE FUTURE”

Portland’s Bayside neighborhood is a blank slate. Once a primarily industrial area, the neighborhood recently split from the city’s brick-laden identity and, with the re-development of the 45 Brown Street project, will embrace a modern style of architecture and a dense, walkable streetscape. Retail storefronts will activate a neighborhood traversed by employees and residents living in the buildings above. In short order, a new downtown will begin to rise as the draw of Portland continues to spread out from the waterfront and the Bayside neighborhood will attract a mix of forward-thinking residents, businesses, restaurants and retailers. This “neighborhood of the future” will be a vibrant, walkable, sustainable community, and 45 Brown Street project will be its cornerstone, functioning as a key catalyst for future development.

DOWNTOWN PORTLAND

Nearly 63,000 residents within the 45 Brown Street trade area are joined by more than 6.5 million annual visitors to the Portland metropolitan area (providing more than \$3 billion in local economic impact and \$10 billion in estimated statewide economic impact), presenting strong inherent demand for the project’s proposed residential and retail space; housing demand is further driven by Portland’s two universities, acclaimed art college, dental school, pharmacy college, medical school and law school with several other colleges in the surrounding metropolitan area.

AREA EMPLOYERS

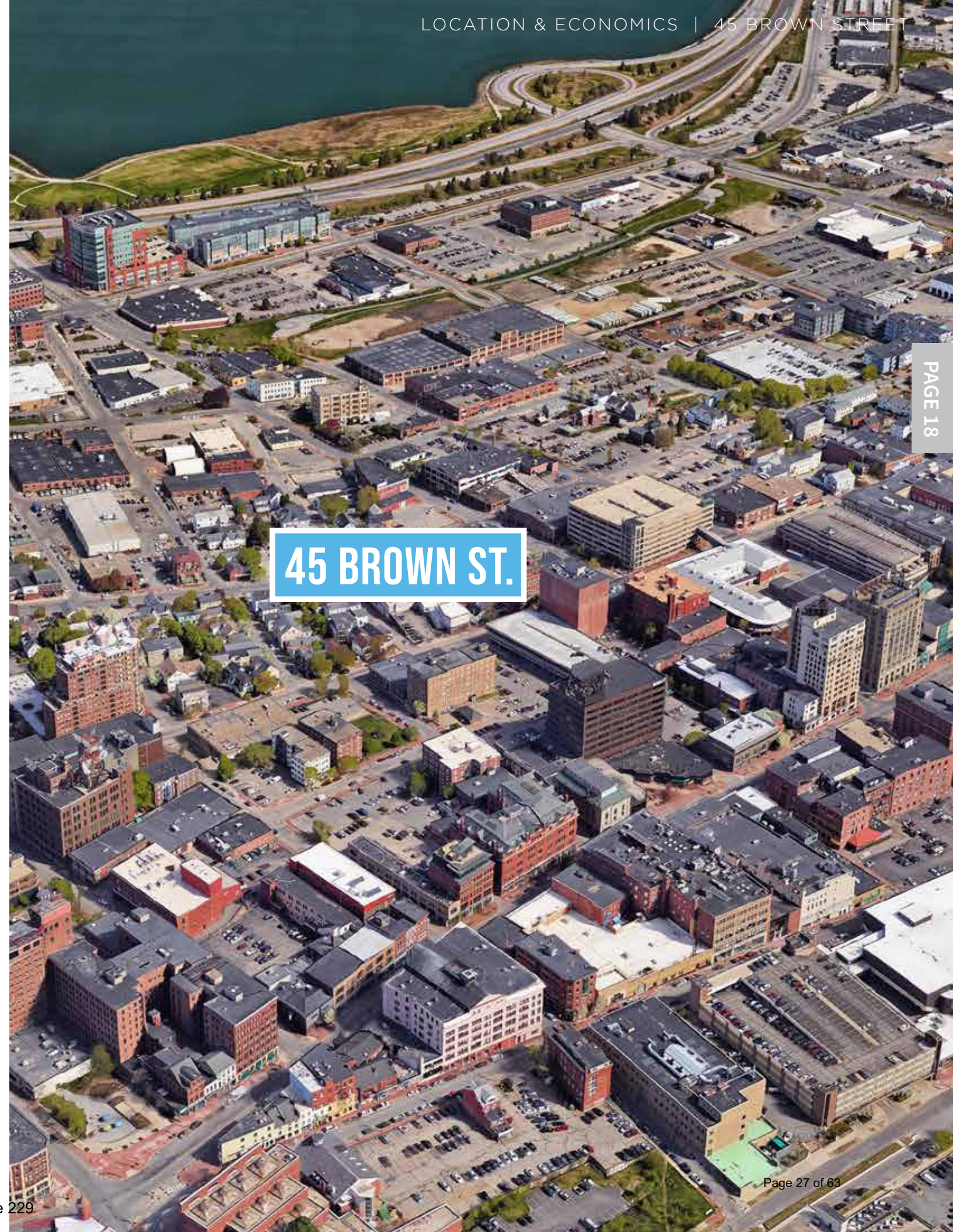


- 1 **Maine Medical Center**
7,000+ Employees
- 2 **Unum**
3,000 Employees
- 3 **Advance Pierre Foods**
2,000 Employees
- 4 **Martinspoint Healthcare**
600+ Employees
- 5 **Spurwick Services**
1,000+ Employees
- 6 **City of Portland**
1,400+ Employees
- 7 **US Post Office**
940 Employees
- 8 **CIEE**
300 Employees
- 9 **Portland Intl. Airport**
50+ Employees
- 10 **Wex Inc.**
400+ Employees
- 11 **Vets First Choice**
800 Employees

SITE LOCATION



45 BROWN ST.



45 BROWN ST.

PORTLAND OVERVIEW

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GREATER PORTLAND OVERVIEW

Portland is Maine’s largest city, with its population comprising over one-third of the state’s total permanent residency. The city and surrounding area are expanding and the economy is growing in multiple sectors including consumer retail sales, restaurant and lodging sales, year-round tourism, and production/ manufacturing exports.

Easily accessible being a little more than 110 miles to the northeast of Boston, Massachusetts (less than a two hour drive), Portland is the state’s business, financial and retail capital. Seascapes and cityscapes blend harmoniously in Downtown Portland, perched on a peninsula, jutting out into the island-studded Casco Bay, a deep-water harbor that provides a wealth of economic and recreational benefits to the area. The metropolitan hub of Maine’s South Coast Region, Downtown Portland is a progressive, lively city incorporating the character of yesteryear into a modern urban environment. Historic architecture blends gracefully with the new as you stroll along its working waterfront or wander down cobblestone streets of the restored Old Port section of the city. Portland and its surrounding area offer all of the cultural and entertainment amenities of a large city – art galleries, museums, a symphony orchestra, historic landmarks, waterfront, parks, a professional sports team, boutique shopping, elegant hotels, diverse dining opportunities – but within minutes, residents and visitors alike can be hiking through the Maine woods, canoeing down one of the many area rivers, or skiing some of the most acclaimed mountains in New England. The area is consistently recognized nationally for its diversified economy, affordable housing, accessible medical services and excellent educational institutions. These attributes contribute to a high quality of life for the region’s residents and also attract approximately 9 million visitors each year.

Visiting Portland is often described as the quintessential Maine experience. As Maine’s largest city, Portland attracts tourists to the historic seaport, seeking arts and culture, an expansive range of dining options, beautiful beaches, and endless outdoor adventures. Recently gaining recognition, Portland was ranked #3 on TripAdvisor’s “Top Destinations on the Rise” in the United States for 2017. In 2016 nearly 9 million overnight tourists generated \$5.1 billion of direct spending in Portland and tourism represents a significant component of lodging demand.

Beyond water activities, other attractions in Portland include walking tours of historical landmarks and lighthouses, the Coastal Maine Botanical Gardens, and the Portland Observatory Museum. Dining options range extensively from award-winning fine dining to casual waterfront pubs and eateries, offering the best lobster rolls in Maine. Good food and views, paired with strong history define much of Portland’s restaurant culture. DiMillo’s On the Water has offered some of the best signature harbor-side dining in Portland for generations. J’s Oyster and Portland Lobster Company offer breathtaking views of Portland Harbor paired with ocean breezes and the sound of seagulls. The Lobster Shack at Two Lights in Cape Elizabeth is a rustic experience offering simple, good seafood. Lobster and Fried Clams made this shack famous, keeping it running since 1920. Portland’s brewing industry is growing rapidly and they even feature a Beer Week to celebrate this unique aspect of Portland’s food and beverage culture.

In addition to offering a mix of artistic and outdoor adventures, the city of Portland has received numerous accolades from travel and food blogs praising its eccentric food scene and locally crafted beer industry. The city offers a palatable combination of nationally-lauded restaurants, local hidden gems, pubs tucked away in restored historic buildings, mouthwatering bakeries, street food and lobster shacks. In 2018, Portland received the “Restaurant City of the Year” Award by Bon Appétit Magazine.



PORTLAND AWARDS & ACCOLADES

PAGE 21

“ONE OF THE COOLEST SMALL CITIES IN AMERICA”

GQ

“AMERICA’S MOST LIVABLE CITY”

Forbes

“AMERICA’S FOODIEST SMALL TOWN”

bon appétit

“BEST AMERICAN CITY FOR FOOD” (2015)

 **The Daily Meal**

“BEST CITY OF MID-LEVEL PROFESSIONALS”

Kiplinger

“NO. 6 BEST CITIES FOR YOUNG PROFESSIONALS”

Forbes

“NO.1 CITY FOR MICROBREWERIES PER CAPITA”

statista 

“BEST CITY IN THE U.S. FOR YOUR 2ND ACT”

Kiplinger

“AMERICA’S BEST TOWN IN THE EAST”

Outside

“TOP 5 MOST AFFORDABLE AND DESIRABLE PLACES TO RETIRE”

AARP

“NO. 3 BEST PLACES TO LIVE NOW” (2015)

MEN’S JOURNAL

“AMERICA’S 5TH COOLEST SMALL TOWNS” (2015)

JETSETTER



HEALTHCARE & EDUCATION

HEALTHCARE

Portland’s higher educational institutions foster the advancement and growth of strong healthcare industries. The Maine Medical Center, the state’s largest medical center, sits less than 1 mile from the Hotel Site. The 637 bed medical center employs more than 7,000 individuals and offers a teaching program through a partnership with Tufts University School of Medicine and a world-class biomedical center, the Maine Medical Center Research Institute. The medical center is the flagship hospital of the Maine Health network. The Maine Medical Center acts as an anchor for the southern Maine healthcare industry, producing more than \$200 million annually in community benefits and generating strong demand for area hotels. Additionally, Mercy Hospital is the second largest healthcare institution in Portland and the fourth-largest hospital in the state of Maine. On the heels of celebrating its 100-year anniversary, the Hospital is reportedly undergoing a \$20 million expansion of its 42 acres Fore River campus to strategically consolidate its operations and services.

EDUCATION

IDEALS, “Institute for Digital Engineering and Life Sciences”, professional graduate school opening in 2021. The extensive network of research and educational institutions in the Portland area serve as an incubator for growth and innovation in its evolving healthcare industries. The Property is conveniently located just 1 mile from the University of Southern Maine and 2.5 miles from the University of New England’s Portland Campus, attracting strong leisure and group demand though collegiate and sporting events, family visits, and graduations. The University of Southern Maine draws just under 8,000 students, including undergraduate, graduate, and law school students. The campus is heavily driven towards research and development, with the Bio Sciences Research Institute, the Osher Lifelong Learning Institute, Cutlet Institute for Health and Social Policy and multiple research-based majors and programs. The University of New England’s Portland Campus has been expanding its pharmaceutical and medical schools, and has recently entered into a partnership with Saint Joseph’s College to offer students from the nearby college a new pathway to their career. In addition to Portland-based universities, the Hotel is in driving range to three of Maine’s most prestigious colleges: Bates (36 miles), Bowdoin (27 miles), and Colby (73 miles). These colleges host visits from numerous families based in the Northeast throughout the year for various reasons. Often times these families stay in Portland to shorten the drive and experience the renowned attractions the city has to offer.

CORPORATE EXPANSIONS

Portland is home to nationally recognized companies, many of which are expanding their local presence in the market. Two major employers in the area are building Class “A” office headquarters near the waterfront with the goal of attracting more than 1,500 new employees downtown. 45 Brown Street is within walking distance of these new developments.

COVETRUS

The City of Portland recently approved the construction of a new downtown headquarters for Covetrus, the newest and largest publicly traded company in the state of Maine, and the product of a merger between Vets First Choice and Henry Schein Animal Health. The merger is set to dominate the global animal health landscape with a broad suite of technology products and services. Located at 12 Mountfort Street, the 170,000 square foot facility would boast more than 1,500 employees and would include Class “A” offices, a state-of-the-art specialty pharmacy, an automated commercial pharmacy and fulfillment center, and world-class software and data science labs. The project will create hundreds of new high-quality jobs in areas including software development and pharmacy.

WEX, INC

WEX Inc, a publicly traded company with a market value of \$7.2 billion, broke ground on the construction of its new headquarters in Portland’s Old Port in October 2017. The company is one of the leading providers of payment processing and information management services to the United States commercial and government vehicle fleet industry. Located at the corner of Hancock and Thames Streets, the 100,000 square foot glass building will contain office and parking space, with additional retail space underneath. The mixed-use complex is nearly complete and should be ready for occupancy in March 2019. The company’s South Portland facility employs about 1,000 people, 40% of which will relocate to the new building upon completion.

SUN LIFE

Sun Life US will open a new office in Portland that will serve as a hub for its Northern New England operation. Sun Life has signed a lease with the developer of Portland Foreside to occupy a new building along the waterfront. The office will house more than 500 employees in Maine from its current Scarborough and South Portland-based workforce when complete in mid-2022. Its operations will include subsidiary FullscopeRMS and its disability RMS business. The new facility will have a capacity of up to 700 staff, meaning Sun Life can add up to 200 new jobs in coming years.



CORPORATE DEMAND

45 Brown Street is located within a 10-mile radius of some of the largest corporations in Maine. Major corporations in close proximity to the site are as follows:

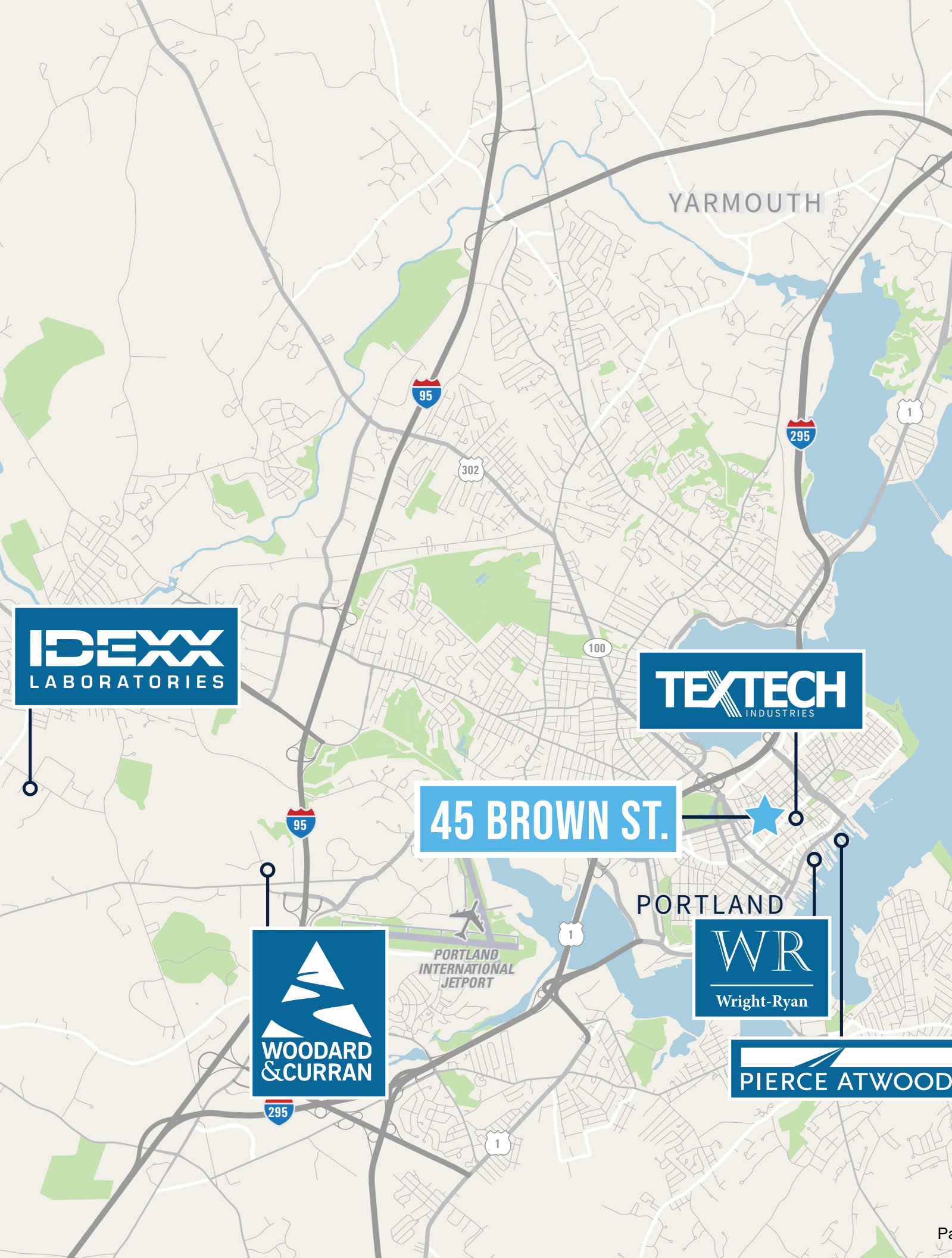
IDEXX Laboratories, whose headquarters are located 5.5 miles from the Hotel Site in Westbrook, Maine, is a leader in diagnostics and IT solutions for animal health and agriculture sanitation. The company has 6,000 employees in 175 countries worldwide, with revenues of \$1.9 billion as of 2017. The company is divided into three main segments: Companion Animal Group, Water, and Livestock, Poultry and Dairy (LPD).

Wright-Ryan Construction is a full-service construction company offering services to clients throughout New England since 1984. Their extensive portfolio includes, athletic centers, healthcare centers, historic renovations, multifamily housing, and higher education buildings. Wright-Ryan’s main offices are located two blocks from the site.

Tex Tech Industries is one of the world’s leading textile manufacturing companies, producing over 7,000 products. Their flagship offices sits steps away from the site. Services include aerospace products and technology, military and law enforcement protective armor, and woven and non-woven filtration fabrics. To add to their expansive range of products, they are also the world’s leading supplier of woven and needled tennis felt, making them the number one choice of Penn, Wilson and other premiere tennis ball makers.

Woodard & Curran, situated 4 miles from the site, is an integrated engineering, science, and operations company, serving public and private clients locally and nationwide. Services include engineering affordable and natural gas solutions, designing the construction of a Uranium processing plant, and evaluating gas processing.

Pierce Atwood, LLP, sits just steps from the site and is a multi service law firm recognized nationally and internationally for its expertise in litigation, energy production and distribution, mid-market mergers and acquisition, information security and technology, commercial real estate development, and complex construction projects. Their clientele ranges from regional and local enterprises to Fortune 500 companies. Their regional offices employ 150 professionals who serve clients in Maine, Massachusetts, New Hampshire and Rhode Island.



TRANSPORTATION & CRUISES

Highway: The site is conveniently positioned just minutes from I-295 which runs up the coast of southern Maine, adjacent to I-95. I-295 merges with I-95 south in Scarborough, extending into Massachusetts towards Boston, as well as I-95 north in West Gardiner, acting as a gateway towards northern Maine.

Airport: Portland International Jetport is conveniently located 2 miles away from the Hotel Site. Accessing the airport is effortless by car via Interstate 295 and sits just minutes from Downtown Portland. The airport is the busiest in the state and services major airlines such as American Airlines, Delta Air Lines, Jet Blue, Southwest Airlines, and United Airlines. In 2017, Portland International Jetport saw over 1.7 million total passengers.

Rail: The Portland Transportation Center, located on Thompson’s Point less than 2 miles from the Hotel Site, offers Amtrak’s “Downeaster” route that connects Brunswick, Portland, and Boston. Train services run five round-trip journeys every day, making traveling around New England’s beautiful beaches, historic colonial cities, and famous seafood restaurants a breeze.

Bus: Concord Coach Company also services rides out of the Portland Transportation Center, offering 18 round-trip routes a day to destinations such as Boston and New York City. They offer a premier bus service as well, “Concord Plus,” complete with executive seating, free movies, power outlets, WiFi, complimentary snack and beverages.

The Ocean Gateway International Marine Passenger Terminal is a cruise ship terminal which services international cruise ships including Anthem of the Seas, Norwegian Gem, Serenade of the Seas, Pearl Mist, and Vision of the Seas amongst others vessels. The terminal includes a two-story structure with customs facilities for international passengers on the first floor and a waiting area on the second. In addition to the receiving building, shore facilities include a 3.5-acre parcel of land for parking cars and boarding buses, both local and tour. The cruise ships and their high passenger volumes are a substantial economic benefit to Portland in general and area hotels more specifically. Further, the high-speed CAT ferry which provides service from Maine to Nova Scotia in just 5.5 hours also departs from the terminal. Area hotels benefit when ferry passengers tack on overnight stays in Portland either prior to departing or upon return.



TIME AND TEMPERATURE BUILDING HISTORY

Portland Press Herald, posted December 28, 2018 provided the following excerpts:

“The 14-story office tower at 477 Congress Street, which opened in 1924 as the 12-story Chapman Building was seized by a collections agency in 2016 after years of neglect and a mass exodus of tenants.”

“The auction also included three adjacent properties including a parking garage.”

“Marketing materials for the auction stated that the multi-tenant office building was about 38 percent occupied at the time of sale.”

“The buildings foreclosure in 2016 placed it in the hands of a Maryland-based special servicer”

The 45 Brown Street parcel was part of the complete foreclosure auction package that came to market in October 2018 consisting of 477 Congress Street/481 Congress Street/22 Preble Street/45 Brown Street with the sale closing in December 2018.

Although not part of the TIF application, and is a separate project, it is a vital component of the overall project. The building has been in disrepair for decades and went into foreclosure several years ago. The Time & Temperature (T&T) building and Annex is adjacent to and owned by the same developers as the Brown/Preble Tower project. The T&T was used for commercial office space and was nearly empty when the owners purchased it at a foreclosure auction in 2018. The building has been 100% vacant as of June 2020. The developers intend to restore the historic building and Annex back to the original character with an investment exceeding \$50mm to turn the Monument Square landmark into a boutique hotel called the “Time & Temperature Hotel”. We will follow the National Park Service historic guidelines to renovate the building to bring it back to its historic beauty and iconic state which has been covered up for decades. We will activate the ground floor with retail, coffee shop and restaurants which was the 1st original mall located in Maine. We will install a rooftop lounge where hotel guests and Portland residents can take in the beauty of the Portland peninsula with 360 degree water views and Mount Washington visibility. The Mezzanine space on floors two and three will be the hotel lobby and will overlook Monument Square, thereby connecting the downtown to the iconic building’s historic glory. The Annex building that connects the T&T to the Brown/Preble garage and multifamily project will contain shared amenities such as fitness, meeting space, and co-working space. The old Keith’s Theatre will be renovated into a Club room with games, TVs and lounge space for the multi-family residents. This investment will result in a T&T hotel and Annex that will have a new real estate property tax assessment exceeding \$50 million, from its current \$6mm. The parcel currently sits in an approved Economic TIF District which would allow the developers to apply for a credit enhancement agreement to benefit the redevelopment of 477 Congress Street/481 Congress Street/22 Preble Street. The developers have chosen not to pursue this available credit enhancement agreement and as such, 100% of the property tax revenue received from the anticipated project will go to the City of Portland. The proposed project to be developed at 477 Congress Street/481 Congress Street/22 Preble Street will create 120-150 jobs from hotel management, restaurant workers, retail jobs, and valet positions based on seasonality. There will be several rooms dedicated to event space such as a ballroom as well as various function rooms that will showcase the history of the building. We anticipate a collaboration effort with the immediate neighbor, Maine Historical Society to provide exhibit space in various areas of the historic “Time and Temperature Building” to help promote the Maine Historical Society offerings. The iconic space will be open to the public and meant to provide a gateway to the Downtown which will spur additional economic development to the immediate area. The Development team will use all local talent for the architects, engineers, consultants, general contractors, and legal team needed over the three years required to program, design, and renovate this City treasure.



Portland, Maine

45 BROWN ST

275 UNITS | 256 PARKING STALLS | 9-STORY

45 Brown St

Dashboard

SITE

SITE OVERVIEW		
Project Name	45 Brown St	
Product	Multifamily	
Product Type	7 Over 2.5	
Submarket	Portland	
City, State	Portland, ME	
Population	66,882	
Zoning	N/A	
Max FAR	N/A	
Impervious	N/A	
Max Height	N/A	
Tax Rate	1.740%	
2020 Appraisal Value	\$3,000,000	
Tax Assessment Multiplier	100.00%	
Land	1.093 Acres	
Land SF	47,615	
FAR	4.50 :1	
Land Price	\$4,800,000	
Land Price/SF	101 \$/sf	

TIMELINE

TIMELINE		
	Start Date	Duration
Pre-Development (Design)	7/1/2020	9 Months
Construction	4/1/2021	18 Months
First Phase Delivered	10/1/2022	6 Months
Last Unit Delivered	4/1/2023	
Total Construction Period		24 Months
Lease up	10/1/2022	10 Months
Stabilization	8/1/2023	
Hold Period	10 years	
Sale	4/1/2031	

S & U

SOURCES & USES				
Sources	Total	\$/Unit	\$/GSF	% of Total
HUD Construction Loan	\$73,500,000	\$277,358	\$342.73	80.3%
Credit Enhancement/TIF Proceeds	\$6,428,741	\$32,075	\$39.63	9.3%
Common Equity	\$11,089,739	\$35,919	\$44.38	10.4%
Total Sources	\$91,018,480	\$345,353	\$426.74	100.0%
Uses	Total	\$/Unit	\$/GSF	% of Total
Land	\$4,800,000	\$18,113	\$22.38	5.2%
A & E	\$2,312,000	\$8,725	\$10.78	2.5%
Hard Costs	\$64,920,808	\$244,984	\$302.72	70.9%
FFE	\$860,000	\$3,245	\$4.01	0.9%
Permit/City Fees	\$1,149,675	\$4,338	\$5.36	1.3%
Property Tax	\$803,064	\$3,030	\$3.74	0.9%
HUD Financing Fees	\$2,475,500	\$9,342	\$11.54	2.7%
Construction Interest Reserve	\$2,781,270	\$10,495	\$12.97	3.0%
Misc. Closing Costs	\$878,020	\$3,313	\$4.09	1.0%
Working Capital - Contingency	\$1,470,000	\$5,547	\$6.85	1.6%
Working Capital - Lease-up	\$1,470,000	\$5,547	\$6.85	1.6%
Initial Operating Deficit	\$3,363,518	\$12,693	\$15.68	3.7%
Extra Hard Cost Contingency	\$477,624	\$1,802	\$2.23	0.5%
Developer Fee	\$2,674,737	\$10,093	\$12.47	2.9%
Soft Cost Contingency	\$311,986	\$1,177	\$1.45	0.3%
Equity Fee	\$270,277	\$1,020	\$1.26	0.3%
Total Uses	\$91,018,480	\$345,353	\$426.74	100.0%

CONTINGENCY & CAPITAL RESERVE		
Working Capital - Contingency		\$1,470,000
Working Capital - Lease-up		\$1,470,000
Initial Operating Deficit		\$3,363,518
Extra Hard Cost Contingency		\$477,624
Soft Cost Contingency		\$311,986
Total Contingency		\$7,093,128
Capital Reserve Per Year	\$300/unit	\$84,600

CONSTRUCTION LOAN HUD	
Loan Amount	\$73,500,000
Loan to Project Cost	80.75%
I/O	24 months
Amortization	40 years
Interest Rate	3.95%
MIP Rate	0.25%

PROFORMA ASSUMPTIONS

EXPENSE		
Expense Item (Per Year)	Total	Per Unit
Payroll and Related	\$323,125	\$1,146
Leasing & Marketing	\$68,750	\$244
General & Administrative	\$82,500	\$293
Landscaping / Contract Services	\$98,700	\$350
Utilities	\$330,000	\$1,170
Redecorating / Make-Ready	\$70,500	\$250
Repairs & Maintenance	\$84,600	\$300
Total Controllable	\$1,058,175	\$3,752
Management Fee	\$175,772	\$623
Insurance	\$94,470	\$335
Real Estate Taxes	\$1,151,219	\$4,082
Total Non-Controllable	\$1,421,461	\$5,041
Total Expenses Excluding Capital Reserves	\$2,479,636	\$8,793
Capital Reserves	\$84,600	\$300
Total Expenses Including Capital Reserves	\$2,564,236	\$9,093

PAYROLL AND RELATED					
Payroll	Salaried/ Hourly	Fulltime/ Part-time	Salary/ Hourly Rate	% Allocated	Annual Payroll
Office Salary					
Property Manager	Salary	Fulltime	\$53,000.00	100%	\$53,000
Assistant Manager	Hourly	Fulltime	\$18.00	100%	\$37,440
Leasing Agent	Hourly	Fulltime	\$16.00	100%	\$33,280
Burden	31%				\$37,843
Office Salaries					\$161,563
Maintenance Salary					
Service Manager	Salary	Fulltime	\$53,000.00	100%	\$53,000
Service Technician	Hourly	Fulltime	\$18.00	100%	\$37,440
Custodial Technician	Hourly	Fulltime	\$16.00	100%	\$33,280
Burden	31%				\$37,843
Maintenance Salaries					\$161,563
Total Payroll & Related					\$323,125

LEASING & MARKETING	
Advertising - newspaper/magazine	\$5,000
Advertising - internet	\$20,000
Advertising - signage	\$10,000
Marketing Costs	\$33,750
Total Leasing & Marketing	\$68,750

GENERAL & ADMINISTRATIVE	
Office Supplies	\$3,500
Freight And Postage	\$3,500
Credit Services	\$3,500
Legal/Professional Fees	\$22,750
Telephone	\$15,000
Answering Service	\$500
Bank Service Charges	\$6,000
Computer Expense	\$100
Dues/Licenses/Fees	\$26,000
Education/Meetings/Seminars	\$1,250
Furniture/Equipment Rental	\$400
Total General & Administrative	\$82,500

UTILITIES	
Water	\$73,000
Sewer	\$66,000
Trash	\$66,000
Common Area/Vacant Units	\$125,000
Total Utilities	\$330,000

OTHER INCOME			Notes
	<u>Units</u>	<u>\$/Mo.</u>	
Parking Income			
Hotel Parking	56	\$350	
Resi Parking	200	\$175	
Visitor Parking	200	\$88	
Unit Amenity Income			
View Premium	66	\$50	Assumes a portion of the market rate available will pay the view premium
Misc. Income			The 88 rent-restricted units will not be subject to this Misc. Income charge
Admin, Late Fees, Pet Fees, ETC.	174	\$30	
Trash & Pest Control Fees	174	\$30	
RUBS Income			
RUBS Reimbursements	141	\$55	Included as part of the utility allowance calculated on the unit mix tab

PARKING ASSUMPTIONS	
<u>Demand</u>	
MF	200
Hotel	56
Total Parking Demand	256
<u>Supply</u>	
Standard	256
Total Parking Supply	256

45 Brown St

Unit Mix

MARKET UNIT MIX												
Description	Restriction	Floor Plan	Size	# Units						\$/Unit/Mo.	\$/SF/Mo.	Unit Mix
S	None	EFF	420	16						\$1,666	\$3.97	5.7%
A	None	1B1B	678	85						\$2,152	\$3.17	30.1%
B	None	2B1B	950	40						\$2,604	\$2.74	14.2%
Market SubTotal			102,360	141						\$313,711		50.0%
Market Average			726							\$2,225	\$3.06	
INCOME RESTRICTED UNIT MIX					Market		AMI Rent	Allowance	Rent Cap	Final		
Description	Restriction	Floor Plan	Size	# Units	\$/SF	\$/Unit	\$/Unit	\$/Unit	\$/Unit	\$/Unit/Mo.	\$/SF/Mo.	Unit Mix
S	80% AMI	EFF	420	40	\$3.97	\$1,666	\$1,168	-\$89	\$1,079	\$1,079	\$2.57	14.2%
A	80% AMI	1B1B	678	41	\$3.17	\$2,152	\$1,374	-\$107	\$1,267	\$1,267	\$1.87	14.5%
S	100% AMI	EFF	420	27	\$3.97	\$1,666	\$1,501	-\$89	\$1,412	\$1,412	\$3.36	9.6%
S	120% AMI	EFF	420	33	\$3.97	\$1,666	\$1,801	-\$89	\$1,712	\$1,666	\$3.97	11.7%
Affordable SubTotal			69,803	141						\$188,182		50.0%
Affordable Average			495							\$1,335	\$2.70	
TOTAL			172,163	282						\$501,893		100.0%
AVERAGE			611							\$1,780	\$2.92	

45 Brown St

Project Budget

BUDGET SUMMARY	\$ Amount	\$/Unit	\$/GSF	\$/NRSF	%
A & E	\$2,312,000	\$8,725	\$10.78	\$13.48	2.5%
Hard Costs	\$64,920,808	\$244,984	\$302.72	\$378.40	70.9%
FFE	\$860,000	\$3,245	\$4.01	\$5.01	0.9%
Retail TI	\$0	\$0	\$0.00	\$0.00	0.0%
Retail LC	\$0	\$0	\$0.00	\$0.00	0.0%
Permit/City Fees	\$1,149,675	\$4,338	\$5.36	\$6.70	1.3%
Property Tax	\$803,064	\$3,030	\$3.74	\$4.68	0.9%
HUD Financing Fees	\$2,475,500	\$9,342	\$11.54	\$14.43	2.7%
Construction Interest Reserve	\$2,781,270	\$10,495	\$12.97	\$16.21	3.0%
Misc. Closing Costs	\$878,020	\$3,313	\$4.09	\$5.12	1.0%
SubTotal	\$76,180,337	\$287,473	\$355.22	\$444.03	83.2%
BSPRA - (10%)	\$7,618,034	\$28,747	\$35.52	\$44.40	8.3%
Land	\$4,800,000	\$18,113	\$22.38	\$27.98	5.2%
Total Replacement Cost	\$88,598,371	\$334,333	\$413.13	\$516.41	96.8%
Working Capital - Contingency	\$1,470,000	\$5,547	\$6.85	\$8.57	1.6%
Working Capital - Lease-up	\$1,470,000	\$5,547	\$6.85	\$8.57	1.6%
Initial Operating Deficit	\$3,363,518	\$12,693	\$15.68	\$19.60	3.7%
Extra Hard Cost Contingency	\$477,624	\$1,802	\$2.23	\$2.78	0.5%
Developer Fee	\$2,674,737	\$10,093	\$12.47	\$15.59	2.9%
Soft Cost Contingency	\$311,986	\$1,177	\$1.45	\$1.82	0.3%
Equity Fee	\$270,277	\$1,020	\$1.26	\$1.58	0.3%
BSPRA Adjustment	-\$7,618,034	-\$28,747	-\$35.52	-\$44.40	-8.3%
Total Project Cost	\$91,018,480	\$345,353	\$426.74	\$533.43	100.0%

BUDGET DETAIL			
Category	Item	Unit/Percent	\$ Amount
Land	Land Price		\$4,800,000
A & E	Architectural Design Costs		\$922,000
	Structural Design Costs		\$320,000
	MEP Design Costs		\$382,000
	Architectural Construction Admin		\$150,000
	Renderings		\$50,000
	Fire Protection		\$26,000
	Life Safety/Accessibility		\$50,000
	Waterproofing		\$50,000
	Sustainability		\$50,000
	Landscape		\$75,000
	Civil		\$112,000
	ID		\$125,000
Hard Costs	Building & Garage		\$64,920,808
FFE	FFE		\$860,000
TI	Retail TI		\$0
LC	Retail LC		\$0
Permit/City Fees	Parks/Rec	\$752/unit	\$199,280
	Transportation	\$1,023/unit	\$271,095
	Wastewater		\$94,300
	Building Permit		\$585,000
Property Tax	Construction Property Tax		\$803,064
HUD Financing Fees	Loan Origination Fee	2.00%	\$1,470,000
	HUD Exam Fee	0.30%	\$220,500
	HUD Inspection Fee	0.50%	\$367,500
	MIP Reserve - 2 Years	0.50%	\$367,500
	Placement Fee		\$50,000
Construction Interest Reserve	Construction Interest Reserve	3.78%	\$2,781,270
Misc. Closing Costs	GeoTech Report		\$25,000
	Other Consultants		\$30,000
	Insepection & Testing		\$100,000
	Application Fees		\$30,000
	Legal Fees		\$400,000
	Market Study		\$35,000
	Phase I Environmental		\$7,200
	Appraisal		\$22,400
	Utility Consumption Analysis		\$37,420
	Independent A&E Cost Review		\$18,000
	Zoning Report		\$1,000
	Survey		\$15,000
	Organizational		\$25,000
	Title and Recording		\$120,000
	Cost Certification Audit Fee		\$12,000
Non-Mortgageable Costs	Working Capital - Contingency	2.26%	\$1,470,000
	Working Capital - Lease-up		\$1,470,000
	Initial Operating Deficit		\$3,363,518
	Extra Hard Cost Contingency	0.74%	\$477,624
	Developer's Fee	4.00%	\$2,674,737
	Soft Cost Contingency	3.00%	\$311,986
	Equity Fee	1.50%	\$270,277

HARD COST BREAK DOWN	
Labor	\$2,126,836
Material	\$6,322,900
Subcontract	\$47,751,465
Equipment	\$4,800
Other	\$743,631
SubTotal	\$56,949,632
WRC Labor Escalator	\$95,708
Estimating/Design Contingency	\$2,281,814
Cost Escalator	\$1,483,179
Prevailing Wage Requirement Allowance	\$912,155
CM Contingency	\$925,837
WRC Insurance Package	\$389,525
100% P&P Bonds	\$299,524
CM Fee	\$1,583,434
Total	\$64,920,808

45 Brown St
Annual Cash Flow

Proforma

Year After Stabilization	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Income Growth		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Expense Growth		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Physical Occupancy	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%
Rental Income															
Scheduled Market Rent	\$3,764,533	\$3,839,824	\$3,916,620	\$3,994,953	\$4,074,852	\$4,156,349	\$4,239,476	\$4,324,265	\$4,410,751	\$4,498,966	\$4,588,945	\$4,680,724	\$4,774,338	\$4,869,825	\$4,967,221
Scheduled Affordable Rent	\$2,258,184	\$2,303,348	\$2,349,415	\$2,396,403	\$2,444,331	\$2,493,218	\$2,543,082	\$2,593,944	\$2,645,823	\$2,698,739	\$2,752,714	\$2,807,768	\$2,863,924	\$2,921,202	\$2,979,626
Scheduled Residential Rent	\$6,022,717	\$6,143,172	\$6,266,035	\$6,391,356	\$6,519,183	\$6,649,567	\$6,782,558	\$6,918,209	\$7,056,573	\$7,197,705	\$7,341,659	\$7,488,492	\$7,638,262	\$7,791,027	\$7,946,848
LESS: Loss to Lease	\$-60,227	\$-61,432	\$-62,660	\$-63,914	\$-65,192	\$-66,496	\$-67,826	\$-69,182	\$-70,566	\$-71,977	\$-73,417	\$-74,885	\$-76,383	\$-77,910	\$-79,468
LESS: Market Vacancy	\$-225,872	\$-230,389	\$-234,997	\$-239,697	\$-244,491	\$-249,381	\$-254,369	\$-259,456	\$-264,645	\$-269,938	\$-275,337	\$-280,843	\$-286,460	\$-292,189	\$-298,033
LESS: Affordable Vacancy	\$-135,491	\$-138,201	\$-140,965	\$-143,784	\$-146,660	\$-149,593	\$-152,585	\$-155,637	\$-158,749	\$-161,924	\$-165,163	\$-168,466	\$-171,835	\$-175,272	\$-178,778
Effective Rent	\$5,601,127	\$5,713,150	\$5,827,413	\$5,943,961	\$6,062,840	\$6,184,097	\$6,307,779	\$6,433,934	\$6,562,613	\$6,693,865	\$6,827,743	\$6,964,297	\$7,103,583	\$7,245,655	\$7,390,568
Commercial Income-Hotel															
Hotel Parking Income	\$235,200	\$239,904	\$244,702	\$249,596	\$254,588	\$259,680	\$264,873	\$270,171	\$275,574	\$281,086	\$286,707	\$292,442	\$298,290	\$304,256	\$310,341
LESS: Parking Mgmt Fee	\$-35,280	\$-35,986	\$-36,705	\$-37,439	\$-38,188	\$-38,952	\$-39,731	\$-40,526	\$-41,336	\$-42,163	\$-43,006	\$-43,866	\$-44,744	\$-45,638	\$-46,551
Commercial Income-Hotel	\$199,920	\$203,918	\$207,997	\$212,157	\$216,400	\$220,728	\$225,142	\$229,645	\$234,238	\$238,923	\$243,701	\$248,575	\$253,547	\$258,618	\$263,790
Ancillary-resident income															
Parking Income	\$630,000	\$642,600	\$655,452	\$668,561	\$681,932	\$695,571	\$709,482	\$723,672	\$738,145	\$752,908	\$767,966	\$783,326	\$798,992	\$814,972	\$831,272
LESS: Parking Mgmt Fee	\$-94,500	\$-96,390	\$-98,318	\$-100,284	\$-102,290	\$-104,336	\$-106,422	\$-108,551	\$-110,722	\$-112,936	\$-115,195	\$-117,499	\$-119,849	\$-122,246	\$-124,691
Unit Amenity Income	\$39,600	\$40,392	\$41,200	\$42,024	\$42,864	\$43,722	\$44,596	\$45,488	\$46,398	\$47,326	\$48,272	\$49,238	\$50,222	\$51,227	\$52,251
Misc. Income	\$125,280	\$127,786	\$130,341	\$132,948	\$135,607	\$138,319	\$141,086	\$143,907	\$146,785	\$149,721	\$152,716	\$155,770	\$158,885	\$162,063	\$165,304
RUBS Income	\$93,060	\$94,921	\$96,820	\$98,756	\$100,731	\$102,746	\$104,801	\$106,897	\$109,035	\$111,215	\$113,440	\$115,708	\$118,023	\$120,383	\$122,791
Other Income	\$793,440	\$809,309	\$825,495	\$842,005	\$858,845	\$876,022	\$893,542	\$911,413	\$929,641	\$948,234	\$967,199	\$986,543	\$1,006,274	\$1,026,399	\$1,046,927
Property Taxes	\$919,271	\$937,657	\$956,410	\$975,538	\$995,049	\$1,014,950	\$1,035,249	\$1,055,954	\$1,077,073	\$1,098,614	\$1,120,587	\$1,142,998	\$1,165,858	\$1,189,176	\$1,212,959
Net Proj. TIF Revenue (75% returned)	\$664,364	\$677,651	\$691,204	\$705,028	\$719,129	\$733,512	\$748,182	\$763,145	\$778,408	\$793,977	\$809,856	\$826,053	\$842,574	\$859,426	\$876,614
Credit Enhancement/TIF Bond Repayment	\$-551,225	\$-562,813	\$-573,613	\$-583,625	\$-597,850	\$-606,025	\$-623,413	\$-634,488	\$-644,513	\$-658,488	\$-661,150	\$-663,025	\$-664,113	\$-669,413	\$-669,188
Net TIF Revenue	\$113,139	\$114,838	\$117,591	\$121,403	\$121,279	\$127,487	\$124,769	\$128,657	\$133,895	\$135,489	\$148,706	\$163,028	\$178,461	\$200,013	\$217,426
Total Revenue	\$6,707,626	\$6,841,215	\$6,978,495	\$7,119,525	\$7,259,364	\$7,408,334	\$7,551,233	\$7,703,650	\$7,860,388	\$8,016,511	\$8,187,349	\$8,362,444	\$8,541,865	\$8,730,685	\$8,918,712
Expense															
Payroll and Related	\$-323,125	\$-332,819	\$-342,803	\$-353,087	\$-363,680	\$-374,590	\$-385,828	\$-397,403	\$-409,325	\$-421,605	\$-434,253	\$-447,281	\$-460,699	\$-474,520	\$-488,756
Leasing & Marketing	\$-68,750	\$-70,813	\$-72,937	\$-75,125	\$-77,379	\$-79,700	\$-82,091	\$-84,554	\$-87,090	\$-89,703	\$-92,394	\$-95,166	\$-98,021	\$-100,962	\$-103,991
General & Administrative	\$-82,500	\$-84,975	\$-87,524	\$-90,150	\$-92,854	\$-95,640	\$-98,509	\$-101,465	\$-104,509	\$-107,644	\$-110,873	\$-114,199	\$-117,625	\$-121,154	\$-124,789
Landscaping / Contracted Services	\$-98,700	\$-101,661	\$-104,711	\$-107,852	\$-111,088	\$-114,420	\$-117,853	\$-121,389	\$-125,030	\$-128,781	\$-132,645	\$-136,624	\$-140,723	\$-144,944	\$-149,293
Utilities	\$-252,771	\$-260,354	\$-268,164	\$-276,209	\$-284,496	\$-293,030	\$-301,821	\$-310,876	\$-320,202	\$-329,808	\$-339,703	\$-349,894	\$-360,390	\$-371,202	\$-382,338
Redecorating / Make-Ready	\$-70,500	\$-72,615	\$-74,793	\$-77,037	\$-79,348	\$-81,729	\$-84,181	\$-86,706	\$-89,307	\$-91,987	\$-94,746	\$-97,588	\$-100,516	\$-103,532	\$-106,638
Repairs & Maintenance	\$-84,600	\$-87,138	\$-89,752	\$-92,445	\$-95,218	\$-98,075	\$-101,017	\$-104,047	\$-107,169	\$-110,384	\$-113,695	\$-117,106	\$-120,619	\$-124,238	\$-127,965
Total Controllable	\$-980,946	\$-1,010,374	\$-1,040,685	\$-1,071,906	\$-1,104,063	\$-1,137,185	\$-1,171,300	\$-1,206,439	\$-1,242,633	\$-1,279,912	\$-1,318,309	\$-1,357,858	\$-1,398,594	\$-1,440,552	\$-1,483,768
Management Fee	\$-175,772	\$-179,287	\$-182,873	\$-186,531	\$-190,261	\$-194,067	\$-197,948	\$-201,907	\$-205,945	\$-210,064	\$-214,265	\$-218,550	\$-222,921	\$-227,380	\$-231,927
Insurance	\$-94,470	\$-97,304	\$-100,223	\$-103,230	\$-106,327	\$-109,517	\$-112,802	\$-116,186	\$-119,672	\$-123,262	\$-126,960	\$-130,769	\$-134,692	\$-138,732	\$-142,894
Real Estate Taxes	\$-919,271	\$-937,657	\$-956,410	\$-975,538	\$-995,049	\$-1,014,950	\$-1,035,249	\$-1,055,954	\$-1,077,073	\$-1,098,614	\$-1,120,587	\$-1,142,998	\$-1,165,858	\$-1,189,176	\$-1,212,959
Total Non-Controllable	\$-1,189,513	\$-1,214,249	\$-1,239,506	\$-1,265,299	\$-1,291,637	\$-1,318,533	\$-1,345,999	\$-1,374,047	\$-1,402,690	\$-1,431,940	\$-1,461,812	\$-1,492,317	\$-1,523,471	\$-1,555,288	\$-1,587,781
Total Expense	\$2,170,459	\$2,224,623	\$2,280,192	\$2,337,204	\$2,395,700	\$2,455,718	\$2,517,299	\$2,580,486	\$2,645,322	\$2,711,851	\$2,780,121	\$2,850,175	\$2,922,065	\$2,995,840	\$3,071,549
Net Operating Income	\$4,537,167	\$4,616,592	\$4,698,304	\$4,782,321	\$4,863,664	\$4,952,616	\$5,039,933	\$5,125,163	\$5,215,065	\$5,304,660	\$5,407,228	\$5,512,269	\$5,619,800	\$5,734,845	\$5,847,163
LESS: Capital Reserves	\$-84,600	\$-87,138	\$-89,752	\$-92,445	\$-95,218	\$-98,075	\$-101,017	\$-104,047	\$-107,169	\$-110,384	\$-113,695	\$-117,106	\$-120,619	\$-124,238	\$-127,965
LESS: Debt Service (Including MIP)	\$-3,796,681	\$-3,796,681	\$-3,796,681	\$-3,796,681	\$-3,796,681	\$-3,796,681	\$-3,796,681	\$-3,796,681	\$-3,796,681	\$-3,796,681	\$-3,796,681	\$-3,796,681	\$-3,796,681	\$-3,796,681	\$-3,796,681
Net Cash Flow	\$655,886	\$732,773	\$811,870	\$893,195	\$971,765	\$1,057,860	\$1,136,235	\$1,222,435	\$1,311,215	\$1,397,595	\$1,496,852	\$1,598,481	\$1,702,500	\$1,813,926	\$1,922,516
DSCR	1.20x	1.22x	1.24x	1.26x	1.28x	1.30x	1.33x	1.35x	1.37x	1.40x	1.42x	1.45x	1.48x	1.51x	1.54x

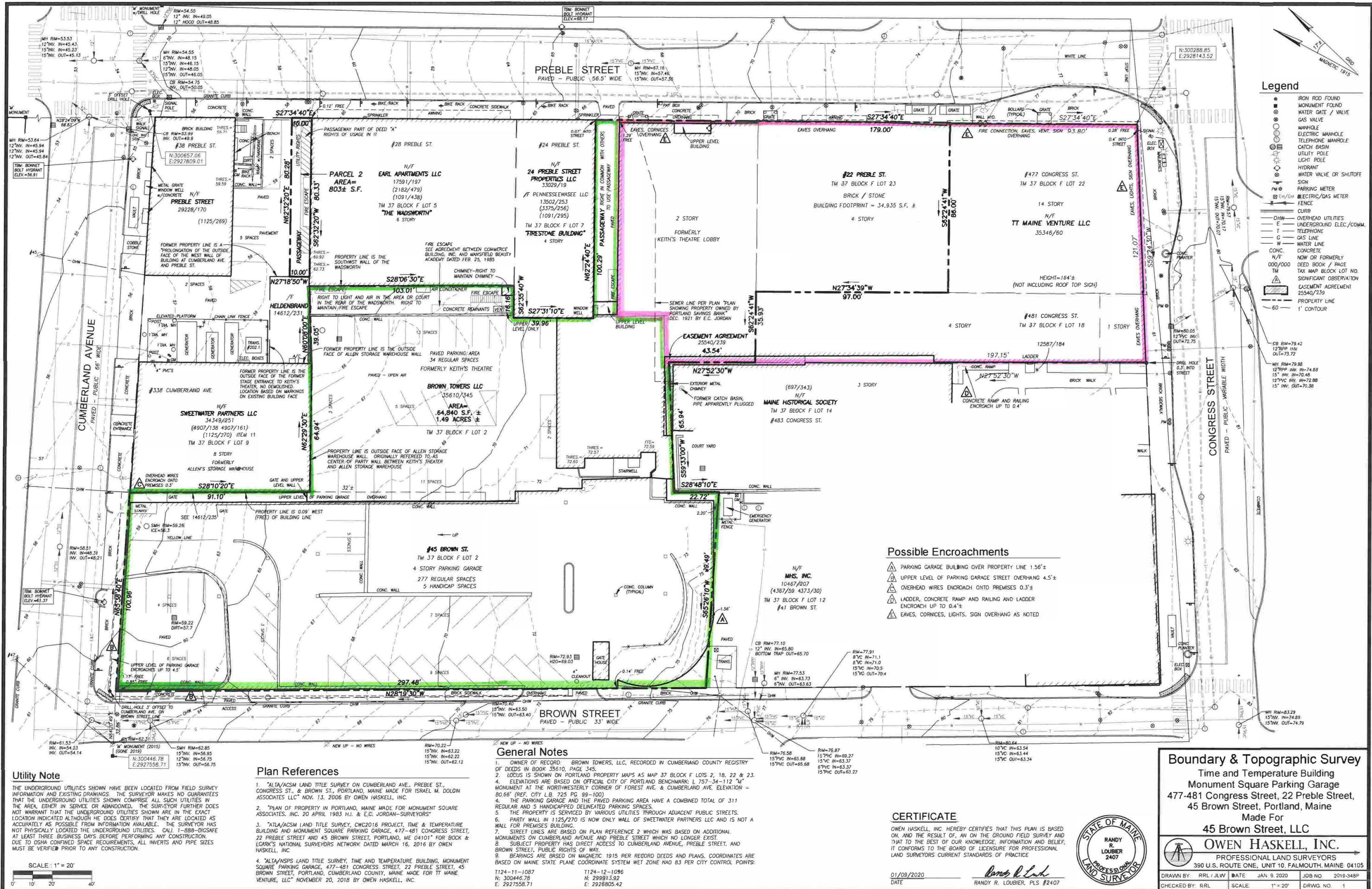
45 Brown St

Annual Cash Flow

Proforma

Year After Stabilization	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Income Growth	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Expense Growth	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	4.00%
Physical Occupancy	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%
Rental Income															
Scheduled Market Rent	\$5,066,566	\$5,167,897	\$5,271,255	\$5,376,680	\$5,484,214	\$5,593,898	\$5,705,776	\$5,819,892	\$5,936,289	\$6,055,015	\$6,176,116	\$6,299,638	\$6,425,631	\$6,554,143	\$6,685,226
Scheduled Affordable Rent	\$3,039,219	\$3,100,003	\$3,162,003	\$3,225,243	\$3,289,748	\$3,355,543	\$3,422,654	\$3,491,107	\$3,560,929	\$3,632,148	\$3,704,790	\$3,778,886	\$3,854,464	\$3,931,553	\$4,010,184
Scheduled Residential Rent	\$8,105,784	\$8,267,900	\$8,433,258	\$8,601,923	\$8,773,962	\$8,949,441	\$9,128,430	\$9,311,998	\$9,497,218	\$9,684,163	\$9,880,906	\$10,078,524	\$10,280,095	\$10,485,697	\$10,695,411
LESS: Loss to Lease	\$-81,058	\$-82,679	\$-84,333	\$-86,019	\$-87,740	\$-89,494	\$-91,284	\$-93,110	\$-94,972	\$-96,872	\$-98,809	\$-100,785	\$-102,801	\$-104,857	\$-106,954
LESS: Market Vacancy	\$-303,994	\$-310,074	\$-316,275	\$-322,601	\$-329,053	\$-335,634	\$-342,347	\$-349,193	\$-356,177	\$-363,301	\$-370,567	\$-377,978	\$-385,538	\$-393,249	\$-401,114
LESS: Affordable Vacancy	\$-182,353	\$-186,000	\$-189,720	\$-193,515	\$-197,385	\$-201,333	\$-205,359	\$-209,466	\$-213,656	\$-217,929	\$-222,287	\$-226,733	\$-231,268	\$-235,893	\$-240,611
Effective Rent	\$7,538,380	\$7,689,147	\$7,842,930	\$7,999,789	\$8,159,784	\$8,322,980	\$8,489,440	\$8,659,229	\$8,832,413	\$9,009,061	\$9,189,243	\$9,373,028	\$9,560,488	\$9,751,698	\$9,946,732
Commercial Income-Hotel															
Hotel Parking Income	\$316,548	\$322,879	\$329,337	\$335,924	\$342,642	\$349,495	\$356,485	\$363,614	\$370,887	\$378,304	\$385,871	\$393,588	\$401,460	\$409,489	\$417,679
LESS: Parking Mgmt Fee	\$-47,482	\$-48,432	\$-49,401	\$-50,389	\$-51,396	\$-52,424	\$-53,473	\$-54,542	\$-55,633	\$-56,746	\$-57,881	\$-59,038	\$-60,219	\$-61,423	\$-62,652
Commercial Income-Hotel	\$269,066	\$274,447	\$279,936	\$285,535	\$291,246	\$297,071	\$303,012	\$309,072	\$315,254	\$321,559	\$327,990	\$334,550	\$341,241	\$348,066	\$355,027
Ancillary-resident income															
Parking Income	\$847,897	\$864,855	\$882,152	\$899,795	\$917,791	\$936,147	\$954,870	\$973,967	\$993,447	\$1,013,315	\$1,033,582	\$1,054,253	\$1,075,338	\$1,096,845	\$1,118,782
LESS: Parking Mgmt Fee	\$-127,185	\$-129,728	\$-132,323	\$-134,969	\$-137,669	\$-140,422	\$-143,230	\$-146,095	\$-149,017	\$-151,997	\$-155,037	\$-158,138	\$-161,301	\$-164,527	\$-167,817
Unit Amenity Income	\$53,296	\$54,362	\$55,450	\$56,559	\$57,690	\$58,844	\$60,020	\$61,221	\$62,445	\$63,694	\$64,968	\$66,267	\$67,593	\$68,945	\$70,323
Misc. Income	\$168,610	\$171,983	\$175,422	\$178,931	\$182,509	\$186,159	\$189,883	\$193,680	\$197,554	\$201,505	\$205,535	\$209,646	\$213,839	\$218,116	\$222,478
RUBS Income	\$125,247	\$127,751	\$130,306	\$132,913	\$135,571	\$138,282	\$141,048	\$143,869	\$146,746	\$149,681	\$152,675	\$155,728	\$158,843	\$162,020	\$165,260
Other Income	\$1,067,866	\$1,089,223	\$1,111,008	\$1,133,228	\$1,155,892	\$1,179,010	\$1,202,590	\$1,226,642	\$1,251,175	\$1,276,198	\$1,301,722	\$1,327,757	\$1,354,312	\$1,381,398	\$1,409,026
Property Taxes	\$1,237,218	\$1,261,963	\$1,287,202	\$1,312,946	\$1,339,205	\$1,365,989	\$1,393,309	\$1,421,175	\$1,449,598	\$1,478,590	\$1,508,162	\$1,538,325	\$1,569,092	\$1,600,473	\$1,632,483
Net Proj. TIF Revenue (75% returned)	\$894,147	\$912,029	\$930,270	\$948,875	\$967,853	\$987,210	\$1,006,954	\$1,027,093	\$1,047,635	\$1,068,588	\$1,089,960	\$1,111,759	\$1,133,994	\$1,156,674	\$1,179,808
Credit Enhancement/TIF Bond Repayment	\$-663,175	\$-661,113	\$-663,263	\$-664,363	\$-665,413	\$-666,675	\$-668,125	\$-669,763	\$-671,493	\$-673,313	\$-675,223	\$-677,223	\$-679,313	\$-681,493	\$-683,763
Net TIF Revenue	\$230,972	\$250,916	\$267,007	\$284,512	\$308,440	\$323,535	\$345,329	\$363,568	\$388,522	\$404,938	\$428,347	\$447,859	\$466,816	\$485,953	\$475,272
Total Revenue	\$9,106,283	\$9,303,734	\$9,500,881	\$9,703,063	\$9,915,362	\$10,122,596	\$10,340,371	\$10,558,511	\$10,787,364	\$11,011,757	\$11,247,302	\$11,483,193	\$11,712,857	\$11,947,114	\$12,186,056
Expense															
Payroll and Related	\$-503,418	\$-518,521	\$-534,076	\$-550,099	\$-566,602	\$-583,600	\$-601,108	\$-619,141	\$-637,715	\$-656,847	\$-676,552	\$-696,849	\$-717,754	\$-739,287	\$-768,858
Leasing & Marketing	\$-107,110	\$-110,324	\$-113,633	\$-117,042	\$-120,554	\$-124,170	\$-127,895	\$-131,732	\$-135,684	\$-139,755	\$-143,947	\$-148,266	\$-152,714	\$-157,295	\$-163,587
General & Administrative	\$-128,532	\$-132,388	\$-136,360	\$-140,451	\$-144,664	\$-149,004	\$-153,474	\$-158,079	\$-162,821	\$-167,706	\$-172,737	\$-177,919	\$-183,256	\$-188,754	\$-196,304
Landscaping / Contracted Services	\$-153,771	\$-158,385	\$-163,136	\$-168,030	\$-173,071	\$-178,263	\$-183,611	\$-189,119	\$-194,793	\$-200,637	\$-206,656	\$-212,856	\$-219,241	\$-225,818	\$-234,851
Utilities	\$-393,808	\$-405,623	\$-417,791	\$-430,325	\$-443,235	\$-456,532	\$-470,228	\$-484,335	\$-498,865	\$-513,831	\$-529,246	\$-545,123	\$-561,477	\$-578,321	\$-601,454
Redecorating / Make-Ready	\$-109,837	\$-113,132	\$-116,526	\$-120,022	\$-123,622	\$-127,331	\$-131,151	\$-135,085	\$-139,138	\$-143,312	\$-147,611	\$-152,040	\$-156,601	\$-161,299	\$-167,751
Repairs & Maintenance	\$-131,804	\$-135,758	\$-139,831	\$-144,026	\$-148,347	\$-152,797	\$-157,381	\$-162,102	\$-166,965	\$-171,974	\$-177,134	\$-182,448	\$-187,921	\$-193,559	\$-201,301
Total Controllable	\$-1,528,281	\$-1,574,130	\$-1,621,354	\$-1,669,994	\$-1,720,094	\$-1,771,697	\$-1,824,848	\$-1,879,593	\$-1,935,981	\$-1,994,061	\$-2,053,882	\$-2,115,499	\$-2,178,964	\$-2,244,333	\$-2,314,106
Management Fee	\$-236,566	\$-241,297	\$-246,123	\$-251,046	\$-256,067	\$-261,188	\$-266,412	\$-271,740	\$-277,175	\$-282,718	\$-288,373	\$-294,140	\$-300,023	\$-306,023	\$-312,144
Insurance	\$-147,181	\$-151,597	\$-156,145	\$-160,829	\$-165,654	\$-170,623	\$-175,742	\$-181,014	\$-186,445	\$-192,038	\$-197,799	\$-203,733	\$-209,845	\$-216,141	\$-224,786
Real Estate Taxes	\$-1,237,218	\$-1,261,963	\$-1,287,202	\$-1,312,946	\$-1,339,205	\$-1,365,989	\$-1,393,309	\$-1,421,175	\$-1,449,598	\$-1,478,590	\$-1,508,162	\$-1,538,325	\$-1,569,092	\$-1,600,473	\$-1,632,483
Total Non-Controllable	\$-1,620,965	\$-1,654,857	\$-1,689,470	\$-1,724,821	\$-1,760,925	\$-1,797,800	\$-1,835,463	\$-1,873,929	\$-1,913,217	\$-1,953,346	\$-1,994,334	\$-2,036,198	\$-2,078,960	\$-2,122,637	\$-2,169,413
Total Expense	\$-3,149,247	\$-3,228,987	\$-3,310,823	\$-3,394,815	\$-3,481,019	\$-3,569,497	\$-3,660,311	\$-3,753,523	\$-3,849,199	\$-3,947,407	\$-4,048,216	\$-4,151,697	\$-4,257,923	\$-4,366,970	\$-4,503,519
Net Operating Income	\$5,957,037	\$6,074,747	\$6,190,057	\$6,308,249	\$6,434,343	\$6,553,099	\$6,680,061	\$6,804,988	\$6,938,165	\$7,064,350	\$7,199,086	\$7,331,496	\$7,454,934	\$7,580,144	\$7,682,538
LESS: Capital Reserves	\$-131,804	\$-135,758	\$-139,831	\$-144,026	\$-148,347	\$-152,797	\$-157,381	\$-162,102	\$-166,965	\$-171,974	\$-177,134	\$-182,448	\$-187,921	\$-193,559	\$-201,301
LESS: Debt Service (Including MIP)	\$-3,796,681	\$-3,796,681	\$-3,796,681	\$-3,796,681	\$-3,796,681	\$-3,796,681	\$-3,796,681	\$-3,796,681	\$-3,796,681	\$-3,796,681	\$-3,796,681	\$-3,796,681	\$-3,796,681	\$-3,796,681	\$-3,796,681
Net Cash Flow	\$2,028,552	\$2,142,308	\$2,253,545	\$2,367,542	\$2,485,315	\$2,603,621	\$2,725,998	\$2,846,205	\$2,974,519	\$3,095,694	\$3,225,271	\$3,352,367	\$3,470,332	\$3,589,904	\$3,684,556
DSCR	1.57x	1.60x	1.63x	1.66x	1.69x	1.73x	1.76x	1.79x	1.83x	1.86x	1.90x	1.93x	1.96x	2.00x	2.02x

Year	1	2	3	4	5
With TIF					
Net Cash Flow	\$655,886	\$732,773	\$811,870	\$893,195	\$971,765
Equity Investment	\$11,089,739	\$11,089,739	\$11,089,739	\$11,089,739	\$11,089,739
Net Cash Flow / Equity	5.91%	6.61%	7.32%	8.05%	8.76%
Debt Service Coverage Ratio (DSCR)	1.20x	1.22x	1.24x	1.26x	1.28x
Without TIF					
Net Cash Flow	\$655,886	\$732,773	\$811,870	\$893,195	\$971,765
Less: Net TIF Revenue	\$113,139	\$114,838	\$117,591	\$121,403	\$121,279
Adjusted Net Cash Flow	\$542,747	\$617,935	\$694,279	\$771,792	\$850,486
Equity Investment	\$17,518,480	\$17,586,474	\$17,586,558	\$17,586,558	\$17,586,558
Net Cash Flow / Equity	3.10%	3.51%	3.95%	4.39%	4.84%
Debt Service Coverage Ratio (DSCR)	1.105x	1.19x	1.21x	1.23x	1.25x
HUD DSCR Test - Fail	1.178x				



City of Portland - Affordable Housing (AH) TIF Model
 45 Brown Street, 037-F002-001
OAV: \$0 ao 3/31/2021
 2% Mil Rate Escalation
 75% Capture to AH TIF Project; 25% to City General Fund

City of Portland- TIF Projection Table for 45 Brown Street AHTIF										
TIF Year	Tax Year- April 1	Increased Assessed Value Real Prop.	% of Value Captured	Captured Valuation	Projected Mill Rate	Total Projected New Taxes Captured	Captured Revenue to Business Project Account	Captured Revenue to Municipal Project Account	City Non- Captured General Fund Revenues	City OAV General Fund Revenues
1	2021	\$0	75.00%	\$0	23.78	\$0	\$0	\$0	\$0	\$0
2	2022	\$0	75.00%	\$0	16.50	\$0	\$0	\$0	\$0	\$0
3	2023	\$54,500,000	75.00%	\$40,875,000	16.83	\$687,926	\$687,926	\$0	\$229,309	\$0
4	2024	\$54,500,000	75.00%	\$40,875,000	17.17	\$701,685	\$701,685	\$0	\$233,895	\$0
5	2025	\$54,500,000	75.00%	\$40,875,000	17.51	\$715,718	\$715,718	\$0	\$238,573	\$0
6	2026	\$54,500,000	75.00%	\$40,875,000	17.86	\$730,033	\$730,033	\$0	\$243,344	\$0
7	2027	\$54,500,000	75.00%	\$40,875,000	18.22	\$744,633	\$744,633	\$0	\$248,211	\$0
8	2028	\$54,500,000	75.00%	\$40,875,000	18.58	\$759,526	\$759,526	\$0	\$253,175	\$0
9	2029	\$54,500,000	75.00%	\$40,875,000	18.95	\$774,717	\$774,717	\$0	\$258,239	\$0
10	2030	\$54,500,000	75.00%	\$40,875,000	19.33	\$790,211	\$790,211	\$0	\$263,404	\$0
11	2031	\$54,500,000	75.00%	\$40,875,000	19.72	\$806,015	\$806,015	\$0	\$268,672	\$0
12	2032	\$54,500,000	75.00%	\$40,875,000	20.11	\$822,136	\$822,136	\$0	\$274,045	\$0
13	2033	\$54,500,000	75.00%	\$40,875,000	20.52	\$838,578	\$838,578	\$0	\$279,526	\$0
14	2034	\$54,500,000	75.00%	\$40,875,000	20.93	\$855,350	\$855,350	\$0	\$285,117	\$0
15	2035	\$54,500,000	75.00%	\$40,875,000	21.34	\$872,457	\$872,457	\$0	\$290,819	\$0
16	2036	\$54,500,000	75.00%	\$40,875,000	21.77	\$889,906	\$889,906	\$0	\$296,635	\$0
17	2037	\$54,500,000	75.00%	\$40,875,000	22.21	\$907,704	\$907,704	\$0	\$302,568	\$0
18	2038	\$54,500,000	75.00%	\$40,875,000	22.65	\$925,858	\$925,858	\$0	\$308,619	\$0
19	2039	\$54,500,000	75.00%	\$40,875,000	23.10	\$944,375	\$944,375	\$0	\$314,792	\$0
20	2040	\$54,500,000	75.00%	\$40,875,000	23.57	\$963,263	\$963,263	\$0	\$321,088	\$0
21	2041	\$54,500,000	75.00%	\$40,875,000	24.04	\$982,528	\$982,528	\$0	\$327,509	\$0
22	2042	\$54,500,000	75.00%	\$40,875,000	24.52	\$1,002,179	\$1,002,179	\$0	\$334,060	\$0
23	2043	\$54,500,000	75.00%	\$40,875,000	25.01	\$1,022,222	\$1,022,222	\$0	\$340,741	\$0
24	2044	\$54,500,000	75.00%	\$40,875,000	25.51	\$1,042,667	\$1,042,667	\$0	\$347,556	\$0
25	2045	\$54,500,000	75.00%	\$40,875,000	26.02	\$1,063,520	\$1,063,520	\$0	\$354,507	\$0
26	2046	\$54,500,000	75.00%	\$40,875,000	26.54	\$1,084,790	\$1,084,790	\$0	\$361,597	\$0
27	2047	\$54,500,000	75.00%	\$40,875,000	27.07	\$1,106,486	\$1,106,486	\$0	\$368,829	\$0
28	2048	\$54,500,000	75.00%	\$40,875,000	27.61	\$1,128,616	\$1,128,616	\$0	\$376,205	\$0
29	2049	\$54,500,000	75.00%	\$40,875,000	28.16	\$1,151,188	\$1,151,188	\$0	\$383,729	\$0
30	2050	\$54,500,000	75.00%	\$40,875,000	28.73	\$1,174,212	\$1,174,212	\$0	\$391,404	\$0
30 Year TIF Total		\$1,526,000,000		\$1,144,500,000		\$25,488,500	\$25,488,500	\$0	\$8,496,167	\$0
30 Year Average				\$38,150,000		\$849,617	\$849,617		\$283,206	\$0

Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: City of Portland - TIF Model for 45 Brown Street Affordable Housing TIF							
75% Sheltered - 30 years - 75% to Developer Project Account - 25% to City General Fund							
TIF Year	Tax Year-April 1	Total Added Valuation	Sheltered Valuation	Avoided Formula Impacts from Sheltering of Valuation			
				Avoided Loss of State Aid to for Education	Avoided Loss of State Municipal Revenue Sharing	Avoided Increase in County Tax	Total Avoided Impacts
1	2021	\$0	\$0	\$0	\$0	\$0	\$0
2	2022	\$0	\$0	\$0	\$0	\$0	\$0
3	2023	\$54,500,000	\$40,875,000	\$0	\$30,632	\$22,549	\$53,181
4	2024	\$54,500,000	\$40,875,000	\$112,815	\$30,632	\$22,549	\$165,996
5	2025	\$54,500,000	\$40,875,000	\$225,630	\$30,632	\$22,549	\$278,811
6	2026	\$54,500,000	\$40,875,000	\$338,445	\$30,632	\$22,549	\$391,626
7	2027	\$54,500,000	\$40,875,000	\$338,445	\$30,632	\$22,549	\$391,626
8	2028	\$54,500,000	\$40,875,000	\$338,445	\$30,632	\$22,549	\$391,626
9	2029	\$54,500,000	\$40,875,000	\$338,445	\$30,632	\$22,549	\$391,626
10	2030	\$54,500,000	\$40,875,000	\$338,445	\$30,632	\$22,549	\$391,626
11	2031	\$54,500,000	\$40,875,000	\$338,445	\$30,632	\$22,549	\$391,626
12	2032	\$54,500,000	\$40,875,000	\$338,445	\$30,632	\$22,549	\$391,626
13	2033	\$54,500,000	\$40,875,000	\$338,445	\$30,632	\$22,549	\$391,626
14	2034	\$54,500,000	\$40,875,000	\$338,445	\$30,632	\$22,549	\$391,626
15	2035	\$54,500,000	\$40,875,000	\$338,445	\$30,632	\$22,549	\$391,626
16	2036	\$54,500,000	\$40,875,000	\$338,445	\$30,632	\$22,549	\$391,626
17	2037	\$54,500,000	\$40,875,000	\$338,445	\$30,632	\$22,549	\$391,626
18	2038	\$54,500,000	\$40,875,000	\$338,445	\$30,632	\$22,549	\$391,626
19	2039	\$54,500,000	\$40,875,000	\$338,445	\$30,632	\$22,549	\$391,626
20	2040	\$54,500,000	\$40,875,000	\$338,445	\$30,632	\$22,549	\$391,626
21	2041	\$54,500,000	\$40,875,000	\$338,445	\$30,632	\$22,549	\$391,626
22	2042	\$54,500,000	\$40,875,000	\$338,445	\$30,632	\$22,549	\$391,626
23	2043	\$54,500,000	\$40,875,000	\$338,445	\$30,632	\$22,549	\$391,626
24	2044	\$54,500,000	\$40,875,000	\$338,445	\$30,632	\$22,549	\$391,626
25	2045	\$54,500,000	\$40,875,000	\$338,445	\$30,632	\$22,549	\$391,626
26	2046	\$54,500,000	\$40,875,000	\$338,445	\$30,632	\$22,549	\$391,626
27	2047	\$54,500,000	\$40,875,000	\$338,445	\$30,632	\$22,549	\$391,626
28	2048	\$54,500,000	\$40,875,000	\$338,445	\$30,632	\$22,549	\$391,626
29	2049	\$54,500,000	\$40,875,000	\$338,445	\$30,632	\$22,549	\$391,626
30	2050	\$54,500,000	\$40,875,000	\$338,445	\$30,632	\$22,549	\$391,626
30 Year TIF Total		\$1,526,000,000	\$1,144,500,000	\$8,799,570	\$857,685	\$631,378	\$10,288,633
30 Year TIF Avg.		\$50,866,667	\$38,150,000	\$293,319	\$28,589	\$21,046	\$342,954

To: Mary Davis, City of Portland
From: Anne Boynton, Urban Ventures, Inc.
Re: 45 Brown Street, a Presidium project
Date: Updated 4/22/2021

Presidium requests a 75% 30 year Affordable Housing TIF for 45 Brown Street, a proposed new construction 282 unit rental housing development with 256 space parking garage. Presidium proposes that of the 282 residential units, 81 units (29%) will be affordable to households at 80% AMI, 27 units (10%) will be affordable to households at 100% AMI, 33 units (12%) will be affordable to households at 120% AMI, and the remaining 141 units (50%) will be market rate units, with no rent restrictions. The 256 unit parking garage is proposed to be shared with Presidium's planned hotel to be located on the same block in the Time and Temperature Building. Presidium anticipates the hotel will lease 56 parking spaces at \$370 per month, while the remaining 200 parking spaces will be made available to residents for a monthly rental fee of \$175.

The project will be built on the site of a dilapidated parking garage, which will be demolished and replaced with a 9 story structure comprised of 3 floors of parking and 6 floors of apartments. Presidium acquired this site as part of a package including the Time and Temperature building, 481 Congress St, and 22 Preble Street. These 4 sites were acquired for \$9,765,000 in December 2018 at foreclosure auction.

Presidium projects the year 1 value of the TIF to be \$664,364 and the 30 year value of the TIF to be just under \$27 million. The year 1 TIF returned to the developer provides the equivalent of a year 1 subsidy of \$4,814 per TIF controlled "affordable" residential unit, a subsidy anticipated to increase each year for the 30 year term.

HCD Staff Note: As noted on the TIF Model Spreadsheets, utilizing the projected revaluation millage rate, the initial year value of the TIF is estimated to be \$638,566 and the 30 year value of the TIF to be \$23,659,642. The initial year TIF returned to the developer provides the equivalent of a subsidy of \$4,627 per TIF controlled affordable residential unit.

Sources and Uses

Sources:		Uses:	
HUD 221 d4 Amortizing Loan	\$73,500,000	Acquisition	\$4,800,000
CEA/TIF Proceeds	\$6,428,741	Construction hard costs	\$60,134,270
Common Equity	<u>\$11,089,739</u>	Hard & Soft Contingency	\$5,576,145
		Soft costs	\$11,529,806
		Capitalized Reserves	\$6,303,518
		Developer Fee	<u>\$2,674,737</u>
Total Sources:	\$91,018,480	Total Uses:	\$91,018,476

Presidium has provided documentation of interest from the sources above. Presidium is working with Bellweather Enterprise, a major national intermediary, to secure HUD 221d4 financing for the first mortgage position. HUD has given preliminary indications of support to the project concept and developer capacity over the past 1.5 years. Key Banc has provided a preliminary summary of proposed

terms for a TIF revenue bond issue, projected to net \$6,428,741. The two principals of Presidium represent that they would provide the \$11 million in common equity. A commitment for a TIF is central to their plan to secure the funding for the project.

For analysis of “Uses,” see Development Budget.

Development Budget

Construction Costs:

Construction costs are based on a trades break down estimate by Wright-Ryan Construction (this is preferable to a cost per square foot estimate), and includes provision for prevailing wage requirements. The total construction cost divided among the 282 residential units is \$231,909, including the full cost of the parking garage. Separating out the direct cost of the parking, the garage is approximately 15% of the construction cost, or \$9.7 million (including a proportional share of unallocated costs). This is a higher cost per unit than is typical for affordable housing in Portland – new construction projects requesting funding from the City or County this year had an average per unit hard costs of \$216,425, (from a total of 4 projects with a per unit cost range of \$186,682 to \$237,653). This level of additional cost is reasonable given high-rise construction, the additional cost of structured parking, market rate finishes, and significant property amenities.

Soft Costs:

Soft costs are notably high for this project due to the cost related to the 221d4 and stock financing. Financing costs are \$22,713 per unit and typically run less than \$9,000 for affordable transactions. Reserves and developer fee are higher than typical affordable projects primarily because of high prefunded reserves and lease up/marketing expenses. Due to the large scale of the project (twice the size of the next largest comparable property) and the rent structure at the upper end of market rates, budgeting adequately for a lease up period is important. Developer fee of \$2.67 million is well within industry standard at 3.26% of total development costs (excluding reserves and developer fee).

Contingency:

Hard cost contingency is carried primarily in the Wright-Ryan estimate, which includes \$4.8 million in contingencies -- a 4.5% labor escalator, a 4% design contingency, a 2.5% cost escalator, and a 1.5% construction management contingency. The developer adds an additional hard cost contingency of \$477,624. All contingencies together total 9% of Wright Ryan’s estimated hard cost. The standard minimum hard cost contingency for new construction is 5% of hard costs. A slightly higher contingency is required for the added uncertainty associated with the substantial demolition and site preparation costs. This is a uniquely difficult moment to evaluate contingency. Construction costs have been rising rapidly in Portland – about 15% over 2019 -- far outstripping the inflation rate in the Consumer Price Index. This project is vulnerable to cost inflation due to the relatively early stage of predevelopment, the multiyear construction period and the high level of economic uncertainty.

Soft cost contingency is 1.87% of soft costs. This is thin, especially for this early stage of project development.

HCD Staff Note: The developer has indicated that the majority of soft costs (design costs) are fixed contracts, which is reflected in a lower soft cost contingency estimate.

Acquisition:

The public has an interest in insuring that the property is purchased for no more than its market value. This review is especially important in cases like this one where the seller plays multiple roles in the transaction. Presidium acquired the sites and will resell the sites to the newly created project entity it controls, so Presidium is both seller and buyer of the site.

This site was purchased by Presidium in December 2018, as part of a 4 site package at auction for \$9,765,000. An appraisal of the 4 site package dated November 30, 2018 values the parking garage at \$3.8 million, and Presidium plans to sell the site for \$4.8 million. The developer has not disclosed how they plan to allocate the total acquisition costs across the 4 properties, but note that the \$3.8 million appraised value does not take into account their carrying costs and predevelopment expenses. Acquisition price is one factor driving up cost per unit relative to other affordable projects -- at \$17,021 per unit, it is the highest cost per unit for an affordable project reviewed by the City in 2020. An appraisal which supports the acquisition expense of \$4.8 million is a recommended condition of TIF approval.

Operating Budget & 20 Year Cashflow Projection

Project Income:

The Presidium proforma includes 81 units at 80% AMI, 27 units at 100% AMI, 33 units at 120% AMI, and 141 units (50%) at market rate. The affordable unit rents are set to the maximum allowable rent per the local workforce housing ordinance, but not exceeding the developer's anticipated "market rate" rent. The developer is projecting the "market rate" at less than the maximum allowable calculated "affordable rate" for the 33 restricted 120% AMI units.

The market study submitted by the developer is dated July 19, 2019, and comments that, "the rent projections provided by the borrower are generally bracketed by the comparable set but towards the upper aspect." Complicating the assessment of the marketability of the projected "market rents," the market study does not contemplate the additional fees included in the current budget projections, including mandatory fees of \$85/unit for landlord paid utilities/trash/pest control. These fees are not typical of the Portland rental market and place the market rent for each unit type above the highest comparable rent in the 2019 market study. In addition, the market study indicates that the comparable rents reflect estimates as of the 2019 date of the report and have not been projected forward while the proposed project rents are based on developer projections. A satisfactory current market study reflective of the developer's proposed fee structure is a recommended condition of TIF approval.

One bedroom units make up 45% of the unit mix (a total of 126 units of which 67% are market rate), efficiency units make up 41% (a total of 116 units of which 14% are market rate) and 2 bedroom units are 14% (a total of 40 units all of which are market rate) of the unit mix. Since one bedroom units have the greatest mark up over comparable market rents, this concentration of one bedroom units is an area of risk for the project.

Vacancy is budgeted at 6%, well above Portland's current actual vacancy rates. The most comparable project according to the market study (The Hiawatha) was operating at 100% occupancy in summer 2019. However, the project as designed is almost twice the size of The Hiawatha. The market study

makes a compelling case that there is pent up demand for quality rental units in central Portland, but the unprecedented scale of this development justifies a higher vacancy rate.

Operating Expense

The pro forma reflects a per unit operating cost of \$8,271, which appears high. However, \$3,260 per unit is real estate taxes. The operating costs per unit in all other categories are consistent with industry standard and comparable projects in Portland. The replacement reserve budget is on the low side, but acceptable at \$300 per unit. The budget anticipates 3 full time office staff and 3 full time maintenance/custodial staff.

20 Year Cashflow & Debt Service Coverage Ratio (DSCR)

In year 1, the project reflects a 1.17 DSCR. With industry standard 2% income inflator and 3% expense inflator, DSCR rises gradually over 20 years to 1.53. The AHTIF provides an infusion of “equity like” capital while also providing support to the operating budget.

Developer Financials

Developer financial analysis is confidential and is detailed in a separate confidential document.

Recommendations

The developer must at minimum meet three primary criteria for an AHTIF approval of up to 75% for 30 years:

1. Community Need: “...site specific AHTIF designations must address an identified community need.”

Presidium will provide 81 units of housing for households at 80% AMI, 27 units of housing for households at 100% of AMI and 33 units of housing for households at 120% of AMI. Moderate income housing is identified as a community need in Portland’s Plan 2030 and the City Council’s 2020 Common Goals.

2. Financial Necessity: “The applicant must demonstrate the City’s participation is financially necessary in order for the project to proceed.”

Presidium has demonstrated that without TIF revenue the project would not be able to move forward. The TIF provides both necessary capital during the development period and important supplemental income during the operating period.

3. Financial Capacity: “The applicant must demonstrate financial capacity to support their project.”

Presidium has not demonstrated financial capacity to support their project through the following:

- financing commitments (projected sources have expressed written interest, but are not yet at commitment stage in their review), or
- organizational financials (see confidential financial analysis)

However, the principals have submitted personal financial statements which show liquid assets in excess of their anticipated equity contribution and significant net worth. Based on their personal financial statements, they appear able to meet their equity stake in the project.

I recommend any AHTIF approval be condition upon satisfactory review of the following prior to finalizing the TIF:

- 1) A current appraisal supporting the acquisition price of \$4.8 million;
- 2) A current market study supporting the projected rent structure including all mandatory fees and parking income;
- 3) Financing commitments for debt, equity, and equity like financing on terms and conditions acceptable to the City of Portland;
- 4) Personal financial statements from the principals of Presidium which, in combination with Presidium Group financials, demonstrate developer's financial capacity to support the project, current (within 60 days) of the finalization of the TIF agreement;
- 5) All standard construction loan conditions, including satisfactory review of final contract with GC consistent with budgeted estimates, and total contractor overhead, profit and general conditions of not to exceed 14% of net construction costs.

Project Operating Pro Forma

Date: 4/20/2021 (REVISED)
 Project Name: 45 Brown St
 Project Address: 45 Brown St
 Developer/Sponsor: Presidium

Rental Income

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
0 BR	40	420	16800	80%	\$1,168	\$89		\$1,079	2.57	\$43,160	\$517,920
0 BR	27	420	11340	100%	\$1,501	\$89		\$1,412	3.36	\$38,124	\$457,488
0 BR	33	420	13860	120%	\$1,801	\$89 *		\$1,666	3.97	\$54,978	\$659,736
1 BR	41	678	27798	80%	\$1,374	\$107		\$1,267	1.87	\$51,947	\$623,364
0 BR	16	420	6720	Market	\$1,666	\$0		\$1,666	3.97	\$26,656	\$319,872
1 BR	85	678	57630	Market	\$2,152	\$0		\$2,152	3.17	\$182,920	\$2,195,040
2 BR	40	950	38000	Market	\$2,604	\$0		\$2,604	2.74	\$104,160	\$1,249,920
Total:	282		2E+05							\$501,945	\$6,023,340

*adjusted to reflect market rate equivalent

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 - Resident	\$6,023,340	\$21,359	\$6,143,807	\$6,266,683	\$6,392,017	\$6,519,857	\$6,650,254	\$6,783,259	\$6,918,924	\$7,057,303	\$7,198,449
Vacancy Loss	6.0%	(\$361,400)	(\$1,282)	(\$368,628)	(\$376,001)	(\$383,521)	(\$391,191)	(\$399,015)	(\$406,996)	(\$415,135)	(\$423,438)
Hotel Parking Income (net fee)	\$199,920	\$709	\$203,918	\$207,997	\$212,157	\$216,400	\$220,728	\$225,142	\$229,645	\$234,238	\$238,923
Resident Parking Income (net)	\$535,500	\$1,899	\$546,210	\$557,134	\$568,277	\$579,642	\$591,235	\$603,060	\$615,121	\$627,424	\$639,972
Other income (view fee)	\$39,600	\$140	\$40,392	\$41,200	\$42,024	\$42,864	\$43,722	\$44,596	\$45,488	\$46,398	\$47,326
Misc Income	\$125,280	\$444	\$127,786	\$130,341	\$132,948	\$135,607	\$138,319	\$141,086	\$143,907	\$146,785	\$149,721
RUBS Income	\$93,060	\$330	\$94,921	\$96,820	\$98,756	\$100,731	\$102,746	\$104,801	\$106,897	\$109,035	\$111,215
TIF (inflated at 3%)	\$664,364	\$2,356	\$684,295	\$704,824	\$725,968	\$747,748	\$770,180	\$793,285	\$817,084	\$841,596	\$866,844
Credit Enhancement/TIF Bond	(\$551,225)	(\$1,955)	(\$567,762)	(\$584,795)	(\$602,338)	(\$620,409)	(\$639,021)	(\$658,191)	(\$677,937)	(\$698,275)	(\$719,224)
Effective Gross Income	\$6,768,439	\$24,002	\$6,904,939	\$7,044,203	\$7,186,287	\$7,331,249	\$7,479,148	\$7,630,042	\$7,783,994	\$7,941,065	\$8,101,320
Administrative											
Management Fee	\$175,772	\$623	\$181,045	\$186,477	\$192,071	\$197,833	\$203,768	\$209,881	\$216,177	\$222,663	\$229,343
Office Salary (property manage)	\$161,563	\$573	\$166,410	\$171,402	\$176,544	\$181,841	\$187,296	\$192,915	\$198,702	\$204,663	\$210,803
Marketing Expense	\$68,750	\$244	\$70,813	\$72,937	\$75,125	\$77,379	\$79,700	\$82,091	\$84,554	\$87,090	\$89,703
Legal	\$22,750	\$81	\$23,433	\$24,135	\$24,860	\$25,605	\$26,373	\$27,165	\$27,980	\$28,819	\$29,684
Audit & Accounting		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Admin "General"	\$59,750	\$212	\$61,543	\$63,389	\$65,290	\$67,249	\$69,267	\$71,345	\$73,485	\$75,690	\$77,960
Total Administrative	\$488,585	\$1,733	\$503,243	\$518,340	\$533,890	\$549,907	\$566,404	\$583,396	\$600,898	\$618,925	\$637,493
Supportive Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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
Electric		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water / Sewer	\$139,000	\$493	\$143,170	\$147,465	\$151,889	\$156,446	\$161,139	\$165,973	\$170,952	\$176,081	\$181,363
Other -- Common Areas, Vacat	\$125,000	\$443	\$128,750	\$132,613	\$136,591	\$140,689	\$144,909	\$149,257	\$153,734	\$158,346	\$163,097
Total Utilities	\$264,000	\$936	\$271,920	\$280,078	\$288,480	\$297,134	\$306,048	\$315,230	\$324,687	\$334,427	\$344,460
Maintenance											
Grounds	\$98,700	\$350	\$101,661	\$104,711	\$107,852	\$111,088	\$114,420	\$117,853	\$121,389	\$125,030	\$128,781
Janitorial		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trash Removal	\$66,000	\$234	\$67,980	\$70,019	\$72,120	\$74,284	\$76,512	\$78,807	\$81,172	\$83,607	\$86,115
Security		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment & Supplies		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	\$155,100	\$550	\$159,753	\$164,546	\$169,482	\$174,566	\$179,803	\$185,198	\$190,753	\$196,476	\$202,370
Maintenance Contracts		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other - Maintenance Salary	\$161,563	\$573	\$166,410	\$171,402	\$176,544	\$181,841	\$187,296	\$192,915	\$198,702	\$204,663	\$210,803
Total Maintenance	\$481,363	\$1,707	\$495,804	\$510,678	\$525,998	\$541,778	\$558,032	\$574,773	\$592,016	\$609,776	\$628,070
Taxes & Insurance											
Real Estate Taxes or PILOT	\$3,342.80										
	\$919,271	\$3,260	\$946,849	\$975,255	\$1,004,512	\$1,034,648	\$1,065,687	\$1,097,658	\$1,130,587	\$1,164,505	\$1,199,440
Payroll Taxes / Fidelity Bond / Workers Comp / Health Ins.		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance (property, liability)	\$94,470	\$335	\$97,304	\$100,223	\$103,230	\$106,327	\$109,517	\$112,802	\$116,186	\$119,672	\$123,262
Other		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Taxes & Insurance	\$1,013,741	\$3,595	\$1,044,153	\$1,075,478	\$1,107,742	\$1,140,974	\$1,175,204	\$1,210,460	\$1,246,774	\$1,284,177	\$1,322,702
Replacement Reserves	\$84,600	\$300	\$87,138	\$89,752	\$92,445	\$95,218	\$98,075	\$101,017	\$104,047	\$107,169	\$110,384
Operating Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$2,332,289	\$8,271	\$2,402,258	\$2,474,325	\$2,548,555	\$2,625,012	\$2,703,762	\$2,784,875	\$2,868,421	\$2,954,474	\$3,043,108
	\$8,270.53										
Net Operating Income	\$4,436,150	\$15,731	\$4,502,681	\$4,569,877	\$4,637,732	\$4,706,237	\$4,775,385	\$4,845,167	\$4,915,573	\$4,986,591	\$5,058,212
Debt Service											
First Lien (including MIP)	\$3,796,681	\$13,463	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681
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)	\$3,796,681	\$13,463	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681
Cash Flow (after Must Pay Debt)	\$639,469	\$2,268	\$706,000	\$773,196	\$841,051	\$909,556	\$978,704	\$1,048,486	\$1,118,892	\$1,189,910	\$1,261,531
Debt Service Coverage Ratio	1.17		1.19	1.20	1.22	1.24	1.26	1.28	1.29	1.31	1.33
Cash Flow Debt Payments											
City or County	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Developer Fee Loan	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Flow Retained by Project	\$639,469	\$2,268	\$706,000	\$773,196	\$841,051	\$909,556	\$978,704	\$1,048,486	\$1,118,892	\$1,189,910	\$1,261,531

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Operating Expenses

Rent Increase Rate	2.0%
Expenses Increase Rate	3.0%

	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	\$7,342,418	\$7,489,266	\$7,639,052	\$7,791,833	\$7,947,669	\$8,106,623	\$8,268,755	\$8,434,130	\$8,602,813	\$8,774,869
Vacancy Loss	6.0%	(\$440,545)	(\$449,356)	(\$458,343)	(\$467,510)	(\$476,860)	(\$486,397)	(\$496,125)	(\$506,048)	(\$516,169)
Hotel Parking Income (net fee)	\$243,701	\$248,575	\$253,547	\$258,618	\$263,790	\$269,066	\$274,447	\$279,936	\$285,535	\$291,246
Resident Parking Income (net)	\$652,772	\$665,827	\$679,143	\$692,726	\$706,581	\$720,712	\$735,127	\$749,829	\$764,826	\$780,122
Other Income (view fee)	\$48,272	\$49,238	\$50,222	\$51,227	\$52,251	\$53,296	\$54,362	\$55,450	\$56,559	\$57,690
Misc Income	\$152,716	\$155,770	\$158,885	\$162,063	\$165,304	\$168,610	\$171,983	\$175,422	\$178,931	\$182,509
RUBS Income	\$113,440	\$115,708	\$118,023	\$120,383	\$122,791	\$125,247	\$127,751	\$130,306	\$132,913	\$135,571
TIF (inflated at 3%)	\$892,850	\$919,635	\$947,224	\$975,641	\$1,004,910	\$1,035,057	\$1,066,109	\$1,098,092	\$1,131,035	\$1,164,966
Payment on Preferred Equity	(\$740,800)	(\$763,024)	(\$785,915)	(\$809,492)	(\$833,777)	(\$858,791)	(\$884,554)	(\$911,091)	(\$938,424)	(\$966,576)
Effective Gross Income	\$8,264,822	\$8,431,639	\$8,601,838	\$8,775,488	\$8,952,659	\$9,133,424	\$9,317,855	\$9,506,028	\$9,698,018	\$9,893,905
Administrative										
Management Fee	\$236,223	\$243,310	\$250,609	\$258,127	\$265,871	\$273,847	\$282,062	\$290,524	\$299,240	\$308,217
Office Salary (property management 3%)	\$217,127	\$223,641	\$230,350	\$237,261	\$244,379	\$251,710	\$259,261	\$267,039	\$275,050	\$283,302
Marketing Expense	\$92,394	\$95,166	\$98,021	\$100,962	\$103,991	\$107,110	\$110,324	\$113,633	\$117,042	\$120,554
Legal	\$30,574	\$31,491	\$32,436	\$33,409	\$34,411	\$35,444	\$36,507	\$37,602	\$38,730	\$39,892
Audit & Accounting	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Admin "General"	\$80,299	\$82,708	\$85,189	\$87,745	\$90,377	\$93,089	\$95,881	\$98,758	\$101,720	\$104,772
Total Administrative	\$656,617	\$676,316	\$696,605	\$717,504	\$739,029	\$761,200	\$784,035	\$807,557	\$831,783	\$856,737
Supportive Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water / Sewer	\$186,804	\$192,409	\$198,181	\$204,126	\$210,250	\$216,557	\$223,054	\$229,746	\$236,638	\$243,737
Other	\$167,990	\$173,029	\$178,220	\$183,567	\$189,074	\$194,746	\$200,588	\$206,606	\$212,804	\$219,188
Total Utilities	\$354,794	\$365,438	\$376,401	\$387,693	\$399,324	\$411,303	\$423,642	\$436,352	\$449,442	\$462,926
Maintenance										
Grounds	\$132,645	\$136,624	\$140,723	\$144,944	\$149,293	\$153,771	\$158,385	\$163,136	\$168,030	\$173,071
Janitorial	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trash Removal	\$88,698	\$91,359	\$94,100	\$96,923	\$99,831	\$102,826	\$105,911	\$109,088	\$112,361	\$115,731
Security	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment & Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	\$208,441	\$214,695	\$221,136	\$227,770	\$234,603	\$241,641	\$248,890	\$256,357	\$264,047	\$271,969
Maintenance Contracts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other - Maintenance Salary	\$217,127	\$223,641	\$230,350	\$237,261	\$244,379	\$251,710	\$259,261	\$267,039	\$275,050	\$283,302
Total Maintenance	\$646,912	\$666,319	\$686,309	\$706,898	\$728,105	\$749,948	\$772,446	\$795,620	\$819,488	\$844,073
Taxes & Insurance										
Real Estate Taxes or PILOT	\$1,235,423	\$1,272,486	\$1,310,661	\$1,349,980	\$1,390,480	\$1,432,194	\$1,475,160	\$1,519,415	\$1,564,997	\$1,611,947
Payroll Taxes / Fidelity Bond / Workers Comp / Health Ins.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance (property, liability)	\$126,960	\$130,769	\$134,692	\$138,732	\$142,894	\$147,181	\$151,597	\$156,145	\$160,829	\$165,654
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Taxes & Insurance	\$1,362,383	\$1,403,255	\$1,445,352	\$1,488,713	\$1,533,374	\$1,579,375	\$1,626,757	\$1,675,559	\$1,725,826	\$1,777,601
Replacement Reserves	\$113,695	\$117,106	\$120,619	\$124,238	\$127,965	\$131,804	\$135,758	\$139,831	\$144,026	\$148,347
Operating Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$3,134,401	\$3,228,433	\$3,325,286	\$3,425,045	\$3,527,796	\$3,633,630	\$3,742,639	\$3,854,918	\$3,970,566	\$4,089,683
Net Operating Income	\$5,130,421	\$5,203,206	\$5,276,552	\$5,350,443	\$5,424,863	\$5,499,794	\$5,575,216	\$5,651,109	\$5,727,452	\$5,804,222
Debt Service										
First Lien	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681
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)	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681	\$3,796,681
Cash Flow (after Must Pay Debt)	\$1,333,740	\$1,406,525	\$1,479,871	\$1,553,762	\$1,628,182	\$1,703,113	\$1,778,535	\$1,854,428	\$1,930,771	\$2,007,541
Debt Service Coverage Ratio	1.35	1.37	1.39	1.41	1.43	1.45	1.47	1.49	1.51	1.53
Cash Flow Debt Payments										
City or County	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Developer Fee Loan	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Flow Retained by Project	\$1,333,740	\$1,406,525	\$1,479,871	\$1,553,762	\$1,628,182	\$1,703,113	\$1,778,535	\$1,854,428	\$1,930,771	\$2,007,541

Development Budget with Permanent Sources

Date Updated 4/20/2021 MPD Unchanged from 2/19/2021
 Project Name 45 Brown St
 Project Address
 Developer/Sponsor Presidium

Total Units 282
 Total Square Feet 318,780, of which 217,030 is residential
 and 101,750 is parking

	and 101,750 is parking	March 2021 Values			Change	
		Total	Per Unit	Per Sq Ft	February to March 2021	
Sources of Funds						
Permanent Financing - HUD 1st Lien		\$73,500,000	\$260,638	\$231	\$ -	0%
Permanent Financing - City of Portland			\$0	\$0		
Credit Enhancemen/TIF Proceeds		\$6,428,741	\$22,797	\$20	\$ -	0%
Common Equity		\$11,089,739	\$39,325	\$35	\$ -	0%
Other			\$0	\$0		
Other			\$0	\$0		
Total Sources of Funds		\$91,018,480	\$322,761	\$286	\$ -	0%
Excess Source		(\$4)				

Uses of Funds

Hard Costs					
Site Improvements	\$1,826,500	\$6,477	\$6	\$ -	0%
Rehabilitation		\$0	\$0		
New Construction	\$53,028,758	\$188,045	\$166	\$ -	0%
Contractor's Profit, Overhead, & Gen. Requirements 8.5%	\$4,589,963	\$16,276	\$14	\$ -	0%
Hazardous Materials abatement (if contracted separately)		\$0	\$0		
Demolition Cost (as shown on S&U)		\$0	\$0		
Bond Premium	\$299,524	\$1,062	\$1	\$ -	0%
Other "WRC Insurance Package"	\$389,525	\$1,381	\$1	\$ -	0%
Hard Cost Contingency (% of hard costs) 8.8%	\$5,264,162	\$18,667	\$17	\$ -	0%
Total Hard Costs	\$65,398,432	\$231,909	\$205	\$ -	0%

Soft Costs					
Building Permit & Fees	\$1,149,675	\$4,077	\$4	\$ -	0%
Survey & Engineering		\$0	\$0		
Design & Permitting (% of const exp) 2.2%	\$2,312,000	\$8,199	\$7	\$ -	0%
Borrower Legal (all closings, excluding syndication legal)		\$0	\$0		
Title & Recording		\$0	\$0		
Accounting		\$0	\$0		
Construction Period Taxes	\$803,064	\$2,848	\$3	\$ -	0%
Construction Period Insurance		\$0	\$0		
Other: FF&E, Security	\$860,000	\$3,050	\$3	\$ -	0%
Other		\$0	\$0		
Total Soft Costs	\$5,124,739	\$18,173	\$16	\$ -	0%

Financing Costs					
Construction Loan Origination Fees		\$0	\$0		
Construction Period Interest	\$2,781,270	\$9,863	\$9	\$ -	0%
Lender Inspection Fees		\$0	\$0		
Letter of Credit Fee		\$0	\$0		
Permanent Loan Fee -- HUD Related Financing Fees	\$2,475,500	\$8,778	\$8	\$ -	0%
"Equity placement fee" to developer	\$270,277	\$958	\$1	\$ -	0%
Other -- Misc. Closing Costs	\$878,020	\$3,114	\$3	\$ -	0%
Total Financing Costs	\$6,405,067	\$22,713	\$20	\$ -	0%
Miscellaneous					
Market Survey		\$0	\$0		
Appraisal		\$0	\$0		
Environmental Study		\$0	\$0		
LIHTC Fees		\$0	\$0		
Other: Commissioning		\$0	\$0		
Relocation Costs		\$0	\$0		
Other		\$0	\$0		
Soft Cost Contingency (% of soft costs excl Dev Fee)	1.87%	\$311,983	\$1,106	\$ -	0%
Total Miscellaneous:		\$311,983	\$1,106	\$ -	0%
Acquisition					
Acquisition: Buildings		\$0	\$0		
Acquisition: Land	\$4,800,000	\$17,021	\$15	\$ -	0%
Acquisition: Legal		\$0	\$0		
Other		\$0	\$0		
Total Acquisition	\$4,800,000	\$17,021	\$15	\$ -	0%
Reserves and Developer Fee					
Operating Deficit Escrow	\$3,363,518	\$11,927	\$11	\$ -	0%
Prefunded Replacement Reserve		\$0	\$0		
Taxes & Insurance Escrow		\$0	\$0		
Developer Overhead		\$0	\$0		
Developer Profit	\$2,674,737	\$9,485	\$8	\$ -	0%
Rent Up Reserve & Marketing	\$1,470,000	\$5,213	\$5	\$ -	0%
Other "Working Capital -- Contingency"	\$1,470,000	\$5,213	\$5	\$ -	0%
Total Reserves and Developer Fee	\$8,978,255	\$31,838	\$28	\$ -	0%
Total Uses of Funds	\$91,018,476	\$322,761	\$306	\$ -	0%

Developer Fee Analysis: Total Fees: \$2,674,737
(excluding reserves & developer fee) Percent of TDC: 3.26%

DEVELOPER PROVIDED INFORMATION

Analysis of TIF vs No TIF

<u>TIF</u>	<u>No TIF</u>
1) New garage	Old garage stays
2) New 282 unit MF project	No new project
3) 50% units affordable (most at 80% AMI)	No new affordable units
4) 400 new residents downtown	No new residents
5) 100 construction jobs for \$90mm project	No new construction jobs
6) New public bathroom	No new public bathroom
7) City revenues increase by \$9mm over term from new MF project	No new City rev (garage income \$45k/yr)
8) City revenue from new garage \$110k, and \$3mm over term	No new garage rev (garage income \$45k/yr)
9) City has lower rev sharing with State	No change
10) Project goes forward on minimal ROI	Project cancelled (see Excel)

DEVELOPER PROVIDED INFORMATION

FAQ's 45 Brown Street TIF Application

1. With the current Inclusionary Zoning changes, the developer has to build 25% of the units at 80% AMI regardless of a TIF so why would the City of Portland provide any subsidy?

A: This statement assumes the project is financially viable without the TIF and therefore the developer would proceed without the TIF. This project is not economically viable without the TIF proceeds and will not be built without the TIF.

2. If we approve the Affordable Housing TIF request for 45 Brown Street are we setting a precedent with every developer in Portland?

A. No. Each project will be evaluated on its own merits. The AHTIF program was created by the City of Portland to be used as a tool if needed to support the development of multi-family housing providing income restricted, affordable units. Some projects may have positive attributes such as qualifying for historic tax credits, may not be subject to the new Inclusionary Zoning requirements, may have minimal site costs or less challenging development conditions.

3. Why is the size of this TIF request so large in comparison to other previous applications?

A: The sheer magnitude of this project, delivering a total of 275 units, of which 138 are income restricted, is several multiples in size larger than any previous AHTIF application. On a "per unit basis", when compared to the previous "market rate" for sale product approved in the 4th quarter of 2020 by the City of Portland, this project's TIF subsidy is significantly lower.

4. Are there additional economic benefits that will be realized in the immediate neighborhood abutting the proposed 45 Brown Street project?

A: The proposed \$90 mil investment into the currently existing parking garage spurs other economic investment into the immediate neighborhood as well as generates significant job opportunities directly related to the project.

5. Will a lender provide financing to the project based on the developer provided pro forma?

A: Yes. Based on the current financial projections, with the use of the TIF proceeds, the required debt service coverage ratios by the lender are met. If the TIF is not approved, the project will not be approved by the current lender due to the inability to service the debt service payments.

6. What happens to the current site of 45 Brown Street if the TIF is not approved?

A: The existing garage will stay "as is" and will not be developed. The current property tax assessment is \$1.91 Mil, generating \$45k per year in tax revenue to the City.

7. The current tax assessed value of the 45 brown Street parking garage is \$1.91 Mil, what is the tax assessment expected to increase to if the parking garage is replaced?

A: The parking garage alone is expected to increase in tax assessment from \$1.91 Mil to \$6.5 Mil. This is over a 350% tax increase captured by the City of Portland if the parking garage is replaced. The parking garage will only be replaced if the TIF for the multi-family apartment project is approved.

8. What are the new expected tax proceeds to be received by the City of Portland for the property tax assessment of 45 Brown Street, 275 unit apartment project not returned to the developer?

A: Estimated to be \$11 Mil in new property tax revenue to the City of Portland, captured over 30 years from the new parking garage and multi-family project.

9. What is the total expected cost of the 45 Brown Street project?

A: The estimated total cost of the 45 Brown Street project, including new parking garage is \$90 Mil.

2020 Income Limits - Portland HUD Metro FMR Area								
				Household Size				
AMI	1	2	3	4	5	6	7	
30%	\$ 21,100	\$ 24,100	\$ 27,100	\$ 30,100	\$ 32,550	\$ 35,160	\$ 39,640	
50%	\$ 35,150	\$ 40,150	\$ 45,150	\$ 50,150	\$ 54,200	\$ 58,200	\$ 62,200	
60%	\$ 42,378	\$ 48,422	\$ 54,486	\$ 60,540	\$ 65,383	\$ 70,226	\$ 75,070	
80%	\$ 54,950	\$ 62,800	\$ 70,650	\$ 78,500	\$ 84,800	\$ 91,100	\$ 97,350	
100%	\$ 70,630	\$ 80,720	\$ 90,810	\$ 100,900	\$ 108,972	\$ 117,044	\$ 125,116	
110%	\$ 77,693	\$ 88,792	\$ 99,891	\$ 110,990	\$ 119,870	\$ 128,748	\$ 137,628	
120%	\$ 84,756	\$ 96,864	\$ 108,972	\$ 121,080	\$ 130,767	\$ 140,453	\$ 150,139	
Maximum Rents								
				Bedroom Count				
AMI	1	2	3	4	5	6		
30%	\$ 527.50	\$ 602.50	\$ 677.50	\$ 752.50	\$ 813.75	\$ 879.00		
50%	\$ 878.75	\$ 1,003.75	\$ 1,128.75	\$ 1,253.75	\$ 1,355.00	\$ 1,455.00		
60%	\$ 1,059.45	\$ 1,210.55	\$ 1,362.15	\$ 1,513.50	\$ 1,634.58	\$ 1,755.65		
80%	\$ 1,373.75	\$ 1,570.00	\$ 1,766.25	\$ 1,962.50	\$ 2,120.00	\$ 2,277.50		
100%	\$ 1,765.75	\$ 2,018.00	\$ 2,270.25	\$ 2,522.50	\$ 2,724.30	\$ 2,926.10		
120%	\$ 2,118.90	\$ 2,421.60	\$ 2,724.30	\$ 3,027.00	\$ 3,269.18	\$ 3,511.33		

The chart below indicates the minimum household size for each unit type based on bedroom count.

	Studio/One-Bed	Two-Bed	Three-Bed	Four-Bed
Minimum Household Size By Bedroom	1	2	3	4

To determine the maximum allowable rent for studio Workforce Units the City will calculate 85% of the allowable housing related expenses for an Eligible Household using the following formula:

0.30 X ((annual income based on minimum household size / 12) X 0.85) less utilities = Workforce Studio Rent

Maximum Rent Amount for a studio in 2020:

Assumption: **80% AMI for 1 person household**

$$.30 \times (\$54,950/12) \times .85 =$$

$$.30 \times (\$4,579 \times .85) =$$

$$.30 \times \$3,892 = \underline{\$1,168}$$

Assumption: **100% AMI for 1 person household**

$$.30 \times (\$70,630/12) \times .85 =$$

$$.30 \times (\$5,885 \times .85) =$$

$$.30 \times \$5,002 = \underline{\$1,500}$$

Assumption: **120% AMI for 1 person household**

$$.30 \times (\$84,756/12) \times .85 =$$

$$.30 \times (\$7,063 \times .85) =$$

$$.30 \times \$6,003 = \underline{\$1,801}$$