

Date: February 11, 2015

Time: 5:30 pm to 7:00 pm

Location: Room 209, Second Floor Portland City Hall

1. 02.11.2015 HCDC Agenda

Documents: [02.11.2015 AGENDA.PDF](#)

2. HCDC Minutes Of 01.28.15 Meeting

Documents: [1-28-15 - CLEAN FOR CMTE APRVL.PDF](#)

3. Review And Recommendation To City Council To Authorize P&S For The Sale Of 71 Hanover Street

Documents: [2-11-15 71 HANOVER STREET PSA MEMO.PDF](#)

4. Review Of Response To 65 Munjoy Street RFP

Documents: [65 MUNJOY STREET RFP PROPOSAL.PDF](#)

5. Review And Recommendation To Issue RFP For 65 Hanover/52 Alder Street

Documents: [02.06.15 65 HANOVER 52 ALDER STREET RFP MEMO.PDF](#)

6. 2015 HCDC Work Plan For 2.11.15 Meeting

Documents: [HCDC 2015 WORK PLAN FOR 02.11.15.PDF](#)

**HOUSING AND COMMUNITY DEVELOPMENT COMMITTEE**

DATE: February 11, 2015 (Wednesday)
TIME: 5:30 p.m. – 7:00 p.m.
LOCATION: Room 209, Second Floor
Portland City Hall

AGENDA

1. Review and accept Minutes of previous meeting held on January 28, 2015.
2. Review and recommendation to City Council to authorize Purchase and Sale Agreement with BOPO, LLC (also known as Bayside Bowl) for the sale of 71 Hanover Street – See enclosed Memorandum from Greg Mitchell with Bayside Bowl Proposal and draft Purchase and Sale Agreement

Note: Pursuant to 1 M.R.S.A. 405(6)(C) and (F) and 5 M.R.S.A. 13119-a, the Committee may go into executive session to discuss real estate negotiations.

3. Review of Response to 65 Munjoy Street RFP. – See enclosed Memorandum from Mary Davis.
4. Review and Recommendation to Issue Revised RFP for 65 Hanover/52 Alder Street. – See enclosed Memorandum from Mary Davis.
5. **Executive Session:** Pursuant to 1 M.R.S.A. 405(6)(C) and (F) and 5 M.R.S.A. 13119-a, the Committee will go into executive session to discuss amendments to the Ready Seafood Company Lease at the Portland Ocean Terminal – See enclosed confidential memorandum from Greg Mitchell.
6. **2015 HCDC Work Plan for Review and Discussion** – See enclosed Memorandum from Jeff Levine, Greg Mitchell and Mary Davis.

Public Comment will be accepted on action items. **Councilor Kevin Donoghue, Chair**

Next Meeting Date: February 25, 2015



Housing & Community Development Committee

Minutes of January 28, 2015 Meeting

A meeting of the Portland City Council's Housing and Community Development Committee (HCDC) was held on Wednesday, January 28, 2015 at 5:00 p.m. in Room 209 on the second floor of Portland City Hall. Present from the HCDC was its Chair Councilor Kevin Donoghue, and members Councilors David Brenerman, and David Marshall. Committee member Councilor Nicholas Mavodones could not be present. City staff present included Housing & Community Development Division Director Mary Davis, Associate Corporation Counsel Michael Goldman, Planning and Urban Development Director Jeff Levine, Economic Development Director Greg Mitchell, Island/Neighborhood Services Administrator Mike Murray, and Senior Executive Assistant Lori Paulette.

Chair Donoghue opened the meeting introducing the Committee members. He also noted that Item #3 on the Agenda will be taken up last.

Item 1: Review and accept Minutes from previous meeting held on January 14 2015.

On motion made and seconded, the Committee voted unanimously to accept the minutes as published.

Item 2: Review and vote to recommend to City Council on award of bid and Purchase and Sale Agreement for Cliff Island tax-acquired parcel.

Under direction of the HCDC, Mr. Mitchell said staff has been negotiating a Purchase and Sale Agreement with Sustainable Cliff Island for the property known as 16 Fisherman's Cove on Cliff Island. Staff is now presenting this to the Committee for a vote to forward to the

City Council for approval of the award bid to Sustainable Cliff Island (SCI), authorizing the Purchase and Sale Agreement with SCI, and writing off any remaining taxes, interest, and costs. The City acquired this because of non-payment of taxes. Back taxes, interest, and costs are now approximately \$53,545. It has been a challenging piece of property with two uses on one parcel – a single family residence and a fuel station/dock. The fuel portion is an important piece for both the islanders, as well as for the City equipment. The septic system needs upgrading, and renovations are needed for the residence, fuel station, and dock.

Because of the fuel station use, the City hired a consultant for a Phase I environmental site assessment, and SCI has followed up with a contract with Woodard and Curran for a Phase II environmental site assessment; SCI will be responsible for environmental cleanup.

There has been extensive public notice of this process, including sending out notices of this meeting to Cliff Island residents and interested parties.

Mr. Mitchell continued saying that SCI is in the process of becoming a 501(C)(3), and, in the meantime, has contracted with The Island Institute for it to be SCI's fiscal agent. SCI would pay \$10,000 for the property, and enter into the negotiated Promissory Note and Mortgage in the amount of \$43,545 that would only be due and payable to the City should any covenants be violated. The Note does not bear interest and is forgiven at the end of the 20-year "Restriction Period" as noted in the Quitclaim Deed, assuming no covenant violation. Should SCI require a future lender's mortgage, to secure a loan of up to \$300,000 for renovating the property required by the residential or commercial covenants, this Note would be subordinated to that lead lender.

Councilor Brenerman asked if SCI would pay property taxes, and Mr. Mitchell indicated that it would. This language is part of the covenants in the Quitclaim Deed and its exhibits.

Councilor Brenerman asked if the \$10,000 to be paid was separate from the Assessor's assessed value now and in future years, and Mr. Mitchell indicated that it was separate.

Chair Donoghue asked if there was any public comment.

Cheryl Crowley, President of SCI, said that it has been a pleasure working with City staff to get to this point of a win/win for both.

Roger Berle, Board Member of SCI, agreed with Ms. Crowley. He noted this property is critically important to Cliff Island to get it back in use for sustainability, including the wharf back up to par for business, as well as renovating the residence for year round affordable family housing.

Seeing no further public comment, the public comment session closed.

Chair Donoghue asked SCI where it sees itself in year 21 after the 20-year Restriction Period, and Ms. Crowley said that the fuel station and store would be operational, together with the wharf in use for pleasure and business, and the residence occupied by a family.

Councilor Brenerman asked if the covenants would remain with the property if it were sold prior to the end of the 20-year Restriction Period, and Mr. Mitchell indicated that the covenants would remain with the property during the Restriction Period.

Councilor Marshall then made a motion to forward this to the City Council for approval as recommended by staff. Councilor Brennan seconded the motion.

Chair Donoghue said that he appreciated the Island involvement in this property for its sustainability.

A vote was then taken on the motion and it passed unanimously.

Item #5: Review and discussion of feasibility report and possible approval of RFP for the sale of City-owned property at 65 Hanover Street/52 Alder Street

Mr. Levine noted that at a prior HCDC meeting, it decided to table this until the feasibility study was completed; that study is now completed. Mr. Levine highlighted the findings of the study. Of the scenarios presented in the study, the most feasible was the 23-unit mix of 2 and 3 bedroom flats, with a surface parking lot with 23 spaces. As far as City subsidy, the property would be available at no cost; no additional subsidies. Retail is not a factor in the scenario; however, the ground floor could possibly be live/work units.

Mr. Levine said that the City's operations at this location are planned for relocation to 212 Canco Road; a date certain for the move is not known.

There was discussion about selling these units at what AMI, with Mr. Levine noting that the study indicates selling at 100% to 120% AMI for the development to break even. The average sales price would be approximately \$229,000.

Chair Donoghue opened the meeting for public comment.

Sean Kerwin, 18 Parris Street, said that the loss of commercial use is disappointing, while also noting that a master plan would make development opportunities clearer.

Christian McNeil, 45 Smith Street, questioned whether each unit requires a parking space. He then offered statistics on the number of car free households in Portland, i.e., 8% of owner-occupied units have no vehicle, while 36% of rental occupied units have no vehicle, and that an average car owner spends \$8,000 per year per vehicle. He encouraged that the RFP include inviting car free households.

Ron Spinella said that uncertainty is not good for developers. He asked about Adams School redevelopment and what it made it successful, inquiring if it could be applied to this property.

Lara Kenman commented on providing affordable housing, not exclusively, but a portion.

Dana Totman, of Kenwood Street and President of Avesta Housing, said that the success of the Adams School redevelopment was due, in large part, to Federal stimulus funds which are not available now. Regarding the subject property, he agreed that it would be helpful to have a master plan. He also noted in the draft RFP that eligible projects must create affordable housing units targeted to 100% and 120% of AMI, but the RFP also references the use of HOME funds which has a lower income affordability requirement. Noting no further public comment, the public comment session was closed.

Chair Donoghue said that in B-2b zones, parking could be provided in lieu, and Mr. Levine agreed there is the option; it would, however, affect marketability of units with no parking.

Chair Donoghue asked about subsidies per unit, and Mr. Levine said that it would make development more feasible. The City's resources are somewhat limited for any additional subsidy other than the value of the property at no cost.

Councilor Marshall asked about subsidies at 100% to 120% AMI. Mr. Levine said that the City's Federal programs are available to 80% AMI or below. The only source of funds for this development is the Housing Trust Fund (HTF) with a balance of approximately \$640,000 and declining; the House Replacement Ordinance (HRO) funds the HTF.

Councilor Marshall asked about reducing parking ratios, perhaps .7 per unit and the impact, as well as a mix of home ownership and rental. Mr. Levine said that home ownership loses value without a parking space. This study was targeted toward home ownership; rental is more flexible for parking but the City would need that feasibility analysis done. Deed restrictions for home ownership at 100% to 120% of AMI would be included in sales in the home ownership scenario, which would provide for both market rate and work force housing.

Based on the Committee's guidance, it could request a feasibility analysis of a mix of ownership/rental, or rental alone.

Councilor Brenerman questioned whether commercial use was considered versus housing for this property, as it seems more of a commercial location.

Chair Donoghue said that an RFP was just issued for 71 Hanover Street for a commercial use, which is across the street from the subject property. The goal for this property was for housing development.

Councilor Brenerman noted that he was not convinced that housing made the most sense for this property, while also noting that a master plan would help in his decision making.

Regarding a master plan being created for the property, Chair Donoghue that this has been done through the *Bayside Vision*, as well as the plan undertaken when the Department of Public Services was considering a move to Riverside Street. With the City offering this property for development, it would create momentum in the area.

Councilor Brenerman asked about a new planning process, and Mr. Levine said that it may prove helpful. The additional challenge is when the current Public Services use would be relocated.

Chair Donoghue said that he thinks it is important for the neighborhood to move Public Services from Bayside. In this RFP, the City should not be too prescriptive. This property is in a good location, and development of it could be the momentum to stabilize some home ownership in Bayside.

Councilor Marshall agreed that the area needs investment. Home ownership may be challenging and thought consideration to allow rental should be given, as well as considering, for instance, .7 parking spaces per unit. He also noted that flexibility in the RFP is needed.

Councilor Brenerman said that he would like to see something happen, but cannot vote on this today. He also agreed that the less prescriptive in the RFP the better, so that potential developers can let the City know what they can propose.

Chair Donoghue thanked the Committee for their feedback, and Committee consensus was to table this item.

Item #3: Presentation of Policy Responses re: Affordable Housing Demand Report

Jeff Levine said that his memorandum in the packet attempts to answer the Committee's questions, and staff is seeking direction from the Committee. Regarding Portland's "carrying capacity", Portland has good infrastructure and transit for additional housing, while the Islands do have their constraints. Inclusionary Zoning (IZ) is used by over 5,000 communities in the U.S., but its effectiveness varies widely, referring to Attachment A of his memorandum, and the development of market rate housing with IZ seems to have little or no impacts.

Mr. Levine discussed various existing City policies – both financial and ordinance, noting that the subsidies available at 80% AMI or below are helpful; the Housing Replacement Ordinance (HRO), has been fairly successful; housing density bonuses are not producing affordable housing – Affordable Housing Tax Credits are helping more with affordable housing development.

Mr. Levine then discussed doing something by district, i.e., on or off peninsula, perhaps just on peninsula, since, in 2010, 90% of housing production in Portland was on the peninsula. IZ requirements could be by district where the City could target affordable and workforce housing production in some parts of the City where the need is greatest or where housing production is needed. For Peaks Island, he noted that there has been interest in expansion of the

existing Accessory Dwelling Unit ordinance to encourage production of affordable accessory units on Peaks Island.

Caroline Paras noted that the median home price is higher on the peninsula than off.

Regarding what other Maine communities are doing, Mr. Levine said that only one uses IZ, that being Cape Elizabeth which has proven fairly effective, while noting that other Maine communities use the HOME program.

Mr. Levine discussed increasing density incentives and new requirements, and how they would work together. He drew the Committee's attention to IZ and a range of options from low, medium, to high, with the medium being a minimum threshold of 10 units, with IZ at 10% of units for affordable housing, and the affordability target at a mix of 80% and 100% AMI. These numbers could be worked depending on policy direction.

Regarding community involvement in this discussion, Mr. Levine noted that he met with the Portland Society of Architects today, and will continue outreach.

Councilor Brenerman asked if there was an ordinance for ADU, and Mr. Levine said that ADUs are in the Land Use Ordinance, and are flexible depending on lot size. Perhaps these could be more flexible if affordability was proposed for the ADU.

Chair Donoghue opened the meeting for public comment.

Peter Munro said that he attended the PSA event where the flavor was not in favor of IZ, however he felt every tool needs to be considered to achieve the goal of affordable workforce housing.

Christian McNeil, 45 Smith Street, also noted that he is Chair of the Portland Housing Authority. He said that study is close to provide market rate without much subsidy, but parking

requirements are a hindrance. Median income workers with cars are finding other places to live outside of Portland. With this RFP, the City needs to put itself in the builder's shoes.

Justin Alfond, 143 Vaughn Street, supported IZ and felt it should be mandated. He noted a couple of projects of his which included a percentage as affordable, with deed restrictions, and it worked well. It is a great tool for workforce housing needs, as long as it is a clear, transparent process and well thought out. Portland needs diversity, unlike the Boston area which is either you're wealthy or poor.

Dana Totman, Kenwood Street and CEO of Avesta Housing, said that Portland is ripe for IZ on peninsula, perhaps excluding the Bayside area, to encourage diversity of income levels. IZ is a good tool, and outreach would be needed to minimize any misunderstandings on this.

Chris O'Neil, consultant for the Portland Regional Chamber, said that the Chamber contemplated doing such a study as this, which is a good starting point. Outreach to the development community would be beneficial. The perception is the IZ is a subsidy. Regarding workforce housing, the City should look at all housing on all property, noting that small buildings with more height equals density. Land costs for new development can drive developers away. He questioned whether the City could offer municipal bonding to make it more competitive in psf construction costs. In closing Mr. O'Neil said that parking constraints should be done away with, and that the Chamber wants the City to consider all options.

Noting no further public comment, Chair Donoghue closed public comments.

Chair Donoghue said he sees two issues – more housing is needed, and affordable housing is also needed. The City needs to remove barriers for housing development to increase supply. It made some steps in amendments to the B-2b and R6 zones, particularly for parking and dimensional lot sizes. He is supportive of developing an IZ ordinance and details will be

important, noting triggers, as per Mr. Levine's chart. With most of new housing construction being on peninsula, Chair Donoghue suggested that perhaps the City could focus IZ in business zones, with details such as, for example, 10 units, 10% IZ at 80% to 120% AMI range. The City needs input from development community on this, as well as what other barriers prevent construction of 10-20 unit developments. All property should be considered as Mr. O'Neil suggested.

Councilor Brenerman agreed with the Chair on IZ, and the example of 10 units, 10% IZ for 80% to 120% AMI, and to hear from development community if it will stifle or have no impact at all. He noted that there is not a lot of family housing being built in the community, and he is concerned with the middle class and children in schools.

Councilor Marshall said that outreach to the community will be important, noting that creation of all types of housing is needed, including affordable. Outreach may offer ideas to achieve that goal.

Ms. Paras said that the Maine Housing Authority described \$58,500 as median income, which would provide \$200,000 for affordable ownership, and \$900 on the rent side.

Mr. Levine thanked the Committee for the feedback/guidance, noting that a forum seems like the next likely step to gather community/development input, which could help to craft an ordinance for IZ, reducing barriers, ADUs, and parking constraints.

Consensus of the Committee was for a forum to be held for the community/development input, with this forum to possibly take the place of the second meeting in February of the HCDC, that being Feb. 25.

There being no further business, the meeting then adjourned at approximately 7:20 p.m.

Respectfully,

Lori Paulette

Staff Note: The attached Attachment G was inadvertently omitted from Agenda Item 3 in the 1/28/2015 packet and is being referenced here to be included in the public record.

Development	Total Units	Affordable Units (Requirement starting at 10 units w/10%)	Affordable Units (Requirement Starting at 20 units w/20%)
Canco Woods II	127	12 + 70% fee	25 + 40% fee
Bayside Student Housing	100	10	20
Bay House	94	9 + 40% fee	18 + 80% fee
Ocean East-Presumpscot/oc	86	8 + 60% fee	17 + 20% fee
Congress Street-645	56	5 + 60% fee	11 + 20% fee
Ocean Ridge	46	4 + 60% fee	9 + 20% fee
Crescent Street Lodging	44	4 + 40% fee	8 + 80% fee
51-59 Danforth	43	4 + 30% fee	8 + 60% fee
Carriage Lane	42	4 + 20% fee	8 + 40% fee
Total (40+ units)	638	60 + 380% fee	124 + 400% fee
Chestnut Street Lofts	34	3 + 40% fee	6 + 80% fee
Radcliffe Glen	33	3 + 30% fee	6 + 60% fee
Maggie Lane	30	3	6
41 State St	27	2 + 70% fee	5 + 40% fee
Sheridan St	24	2 + 40% fee	4 + 80% fee
Maggie Lane (9 apts, 5 3-plex, 15 duplex)	24	2 + 40% fee	4 + 80% fee
490 Congress	23	2 + 30% fee	4 + 60% fee
Total (20-39 units)	195	17 + 250% fee	35 + 400% fee
Jarita Court	16	1 + 60% fee	0
Winslow Lofts, 545 Congress	15	1 + 50% fee	0
St. Patricks	15	1 + 50% fee	0
208 Fore Street	12	1 + 20% fee	0
Congress Street - 531	10	1	0
Shalom-180 Auburn	10	1	0
Metropolitan Apts (439 Congress St)	9	0	0
Guilford Ct - R-6 infill	8	0	0
Anderson Artist Loft	8	0	0
Sheriden St.	8	0	0
Waterville Condos	8	0	0
532 Congress Street	8	0	0
The Earl (341 Cumberland Ave)	7	0	0
44 Federal St.	7	0	0
Harborview Townhouses - York Street	7	0	0
Hammond Street	6	0	0
Hicks Street Subdivision	5	0	0
Wilson Street (infill)	4	0	0
116/118 State Street	4	0	0
Lafayett House	4	0	0
Mariner's Court	3	0	0
62 Cumberland Ave	3	0	0
Waterville Triad	3	0	0
130 E. Prom	3	0	0
43 Cumberland Ave	2	0	0
Ivy Duplex	2	0	0
Pennell Duplex	2	0	0
158 Grant St	2	0	0
Cornell Duplex	2	0	0
Salem Duplex	2	0	0
Providence Duplex	2	0	0
Saunders Duplex	2	0	0
St. John Duplex	2	0	0
Orange Street	2	0	0
Randall Condos	2	0	0
Sherwood St	2	0	0
Hicks Street 204	2	0	0
Cumberland Ave 44-46	2	0	0
Morse Street Duplex	2	0	0
Maplewood Street	2	0	0
1415 Congress Street	2	0	0
True Street	2	0	0
61 India Street	1	0	0
Total (1-19 units)	220	9 + 280% fee	0
Total	1,053	86 + 910% fee	159 + 800% fee
scattered	394		



Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: Housing and Community Development Committee

FROM: Greg Mitchell, Economic Development Director

DATE: February 6, 2015

SUBJECT: **Purchase and Sale Agreement for 71 Hanover Street**

I. SUMMARY OF ISSUE

Under the direction of the HCDC, the City issued a Request for Proposals (RFP) to sell 71 Hanover Street, including 15,102 square feet, under certain conditions. One proposal was received in response to the RFP from Bayside Bowl to support a bowling alley and squash court expansion – see attached Proposal. This Proposal meets all of the requirements of the RFP.

The Proposal supports the expansion of Bayside Bowl on the first floor, as well as being the new home to Portland Community Squash on the second and third floors. The Proposal conforms with current zoning, is consistent with the *Bayside Vision*, addresses remediation of any contaminated soils, creates pedestrian activity, and construction completed within 18 months of the real estate closing.

The attached draft Purchase and Sale Agreement (PSA), for 71 Hanover Street, is presented to the HCDC for a vote in the form of a recommendation to the City Council to authorize the PSA.

Highlights of the draft PSA include:

Sale Price: \$340,018, which is consistent with the minimum purchase price set in the RFP as \$340,000.

Title: Title to 71 Hanover Street will be conveyed by Quitclaim Deed, sold “as is, where is” and “with all faults”.

Contingencies: One contingency only, that it be approved by the Portland City Council.

Closing: To occur within 30 days after approval by the Portland City Council.

Timeline for Construction/Rights of City to Repurchase: Bayside Bowl shall have 18 months from date of Closing to secure all required development regulatory approvals and complete construction,

including securing a Certificate of Occupancy for the Bayside Bowl expansion. Otherwise, the City shall have the right to repurchase.

II. REASON FOR SUBMISSION

This is being submitted to the HCDC for review and recommendation to the City Council to authorize the PSA, because the City Council has the final authority over City real estate sales.

III. INTENDED RESULT

The intended result will be the redevelopment of 71 Hanover Street into a commercial space that will enhance pedestrian activity in this area of Bayside. The Bayside Bowl expansion includes adding eight, ten-pin bowling lanes, dining/lounge area, a function room, and DJ platform and back of house facilities (food and keg coolers, dry storage area). In addition, the proposal will provide a new home for Portland Community Squash – to include eight singles courts, one doubles court, a small gym, classrooms, and both adult and child locker rooms.

IV. COUNCIL GOAL ADDRESSED

Economic Development – Promote Economic Development in the City in a manner that provides for increased property values, diversification across industry sectors, and high paying jobs.

V. FINANCIAL IMPACT

The sale of this property will result in the City receiving \$340,018 in cash.

It is noted that this property is currently the site of the City's satellite sand/salt operation. Alternative sites, on Peninsula, to support the relocation of this operation are being explored.

VI. STAFF ANALYSIS

As noted, the Proposal meets the requirements of the RFP. Regarding the sand/salt operation currently housed at 71 Hanover Street, alternative locations are being explored. It is the City's goal to relocate the sand/salt operation to accommodate the timeline for Bayside Bowl's expansion/construction schedule.

VII. RECOMMENDATION

City staff recommends the HCDC vote to recommend the approval of the Draft PSA to the City Council.

VIII. LIST ATTACHMENTS

- Draft PSA
- Bayside Bowl Proposal
- 71 Hanover Street RFP

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT for the purchase and sale of real estate made this _____ day of February, 2015 by and between the CITY OF PORTLAND, a body politic and corporate located in Cumberland County, Maine, (hereinafter referred to as "SELLER"), and BOPO, LLC, a Maine limited liability company with a mailing address of 58 Alder Street, Portland, Maine, (hereinafter referred to as "BUYER").

RECITALS

WHEREAS, the SELLER is the owner of certain land located 71 Hanover Street in Portland, Maine, as more specifically described in Exhibit A, attached hereto and incorporated herein (the "Premises"), and as generally depicted in the plan attached as Exhibit B and incorporated herein; and

WHEREAS, the SELLER desires to sell the Premises and has published a certain "Request for Proposals For the Sale and Reuse of Property Located at 71 Hanover Street, RFP #5215" (the "RFP"), a copy of which is attached hereto as Exhibit C and incorporated herein, and the provisions of which shall survive closing; and

WHEREAS, the BUYER has submitted a proposal in response to the RFP (the "Proposal"), a copy of which is attached hereto as Exhibit D and incorporated herein; and

WHEREAS, after reviewing all proposals submitted in response to the RFP, the SELLER has selected the BUYER as the successful bidder; and

WHEREAS, BUYER desires to purchase and develop the Premises in accordance with the terms of the Proposal, and the SELLER desires to sell the Premises to the BUYER so that the BUYER may do so.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

1. **RECITALS INCORPORATED BY REFERENCE**. The recitals set forth above are hereby incorporated herein by reference and made a part of this agreement. The restatement in this document of any term of the RFP or Proposal shall not be deemed to waive any term not so restated. If any disagreement is found between the RFP or the Proposal and this document, then this document shall govern; and the RFP shall govern over the Proposal, to the extent they disagree; provided, however, that this

document and its attachments shall be construed to be supplemental to one another to the extent possible.

2. **SALE.** SELLER agrees to sell the Premises to BUYER, and BUYER agrees to buy the Premises in accordance with the terms and conditions set forth in this Agreement. This Agreement is for the sale of land only and does not include the structures, concrete block walls, or any other personal property on the Premises (the "Retained Property"), to which the SELLER shall retain title, and which Seller shall fully remove at SELLER'S sole cost, risk and expense as set forth in Section 5 below.
3. **CONSIDERATION.** The consideration for the Premises shall be Three Hundred Forty Thousand Eighteen Dollars (\$340,018.00) (the "Purchase Price") payable as follows:
 - a. The SELLER acknowledges receipt of BUYER's deposit in the amount of Thirty-Four Thousand One Dollars and Eighty Cents (\$34,001.80) (the "Deposit") paid to it as of the date of this Agreement; and
 - b. The BUYER shall pay to the SELLER at closing the remaining Three Hundred Six Thousand Sixteen Dollars and Twenty Cents (\$306,016.20) in immediately available funds.
4. **TITLE.** SELLER shall convey the Premises to BUYER at the closing in fee simple with good and marketable and insurable title by a quitclaim deed without covenant acceptable to BUYER. If SELLER is unable to convey title to the Premises in accordance with the provisions of this paragraph, then SELLER shall have a reasonable time period, not to exceed 60 days from the time SELLER receives written notice of a defect, unless otherwise agreed to by both parties, during which it shall make a good faith effort to remedy the defect, after which time, if such defect is not corrected so that there is marketable and insurable title, BUYER may within 2 days thereafter, at BUYER's option, withdraw the Deposit, and neither party shall have any further obligation hereunder. BUYER may, at BUYER's option elect to close notwithstanding any such defects that may exist.
5. **POSSESSION.** Full possession of the Premises will be delivered to Buyer at the transfer of title, free and clear of all tenancies or occupancies by any person or entity. Notwithstanding the previous sentence, in the event that the SELLER is unable to fully remove the Retained Property before the closing date, BUYER and SELLER shall in good faith negotiate and execute a license agreement pursuant to which SELLER shall be allowed to store the Retained Property on the Premises and continue to operate its sand and salt operations from the Premises until no later than June 15, 2015. Such license agreement shall provide that SELLER shall vacate the Premises and fully remove the Retained Property on or before June 15, 2015. Such agreement shall also include the following indemnification provision: "SELLER subject to and limited by the defenses, immunities and limitations of liability available to SELLER under the Maine Tort Claims Act, 14 M.R.S. § 8101 et seq., shall indemnify and hold Buyer harmless from any claims, damages, demands or liabilities resulting from SELLER's exercise of its rights under this license agreement,

including without limitation, claims for personal injury, property damage and for the cost of removal including mechanic's lien claims, provided that such claims, damages, demands, or liabilities are caused by any negligent act or omission of the **SELLER.**" The license agreement shall also provide that SELLER shall cause its contractors or employees removing the Retained Property to deliver to Buyer, no later than 10 days after the completion of the removal of the Retained Property, a waiver of any and all mechanic's liens associated with the cost of the removal of the Retained Property.

6. **INSPECTIONS.** At reasonable times upon reasonable prior notice prior to Closing, and with SELLER's consent, BUYER, its agents, contractors and any prospective lender or investor of BUYER shall have the right to enter the Premises and perform, at BUYER's expense, any and all inspections, tests, surveys or other due diligence inquiries with respect to the Premises as BUYER deems necessary or appropriate. BUYER agrees to return the Premises as nearly as possible to its original condition after all of such tests and inspections. SELLER shall cooperate with BUYER in such inspections. BUYER shall complete any such inspections within 60 days of the date first set forth above (the "Inspection Period"). In the event that an inspection reveals defects or conditions which are unacceptable to BUYER, BUYER may, prior to the end of the Inspection Period, terminate this Agreement and receive back the Deposit.
7. **REAL ESTATE TAXES, PRORATIONS AND TRANSFER TAX.** BUYER shall be liable for all real estate taxes beginning as of the start of fiscal year 2016 and continuing thereafter. Because the Property is currently owned by the City of Portland, which is exempt from real estate taxes, no taxes were assessed or will be due for any portion of fiscal year 2015 and no taxes will be prorated at the closing. Any utilities for the Property shall be prorated as of the closing. The Maine real estate transfer tax shall be paid for by Buyer in accordance with 36 M.R.S.A. § 4641-A. SELLER is exempt from paying the transfer tax pursuant to 36 M.R.S.A. § 4641-C. The recording fee for the deed of conveyance and any expenses relating to BUYER's financing or closing shall be paid for by BUYER.
8. **DEFAULT AND REMEDIES.** In the event that BUYER defaults hereunder for a reason other than the default of the SELLER, SELLER shall retain the deposit, it being understood, however, the SELLER's acceptance thereof shall not constitute a waiver of any other legal or equitable remedy available to SELLER. In the event SELLER defaults under this Agreement, and if BUYER is not then in default hereunder, BUYER shall have the right to pursue specific performance, but at all times may elect in substitution therefor, as its sole remedy, the right to a return of its deposit, together with reimbursement, in an amount not to exceed Five Thousand Dollars (\$5,000.00) of reasonable, documented, out-of-pocket costs or expenses incurred by BUYER in connection with its purchase of the Premises, including fees of inspectors, attorneys, or other professionals engaged by BUYER in connection with its purchase of the Premises.
9. **RISK OF LOSS.** The risk of loss or damage to the Premises by fire or otherwise, until transfer of title hereunder, is assumed by the SELLER. The Premises is to be delivered in substantially the same condition as of the date of this Agreement unless

otherwise stated. In the event SELLER is not able to deliver the Premises as stated, BUYER may terminate this Agreement and receive a refund of the Deposit.

10. **PROPERTY SOLD "AS IS, WHERE IS."** BUYER acknowledges that BUYER has had an opportunity to inspect the Premises, and to hire professionals to do so, and that Premises will be sold "as is, where is" and "with all faults." SELLER, and its agents, make no representations or warranties with respect to the accuracy of any statement as to boundaries or acreage, or as to any other matters contained in any description of the Premises, or as to the fitness of the Premises for a particular purpose, or as to development rights, merchantability, habitability, or as to any other matter, including without limitation, land use, zoning and subdivision issues or the environmental, mechanical, or structural condition of the Premises. Acceptance by BUYER of the Deed at closing and payment of the purchase price shall be deemed to be full performance and discharge by the SELLER of every agreement and obligation contained herein.
11. **ENVIRONMENTAL INDEMNIFICATION.** BUYER covenants and agrees, at BUYER's sole cost and expense, to indemnify, defend, and hold SELLER harmless from and against any and all claims, damages, losses, liabilities, obligations, settlement payments, penalties, assessments, citations, directives, claims, litigation, demands, defenses, judgments, costs, or expenses of any kind, including, without limitation, reasonable attorneys', consultants', and experts' fees incurred in investigating, defending, settling, or prosecuting any claim, litigation or proceeding, that may at any time be imposed upon, incurred by or asserted or awarded against SELLER and relating directly or indirectly to the violation of or compliance with any federal, state, or local environmental laws, rules, or regulations affecting all or any portion of the Premises. .
12. **RIGHTS OF SELLER TO REPURCHASE PROPERTY.** If development of the Premises in substantially the form set forth in the Proposal, including the securing of a certificate of occupancy, is not complete within 18 months after the closing, the Seller shall have the right, but not the obligation, to repurchase the Premises at the Purchase Price.
13. **CLOSING.** Time is of the essence in the performance of this agreement. The closing shall be held at City Hall at a time agreeable to the parties on or before seventy-five (75) days after the date first set forth above.
14. **ENTIRE AGREEMENT.** This Agreement represents the entire and complete Agreement and understanding between the parties and supersedes any prior agreement or understanding, written or oral, between the parties with respect to the acquisition or exchange of the Property hereunder. This Agreement cannot be amended except by written instrument executed by SELLER and BUYER.
15. **HEADINGS AND CAPTIONS.** The headings and captions appearing herein are for the convenience of reference only and shall not in any way affect the substantive provisions hereof.

16. **BINDING EFFECT.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, administrators, successors and assigns.

17. **TIME.** The SELLER and BUYER each confirm and agree that each of the time periods set forth herein are essential provisions of the terms of this Agreement.

18. **GOVERNING LAW.** This Agreement shall be construed in all respects in accordance with, and governed by, the laws of the State of Maine. All parties hereto hereby consent to the exclusive jurisdiction of the Superior Court for the County of Cumberland in the State of Maine, for all actions, proceedings and litigation arising from or relating directly or indirectly to this Agreement or any of the obligations hereunder, and any dispute not otherwise resolved as provided herein shall be litigated solely in said Court. If any provision of this Agreement is determined to be invalid or unenforceable, it shall not affect the validity or enforcement of the remaining provisions hereof.

19. **NOTICE.** All notices, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, or on the first business day after mailing if mailed to the party to whom notice is to be given by first class mail, postage prepaid, certified, return receipt requested, addressed to the recipient at the addresses set forth below. Either party may change addresses for purposes of this paragraph by giving the other party notice of the new address in the manner described herein.

FOR THE SELLER: City of Portland
ATTN: CITY MANAGER
389 Congress Street
Portland, ME 04101

With a copy to: The Office of the Corporation Counsel at the same address.

FOR BUYER: BOPO LLC
Attention: Justin Alfond
58 Alder Street
Portland, Maine 04101

With a copy to: Gary D. Vogel, Esq.
Drummond Woodsum
84 Marginal Way, Suite 600
Portland, ME 04101-2480

20. **SIGNATURES; MULTIPLE COUNTERPARTS.** This Agreement may be executed in any number of counterparts and by different parties in separate counterparts. Each counterpart when so executed shall be deemed to be an original and all of which together shall constitute one and the same agreement. A signature in a faxed, pdf or other reproduced or electronic document shall be considered the

equivalent of an original signature.

21. BROKERS. Seller and Buyer each represents and warrants that neither has dealt with a real estate broker in connection with this transaction. Buyer agrees to indemnify and hold harmless Seller from any claims made by any broker should Buyer's representation in this paragraph be false. Subject to the limitations of liability set forth in the Maine Tort Claims Act, Seller agrees to indemnify and hold harmless Buyer from any claims made by any broker should Seller's representation in this paragraph be false. The foregoing indemnities shall include all legal fees and costs incurred in defense against any such claim, and shall survive closing.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals on the day and year first written above.

CITY OF PORTLAND

WITNESS

Sheila Hill-Christian
Its Acting City Manager

BOPO, LLC

WITNESS

Justin Alfond
Its Manager

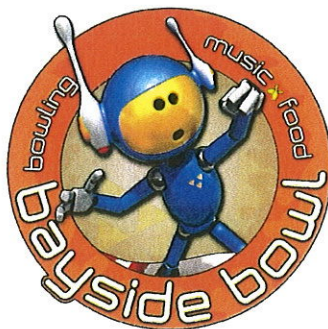
Approved as to Form:

Corporation Counsel's Office

PROPOSAL FOR 71 HANOVER STREET

CITY OF PORTLAND
RFP # 5215

JANUARY 29, 2015



PROPOSAL***THIS PAGE MUST BE INCLUDED***

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

The UNDERSIGNED hereby declares that they have read and understand all conditions as outlined in the invitation for bids, and that their 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 that may be derived there from, 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 of Portland employee who would be paid to perform services under this proposal. An example of indirect interest would be a City of Portland 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).

TOTAL PROPOSAL FOR PROPERTY:

Cash Value: \$ 340,018

Enclosed is a proposal surety of \$ 34001.80 equal to 10% of the amount being proposed.

The proposer acknowledges the receipt of Addenda numbered #1 If Applicable

COMPANY NAME: BOPO LLC
(Individual, Partnership, Corporation, Joint Venture)

AUTHORIZED SIGNATURE: Justin Alfond DATE: 1/29/15
(Officer, Authorized Individual or Owner)

PRINT NAME & TITLE: Justin Alfond, manager

ADDRESS: 58 Alder Street Portland, ME 04101

TELEPHONE: 207-232-4187 FAX: _____

E-MAIL: jalfond@gmail.com FEDERAL TAX ID NUMBER: 45-2407949

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 proposal package.

CITY OF PORTLAND, MAINE

For the Sale and Reuse of Property Located at 71 Hanover Street
RFP #5215Current Date: January 13, 2015

The attention of firms submitting proposals for the work named in the above Invitation is called to the following modifications to the documents as were issued.

The items set forth herein, whether of clarification, omission, addition and/or substitution, shall be included and form a part of the Contractor's submitted material and the corresponding Contract when executed. No claim for additional compensation, due to lack of knowledge of the contents of this Addendum will be considered.

ALL BIDDERS ARE ADVISED THAT RECEIPT OF THIS NOTICE MUST BE DULY ACKNOWLEDGED ON THE RFP PROPOSAL FORM OR BY THE INSERTION OF THIS SHEET, SIGNED, AND SUBMITTED WITH YOUR PROPOSAL.

**MATTHEW FITZGERALD
PURCHASING MANAGER**

Please find on the following page our response to a question recently received related to this RFP.

Receipt of Addendum No 1 to the City of Portland's Bid #5215, For the Sale and Reuse of Property Located at 71 Hanover Street is hereby acknowledged.

COMPANY: BOPO LLCNAME: Justin AlfondSIGNED BY: Just Alf DATE: 1/29/15PRINT NAME & TITLE: Justin Alfond, managerADDRESS: 58 Alder StreetPortland, ME04101

ZIP CODE

CITY OF PORTLAND, MAINE

**For the Sale and Reuse of Property Located at 71 Hanover Street
RFP #5215**

Question:

When my team and I reviewed the RFP for 71 Hanover, we identified a clarifying question under general guidelines:

"Redevelopment proposal shall provide more commercial development according to the B-2B zoning."

Is the B-2B zoning correct? Our understanding is that this is a B-7 zone. Can you please clarify?

Response:

This property is located within a **B-7 zone** (Mixed Use Urban District Zone).

CITY OF PORTLAND, MAINE

**For the Sale and Reuse of Property Located at 71 Hanover Street
RFP #5215**

Question:

When my team and I reviewed the RFP for 71 Hanover, we identified a clarifying question under general guidelines:

"Redevelopment proposal shall provide more commercial development according to the B-2B zoning."

Is the B-2B zoning correct? Our understanding is that this is a B-7 zone. Can you please clarify?

Response:

This property is located within a **B-7 zone** (Mixed Use Urban District Zone).

January 26, 2015

Matthew F Fitzgerald
Purchasing Manager
City of Portland Maine
389 Congress Street
Portland, Maine 04101

Re: 71 Hanover Street Proposal - Project and Design Narrative

The building to be located at 71 Hanover Street as shown in this proposal is an addition to the adjacent existing brick structure which houses Bayside Bowl. The planned addition will expand Bayside Bowl on the first level and provide additional recreational activity on the second and third levels. The second and third levels would be the new home of Portland Community Squash. The building's roof level will be partially covered with a roof deck for the patrons of Bayside Bowl.

Bayside Bowl will celebrate five years in business this June, 2015. Their business has grown steadily to where an expansion is necessary to accommodate customers. Customers include multiple leagues, corporate business and walk-ins. The addition will add eight ten pin bowling lanes, dining/lounge area, a function room, a bar and DJ platform and needed back of the house facilities (food and keg coolers, dry storage). The third floor outdoor deck will take advantage of the views of the Back Cove, East End and Mt. Washington. The deck will allow Bayside Bowl to draw business into the neighborhood during the warmer months when business is slow.

Portland Community Squash Portland Community Squash incorporated as a 501(c)(3) organization in 2013, and has been working with students from King, Waynflete, and Casco Bay HS on two converted racquetball courts at the Portland YMCA. At 71 Hanover Street, Portland Community Squash plans to pioneer 'community squash' – bringing together adult leagues, competitive middle and high school youth squash programs, and a robust urban squash program, all under one roof. Our facility will include eight singles courts, one doubles court, a small gym, classrooms, and both adult and child locker rooms. We hope our facility will act as a second home for the students of the Bayside neighborhood, and a place to exercise and give back for our members that live and work on the peninsula.

The intent of the building design is to add vibrancy to the existing neighborhood fabric. We have spent much time walking around the Bayside Neighborhood looking at the existing neighborhood and building typologies. The neighborhood has a diverse mix of Architectural forms ranging from smaller residential structures to large multistory commercial buildings.

We have utilized durable materials such as masonry and pre-finished metal siding to create a long life span structure that will keep its fresh appearance for many years ahead. The quality of the design is very important on this site, the building is scaled down with the use of multiple siding colors and patterns to relate to the human experience at the sidewalk level. Materials chosen emphasize a crisp clean building that will add to the neighborhoods revitalization. The building base is comprised of masonry defining how the building meets the ground. The first story is clad with metal corrugated siding that is broken up with windows along Hanover Street. The facade above is designed to reflect the

207-650-6414

senatorearchitecture.com

ryan@senatorearchitecture.com

565 Congress Street, Suite 304
Portland, Maine 04101

Squash Court use within utilizing projecting contrasting color elements adding to the visual interest of the building. The main entry to the structure facing Lancaster street is highlighted by an entry tower clad in vertical pre-finished metal siding. This element knits the existing structure to the new addition and serves as a neighborhood marker to the active recreational activities that lie within.

Sustainable design is important to our team, the proposed structure and landscape designs will be developed to maximize energy efficiency and reduce the building's environmental impact. The project will be designed to meet and exceed the City of Portland Green Building Code. We are proposing a highly efficient building envelope with continuous insulation and air sealing details. The building will reduce its energy consumption by the use LED lighting, high efficiency HVAC systems and a white membrane roof to reduce HVAC energy loads. The Landscape design will be comprised of native plantings that do not require irrigation systems.

The use of landscaping is also an important design tool to help scale the building and create a relationship to the street and pedestrian experience. At the building setbacks from the street we have designed linear planting areas that extend for a large percentage of the facades along the Streets. These plantings will soften the building wall and add color and texture along the sidewalks.

The building height is proposed to be approximately 45' above grade, this height has been determined by many factors, including the proposed uses and functions, the height overlay map for the neighborhood, and to relate to the existing buildings in the neighborhood.

It is very important to the design team to provide a structure that allows unimpeded access to all levels of the building. We are proposing a passenger elevator and interior ramps to provide wheelchair access to all spaces for all users.

The proposed building at 71 Hanover Street is an urban infill project that will help define the city block it is located on. The building's design is derived from the many Architectural typologies that exist in the neighborhood, we have used color, texture, rhythm, massing, and landscape as tools to scale the project and integrate it into the existing neighborhood fabric.

We believe that this project will enhance the existing neighborhood by generating pedestrian activity on the neighboring streets and spur positive growth for years to come. Should you have any questions about the building design feel free to contact me.

Sincerely,



Ryan Senatore, AIA LEED-AP

Principal

207-650-6414

senatorearchitecture.com

ryan@senatorearchitecture.com

565 Congress Street, Suite 304
Portland, Maine 04101

Site Feasibility for Proposed Use

The acquisition of the 71 Hanover Street properties provides the opportunity to expand the existing facilities and build upon Bayside Bowl's success by increasing the recreation activities for the greater Bayside neighborhood. Recent and proposed residential redevelopment in Bayside lends itself to a greater demand from residents and the expansion promotes the goals of the Vision for Bayside as a neighborhood.

The parcel identified as Tax Map 34 Block H Lots 4-5, 71 Hanover Street, is located within the B7 Mixed Use Development District Zone. The proposed expansion of the Bayside Bowl, including Portland Community Squash, is a permitted use within the B7 zone. We have reviewed the draft Flood Hazard mapping prepared by FEMA and the parcel is situated just outside the 2% flood area defined for the Bayside neighborhood. Available City topography indicates the site is above elevation 10 FT, that has recently been identified as the flood elevation in the Bayside neighborhood, and appears to support the FEMA mapping. A topographic survey of the property will be completed to verify flood hazard limits.

The parcels are contiguous with parcels owned by BOPO LLC, lots 2-3 (Bayside Bowl) and will create a unified lot that has frontage and access on Alder and Hanover Street's. Existing utility infrastructure will serve the proposed addition. The existing gravel parking lot fronting along Kennebec Street will continue to provide parking for the Bayside Bowl. We understand that the City is presently working on design plans for the extension of Somerset Street and the Bayside Trail that may impact the future alignment of Kennebec Street. The final design of improvements along the Kennebec Street frontage may be subject to these changes.

We have reviewed the environmental assessment report prepared by Tewhey Associates and are aware of the identified environmental constraints. The conditions and required mitigation measures do not prohibit redevelopment of the property. These conditions are addressed further in the attached letter prepared by Ransom Consulting Engineers.

71 Hanover Street Redevelopment

Bayside Bowl Expansion

Zoning Requirements: The proposed redevelopment of 71 Hanover Street for the expansion of Bayside Bowl is a permitted use and will not require contract or conditional use zoning approval.

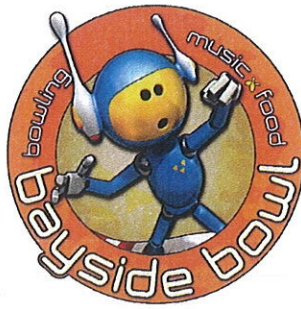
B7 Dimensional Requirements

1. Minimum Lot Size	None	Proposed 38,552 SF*
2. Minimum Frontage	None	Proposed 190.60 FT
3. Yard Dimensions		
Front Setback	None except Below (Max Street Setback Alder St.)	Existing 12.5 -14.7 FT
Side Setback	None required	Proposed 0 – 10 FT
Rear Setback	None required (Hanover Street)	Proposed 10 FT
4. Maximum Street Setback:	10 FT (corner lots must comply on both frontage)	Proposed 10 FT
5. Maximum Lot Coverage:	One hundred percent (100%, Lots 2,3,4,5)	Proposed 78 %
6. Maximum Building Height:	According to Bayside Height District B – 105 FT	Proposed 45 FT
7. Minimum Building Height:	According to Bayside District Height B – 3 Floors 45FT	Proposed 45 FT

*CITY 4 & 5 = 15,102 SF

*BOPO2 & 3 = 23,450 SF

In addition to the space and bulk standards for the B7 Mixed Use Development District, we understand that there are the B7 Design Standards that address architecture and site improvements and streetscape design requirements.



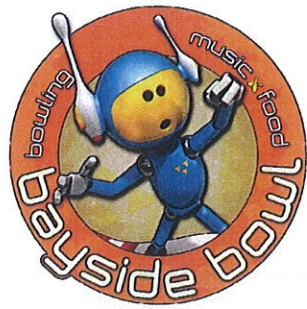
PROPOSED ADDITION TO BAYSIDE BOWL



PORTLAND
COMMUNITY
SQUASH



1 VIEW LOOKING EAST
NOT TO SCALE



PROPOSED ADDITION TO BAYSIDE BOWL



PORTLAND
COMMUNITY
SQUASH



1 BIRDSEYE VIEW
NOT TO SCALE

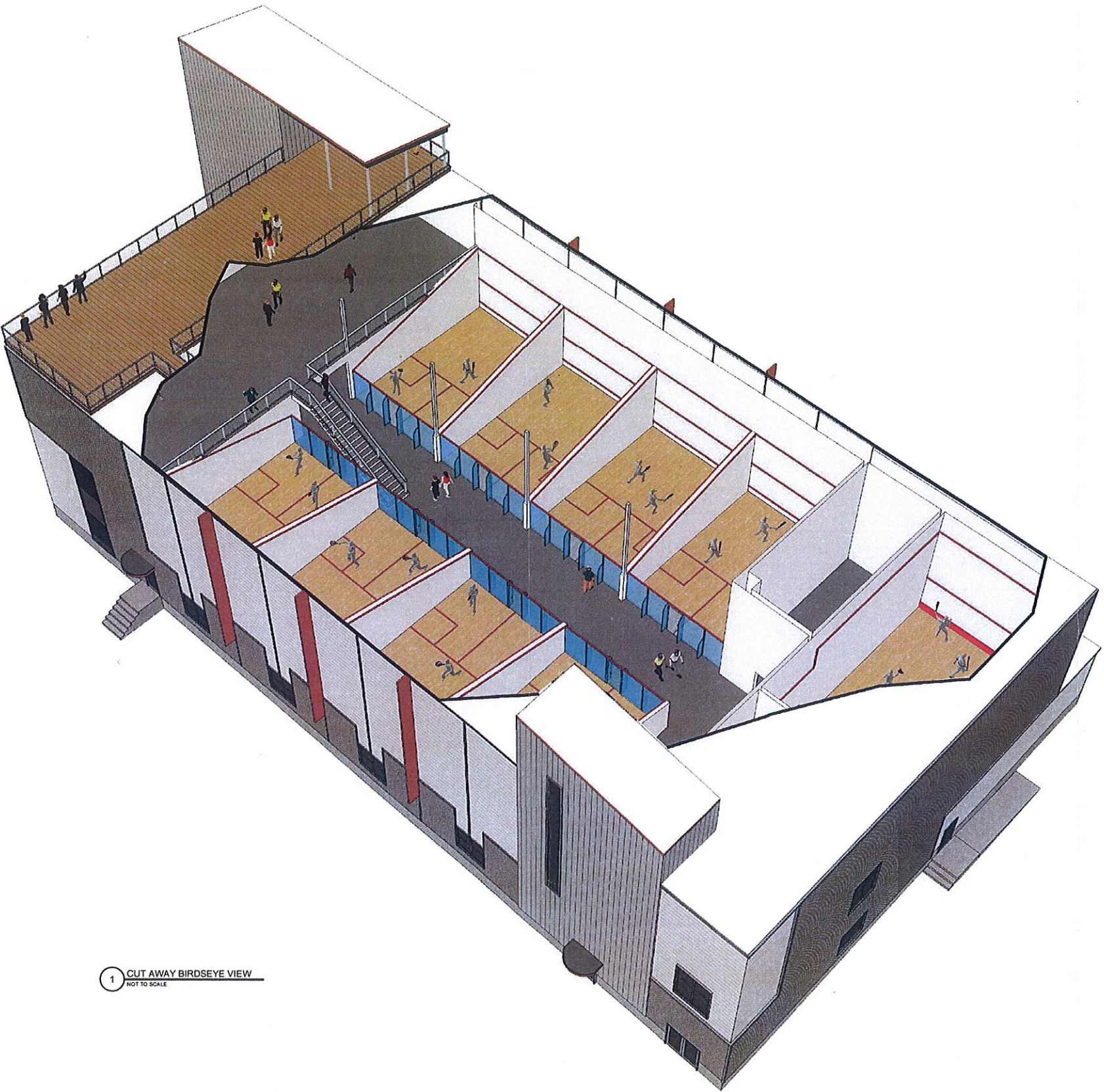
PROGRESS PRINT ONLY
Not for Construction



PROPOSED ADDITION TO BAYSIDE BOWL



PORTLAND
COMMUNITY
SQUASH



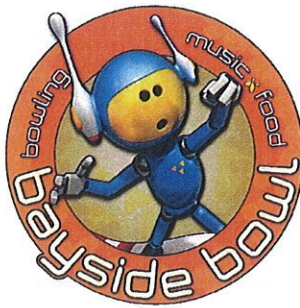
1 CUT AWAY BIRDSEYE VIEW
NOT TO SCALE

PORTLAND
BUILDERS

PROGRESS PRINT ONLY
Not for Construction

Mitchell
& Associates
LANDSCAPE ARCHITECTS

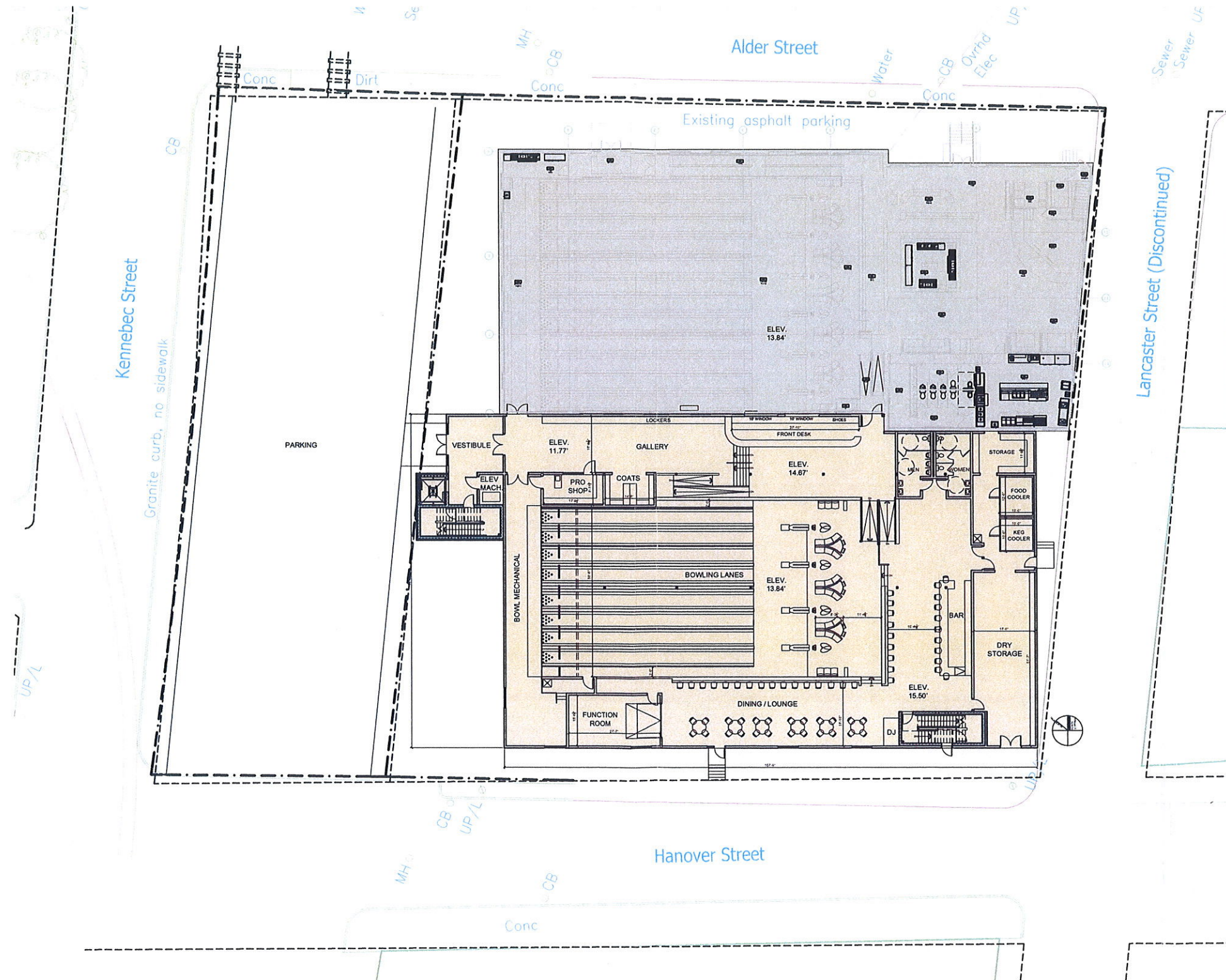
RYAN SENATORE ARCHITECTURE



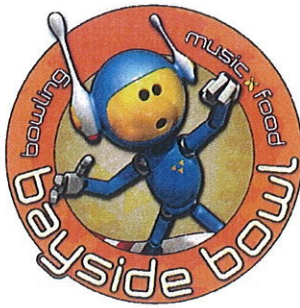
PROPOSED ADDITION TO BAYSIDE BOWL



PORTLAND
COMMUNITY
SQUASH



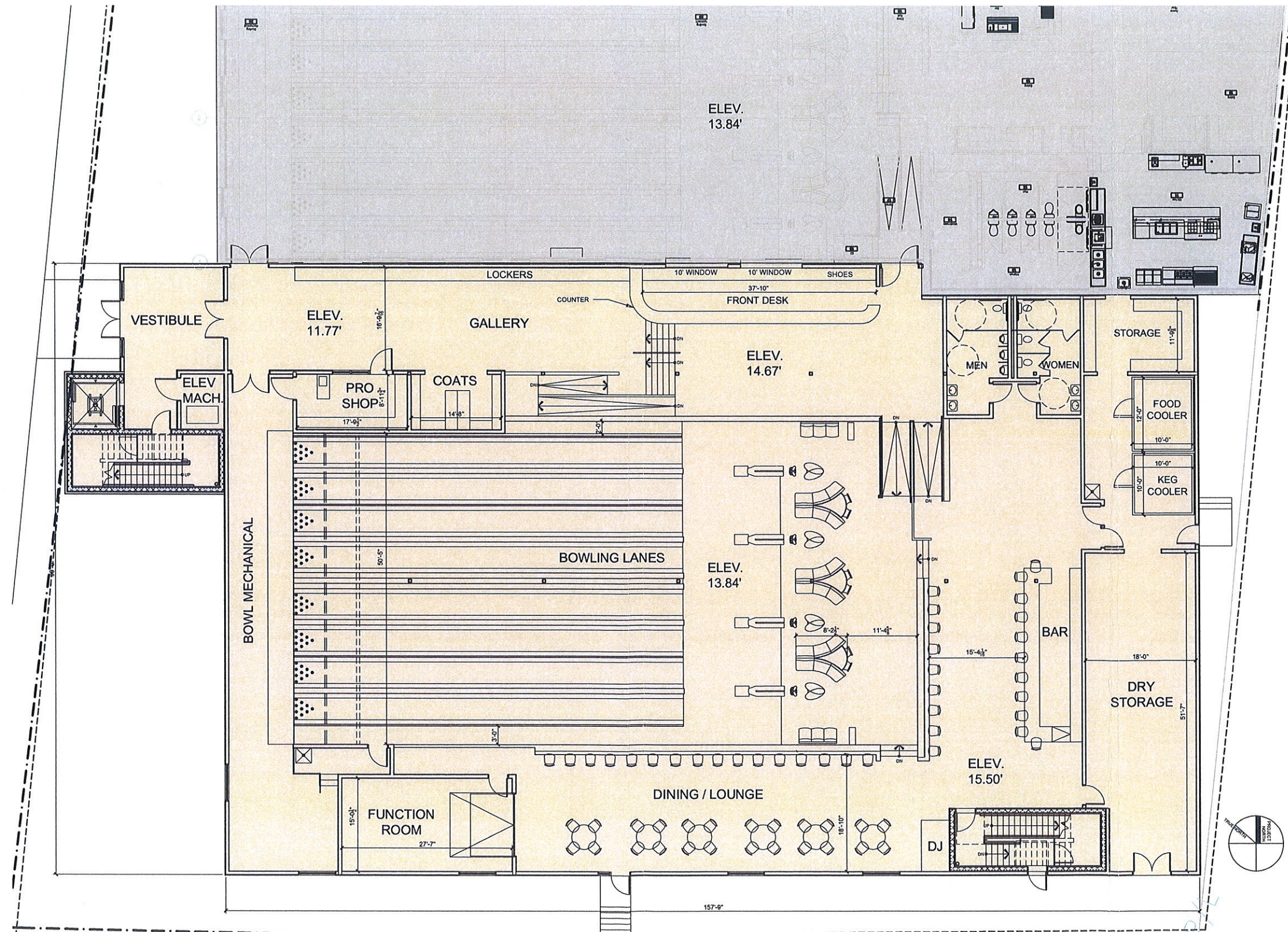
1 SITE PLAN
1/16" = 1'-0"



PROPOSED ADDITION TO BAYSIDE BOWL



PORTLAND
COMMUNITY
SQUASH



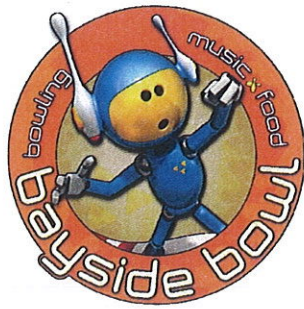
PORTLAND
BUILDERS INC.

1 FIRST FLOOR PLAN
1/8" = 1'-0"

PROGRESS PRINT ONLY
Not for Construction

Mitchell
& Associates
LANDSCAPE ARCHITECTS

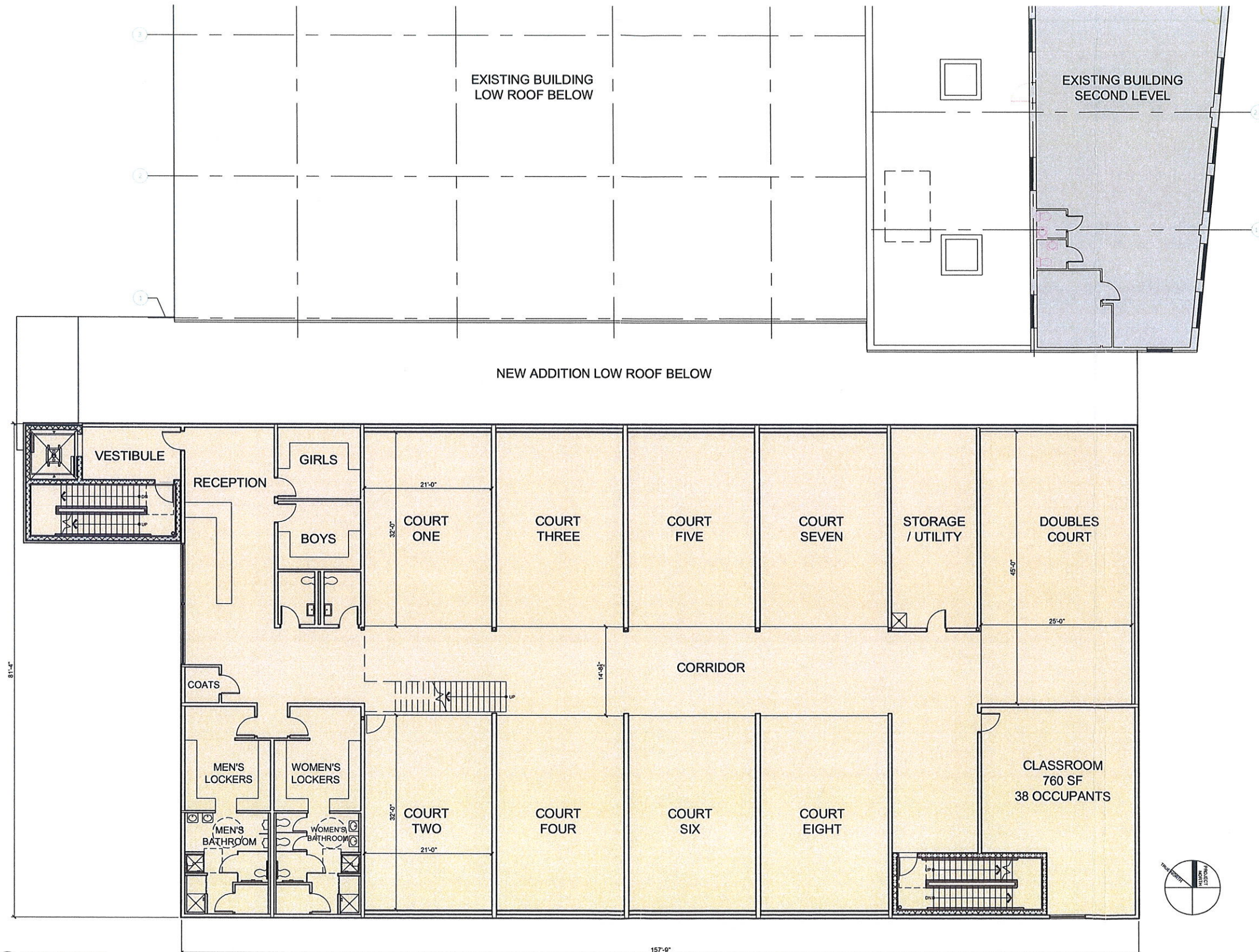
RYAN SENATORE ARCHITECTURE



PROPOSED ADDITION TO BAYSIDE BOWL



PORTLAND
COMMUNITY
SQUASH



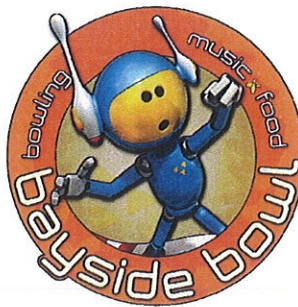
PORTLAND
BUILDERS INC.

1 SECOND FLOOR PLAN
1/8" = 1'-0"

PROGRESS PRINT ONLY
Not for Construction

Mitchell
& Associates
LANDSCAPE ARCHITECTS

RYAN SENATORE ARCHITECTURE

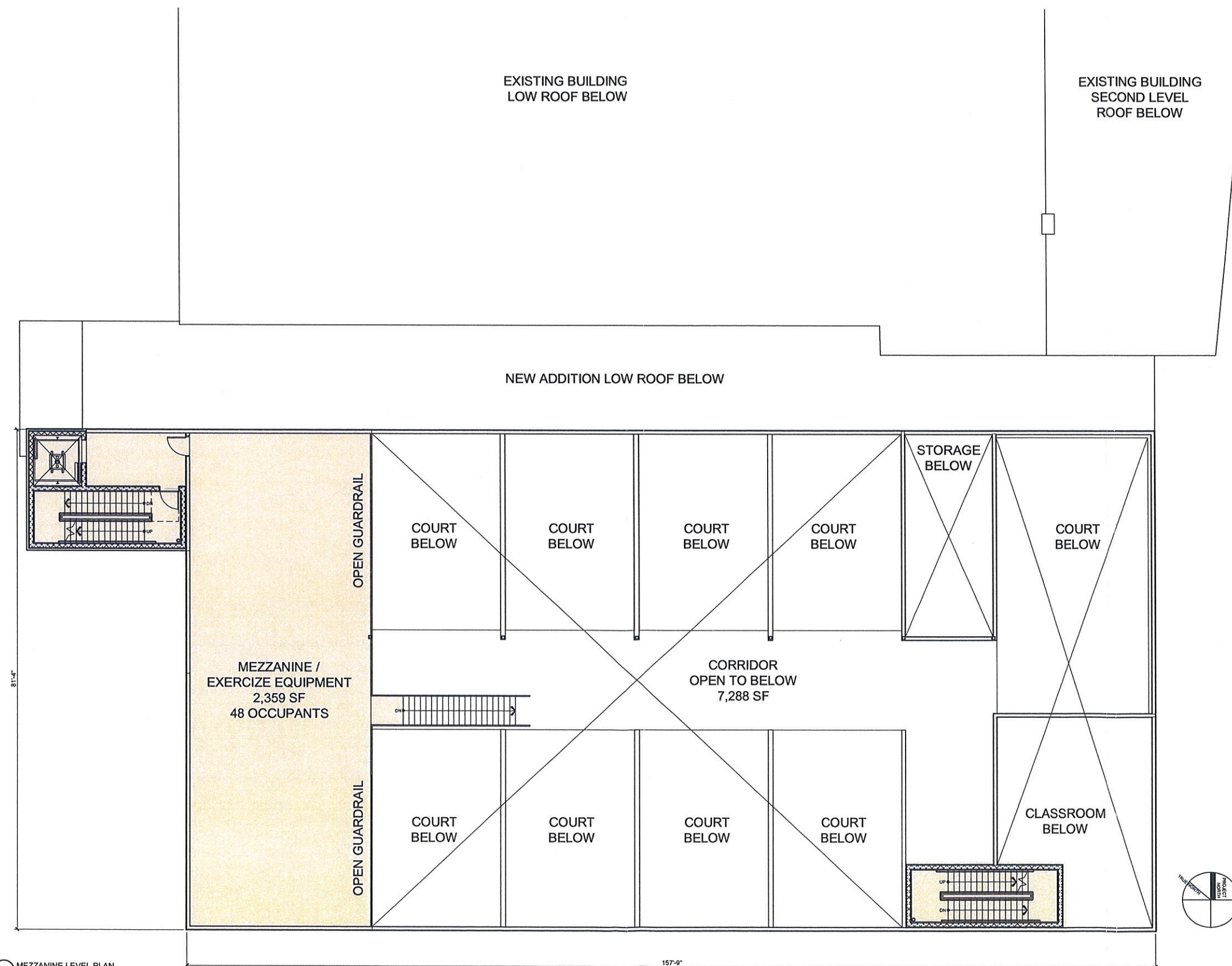


PROPOSED ADDITION TO BAYSIDE BOWL

JANUARY 26, 2015



PORTLAND
COMMUNITY
SQUASH



PORTLAND
BUILDERS

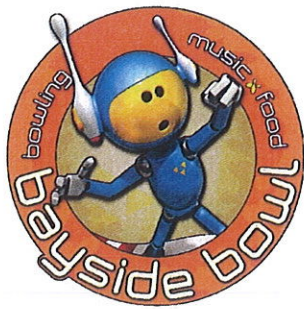
1 MEZZANINE LEVEL PLAN
1/8" = 1'-0"



PROGRESS PRINT ONLY
Not for Construction

Mitchell
& Associates
LANDSCAPE ARCHITECTS

RYAN SENATORE ARCHITECTURE



PROPOSED ADDITION TO BAYSIDE BOWL

JANUARY 26, 2015



PORTLAND
COMMUNITY
SQUASH

EXISTING BUILDING
LOW ROOF BELOW

EXISTING BUILDING
SECOND LEVEL
ROOF BELOW

NEW ADDITION LOW ROOF BELOW

VESTIBULE

ROOF MEMBRANE

ROOF DECK

EGRESS WALKWAY

PORTLAND
BUILDERS

1 ROOF PLAN
1/8" = 1'-0"

157'-9"



PROGRESS PRINT ONLY
Not for Construction

Mitchell
& Associates
LANDSCAPE ARCHITECTS

RYAN SENATORE ARCHITECTURE

January 22, 2015

Proposal 151.06004

Robert B. Metcalf, Principal
Maine Licensed Landscape Architect
Mitchell & Associates
70 Center Street
Portland, Maine 04101

Re: Acknowledgement of Environmental Conditions & Qualifications for Professional Services
71 Hanover Street
Portland, Maine

Dear Bob:

Ransom Consultants, Inc. (Ransom) has prepared this letter in support of your proposal to the City of Portland Request for Proposal (RFP) for the sale and reuse of property located at 71 Hanover Street (the Site). The purpose of this letter is to provide acknowledgment of existing environmental soil conditions at the Site and to present our general qualifications and capacity for providing professional engineering and environmental services in support of the project development team established in response to the City's RFP. It is anticipated that Ransom will provide environmental, geotechnical, and site civil engineering professional services to the project team.

ACKNOWLEDGEMENT OF EXISTING ENVIRONMENTAL CONDITIONS:

Ransom understands that several historical environmental assessments and investigations have been previously conducted for the Site. We reviewed the pertinent sections of the following report in preparation of this submittal:

1. Environmental Assessment, Portland Brownfields/DPW Project, Portland, Maine, June 2003 prepared by Tewhey Associates.

Based on our review of this report (or excerpts of this reports), it is our understanding that the Site has been utilized as Portland's Department of Public Works (DPW) facilities for over 100 years. Numerous underground storage tanks surround the site. Over time, some have had spills, remediation has occurred, and it is anticipated that some may remain in the ground and exist as sources of contamination. During the previous Site investigations, we understand that polycyclic aromatic hydrocarbons (PAHs), lead, and/or arsenic were detected in Site soils at concentrations exceeding their corresponding MEDEP Remedial Action Guidelines (RAGs). In addition, petroleum was detected in soil samples collected from the Site. The urban fill soils present additional significant redevelopment complexities, both from an environmental and geotechnical consideration. We have taken the time to review the available

background information for the Site and feel that we have a good understanding of these complexities as they relate to the project team's proposed redevelopment plans.

We also understand that the identified impacted soils will need to be managed in accordance with the requirements of a Soil Management Plan prepared for the Site. Excess or displaced soils that cannot be reused on-Site during future Site redevelopment activities will likely require off-Site disposal as a special waste. Impacted soils to remain in-place or to be reused on-Site will require installation of cover systems (e.g., building foundations, pavement, concrete, soil cover systems, sidewalks, patios, etc.) to mitigate direct contact with the impacted soils during future site reuse.

Ransom staff members consist of Professional Engineers, Professional/Certified Geologists and Hydrogeologists, Environmental Scientists, GIS Specialists, CAD Operators and Technicians, Hazardous Materials Specialists (Building Materials), Industrial Hygienists, Construction Managers and Supervisors, and other support staff. Our professional staff has strong relationships with a broad range of MEDEP and U.S. EPA regulatory staff. These relationships help ensure that our clients are provided with the highest quality service possible.

Nicholas Sabatine, P.G. – Environmental Project Lead

Nick Sabatine will be the Environmental Project Lead for this project, providing senior technical oversight and senior geologic review on remedial plans and documents. As Office Manager for our Portland, Maine office. Nick graduated from the University of Maine at Farmington in 1991 with a B.A. in Geology. He received a Masters of Environmental Law from Vermont Law School in 1992. Nick is a Principal/Vice President and Senior Project Manager at Ransom with over 20 years of professional experience in environmental consulting in Maine. He has been with Ransom for ten years and is responsible for the leadership, management, and growth of the Portland office.

Nick serves as Principal-In-Charge / Senior Technical Reviewer for Ransom's Belfast, Rockland, Lincoln County, Mid-Coast, Bath, SMPDC, GPCOG, and PCEDC's Brownfield Assessment programs and the Town of Dover-Foxcroft's Cleanup of the former Maine Leathers Tannery Site, Central Hall, and former Moosehead Mill projects. He currently serves as the Program Manager for the City of Gardiner's Assessment program and he is responsible for the U.S. EPA Funded Cleanup of the former Old Town Canoe Factory site in Old Town, the Brindis Leathers Site in Canton, Old Tannery in Saco, and the Wilton Tannery site in Wilton. Nick also serves as Ransom's Program Manager on the MEDEP Brownfields Program and is actively engaged in all technical aspects and project management of the sites assigned and assessed by Ransom under the MEDEP's Brownfields program.

Nick has conducted senior review on over 25 MEDEP Brownfield projects in the past four years. Nick was also asked by the State's Brownfields Coordinator to moderate a panel session at the 2010 MEDEP Brownfields Conference, entitled "Turning City Blues to Green", which highlighted recent Maine Brownfields success stories. During the summer of 2014, Nick moderated a GrowSmart panel on Brownfields in Maine.

Bayside Bowl Expansion

February 1, 2015

Construction Schedule

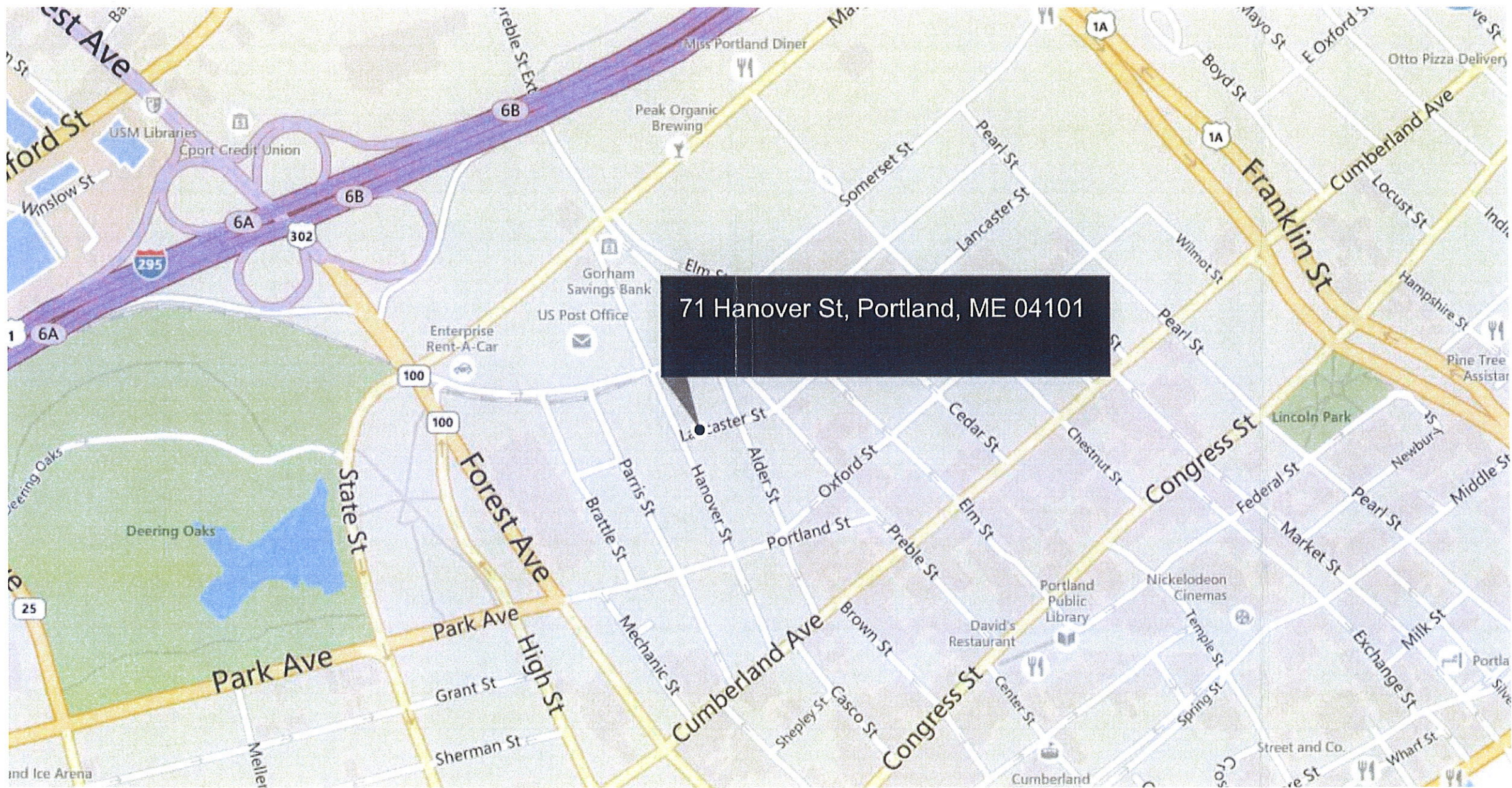
	Activity Name	Duration (Days)	Start Date	Finish Date												
					Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sept 15	Oct 15			
1	Approvals	41.00	2/2/15	3/30/15	1 8 15 22 1	8 15 22 29	5 12 19 26	3 10 17 24 31	7 14 21 28	5 12 19 26	2 9 16 23 30	6 13 20 27	4 11 18 25	1		
2	Construction	155.00	3/30/15	10/30/15												
					1 8 15 22 1	8 15 22 29	5 12 19 26	3 10 17 24 31	7 14 21 28	5 12 19 26	2 9 16 23 30	6 13 20 27	4 11 18 25	1		



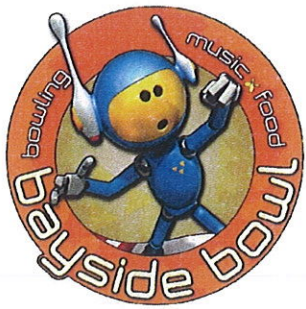
PROPOSED ADDITION TO BAYSIDE BOWL



**PORTLAND
COMMUNITY
SQUASH**



1 SITE LOCATION MAP
NOT TO SCALE

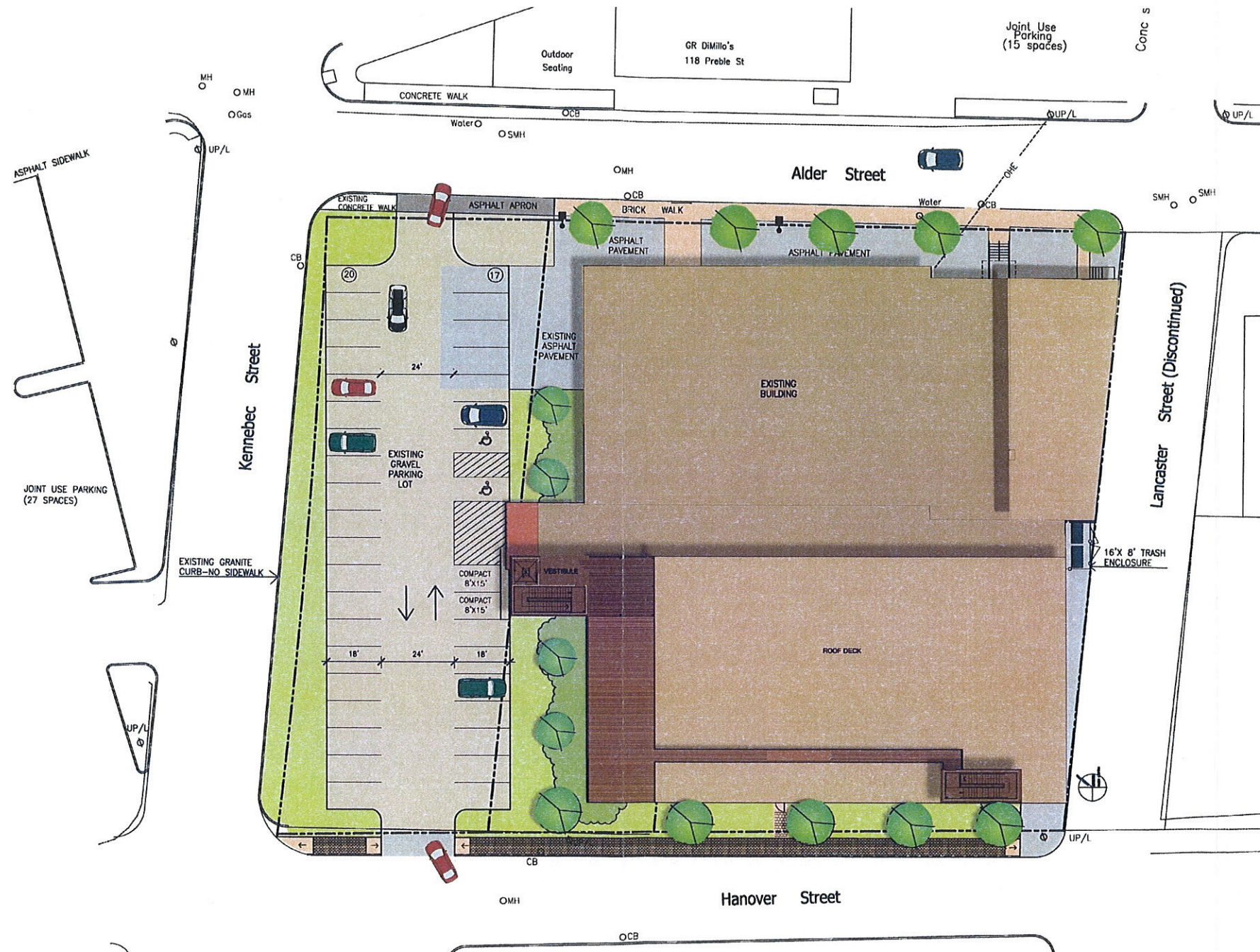


PROPOSED ADDITION TO BAYSIDE BOWL

JANUARY 26, 2015



PORTLAND
COMMUNITY
SQUASH



PORTLAND
BUILDERS
INC.

1 SITE PLAN
1" = 32'

PROGRESS PLOT ONLY
Not for Construction

Mitchell
& Associates
LANDSCAPE ARCHITECTS

RYAN SENATORE ARCHITECTURE

DOMESTIC
LIMITED LIABILITY COMPANY

STATE OF MAINE

ARTICLES OF ORGANIZATION

Filing Fee \$175.00

File No. 20113510DC Pages 3

Fee Paid \$ 175

DCN 2111601600031 LTLC

FILED

05/31/2011

Julie R. Hynan
Deputy Secretary of State

A True Copy When Attested By Signature

Julie R. Hynan
Deputy Secretary of State

Pursuant to 31 MRSA §622, the undersigned executes and delivers the following Articles of Organization

FIRST: The name of the limited liability company is

BOPO, LLC

(The name must contain one of the following "Limited Liability Company", "L.L.C." or "LLC" - see 31 MRSA §603-A 1)

SECOND: (Check only if applicable)



This is a professional limited liability company* formed pursuant to 13 MRSA Chapter 22-A to provide the following professional services.

(Type of professional services)

THIRD: The Registered Agent is a (select either a Commercial or Noncommercial Registered Agent)



Commercial Registered Agent

CRA Public Number: P10115

Gary D. Vogel

(name of commercial registered agent)



Noncommercial Registered Agent

(name of noncommercial registered agent)

(physical location, not P.O. Box - street, city, state and zip code)

(mailing address if different from above)

FOURTH: Pursuant to 5 MRSA §108 3, the registered agent as listed above has consented to serve as the registered agent for this limited liability company

FIFTH:

(Check one box only)

☐

A

The management of the company is vested in a member or members.

☒

B.

1. The management of the company is vested in a manager or managers

The minimum number shall be 1 managers and the maximum number shall be 5 managers

2. If the initial managers have been selected, the name and business, residence or mailing address of each manager is:

*** Do not complete this list of Managers if Item A (member managed) is selected above***

Names of Managers

Address

☐

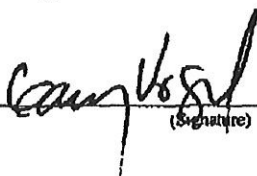
Names and addresses of additional managers are attached as Exhibit _____, and made a part hereof

SIXTH:

Other provisions of these Articles, if any, that the members determine to include are set forth in the attached Exhibit _____ and made a part hereof

Organizer(s) **

Dated 5.25.2011


(Signature)

Gary D. Vogel
(Type or print name)

(Signature)

(Type or print name)

(Signature)

(Type or print name)

For Organizer(s) which are Entities**

Name of Entity _____

By _____
(Authorized signature) (Type or print name and capacity)

Name of Entity _____

By _____
(Authorized signature) (Type or print name and capacity)

Name of Entity _____

By _____
(Authorized signature) (Type or print name and capacity)

*Examples of professional service limited liability companies are accountants, attorneys, chiropractors, dentists, registered nurses and veterinarians (This is not an inclusive list – see 13 MRSA §723.7)

Articles **MUST be signed by

- (1) all organizers OR
- (2) any duly authorized person

The execution of this certificate constitutes an oath or affirmation under the penalties of false swearing under 17-A MRSA §453.

Please remit your payment made payable to the Maine Secretary of State

Submit completed form to,

Secretary of State
Division of Corporations, UCC and Commissions
101 State House Station
Augusta, ME 04333-0101
Telephone Inquiries (207) 624-7752

Email Inquiries: CEC_Corporations@Maine.gov

**OPERATING AGREEMENT
OF
BOPO, LLC**

(a Sole Member, Manager Run Limited Liability Company)

Dated: May 31, 2011

This Operating Agreement of the Maine limited liability company known as "BOPO, LLC" (the "Company"), formed under the Maine Limited Liability Company Act, 31 M.R.S.A. Sections 601 et seq. (the "Act") is entered into as of the above date by Justin Alford, the Sole Member, and the Company.

ARTICLE 1

Business

The Company is formed for the purpose of engaging in the business of ownership and leasing real estate and any other business permitted under Maine law and approved by the Sole Member ("Business"). The Company, acting through its Sole Member, shall have all authority and powers necessary or convenient to carry out its business. The Company's principal business location shall be in Portland, Maine or such other location as the Sole Member shall select from time to time.

ARTICLE 2

Members

The Sole Member shall be The Hill, LLC, a Maine limited Liability Company. No additional Members may be admitted without the written consent of the Sole Member. As a condition to the admission of additional Members, the Members shall enter into a comprehensive operating agreement relative to their respective rights and obligations, including, as appropriate, waiver of the Act's default rules relative to per capita voting and per capita distributions.

ARTICLE 3

Membership Interests; Capital Contributions

The Sole Member shall make an initial cash contribution to the Company of Ten Thousand Dollars (\$10,000) and shall transfer the value of start up activities, including travel and other business expenses, as shall be documented on the beginning balance sheet of the Company. The Sole Member shall not be obligated to make any additional contributions to the Company. The Sole Member shall own one hundred percent (100%) of the interests of the Company ("Membership Interest").

ARTICLE 4

Liability

No Member shall have any liability for the debts and obligations of the Company. The failure of the Company to observe any formalities or requirements relating to the exercise of its powers or management of the Business and affairs under this Agreement or the Act shall not be grounds for imposing personal liability on the Member for liabilities of the Company.

ARTICLE 5

Profits, Losses and Distributions; Capital Accounts

5.1 **Allocations.** All profits, losses and distributions of cash or other property from the Company shall be allocated or distributed entirely to the Sole Member, in such manner as the Manager determines to be in the Company's best interest.

5.2 **Capital Accounts.** The Company shall maintain the Sole Member's Capital Accounts in accordance with Section 704(b) of the Internal Revenue Code and the Treasury Regulations promulgated thereunder.

ARTICLE 6

Management

6.1 **Authority.** The Company shall be managed by its Manager and the Manager shall have full and exclusive authority to act on the Company's behalf. Initially, Justin Alfond shall serve as the Manager. The Sole Member may appoint additional or substitute Managers at any time.

6.2 **Powers.** Without limitation, the Manager has authority to purchase, sell, mortgage, lease and dispose of real, personal and intangible property, hire employees, contract with third parties, including affiliates, borrow money and pledge the assets of the Company.

6.3 **Specific Authority.** The Manager shall also have the specific authority to purchase on behalf of and in the name of the Company, certain real estate located at 58 Alder Street, Portland, Maine, and at 38 Kennebec Street, Portland, Maine as set forth in a certain Real Estate Purchase and Sale Agreement dated June 2, 2011, as amended, by and between Skillful RE, LLC and Ross Y. Furman as Sellers and the Company as purchaser, upon the terms and conditions set forth therein, and to take any and all actions on behalf of the Company to complete the real estate purchase transactions contemplated thereby.

ARTICLE 7

Term; Dissolution

7.1 **Term.** The Company shall exist perpetually until dissolved by consent of the Sole Member or as otherwise provided under Maine law.

7.2 **Dissolution.** Upon the Company's dissolution, the Manager shall take all necessary actions to wind up the Company's affairs and shall make all appropriate filings with the Maine Secretary of State. The Company's existence continues until completion of the winding up of the Company's affairs, or until a decree dissolving the Company has been entered by a court of competent jurisdiction.

ARTICLE 8

Withdrawal Rights; Successors

Upon the occurrence of any of the events specified in Section 692 of the Act (including, without limitation, death, adjudication of incompetency, bankruptcy or insolvency, dissolution or voluntary or involuntary withdrawal as a Member), the withdrawing Member's heirs, successors and assigns shall be entitled to all of the benefits of Membership. The withdrawal of a Member shall not cause dissolution of the Company.

ARTICLE 9

Indemnity

The doing of any act or the failure to do any act by a Manager or a Member, the effect which may cause or result in loss or damage to the Company or its property, shall not subject the Manager or Member to any personal liability to the Company or the other Members, unless the Manager's or Member's acts or omissions constituted bad faith, gross negligence, willful misconduct, fraud, or a material violation of this Agreement. The Company shall indemnify the Managers and Members and make advances for expenses incurred in defense of claims of liability to the maximum extent permitted under the Act. The Company shall indemnify its employees and agents who are not Managers or Members to the fullest extent permitted by law provided that such indemnification is first approved by the Manager. The right to indemnification under this Agreement shall be fully vested with respect to any matter. No amendment to this Agreement shall have any retroactive effect except to enhance such right for the benefit of the indemnitee.

ARTICLE 10

Miscellaneous

10.1 **Registered Agent and Office.** The Company shall have the registered agent and office determined from time to time by the Manager and as reported on filings made with the Maine Secretary of State as required by the Act.

10.2 **Accounting Period and Methods.** The Company's accounting period shall be the calendar year. The Company shall use such accounting methods as the Manager deems most advantageous.

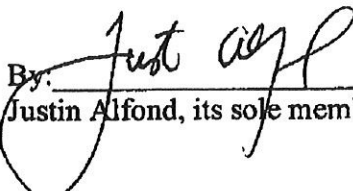
10.3 **Records.** The Company shall maintain complete and accurate books and records of the Company's affairs. At a minimum, the Company shall maintain copies of its Articles of Organization and any Operating Agreement, with all amendments, current and past lists of all members and their addresses, tax returns and financial statements for the past six years, consents or minutes of all meetings of the Members and all documents relative to any Member's obligation to contribute cash, property or services.

10.4 **Governing Law; Binding Effect.** This Agreement shall be governed by, and construed in accordance with, Maine law. This Agreement is binding upon and inures to the benefit of the parties' heirs, successors and assigns.

10.5 **Amendments.** This Agreement and the Company's Articles of Organization may only be amended by *written* consent of the Sole Member. This Agreement constitutes an operating agreement under Maine law.

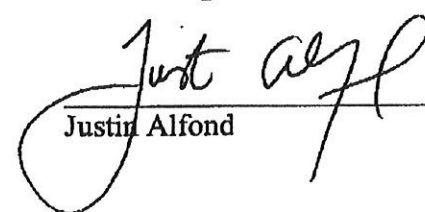
Sole Member:

THE HILL, LLC

By: 

Justin Alfond, its sole member

Sole Manager:


Justin Alfond

Development Team Summary

PORTLAND BUILDERS INC.

Project Executive- Joshua Cushman
Project Manager- David O'Connell
Project Administrator- Dorian Tarling
70 Center Street Suite 304
Portland, ME 04101
207-879-0118

RYAN SENATORE ARCHITECTURE

Project Architecture- Ryan Senator
565 Congress Street Suite 304
Portland, ME 04101
207-650-6414



Mechanical Engineer
77 Oak Street
Portland, ME 04101
207-774-4614



Civil Engineer- Robert Metcalf

70 Center Street
Portland, ME 04101
207-774-4427

Owner's Rep- Dale Akeley
P.O.Box 661
Yarmouth, ME 04096
207-831-1180

January 27, 2015

To Whom it May Concern,

Below is a list of the past and present projects that I have completed in the City of Portland:

1. **Sheridan Street Heights**
135 Sheridan Street
Portland, ME

Summary: co-owner and developer of 20 Condominiums and parking. Two of the units were affordable units under inclusionary zoning. Additionally, worked with Portland Trails to develop the park and path to Fort Sumner Park.

2. **645 Congress Street**
Portland, ME

Summary: co-owner and developer of 56 one bedroom and studios with parking. Five of the units were affordable under inclusionary zoning. Additionally, leased approximately 10,000 square feet of retail to four tenants.

3. **443 Congress Street**
Portland, ME

Summary: co-owner and developer of seven story commercial building. Fully leased building.

4. **Bayside Bowl**
58 Alder Street
Portland, ME

Summary: co-owner of bowling center with 12 lanes, full-service restaurant, bar and live music hall. Completely renovated 15,700 square feet into one of Portland favorite sporting and hang out spots.

5. **BOPO LLC**
58 Alder Street
Portland, ME

Summary: purchased building at 58 Alder Street and two parcels of land.

5) Corporation/partnership articles and by-laws

See attached.

6) A brief development team summary, including:

- The type of organization/ownership structure:
 - BOPO, LLC is a Maine single member, manager run, limited liability company. Its sole member is The Hill, LLC, also a Maine single member limited liability company.
- The names of Board of Directors, Corporate Officers, or Owners, as appropriate
 - The sole owner of BOPO, LLC is The Hill, LLC. Justin Alfond is the sole manager of BOPO, LLC and is the sole manager and president of The Hill, LLC. Justin Alfond is the sole member of The Hill, LLC.
- Name, title and relevant experience of individuals involved in managing the business entity and this proposed project.
 - Charlie Mitchell, Owner & General Manager. Charlie has run Bayside Bowl for the last five years and is involved in the design of the expansion.
- Brief description of similar projects completed
 - Renovated former Skillful Vending into Bayside Bowl in 2009. Charlie Mitchell and Justin Alfond spent 6 months renovating 15,700 square feet into a 12 lane bowling alley, full-service restaurant, bar and music hall.
- A list of all projects currently in development with status and projected timeframe
 - None



BNY MELLON
WEALTH MANAGEMENT

Susan B. Gruber
First Vice President

January 26, 2015

Mr. Matthew F. Fitzgerald
Purchasing Manager
City of Portland Maine
389 Congress Street
Portland, Maine 04101

Dear Mr. Fitzgerald:

Please be advised that Justin Alfond has been a client of BNY Mellon for many years and has handled all of his accounts satisfactorily.

I can confirm that he has the financial wherewithal to enter into the land purchase as part of the Bowl Portland project, both to purchase the land and renovate the property.

If you require further information, please contact me directly.

Sincerely yours,

Susan B. Gruber
First Vice President

cc: Justin Alfond



Market Analysis and Demand:

Bayside Bowl:

Since our opening in June 2010, Bayside Bowl has been a destination, drawing people into the Bayside neighborhood. We have generated foot traffic into the neighborhood that was non-existent before we launched. Even the New York Times encouraged people to come to the neighborhood to bowl and eat here. In short, a 12-lane Bayside Bowl has been a success. That success, however, has led to a situation where we are turning people away on a daily basis. We regularly have two to three hour waits in the winter months and our busiest holiday party season is generally booked up months in advance. All that business we turn away is forced to leave Portland to spend their dollars.

To continue being successful and to be a destination business in Bayside we need to add more lanes to accommodate our customers. All of our league business is on a wait list and the walk-in business and corporate party business we turn away may be hard to get back if it continues much longer. It's important to note that we are filling the lanes and restaurant in the winter months when most of Portland's service industry is slow. We provide jobs and generate tax revenue when it is most needed in the city.

The addition of 8 lanes and outdoor deck will allow Bayside Bowl to thrive. We will be able to accommodate demand during our peak months and keep spending local. We will also be able to hire more employees in the traditional slow season in town. We are excited to invest further in this City and particularly in the Bayside neighborhood and continue to create a destination business to bring people into the area. The demand has been proven over our 5 years of turning away business. Now we will be able to satisfy it with this new space.

Portland Community Squash:

Portland Community Squash incorporated as a 501(c)(3) organization in 2013, and has been playing on two converted racquetball courts at the Portland YMCA. At 71 Hanover Street, Portland Community Squash plans to pioneer 'community squash' – bringing together adult leagues, competitive middle and high school youth squash programs, and a robust urban squash program, all under one roof. Our facility will include eight singles courts, one doubles court, a small gym, classrooms, and both adult and child locker rooms.

PCS currently is running Portland Rally, a program that serves the less fortunate and newly immigrated students, through tutoring, mentoring, and, of course, squash. Rally Portland begins in 6th grade and supports its participants until they not only enroll in, but graduate from, college. Currently, we have over 60 students involved. In addition, PCS will provide a junior squash league for students from Greater Portland and a high-end membership experience, not unlike private squash clubs in other cities, but at a very affordable, non-exclusive rate. In 2003, Forbes Magazine rated squash the number one healthiest sport to play, and from 2007 – 2011, squash grew 82% in the U.S. to 1.2 million players. In that same period, junior squash grew 400%. According to MaineSquash.com participants at the YMCA have grown from less than 50 total players in 2009 to more than 250 across a wide range of age groups, and league participation has tripled in the 5-year period. We hope our facility will act as a second home for the students of the Bayside neighborhood, and a place to exercise and give back for our members that live and work on the peninsula.



**City of Portland
Request for Proposals
For the Sale and Reuse of Property
Located at 71 Hanover Street**

RFP # 5215

Notice and Specifications

Sealed proposals for furnishing the City of Portland with redevelopment of 71 Hanover Street, as specified herein, will be received by the Purchasing Office, Room 103, City Hall, 389 Congress Street, Portland, Maine 04101, until January 29, 2015 at 2:00 p.m. at which time they will be publicly opened. Proposals shall be submitted with the attached forms, and returned in sealed envelopes plainly marked on the outside **“SALE AND REUSE OF 71 HANOVER STREET.”** Each proposal must be accompanied by a proposal surety deposit equal to 10% of the consideration being proposed. This may be in the form of a certified check, bank treasurer’s check, bank cashier’s check or money order. **Note: all checks must be in one of the above mentioned forms or the proposal will be rejected.** Proposals that are late, faxed or submitted electronically will not be accepted. All proposals shall be held open to acceptance for sixty days from opening.

Copies of the above documents will be available at the Purchasing Office, Room 103, City Hall, 389 Congress Street, Portland, ME 04101. Each prospective proposer will be required to obtain from the City each copy of the proposal form and each set of plans; e-mail jrl@portlandmaine.gov, phone (207) 874-8654, or fax (207) 874-8652. Six (6) complete copies of your proposal submission, including any descriptive literature, shall be submitted on the forms provided and in an envelope plainly marked on the outside with the RFP’s title and number

All questions must be submitted in writing to the Purchasing Office. These may be mailed; hand delivered, faxed to (207) 874-8652 or e-mailed to mff@portlandmaine.gov and be received no later than five (5) business days prior to the opening date. Questions received after this time will not be addressed. Any interpretation, correction, or change of this document will be made only by written addenda. Changes in any other manner will not be binding on the City of Portland.

The disposal of this real estate shall be on the basis of a negotiated proposal, with the City of Portland reserving the right to refuse any or all proposals. *All proposers are advised that the property will be sold “as-is” and “where-is”, in its existing condition, with no warranties either expressed or implied.* The City disclaims any and all responsibility for injury to proposers, their agents or others while examining the property or at any other time.

Proposals from vendors not registered with the Purchasing Office may be rejected; receipt of this document directly from the City of Portland indicates registration. Should a vendor receive this Request from a source other than the City of Portland, please contact (207) 874-8654 to ensure that your firm is listed as a vendor for this RFP.

I. GENERAL INFORMATION

The City of Portland, Maine seeks proposals from qualified developers for the purchase and redevelopment of the property at 71 Hanover Street, known as the Department of Public Services' Sand and Salt Shed, (hereafter, "the lot"). The site is designated on the City of Portland Tax Assessor's Map as Map 34, Block H, Lot 4-5.

II. SUMMARY OF REQUEST

The City of Portland is committed to provide a balance of development opportunities and has set a goal to evaluate the use of this City-owned property for commercial purposes. As one step in accomplishing this goal, the City of Portland will accept proposals for the redevelopment of this lot at 71 Hanover Street, Portland, Maine (Map 34, Block H, Lot 4-5), in B-2b zone.

An environmental assessment was conducted on the 5-acre parcel that houses the Public Services Department in June 2003 by Tewhey Associates and is attached to the RFP as Appendix A. To facilitate the development of this site, the City of Portland may make loan funding available from the City's Portland Development Corporation, which has business loan programs, including a Brownfield Loan Fund.

The City of Portland's Economic Development Department uses the RFP process to ensure that any proposed redevelopment provides for the maximum public benefit while accomplishing specific objectives and providing fair access to all applicants.

III. GENERAL GUIDELINES

Redevelopment proposals shall provide for commercial development according to the B-2b zoning.

Redevelopment should incorporate costs and measures to properly manage contaminated soil in compliance with state and federal regulations. In general, any soil disturbance should be conducted in accordance with the requirements of the Maine DEP.

The proposed use, design compatibility, readiness, financial feasibility, and development experience are among the scoring factors to be used in the review process.

This RFP outlines the selection criteria which all proposals must meet, as well as scoring factors which will be used by the City of Portland to evaluate the proposals.

IV. BACKGROUND

The site at 71 Hanover Street contains approximately 15,102 square feet. It is located in the City's Bayside area and is currently being used by the City's Department of Public Services for its sand and salt

operations.

V. GOAL FOR THIS RFP

The goal for the sale and redevelopment of the property at 71 Hanover Street is to promote commercial development with a high standard of quality and design. Proposals should not require a contract or conditional zone (although other rezoning consistent with the City’s Comprehensive Plan may be considered). Design principles should promote efficient use of land to create infill development that reflects and respects the existing pattern, streetscape, density, scale, massing, exterior materials and design elements that are reflective of the surrounding neighborhood. Heights shall be less than or equal to the surrounding buildings and should minimize the impact of shadows on adjacent property. They should also incorporate high standards of energy efficiency and “green” design criteria.

Proposals should consider the recommendations/goals outlined in the Bayside Vision to provide a variety of diverse uses to increase jobs, housing, and livability in this area.

VI. SCOPE OF SERVICES

All proposals submitted must meet the following selection criteria to be considered further in the review process.

A. Eligible Projects

- 1) Existing zoning compliant proposal;
- 2) Ideally, destination type uses which increase pedestrian activity;
- 3) Projects that will properly manage contaminated soil in accordance with state and federal regulations;

B. Site Information and Criteria

- 1) Purchase Price: The City of Portland is setting a minimum purchase price for this property as: \$340,000.
- 2) Local Approvals: Local land use approval is not required prior to submittal of the proposal.
- 3) Site Feasibility for Proposed Use: The applicant must submit an analysis of the project in relation to local land use regulations and site feasibility.
- 4) Zoning: Proposals must not require a contract or conditional zone (although other rezoning consistent with the City’s Comprehensive Plan may be considered).
- 5) Environmental: Proposals must include language indicating the applicant has considered the environmental conditions of the lot and understands the implications of these conditions. The proposal may include a plan summary for addressing said environmental conditions and any planning institutional controls to be applied to the property.

- 6) **Project Timing:** Applicants must outline the timeframe for their proposed project development approval, construction, and occupancy.

C. **Financial Feasibility**

Possible use of City funding resources: All projects will be reviewed for the proposed use of City funds (loan through the Portland Development Corporation), if any, compared to other resources.

D. **Applicant Capacity**

All applicants must demonstrate capacity to develop, own, and manage the proposed project. All proposals must provide evidence of a development team with the capacity to successfully complete the project including;

- 1) Key individuals assigned to the project with the abilities and experience to successfully complete the project within the proposed timeframe.
- 2) An architect, general contractor and/or other professionals on the team with the experience and capacity to complete the project.
- 3) An environmental consultant to ensure proper management and handling of contaminated soils as well as establish an environmental management plan after development.
- 4) A portfolio of past or present development projects. Projects that successfully redeveloped contaminated properties should be highlighted.

E. **Design Compatibility**

Projects must be designed to contribute to the character of the neighborhood and adhere to the following guidelines.

1) **Connect the Neighborhood**

The development should not be an island unto itself, but rather blend into and enhance the surrounding Bayside community.

2) **Design Considerations**

- a. **High Quality Design:** Excellence in architectural and landscape design is expected.
- b. **Traditional Design:** Design shall be reflective of the surrounding neighborhood and shall create an infill development that reflects and respects the existing pattern, streetscape, density, scale, massing, exterior materials and design elements of the neighborhood. Buildings should orient to the street.
- c. **Green Design:** The site and buildings shall be designed to meet the City's Green Building Code.

- d. **Streetscape:** The development shall enhance the pedestrian experience and the public realm. Alternative transportation modes shall be accommodated and incorporated in the project.
- e. **Height:** Heights shall be less than or equal to the average of structures in the surrounding block and should minimize the impact of shadows on the adjacent property.
- f. **Permeability:** Design shall be permeable or porous. View corridors are encouraged.
- g. **Heterogeneity:** Design of the buildings on the site shall be heterogeneous, not homogenous.
- h. **Accessibility:** Universal Design principles shall be incorporated wherever feasible, to ensure that the design is physically accessible to the greatest range of users.

F. Timeframe

The applicant must describe projected dates by which commitments will be obtained; the closing will take place; construction start-up; substantial completion; and, final completion and occupancy. Timeframes must be realistic and achievable. All funded projects must be able to start construction within 12 months of notice of award.

VII. PROPOSAL REQUIREMENTS

Complete responses to this RFP, should include six (6) complete copies of each proposal including one original bearing the hand written signature of an officer or employee having authority to bind the organization and the following, in the order outlined below.

Note: All respondents should investigate legal and zoning requirements for proposed projects prior to submission of proposal.

A. Project Summary

A brief description of the project, no longer than two pages, to include the proposed development, special features, the impact on the neighborhood, and other ways the proposal meets the selection criteria and preference guidelines.

Photographs and maps of the site and area are required.

B. All Proposals Must Provide the Following:

- 1) Conceptual architectural and site plans
- 2) A soil management plan or provision to prepare one including who shall prepare the document and their qualifications upon award

- 3) A project schedule showing critical path events and their timeframe for completion;
- 4) Map showing location of site
- 5) Corporation/partnership articles and by-laws
- 6) A brief development team summary, including:
 - The type of organization/ownership structure
 - The names of Board of Directors, Corporate Officers, or Owners, as appropriate
 - Name, title and relevant experience of individuals involved in managing the business entity and this proposed project.
 - Brief description of similar projects completed
 - A list of all projects currently in development with status and projected timeframe
- 7) Evidence of financial commitments, or explanation of the ability and timing to secure those commitments. A statement describing the applicant's capacity for and experience in raising the type of capital needed to finance projects of this size and type.
- 8) An analysis and discussion of market demand justifying the need for the proposed project.

VIII. SCORING/SELECTION PROCESS

Selection criteria will be used in reviewing and scoring the proposals.

- 1) Point System for Evaluating and Scoring Proposals (Maximum Points 100)
 - A. Proposed use of resources to achieve the City of Portland's goals and address demonstrated need. **25 points**

Maximum points will be awarded for those proposals that demonstrate sufficient market demand, create economic diversity in the neighborhood in which the development is located.
 - B. Financial capacity, including projected development budget, and ability to secure required funds. **25 points**

Maximum points will be awarded for those proposals that demonstrate past experience to raise required funds to support the proposed project.
 - C. Applicant's ability to complete project, including development team, experience, capacity, project readiness and timeframe for completion. **20 points**

Maximum points will be awarded for those proposals that demonstrate a development team with a successful track record in projects of similar size, scale, type and complexity to the proposed project and capacity to fulfill their responsibilities and the readiness of the project to proceed.
 - D. Impact on surrounding neighborhood, including design compatibility **30 points**

and environmental issues.

Maximum points will be awarded for those proposals where the design is consistent with neighborhood design characteristics and minimizes the impact of shadows on the adjacent property, and design is well thought out and appropriate, meet the requirements of the City of Portland's Green Building Code, and where provisions to protect the surrounding community during contaminated soil disturbance are proposed.

2) RFP Evaluation, Selection Process, and Timeframe

Proposals will be reviewed by an evaluation team that will include City of Portland staff. The following process will be used:

- A. Upon closing of the RFP application period, all proposals will be reviewed for completeness.
- B. Complete proposals will be reviewed under the scoring factors in order to recommend the most qualified proposals based on the information submitted. The proposal review team may confer with the applicants and/or third parties to clarify or verify information and request additional information.
- C. Recommendations, along with all proposals and scoring information, and draft purchase and sale agreement, will be forwarded to the City Council's Housing and Community Development Committee for review and approval. Their recommendations will be forwarded to the City Council for final review and approval. Public presentations may be required.
- D. Applicants will be kept informed throughout the review process, specifically in regard to recommendations and funding levels.
- E. The evaluation and review process should be substantially complete by early/mid-March 2015. Applicants will be notified of their proposal status as soon as possible.

IX. INSTRUCTIONS AND OTHER INFORMATION

- 1) The City of Portland reserves the right, at its sole discretion, to award all, a portion, or none of the available funding from this RFP, as well as reject any and all proposals for city funding, based on the quality and merits of the proposals received, or when it is determined to be in the public interest to do so. Furthermore, the City of Portland may extend deadlines and timeframes, as needed.
- 2) Confidentiality: Proposals received by the City of Portland shall become a matter of public record subject to public inspection, except to the extent, which an applicant designates in writing, proprietary data to be confidential and submits that data under separate cover, such information may be held from public inspection, as provided in Maine law: 5 MRSA Sections 13119-A and 13119-B
- 3) Compliance with Federal Law: The selected applicant will be required to certify that the development and management of the project will be in compliance with all applicable laws, executive orders, OMB Circulars and federal regulations, including but not limited to: Fair

Housing Act, Equal Opportunity and Non-discrimination, National Environmental Policy Act (NEPA), the Uniform Relocation Assistance and Real Property Acquisition Policies Act, the Davis-Bacon Act, the Lead Based Paint Poisoning Prevention Act, Flood Disaster Protection Act, Conflict of Interest, Contractor Debarment and Cost Principles.

X. LEGAL REQUIREMENTS

The selected developer will be required to provide a performance guaranty in the form of a letter of credit or a performance bond, the performance of the developer's obligations outlined in this Request for Proposal and subsequent contract to be negotiated with the City. This performance guaranty is separate from any performance guaranty that will be required as a result of the City's site plan review process.

The City shall convey the described real estate by quitclaim deed to the developer, or where the City has obtained a warranty deed for the real estate, it shall provide a warranty deed for the same to the developer.

XI. EQUAL EMPLOYMENT OPPORTUNITIES

Vendor shall comply fully with the Nondiscrimination and Equal Opportunity Provisions of the Workforce Investment Act of 1998, as amended (WIA, 29 CFR part 37); the Nontraditional Employment for Women Act of 1991; title VI of the Civil Rights Act of 1964, as amended; section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975, as amended; title IX of the Education Amendments of 1972, as amended; and with all applicable requirements imposed by or pursuant to regulations implementing those laws, including but not limited to 29 CFR part 37.

XII. RESERVATION OF RIGHTS

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

The City of Portland reserves the right to substantiate any proposers' qualifications, capability to perform, availability, past performance records and to verify that the bidder is current in its financial obligations to the City of Portland.

All materials and equipment used as well as all methods of installation shall comply at a minimum with any and all Federal, OSHA, State and/or local codes, including applicable municipal ordinances and regulations. Additionally, all contaminated soil should be managed in accordance with state and federal regulations.

The successful bidder shall agree to defend, indemnify and save the City of Portland harmless from all losses, costs or damages caused by its acts or those of its agents, and, before signing the contract, will produce evidence satisfactory to the City of Portland's Corporation Counsel of coverage for General Public and Automobile Liability insurance in amounts not less than \$400,000 per person, for bodily injury, death and property damage, protecting the contractor and the City of Portland, and naming the City of Portland as an additional insured from such claims, and shall also procure Workers' Compensation insurance.

Pursuant to City of Portland procurement policy and ordinance, the City of Portland is unable to contract

with businesses or individuals who are delinquent in their financial obligations to the City of Portland. These obligations may include but are not limited to real estate and personal property taxes and sewer user fees. Bidders who are delinquent in their financial obligations to the City of Portland must do one of the following: bring the obligation current, negotiate a payment plan with the City of Portland's Treasury office, or agree to an offset which shall be established by the contract which shall be issued to the successful bidder.

The City of Portland, Maine, reserves the right to waive any informality in proposals, to accept any proposal or portion thereof, and, to reject any and all proposals, should it be in the best interest of the City of Portland to do so.

Date: January , 2015

Matthew F. Fitzgerald
Purchasing Manager

Appendices

PROPOSAL***THIS PAGE MUST BE INCLUDED***

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

The UNDERSIGNED hereby declares that they have read and understand all conditions as outlined in the invitation for bids, and that their 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 that may be derived there from, 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 of Portland employee who would be paid to perform services under this proposal. An example of indirect interest would be a City of Portland 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).

TOTAL PROPOSAL FOR PROPERTY:

Cash Value: \$ _____ *

Enclosed is a proposal surety of \$ _____ equal to 10% of the amount being proposed.

The proposer acknowledges the receipt of Addenda numbered _____
If Applicable

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

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

PRINT NAME & TITLE: _____

ADDRESS: _____

TELEPHONE: _____ FAX: _____

E-MAIL: _____ FEDERAL TAX ID NUMBER: _____

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 proposal package.



Mary Davis

Division Director, Housing & Community Development Division

TO: Councilor Donoghue, Chair
Members of the Housing and Community Development Committee

FROM: Mary Davis, Division Director
Housing and Community Development Division

DATE: February 6, 2015

SUBJECT: Review of Response to RFP for the Sale and Development of 65 Munjoy Street
(former Adam's School Parking Lot)

SUMMARY

At the November 12, 2014 meeting of the HCDC, the Committee approved the issuance of a RFP for the sale and development of 65 Munjoy Street. The RFP was issued on November 19 with responses due on January 13, 2015.

The RFP generated one response, a proposal by Adam's Apple LLC to create a new 8-unit residential condominium development. Staff is requesting Committee review and direction on next steps.

COMMITTEE GOAL/COUNCIL GOAL ADDRESSED

Promote Housing Availability – Provide increased availability in all segments of the housing market while ensuring that there is a suitable balance of housing opportunities among those sectors. Objective: Complete assessment of and, as appropriate, begin to offer city owned property to construct affordable housing.

FINANCIAL IMPACT

Land cost is not reflected in the proposal presented by Adam's Apple LLC. This site has an approximate assessed value of \$162,000. It is important to note that there are environmental remediation costs that the developer will be responsible for. These costs are estimated at \$98,000 - \$150,000.

STAFF ANALYSIS

The proposal brought forth by Adam's Apple, LLC envisions an 8-unit residential condominium development comprised of two (2) 3-bedroom units, two (2) two-bedroom units and four (4) 1-bedroom units in a single, three-story walk up building. The project will include six on-site covered parking spaces in a concealed parking area under the building. The units will be affordable to households earning between 100% and 120% of



Mary Davis

Division Director, Housing & Community Development Division

the area median income (Family of Two = \$61,875-\$74,250 & Family of Four = \$77,313-\$92,760). The project will include deed restrictions that will guarantee future sales to income-qualified owner-occupants for no less than 90 years. The proposal indicates a sales price of \$225,000- \$235,000 for the one-bedroom units, \$274,000 for the two bedroom units and \$298,000 for the three-bedroom units.

The design of the project is essentially comparable to the Munjoy Street Affordable Housing Feasibility Study prepared by the Bluestone Planning Group. The study identified two triple-decker styled flats with flat roofs as the most viable design option with 8 units residential units and two surface on-site parking spaces. The study suggested a sales price of \$217,000-\$235,000 for the two bedroom units and \$245,000-\$285,000 for the three bedroom units.

To address a project financing gap, the developer is requesting financial assistance from the City in the form of a \$300,000 subsidy from the Housing Trust Fund.

STAFF RECOMMENDATION

While staff believes the Adam's Apple LLC proposal is consistent with the criteria outlined in the RFP, we feel that more time is needed to negotiate the financial assistance requested from the City.

Housing and Community Development staff is seeking direction and guidance from the Committee to continue negotiations with the Developer.

ATTACHMENTS

Adam's Apple LLC Response to RFP for the Sale and Reuse of 65 Munjoy Street

City of Portland
Request for Proposals
RFP# 4115

For the Sale and Reuse of Property Located at
65 Munjoy Street

January 13, 2015



Respectfully Submitted by:



In Partnership with:



1. Executive Summary

Adam's Apple, LLC proposes to create a new a 8-unit residential condominium development at 65 Munjoy Street in conformance with the goals and criteria of RFP #4115 For the Sale and Reuse of 65 Munjoy Street.

The development team is comprised of Developers Peter Bass and Ethan Boxer-Macomber of Adam's Apple, LLC, Bild Architects, Bay Realty, Chester & Vestal Attorneys at Law, Gorham Saving's Bank, Ransom Consulting, Inc., the Avesta Homeownership Center, and Wright Ryan Construction. Each member of this entirely Portland-based team has very recent and relevant experience successfully developing similar projects on Munjoy Hill in recent years.

The project is comprised of two (2) 3-bedroom units, two (2) 2-bedroom units, and four (4) 1-bedroom unit in a single, three-story walk up building totaling eight (8) housing units. Six (6) onsite covered parking spaces are provided in a concealed parking area underneath the building.

The project design integrates and blends in with the surrounding neighborhood by use of traditional or complementary massing, forms, configuration, and materials. The building will be designed to high standards of energy efficiency and sustainable design and will meet or exceed the standards of the USGBC's LEED for Homes program. The entire development team is committed to facilitating public engagement and dialog as this development progresses. Great effort will be taken made to design a development that is consistent with and contributes to the residential character of Munjoy Hill.

The developer proposes to make all of the units affordable to households of moderate incomes in the range of 100% – 120% of Area Median Income. At present, this target would serve households earning between approximately \$55,000 and \$75,000 per year. All individually sold units will include deed restrictions to guarantee that units be sold only to an owner-occupying, qualifying buyer in that same range at an affordable maximum sales price for a period of no less than 90 years.

The proposed redevelopment of the site will cost \$2.2 million. Sources of funds will include home sales, developer equity, and a commercial construction loan. Net unit sales will fall approximately \$300,000 short of fully covering development costs due to affordability restrictions. The developer is requesting that the City of Portland provide a \$300,000 grant to the project from its Housing Trust Fund consistent with subsidy levels customarily required by affordable housing projects of this nature and necessary at 65 Munjoy Street as evidenced in the project budget.

The soils under the subject site are known to be both environmentally contaminated and structurally unsuitable. In order to facilitate the project, the site will require over excavation, monitored removal and disposal of unsuitable soils, interim shoring of open excavation areas and the introduction of clean structural fill. These requirements are estimated to cost the project on the order of \$200,000 in added development expense. The project is proposed to offset this expense by the land being donated by the City.

65 Munjoy Street will provide myriad public benefits including eight quality new affordable housing units, context-sensitive infill of an underutilized urban parcel, +\$30,000 in new annual property tax revenue, \$2.2MM in development activity predominantly by Portland-based companies, and eight new Portland households to Munjoy Hill to contributing to its vibrancy and economic development. The entire 65 Munjoy development team is eager to see this exciting new project go forward.

2. Development Team

Developer:

Adam's Apple, LLC

17 Chestnut Street, 3rd Floor
Portland, Maine 04101

Co-Owners / Co-Managers:

Peter Bass, Random Orbit, Inc.
207-712-0954
pbass@maine.rr.com

Ethan Boxer-Macomber, Anew Development, LLC
207-272-8550
ethan@anew-development.com

Attorney:

Barbara Vestal, Chester & Vestal, P.A.
107 Congress Street
Portland, Maine 04101
vestal@chesterandvestal.com
(207) 772-7426

Site / Civil Engineer:

John Mahoney, Ransom Consulting, Inc.
400 Commercial Street
Portland, Maine 04101
john.mahoney@ransomenv.com
(207) 772-2891 x32

Construction Lender:

Karl Suchecki, Gorham Savings Bank
63 Marginal Way
Portland, Maine 04101
ksuchecki@gorhamsavingsbank.com
(207) 222-1492

Sales / Marketing Agent:

Rita Yarnold, Bay Realty
559 Congress Street
Portland, Maine 04101
rita@bayrealtyassociates.com
(207) 775-3838

Architect:

Evan Carroll, Bild Architecture
17 Chestnut Street, PO Box 8235
Portland, Maine 04101
evan@bildarchitecture.com
(207) 408-0168

Homebuyer Education & Certification

David Stolt, Avesta Homeownership Center
Avesta Housing
307 Cumberland Avenue
Portland, Maine 04101
dstolt@avestahousing.org
(207) 553-7777

Environmental Engineer:

Peter Sherr, Ransom Consulting, Inc.
400 Commercial Street
Portland, ME 04101
kenneth.milender@ransomenv.com
Tel. (207) 772-2891

Developer: Adam's Apple, LLC

The proposed project at 65 Munjoy Street will be purchased, developed, marketed, and sold by Adam's Apple, LLC, a new Limited Liability Company, to be formed. Adam's Apple, LLC will be equally co-owned and co-managed by Random Orbit, Inc. and Anew Development, LLC and their respective principals, Peter Bass and Ethan Boxer-Macomber.

Both Peter and Ethan bring complete and comprehensive residential development experience and capacity to the 65 Munjoy project. Each has a long development track record and a proven ability to successfully complete complex and innovative residential infill projects. Peter and Ethan, and the high quality development team that they have formed for the project, are well prepared to take on all aspects of the 65 Munjoy Project including context sensitive design, brownfields mitigation, and long-term affordability. Peter and Ethan are both passionate about quality infill projects like 65 Munjoy for the broad community and economic development benefits that they provide.

For 65 Munjoy, Peter and Ethan have assembled a development team of uniquely qualified, Portland-based professionals.

Peter Bass – Random Orbit

Peter Bass has been doing progressive development in Southern Maine for over 25 years. He has focused on finding unique value and uses for properties and forming collaborations to realize his vision.

In Peter's early years of real estate development, he created Portland's first dedicated artist studio building in 1986. This six-studio building is still managed by Peter and offers long-term affordable rents to artists. Peter later collaborated with Steve Tibbetts and the Brunswick-Topsham Land Trust to create Larrabee Farms, a 15 lot residential subdivision. Larrabee Farms was the first subdivision in Maine with an original vision to partner with a land trust to protect a significant portion of its land under conservation easement.

Peter also joined with Linda Mansfield to do one of the first preservation-minded condo conversions in Portland. This created 5 condominiums while saving a lovely brick Greek revival building from serious neglect and deterioration.

In the year 2000, Peter formed Random Orbit, Inc. to further pursue cutting edge, smart growth development. Random Orbit looks at high-density, infill projects in both adaptive re-use and new construction contexts. Random Orbit's goal is to create inspiring, unique, and affordable properties that will foster community and produce a positive impact on the region.

In its first 14 years, Random Orbit, Inc. has completed several innovative residential and commercial infill projects including:

- *East Bayside Studios*, 145 Anderson St., Portland – 8 live/work condominium units.
- *Park Street Lofts*, 18 Park St., Saco – 34 live/work condominium units in a former industrial mill building.
- *Parkside Studios*, Portland – 8 artist live/work condominiums in a converted elementary school in the Parkside neighborhood. This project used deed restrictions to keep the units affordable and in artist ownership in perpetuity.
- *29 Waterville Street, Portland* – 3-unit private condominium residence providing quality and context sensitive infill development on Munjoy Hill.

- *Peloton Labs*, Portland – a two-story infill office building structured as an innovative new co-working space to support Portland’s burgeoning creative economy.
- *Marquis Lofts*, Portland – 6 residential condominium units with on-site covered parking on a small infill lot on Munjoy Hill.

Random Orbit’s current pipeline includes the finalization of sales at Marquis Lofts, Management and redevelopment of 50 Cove St., a significant commercial building that maintains creative economy uses in East Bayside.

Ethan Boxer-Macomber – Anew Development, LLC

Ethan Boxer-Macomber is Principal of Anew Development, an independent real estate development company founded in 2013 and based in Portland, Maine. Anew partners with a broad array of non-profit and for-profit organizations and individuals to develop high quality, context sensitive, and affordable infill residential development projects. Anew is committed to ensuring that all of its projects are responsibly developed in a manner that promotes sustainability and positive community and economic outcomes. Anew’s current development pipeline includes:

Meetinghouse Lofts, South Portland

19 units of market rate residential condominiums adapted to a former 1927 John Calvin Stevens elementary school on Meetinghouse Hill in South Portland, Maine. Sourced with local private equity and community bank financing. Currently 20% constructed and experiencing strong sales activity. Total development cost +\$5MM. www.meetinghouselofts.com

62 Spring Street, Auburn

39 rental housing units; 31 affordable and 8 market rate, over +/-2,400 s.f. flex retail space at street level. Developed in partnership with Auburn Housing, the project, located in the epicenter of downtown Auburn adjacent to abundant goods, services, employment and transportation options, is an exemplary example of mixed-use urban infill. Permitting is complete and final financing awards are anticipated in 2015. Total development cost +9MM.

Riverview Terrace / Larrabee Woods

82 units of Public Housing located in two properties in Westbrook, Maine. Anew is leading the project through new HUD program which converts aging public housing to a local ownership model; attracting substantial private equity to preserve and restore the public housing stock nationally. Anew’s Westbrook project is the first in Maine to enter the program. Total development costs +\$8MM

Larrabee Commons

38 units of low-income senior rental housing in Westbrook, Maine developed in partnership with Westbrook Housing. This new construction project is currently in the design and planning stages and is expected to receive land use in 2015 and to receive financing approvals and start construction in 2016. Total Development costs +\$7MM.

Prior to launching Anew Development, Ethan worked 7 years as Senior Development Officer and later as Director of Acquisitions and Asset Management for Avesta Housing; Northern New England’s largest non-profit housing developer. In those roles, Ethan successfully managed over a dozen affordable housing development projects across Southern Maine representing a diverse array of new construction, adaptive reuse, and acquisition/rehabilitation projects ranging from 12 to 154 residential units and \$2MM to \$24MM in

total development cost. Much of Ethan's development work with Avesta Housing was centered in the City of Portland including projects such as Pearl Place Apartments, the Oak Street Lofts, Shailer and Emerson Schools, Butler Payson and PROP portfolio acquisitions, and the Adam's School Condominiums adjacent to the subject site.

Prior to his career in real estate development, Ethan was an AICP certified Urban Planner with the Cities of Davis, California and Portland, Maine and also served as the City of Portland's Community Development Program Manager. Ethan is a Returned Peace Corps Volunteer having served in Honduras from '96-'98. He continues this commitment to community volunteerism in Portland, serving now or in the past on such efforts as the Inclusionary Zoning Ordinance Committee, the Green Building Ordinance Committee, the East End Elementary School Grounds Greening Committee, the Franklin Street Redevelopment PAC, the India Street Neighborhood Planning PAC, and as a New Mainers bicycle program instructor through the Bicycle Coalition of Maine.

Ethan holds a BS in Natural Resources and Ecology from the University of Maine, an MS in Community Planning and Development from the University of California, Davis, and is a LEED Accredited Professional (AP) with the US Green Building Council.

Architect

Evan Carroll – Bild Architecture

Evan Carroll founded Bild Architecture in 2011 along with his wife, Sasha Salzberg. The Greater Portland focused practice places emphasis on the community building aspects of architecture and design. Bild seeks out projects with locally based entrepreneurs, non-profits, business owners and developers and works with them to deliver designs that benefit both the clients and the greater context.

Evan Carroll is a Maine Licensed Architect with several years' experience in Portland area architecture projects, and Sasha has a degree in Business Administration and over fifteen years of experience in running local Maine businesses. Bild Architecture designs both residential and commercial projects, and is proud of its reputation of collaboration and constructive working relationships.

Evan has a strong sense of responsibility to help owners and contractors understand the long term value of creating buildings that efficiently use energy, provide healthy interior environments, and are located on sites that maximize use of local infrastructure and local social networks.

Bild recently completed the 6-unit Marquis Lofts condominium development on Lafayette Street with developer Peter Bass.

Attorney

Barbara Vestal – Chester & Vestal

Barbara Vestal has been practicing law in Maine since 1977. Barbara's practice focuses on real estate, including assisting clients with the purchase and sale of real estate, development projects, and condominium conversion and management. She has been part of Peter Bass's development team from the inception of Random Orbit Inc. She has guided him through projects with complex ownership and use models including the redevelopment of the Sacred Heart School, an artist live/work project which used deed restrictions to keep the affordable units in artist ownership in perpetuity.

Barbara's community work has included years of early involvement with the fledgling Munjoy Hill Neighborhood Organization and its affiliated Munjoy Hill Housing Association, including serving on their

Boards of Directors; seven years as a Trustee of the Portland Ministry at Large; approximately ten years as a member of Portland's Planning Board, including two years as its chair; six years on the Board of Trustees of Greater Portland Landmarks, and continuing involvement as an Advisory Trustee; and many years of involvement in a variety of municipal issues, particularly focused on Portland's waterfront and historic preservation.

Site / Civil Engineer

John Mahoney – Ransom Consulting, Inc.

John has over 10 years of experience in engineering design and project management including: stormwater management, stormwater treatment, site design, utility design, streetscape design, transportation planning/design, stakeholder coordination and project management on multiple public and private infrastructure, transportation and development projects. Mr. Mahoney also has 10 years of diverse experience in construction, which gives him unique insight into utility coordination, as well as the technical and political challenges of building in constrained urban areas. He is a seasoned professional engineer that specializes in working with diverse groups of stakeholders to develop context sensitive designs that balance multiple goals and respond to surrounding land uses. Mr. Mahoney was the lead civil engineer on the North Boyd Street Trail, the Oakdale-Falmouth Street intersection redesign and the Bayside Anchor development project in Portland, as well as the Meeting House Lofts development in South Portland, where Ransom Partnered with Anew Development to design and permit 19 residential condominium units.

Mr. Mahoney is currently working with the City of Portland to design two roundabouts at the University of Southern Maine and is collaborating with the City and MDOT on pedestrian accessibility improvements in the Old Port. He also serves on the City of Portland's Crosswalk Committee and is a member of the City's Complete Streets Working Group. Mr. Mahoney's work in Portland and in partnership with the City has provided him with an understanding of the details of Portland's site plan process as well as the City's long term goals for infrastructure improvements and water quality.

Environmental Engineer

Peter Sherr – Ransom Consulting, Inc.

Mr. Sherr is a Senior Project Manager at Ransom and has over 25 years of experience working as an environmental consultant. Peter graduated from the University of Maine in 1990 with a B.S. in Chemical Engineering and a Technical Concentration/Minor in Environmental Engineering. He has also completed graduate courses in Environmental Engineering from the University of Maine. Peter is a Professional Engineer (PE) in the State of Maine and is Treasurer on the Board of the Economic Development Council of Maine (EDCM).

Peter has also worked extensively assisting communities with securing U.S. EPA Brownfields Assessment, Cleanup, and RLF Grants and supplemental cleanup and infrastructure improvement funding to maintain redevelopment activities at Brownfield sites. In addition, he has also gained extensive experience with supplemental State, Federal, and Private funding mechanisms including Community Development Block Grants (CDBG), State and Federal Historical Tax Credits, Maine State Housing and U.S. HUD, Community for Maine's Future Grants, Rails to Trails Grants, and other potential grant funding sources necessary for the successful redevelopment and revitalization of Brownfields properties.

Construction

Cordelia Pitman - Wright Ryan Construction

Cordelia is the Director of Preconstruction Services for Wright-Ryan. She joined Wright Ryan in 2009 from Winton Scott Architects where she was a project architect for over 15 years. Cordelia has spent years leading projects from inception through design and construction, and has hands on experience coordinating architecture, structure and MEP. Cordelia graduated with a BA in Physics from Middlebury College. She has also earned her Master of Architecture from Columbia University. Cordelia served on, and chaired, the City of Portland Historic Preservation Board for over a decade, and is currently a member of the Greater Portland Landmarks Board of Directors.

Sales and Marketing

Rita Yarnold – Bay Realty

Rita Yarnold was born and raised on Munjoy Hill and attended the former Marada Adams School as a child. In 1986 Rita formed Bay Realty, which for 28 years has focused on all forms of residential real estate transactions; primarily on the Portland peninsula. Rita brings her broad, extensive, and invaluable experience leading the sales and marketing efforts of residential condominiums on Munjoy Hill and the Portland Peninsula; including units with affordability restrictions such as those proposed at 65 Munjoy Street.

Homebuyer Certification

David Stolt – Avesta Housing Homeownership Center

The Avesta HomeOwnership Center believes that strong, thriving communities help residents enjoy a better quality of life, and that homeownership, education and leadership support healthy communities.

Established in June 2012, the Avesta HomeOwnership Center serves as a one-stop shop for individuals and families looking to buy their first home, improve the home they own or avoid foreclosure. The Avesta HomeOwnership Center is a NeighborWorks® HomeOwnership Center.

Since opening, the Avesta HomeOwnership Center has helped more than 500 individuals and families buy homes, learn how to maintain their home, avoid foreclosure and improve their credit and overall financial capability.

3. Development Proposal

65 Munjoy presents a unique opportunity to simultaneously achieve multiple community goals; re-knitting an interrupted neighborhood streetscape, cleaning up environmental and structurally unsuitable soils, providing new affordable housing opportunity, all while supporting Portland businesses and bringing a new residential property onto City tax rolls.

The team's proposal for the development of 65 Munjoy Street is designed to be highly responsive to the goals and criteria in City's Request for Proposals and to its own observations and understanding of the rich and dynamic neighborhood context.

65 Munjoy will feature a single, three story walk up building with a combination of eight (8) residential condominium units, in a configuration of 1, 2, and 3 bedroom flats. The building will feature a center stair and front entry from Munjoy Street. Six (6) covered parking spaces will be provided in a covered bay accessed from a driveway alongside the building. Two (2) additional spaces could be accommodated onsite if deemed necessary through the permitting process or to address market demand.

Background / Subject Site

The approximately 6,771 square foot lot is currently City-owned and is a residual component of the former Marada Adams Elementary school which was demolished in 2010. The subject site once served as the staff parking lot for the school and has since been left vacant and unprogrammed. The roughly 80' x 85' site today is 100% paved with impervious surface.



Site Context Map and Approximate Property Line

The site has frontage on Munjoy Street to the West and along a City-owned public open space to the East. The site is flanked by existing two-story, multi-family structures to the North and South. The neighborhood context is a rich assortment of two, three, and four story structures.

The site has a long history of varying use and is known to have unsuitable soils from the stand-point of environmental contaminants and lack of structural integrity.

Located in the City's R6 zone. Policy revisions to the R6 zone are currently moving through process with the Portland Planning Board and the Portland City Council.

Design

The design for the 65 Munjoy Street is contextual in massing, articulation and materials, while utilizing contemporary details. The project offer condominium units in the traditional triple-decker style that is found throughout Portland and on Munjoy Hill. The unit density to land area ratio is comparable to nearby areas on Munjoy Hill.

The form of the project creates a massing that is similar to the surrounding buildings while allowing for a building footprint and circulation that is more efficient than two separate buildings. Off-street parking is concealed at the side of the building.

The main entrance of the project opens to the street, and is sheltered by a canopy. The windows on the street façade are arranged in a symmetrical and rhythmic pattern. The project proposes to provide a structure at the sidewalk edge, either with the building itself or with pedestrian scale landscaped planters.

The project is designed with the common triple-decker as the model for proportion and scale. The building height, massing of the façade, and window arrangement replicate the classic triple-decker building type.

The articulation of details for the project seeks to utilize contemporary design within the contextual massing and proportion framework. The cornice and canopy are articulated with rough cut cedar as opposed to painted trim. The windows consist of fixed upper windows paired with lower awning windows instead of less energy efficient double-hung windows. While the primary masses of the building may be clad in traditional material such as clapboard or shingle the base and highlight material may be an exterior tile or other unique modern material.

Affordability

65 Munjoy Street will provide four (4) 1-bedroom, two (2) 2-bedroom, and two (2) 3-bedroom flats in the three story, walk-up building. All eight (8) flats will be marketed and sold as condominiums. Through 90-year deed restrictions, the sale of all units at 65 Munjoy will be restricted to buyers with moderate household incomes of between 100% and 120% of Portland Area Median Income (AMI) as published annually by the US Department of Housing and Urban Development (HUD).

Initial sales at 65 Munjoy will be held to an affordability test based on no buyer paying more than 30% of their annual income for the cumulative annual cost of Principal, Interest, Taxes, Insurance, and Condo Association Dues.



For example, current 100% AMI figures for Portland are approximately \$55,000 for a single member household and rise from there to approximately \$75,000 for a four-member household. Sales price is then based on a calculation of what an affordable mortgage would be at current rates and terms assuming 30% of income for housing and after subtracting for the cost of taxes, insurance, and condo fees. This calculation yields maximum sales values in the low \$200s for the 100% – 120% AMI single-member household and in the high \$200s for the four-member household. At these ranges, the affordable units at 65 Munjoy will be sold at a deeply discounted rate when compared to the average cost for new condominium units on Munjoy Hill.

Subsequent sales at 65 Munjoy will not be subject to any maximum sales price per se, that might unduly limit buyers' ability to preserve their equity and see some reasonable return on their investment in the unit. However, the lasting income restrictions will naturally hold down the future resale value of the unit based on the limited ability of any given 100-120% AMI eligible buyer to gather down-payment equity and secure bank financing.

Deed restrictions at 65 Munjoy will further require that all initial and subsequent buyers will be subject verification of their household income by a third party service. To provide this service, our team has partnered with Portland-based Avesta Housing's Homeownership Center (HOC). The Homeownership Center has established systems and protocol for performing income verifications in conformance with HUD guidelines. The HOC also supports point of sale transactions by consulting with buyers, sellers, and their respective sales agents and financial institutions with regard to the affordability verification process. Avesta's HOC currently provides such services on a fee-for-service at point-of-sale basis for a number of other area affordable homeownership developments.

The affordability provisions proposed at 65 Munjoy mirror those already in place at the adjacent Adams School Condominium development where income verifications and sales consultation are also provided by Avesta's HOC which were developed and refined in close coordination with the City of Portland.



Permitting

The subject site is located full within the City of Portland's R6 zone. The R6 zone is currently undergoing an amendment process which will have some effect on the dimensional and density requirements of the zone. The 65 Munjoy Street has been designed to conform to the draft R6 standards currently undergoing City review as encouraged by the development examples shown in the RFP.

Sustainability

The project will be insulated well beyond code requirements and will utilize detailing to minimize air infiltration. The mechanical systems will be electric mini-split heat pumps sized accordingly with the reduced envelope load. The site provided by the City allows the project to benefit from all the sustainable principals of urban infill: brownfield remediation, reduced car trips for daily living, use of existing city infrastructure, and preservation of remote greenfield sites. The building will be designed to high standards of energy efficiency and sustainable design and will meet or exceed the standards of the USGBC's LEED for Homes program; although in order to reduce project expense and preserve affordability, the developers do not intend to seek certification.

Financial Terms

As presented in greater detail in the project budget (Exhibit G), the total development cost of the project is estimated at approximately \$2.2MM based on \$1.78MM in hard costs related to construction and environmental site mitigations and another approximately \$420,000 in customary soft costs such as design, engineering, permitting, developer, legal and finance fees plus carry costs, and contingency.

Construction and environmental clean-up costs have been provided by Wright Ryan construction in coordination with the environmental and civil engineers at Ransom Consulting as detailed in estimation letters attached hereto (Exhibit D). These estimations are based on comparisons to several new construction condominium developments recently completed or currently under construction in Portland as well as the project site and architectural plans and reports provided within the RFP.

It should be noted that the final estimated construction costs for 65 Munjoy are substantially higher on a square foot basis than the figure estimated by the City's development consultant as outlined in the August 28, 2014 feasibility study prepared by Bluestone Planning Group (BPG). The BPG report assumes a project of this scale and configuration could be constructed at a total construction cost of \$125 per square foot where the final costs to construct the project at 65 Munjoy have fallen more on the order of \$155 per square foot.

In the team's collective experience, \$125 per square foot construction cost is sometimes achievable in the case of large-scale (20-60 units) low-income rental apartment projects on low barrier suburban and rural sites. 65 Munjoy, however, is a more costly project to build based on its small size and loss of relative economies of scale, constraints of building on a tight urban site, and higher finish level. Additionally, the cost of contending with unsuitable soil at 65 Munjoy adds significant additional cost to the project. These soils must be removed and relocated in conformance with environmental rules and regulations due not only to their contaminated nature but also to their poor structural qualities and inability to soundly support a three-story structure.

The development team has made every reasonable effort to achieve the City's full program for the project while maximizing efficiencies and minimizing construction costs. Initial plans to develop the site with two buildings, for example, was abandoned due to the much higher costs of building redundant foundations, envelopes, circulation spaces, utility connections, metering systems, mechanical systems, and stair towers.

The total net projected sales, after broker fees, taxes and other closing costs, are estimated at approximately \$1.95MM. While \$1.95MM is supported by a combination of developer equity and construction financing through the permitting, construction, and sales phases of the project, it leaves a \$300,000 gap in project financing.

Were the project to be sold at market value rather than the proposed affordable price points, this gap would not be present. However, with the 100% -120% AMI limits to sales values in place, the \$300,000 gap remains. The team proposes that this gap be filled with a \$300,000 City of Portland grant to the project from the City's Housing Trust Fund. This level of City support is consistent on a per unit basis with affordable housing grants typically provided by the City through Federal housing programs such as the HOME fund and similar programs instituted by HUD as stimulus through the past recession. This use of the Housing Trust Fund leverages the multiple goals of the RFP from clean up a contaminated site, to providing 8 units of long term affordable housing, and a quality new infill project to add new vitality to the neighborhood and generate in excess of \$30,000 per year annually in new City property taxes.

Property Management

The land and building at 65 Munjoy will be owned and managed by the 65 Munjoy Condominium Association (the Association) which will be solely responsible for maintenance and upkeep of the property and enforcement of established association rules



and restrictions. These rules will include, among other things, a strict prohibition on smoking anywhere on the property including common areas and within individual units.

The developer will contract with a local property management company to provide services to the Association including but not limited to collecting monthly condo fees, paying monthly expenses, and procuring and overseeing contract services such as grounds and building maintenance. This property manager will be the contracted agent of the Association shall report to a resident controlled Association Board at such time that the association is transferred.

5. Affordability, Sales, & Marketing Plan

A. Ownership Structure

With the development of 65 Munjoy Street will come the creation of the 65 Munjoy Street Condominium Association (the Association). The property's land and structure will be owned and managed by the Association, which will be solely responsible for maintenance and upkeep of the property and enforcement of association rules and restrictions. In this way, residents of moderate income will have the ease and predictability of having exterior building maintenance, grounds work, and snow removal, and property insurance covered in a single monthly association fee. Likewise, abutters will enjoy assurances that the property will be orderly and well maintained.

A local property management company will be contracted to provide the Association with a full host of administrative and management services.

Condo Association rules will be typical for an Association of this nature except that owners will be subject to smoking restrictions and restrictions to renting their properties except for limited periods and under certain limited circumstances such as family crisis, temporary assignment, sabbatical, and the like.

B. Pricing and Affordability

All units at 65 Munjoy Street will be sold at prices affordable to qualified households with total household incomes between 100 and 120% of Area Median Income. Initial sales figures are set such that the annual expense of mortgage principle, interest, tax, insurance, and association fees are not in excess of 30% of a 100% AMI income level as published by HUD.

The developers will partner with Avesta Housing's Homeownership Center. Avesta will provide homebuyer education, and homebuyer income certification. Bay Realty and Avesta will assist buyers in identifying and qualifying for favorable financing terms in the local mortgage market.

C. Resale Restrictions

At points of sale, deed restrictions will require that only an income eligible buyer in the range of 100% to 120% of AMI may be qualified to purchase any unit at 65 Munjoy Street. These restrictions are expected to be similar to those established and approved by the City at the adjacent Adam's School Condominiums recently developed by Avesta Housing. These income restrictions at 65 Munjoy Street will be deed restriction for a period of no less than 90 years from date of original purchase.

D. Resale Process

At time of sale, each subsequent buyer shall be required by deed restriction to secure an income certification by a qualified third party. The developers will partner with the Homeownership Center at Avesta Housing to provide this service to initial and subsequent buyers and to monitor transactions to ensure that the terms of deed restricted affordability covenants are carefully and consistently followed.

Avesta currently provides this service to other existing affordable homeownership developments in several Maine Communities and has the professional staff and administrative systems in place to support 65 Munjoy Street.

E. Sales & Marketing Plan

The developers will contract with Bay Realty to provide sales and marketing services in the initial sales at 65 Munjoy Street. Bay Realty is not only highly experienced in marketing and selling condominium developments in general but also has very current and relevant experience in marketing and selling affordable homeownership condos having brokered sales at both 135 Sheridan and the Adams School Condominiums.

The 65 Munjoy Street marketing campaign will employ a multi-modal approach including:

- Thorough and well-designed listings; MLS, Realtor.com, Zillow, etc
- Local Media releases at key project benchmarks; approvals, construction, completion
- Project website with complete and comprehensive information for buyers
- Social Media- Facebook page, Twitter feed, and similar
- Broker community mailings and open house events
- Outreach to affordable housing community such as homeownership centers and affordable housing rental companies to identify potential first time homebuyers.

Avesta's Homeownership Center will also be an integral member of the sales and marketing team; providing buyer education, certification, and referral.

6. Timetable

The following table illustrates a current best estimate of the project timetable.

Task	Date
<u>Project Proposal submitted</u> to City of Portland	January 13, 2015
Proposal selected by the Portland City Council	February-March 2015
Final Purchase and Sale Agreement	March 2015
Neighborhood Meeting / Design Development	March –April 2015
Planning Board application submitted to City	April 2015
<u>Planning Board approvals</u>	May 2015
Record subdivision and condominium documents	May-June 2015
Construction Bid Document Preparation	May – June 2015
Initiate marketing campaign, accept early reservations	June 2015
Project out for construction bidding	June-July 2015
Construction Loan Closing/ <u>Construction Commencement</u>	July 2015
End 9-month construction phase / <u>Certificate of Occupancy</u>	April 2016
Final Unit Sales / Transition to Condominium Association	August - October 2016

7. Compliance with RFP Goals, Criteria & Requirements

Selection Criteria

A. Eligible Projects

1) Affordable Ownership

- ✓ 65 Munjoy creates affordable homeownership units targeted to households with incomes between 100% and 120% AMI.

2) HOME Funds

- ✓ The development team evaluated the potential use of HOME funds and determined that the project would not be feasible as a HOME funded project whereas sales prices and therefore project income would be greatly reduced in order to meet the 80% AMI test. At the same time, project costs would be significantly higher in order to comply with HUD regulations which would require, among other things, that an elevator be installed. Wright Ryan has estimated the additional cost to the project to provide an elevator is approximately \$95,000.

3) Smoking Prohibitions

- ✓ Rules and Regulations of the 65 Munjoy Street Condominium Association will include strict prohibitions to smoking anywhere on the 65 Munjoy Street property. The condo documents will contain the following restriction:

"No Unit Owner, Tenant or Resident or guest or invitee of a Unit Owner, Tenant or Resident shall smoke any tobacco product anywhere upon the Common Elements or Limited Common Elements of the Property, including but not limited to the halls, stairs, parking areas, driveway, and entrances, nor shall they smoke any tobacco product anywhere within any Unit or portion thereof".

The developers have instituted non-smoking policies like this at recent condo developments finding that buyers consider it a value added aspect of the property. The development team shares the City's desire to see a non-smoking policy instituted at 65 Munjoy Street.

4) Soil Management

- ✓ The development team has reviewed the contaminated soils situation at the subject site and has fully considered the means, methods and costs associated with soils mitigation. The soil management plan is outlined in January 7, 2015 letter from Ransom Consulting attached hereto (Exhibit C). The project will be managed and overseen by the project Environmental Engineer to ensure compliance with all applicable state and federal regulations.

B. Site information and Criteria

1) Purchase Price

- ✓ 65 Munjoy Street provides affordability restrictions for all 8 residential units. However, the proposal that the City donate the land to the project is not driven by income restriction but rather by the site's known environmental liabilities.

The developers' experience is that income restricted housing developments can typically afford to absorb between \$12-15,000 in site acquisition cost which, at 8 units, would result in a potential land value of \$96,000 to \$120,000 for the 65 Munjoy Street lot. However, the soils under the subject site are known to be both environmentally contaminated and structurally unsuitable. In order to facilitate the project, the site will require over excavation, monitored removal and disposal of unsuitable soils, interim shoring of open excavation areas and the introduction of clean structural fill. These requirements are estimated to cost the project on the order of \$200,000 in added development expense (Exhibit D).

By donating the land, the City will effectively offset these environmental liabilities of the property.

2) Local Approvals

- ✓ 65 Munjoy Street has not been locally approved. Local approvals are not required by RFP #4115.

3) Land Use Analysis

- ✓ Per the following analysis, 65 Munjoy Street has been designed to conform with the anticipated new R6 standards. Aside from the proposed new square foot per dwelling unit standard, the project is largely in conformance with the existing R6 standards.

Standard	Current R6	Draft Amended R6	65 Munjoy Street
Allowable Use	Multi-Family Dwellings	Multi-Family Dwellings	Multi-Family Dwellings
Parking	Per Div. 20 (8 Spaces)	None for first three units 1 Space for each unit thereafter (5 Spaces)	6 covered spaces, 2 potential additional spaces (Up to 8 spaces)
Lot Size	4,500 s.f. min	2,000 s.f.	6,771 s.f.
Frontage	40 ft. min	20 Feet	+/- 80 Feet
S.F. per DU	1,000 first 3- 1,200 thereafter	725	846 s.f. per dwelling unit
Ft. Yard	10 ft. or Average of existing	5 or no more than average of adjacent	Built to sidewalk as adjacent structures
Side Yard(s)	10 ft. (up to 3 stories)	5 feet	5 feet
Back Yard	20 Ft.	10 Feet	In excess of 10'
Max Lot Coverage	50% of lot area for 20+ units	60%	+/- 50%
Lot Width	50 ft. min	20 Feet	80 Feet
Height	45 feet	45 feet	+/- 33 feet

4) Rezoning

- ✓ While the team is hopeful that the new R6 standards will be adopted by the City Council in time to allow the project to advance according to timeline, in the event that the new R6 standards are not adopted or are adopted but fail to provide the needed standards, the developers would then work with the City to seek an alternative path toward zoning compliance through rezoning.

5) Environmental Considerations

✓ The development team has considered the environmental conditions of the lot and understands the implications of these conditions as further described and explained in this proposal (Attachments C & D). The developer's plan for addressing said environmental conditions including environmental controls and monitoring are provided herein (Attachment C).

C. Financial Feasibility

1) Projections

✓ Per section 5 and Exhibit G of this proposal, the project has been underwritten to conform to best condominium development underwriting practices and provides for adequate loan to value ratios, and project contingency and carrying cost allowances.

2) Financial Participation by City

✓ The only proposed City funding source is a \$300,000 grant from the Housing Trust Fund (HTF). The developers anticipate that a grant agreement will be negotiated between the City and the developer. The developer will request that the HTF funds be "first in" at the land and construction loan closing so as to reduce and delay the need for interest bearing financing.

The developers also request the City subordinate its grant dollars to the construction lender's construction loan in the unlikely event of recapture.

D. Applicant Capacity

- 1) Key Project Leaders**
- 2) Architect, General Contractor, & Consultants**
- 3) Environmental Consultant**
- 4) Marketing**
- 5) Ownership**

✓ Please see Section 2- Development Team

E. Term of Affordability

✓ In conformance with the requirements of the RFP, 65 Munjoy Street will include deed restrictions providing for the continuance of affordability for no fewer than 90 years.

F. Design Compatibility

1) Connect to the Neighborhood

✓ As described in Section 3 – Project Description, the project design integrates and blends in with the surrounding neighborhood by use of traditional or complementary massing, forms, configuration, and materials.

2) Design Considerations

a. High Quality Design

- ✓ Excellence in urban, architectural and landscape design has been exemplified in the proposal and will continue to be enhanced through the design development process by the professional team chosen for this project.

b. Traditional Design

- ✓ The design is reflective of the surrounding traditional neighborhood and respects its existing pattern, streetscape, density, scale, massing, exterior materials and design elements. While there is much tradition on Munjoy Hill, there is also much diversity when it comes to residential architecture allowing for a variety of architectural richness. The design as proposed includes massing which is similar to the adjacent multifamily units bordering the site, and includes a variety of details taken from the neighboring architecture.

c. Green Design

- ✓ The project will be insulated well beyond code requirements and will feature construction detailing to minimize air infiltration. The mechanical systems will be electric mini-split heat pumps sized accordingly with the reduced envelope load. The site provided by the City allows the project to benefit from all the sustainable principals of urban infill: brownfield remediation, reduced car trips for daily living, use of existing city infrastructure, and preservation of remote greenfield sites.

d. Streetscape

- ✓ The project enhances the pedestrian experience by replacing a vacant parking lot with an active and engaging, pedestrian-scaled residential entry. The subject site is in closing walking distance of a primary MetroBus route.

e. Height

- ✓ At three stories and with a flat roof, the proposed project is consistent with average peak roof heights in the surrounding neighborhood. While zoning would allow for a 45 foot tall building on the site, allowing for a 4 story building, the team has held the project to three stories so as to minimize potential shadow impact on the nearby Marada Admas Park.

f. Permeability

- ✓ The site features substantial areas of permeable grounds. Views through to the public open space are maintained over the southern end of the site and the project's access drive.

g. Heterogeneity

- ✓ The project features a single structure which will contribute positively to the heterogeneous character of the Munjoy Hill neighborhood.

h. Accessibility

- ✓ Universal Design principals will be incorporated wherever feasible, to ensure that the design is physically accessible to the greatest range of users. Zero grade, wheel chair accessibility will be provided for the two (2) first floor units.

G. Timeframe

- ✓ Please see Section 7 – Project Timetable

Proposal Requirements

i. Project Summary

- ✓ Please see Section 1 – Executive Summary

ii. Required Documentation

1. Architectural Plans

- ✓ Please see Exhibit B - Site Plan, Floor Plans, & Perspective Renderings

2. Soil Management Plan

- ✓ Please see Exhibit C –Environmental Management Engagement Letter & Plan

3. Project Schedule

- ✓ Please see Section 7 – Project Timetable

4. Site Map

- ✓ Please see Section 3 – Project Description

5. Corporation/Partnership Articles and By-Laws

- ✓ Please see Exhibit I- Corporate Documents

6. Three-year's financials

- ✓ Please see Exhibit J – Corporate Financials (Sealed envelope, confidential, and not for public distribution)

7. CHDO Eligibility

- ✓ Not applicable

8. Team Summary / Narratives

- ✓ Please see Section 2 – Development Team

9. Source and Uses Statement

- ✓ Please see Exhibit G- Project Budget

10. Evidence of Financial Commitments

- ✓ Financial commitments cannot be made by regulated financial institutions without performing full due diligence and underwriting process. Such a process is not possible in advance of survey, title search, appraisal, evidence of site control, etc.

Nonetheless, the proposed project has been presented to Gorham Savings Bank where the developers have current and past banking and construction lending relationships. Gorham Savings has expressed strong interest in providing construction financing to the 65 Munjoy Street project.

11. Marketing Plan

- ✓ Please see section 5 – Affordability, Sales, and Marketing Plan

12. Analysis of Market Demand

- ✓ Please see Exhibit E – Bay Realty CMA (Comparative Market Assessment)

8. Terms of Purchase & Sale

65 Munjoy presents a unique opportunity to simultaneously achieve multiple community goals; re-knitting an interrupted neighborhood streetscape, cleaning up environmental and structurally unsuitable soils, providing new affordable housing opportunity, all while supporting Portland community businesses and bringing significant new residential property onto City tax rolls for generations to come.

The team's proposal for the development of 65 Munjoy Street is designed to be highly responsive to the goals and criteria in City's Request for Proposals and provides for these numerous public benefits that would not otherwise be achieved in an open market development; 90-year deeded income restrictions, environmental mitigation, design guidelines, etc. The developer's enthusiastically support these goals and will partner with the City in a transparent and collaborative manner to make 65 Munjoy Street a prideful achievement for our Portland community.

The feasibility of the project hinges on two primary ways in which the City will participate as a financial partner:

1. Donated Land

The proposal requests that the City of Portland donate the land to the project.

65 Munjoy Street provides affordability restrictions for all 8 residential units. However, the proposal that the City donate the land to the project is not driven by income restriction but rather by the site's known environmental liabilities.

The soils under the subject site are well documented to be both environmentally contaminated and structurally unsuitable. In order to facilitate the project, the site will require over excavation, monitored removal and disposal of unsuitable soils, interim shoring of open excavation areas and the introduction of clean structural fill. These requirements are estimated to cost the project added development expense on the order of \$200,000.

The developers' experience is that income restricted housing developments can typically afford to absorb between \$12-15,000 in site acquisition cost which, at 8 units, would result in an assumed hypothetical market land value for the 65 Munjoy Street lot in a range of \$96,000 to \$120,000.

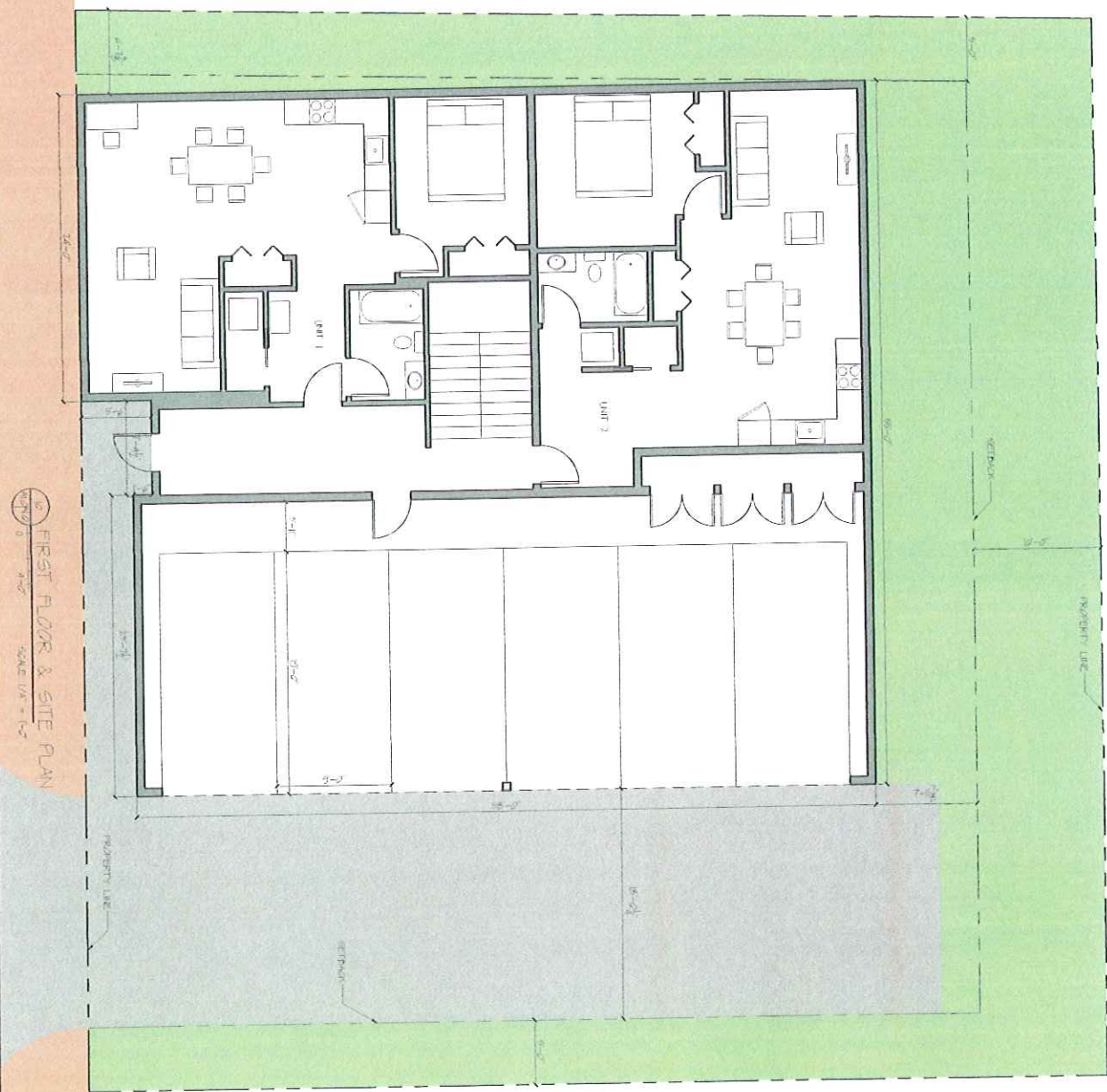
By donating the land, the City will effectively be providing a partial offset to the expense of addressing these environmental liabilities of the property.

2. \$300,000 Housing Trust Fund Grant

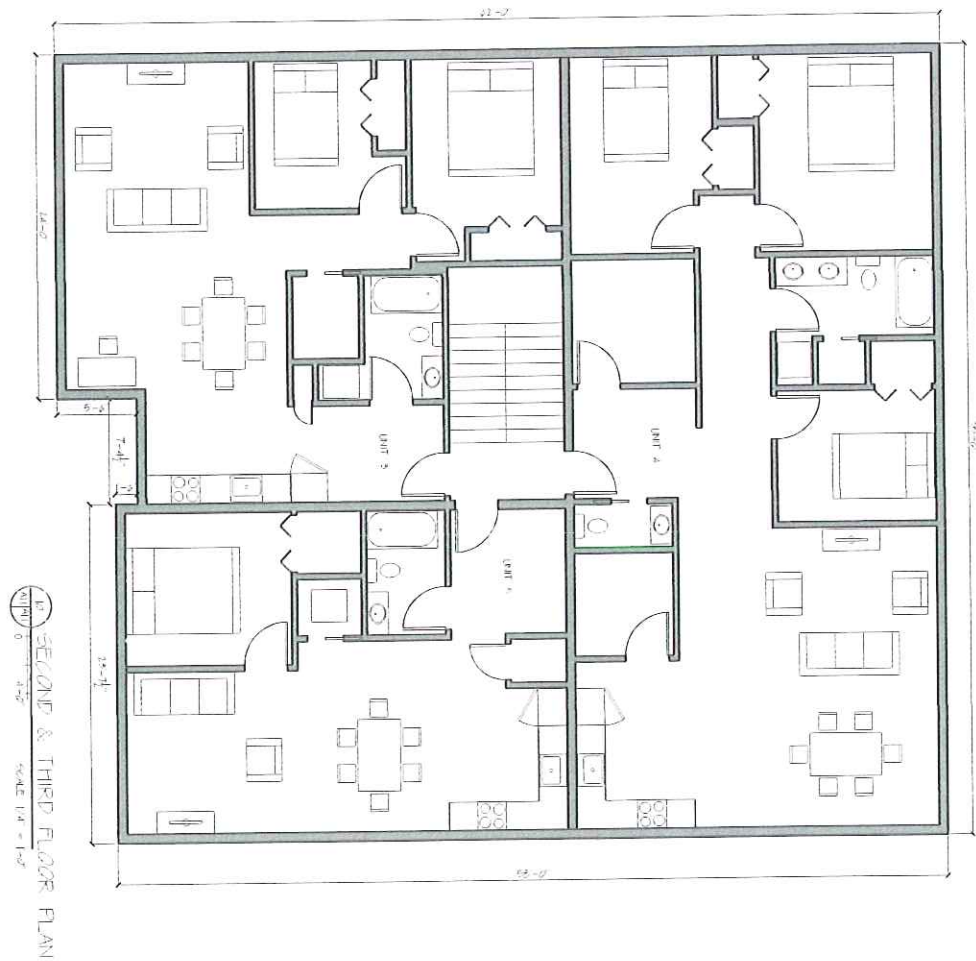
The proposal requests that the City of Portland provide a Housing Trust Fund Grant to the project in the amount of \$300,000.

The proposed redevelopment of the site will cost \$2.2 million. Net unit sales will fall approximately \$300,000 short of fully covering market development costs due to required affordability restrictions. The developer is therefore requesting this City gap filling grant consistent with subsidy levels customarily required by affordable housing projects of this nature and necessary at 65 Munjoy Street as evidenced in the project budget.

UNIT	TOTAL SQUARE FOOTAGE	# BEDROOMS	# BATHROOMS
1A	720	1	1
1B	720	1	1
2A	1024	2	1
2B	1024	2	1
3A	1024	2	1
3B	1024	2	1
4A	1024	2	1
4B	1024	2	1
5A	1024	2	1
5B	1024	2	1
TOTAL	7008	10	10



1.0 FIRST FLOOR & SITE PLAN
SCALE: 1/4" = 1'-0"



1.1

A

ISSUE DATE
1/7/15
SHEET SCALE
1/4" = 1'-0"

DRAWN BY
EAC
SHEET TITLE

CONCEPT
DOCUMENTS
2ND & 3RD FLOOR

REVISIONS
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3. -
4. -
5. -

PROJECT NO.
14036
PROJECT NAME
MUNJOY ST. FLATS
ANEW ORBIT

bild
architecture

Bild Architecture
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VIEW FROM UPPER MUNDY
SCALE: 1/8" = 1'-0"



⊕ VIEW FROM LOWER MUNJOY
SCALE 1/8" = 1'-0"

3.1

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ISSUE DATE
1/7/15
SHEET SCALE
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DRAWN BY
EAC
SHEET TITLE

PERSPECTIVES

CONCEPT
DOCUMENTS

REVISIONS

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PROJECT NO.
14036
PROJECT NAME
MUNJOY ST. FLATS
ANWU ORBIT

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VIEW FROM PLAYGROUND
SCALE: 1/8" = 1'-0"

65 Munjoy Street, Portland

February 5, 2015

SUMMARY					
Owning Entity / Seller:	Adam's Apple, LLC (TBF)	Project Type:	For Sale / Condo		
	50% Random Orbit, 50% Anew	Units:	8		
Developer	Adam's Apple, LLC (TBF)	Approximate Gross S.F.	9,852		
Construction Lender	Gorham Savings Bank	TCC / S.F.	155		
Property Manager:	TBD	TCC / Unit		222,394	
Sales Agent	Bay Realty	TDC / Unit		279,123	
Address:	65 Munjoy Street Portland, Maine				
DEVELOPMENT COST					
Uses Of Funds	Cost	%/PPU	Notes		
Construction	1,531,250		Wright Ryan Construction		
Site Work / Environmental	197,040				
CM Contingency	34,566	2.00%			
Utility Connections	5,000		By Owner		
Window Treatments	7,500		By Owner		
Materials Testing	3,800		SW Cole		
Subtotal Construction Cos	1,779,156				
Building Permits	22,969		By Owner		
Land Use Permits and Fees	8,000		Planning Apps and Fees		
Survey	3,500		Owen Haskell		
Architecture & Engineering	103,697	6.00%	Structural, LA, Site/Civil, Interiors		
Owner Legal	10,000				
Title & Recording	3,000				
Accounting	2,000				
Construction Period Tax	2,000				
Print and Web Marketing	3,000				
FF&E	1,500				
Subtotal Soft Costs	159,666				
		Rate	Max Balance	Period	
Finance Costs	69,000	4.00%	\$1,725,000.00	24	
CL Legal	0				
CL Fee	4,313	0.25%			
Bank Engineer	2,900		500 precon, 200 per month, 12 months		
Return on Private Equity	46,797	15.00%			
Subtotal Finance Costs	123,009				
Appraisal	3,500				
Builder's Risk/GL Insurance	8,500				
GeoTech	4,200				
Environmental (ESA & Overs	6,000				
Subtotal Miscellaneous	22,200				
Acquisition: Land and Building	1	PU			
Acquisition: Tax	0	0			
Acquisition: Legal	3,000				
Subtotal Acquisition	3,001				
Insurance	3,500				
HOA OpEx Coverage	5,500				
Post Construction Utilities	5,000				
Subtotal Carrying Costs	14,000				
Project Contingency	51,954	2.63%			
Development Services Fee	80,000	4.00%			
Subtotal Fee & Contingenc	131,954				
TDC	2,232,987				

SOURCES		Type
Owner Equity	207,987	9.31% Payable Debt
Construction Loan	1,725,000	77.25% Payable Debt
City of Portland Housing Tru	300,000	13.43% Grant to Project for Deeded Affordability
TOTAL SOURCES	2,232,987	
Surplus / (Gap)	0	
End Payable Debt	1,932,987	

SALES FORECAST								Assumptions:
UNIT	Bedrooms	Bathrooms	SF	Price	Brokerage	Net		RE Tax
1A	1	1	729	235,000	(11,750)	222,433		2.20
1B	1	1	725	235,000	(11,750)	222,433		per 1,000
2A	2	1	1,024	274,000	(13,700)	259,397		Brokerage
2B	3	1.5	1,363	298,000	(14,900)	282,144		5.00%
2C	1	1	688	225,000	(11,250)	212,955		
3A	2	1	1,024	274,000	(13,700)	259,397		Bank Unit Close
3B	3	1.5	1,363	298,000	(14,900)	282,144		Fee
3C	1	1	688	225,000	(11,250)	212,955		300
TOTALS				2,064,000	(103,200)	1,953,859		
Averages				258,000				
							Debt Repaymen	1,932,987
							Profit / (Loss)	20,873
								0.93%



Mary Davis

Division Director, Housing & Community Development Division

TO: Councilor Donoghue, Chair
Members of the Housing and Community Development Committee

FROM: Mary Davis, Division Director
Housing and Community Development Division

DATE: February 6, 2015

SUBJECT: Review and Recommendation to Issue Revised RFP for the Sale and Development of 65 Hanover Street/52 Alder Street

SUMMARY

At the January 28th meeting, the Committee reviewed the 65 Hanover Street & 52 Alder Street/DPW Site Affordable Workforce Housing Feasibility Study completed by Bluestone Planning Group along with a draft RFP. The RFP has been revised based on comments and direction received at the January 28th meeting.

Based on previous information provided to the Committee along with the information included in this packet, staff is requesting that the Committee make a determination on the issuance of an RFP for development of this site.

COMMITTEE GOAL/COUNCIL GOAL ADDRESSED

Promote Housing Availability – Provide increased availability in all segments of the housing market while ensuring that there is a suitable balance of housing opportunities among those sectors. Objective: Complete assessment of and, as appropriate, begin to offer city owned property to construct affordable housing.

FINANCIAL IMPACT

Building and land cost is not reflected in the financial feasibility analysis presented. This site has an approximate combined assessed value of \$796,930. Any additional funds would have to be made available through the FY 2014-2015 HUD HOME funds set aside for affordable housing or the Housing Trust Fund.

STAFF ANALYSIS

Based on Committee comment at the last meeting, the RFP has been revised to allow for both commercial and residential development. Additionally, the scoring matrix has been revised to give more weight to encourage the maximum number of allowable homeownership units targeted to households at 100% of area median income.

Portland, Maine



Yes. Life's good here.

Mary Davis

Division Director, Housing & Community Development Division

Housing and Community Development staff is seeking a recommendation from the Committee to proceed with the RFP process. Staff is also seeking Committee approval of the RFP with discretion to staff to make minor edits.

ATTACHMENTS

- Draft RFP for the Development of 65 Hanover Street/52 Alder Street January, 2015



**City of Portland
Request for Proposals
For the Sale and Reuse of Property
Located at 65 Hanover Street
and 52 Alder Street**

RFP #

Notice and Specifications

Sealed proposals for furnishing the City of Portland with the Development of Affordable Housing, as specified herein, will be received by the Purchasing Office, Room 103, City Hall, 389 Congress Street, Portland, Maine 04101, until Tuesday, XXXXXXXX, 2015 at 3:00 p.m. at which time they will be publicly opened. Proposals shall be submitted with the attached forms, and returned in sealed envelopes plainly marked on the outside **“SALE AND REUSE OF 65 HANOVER STREET AND 52 ALDER STREET.”** Proposals that are late, faxed or submitted electronically will not be accepted. All proposals shall be held open to acceptance for sixty days from opening.

Copies of the above documents will be available at the Purchasing Office, Room 103, City Hall, 389 Congress Street, Portland, ME 04101. Each prospective proposer will be required to obtain from the City each copy of the proposal form and each set of plans; e-mail jrl@portlandmaine.gov, phone (207) 874-8654, or fax (207) 874-8652. Six (6) complete copies of your proposal submission, including any descriptive literature, shall be submitted on the forms provided and in an envelope plainly marked on the outside with the RFP's title and number

All questions must be submitted in writing to the Purchasing Office. These may be mailed; hand delivered, faxed to (207) 874-8652 or e-mailed to mff@portlandmaine.gov and be received no later than five (5) business days prior to the opening date. Questions received after this time will not be addressed. Any interpretation, correction, or change of this document will be made only by written addenda. Changes in any other manner will not be binding on the City of Portland.

The disposal of this real estate shall be on the basis of a negotiated proposal, with the City of Portland reserving the right to refuse any or all proposals. *All proposers are advised that the property will be sold “as-is” and “where-is”, in its existing condition, with no warranties either expressed or implied.* The City disclaims any and all responsibility for injury to proposers, their agents or others while examining the property or at any other time.

Proposals from vendors not registered with the Purchasing Office may be rejected; receipt of this document directly from the City of Portland indicates registration. Should a vendor receive this Request from a source other than the City of Portland, please contact (207) 874-8654 to ensure that your firm is listed as a vendor for this RFP.

GENERAL INFORMATION

The City of Portland, Maine seeks proposals from qualified developers for the purchase and re-development of the property located at 65 Hanover Street and 54 Alder Street (hereafter, “the lot”). The site is designated on the City of Portland Tax Assessor’s Map as Map 33, Block C, Lot 3 and Map 33, Block C, Lot 15.

Summary of Request

The City of Portland is committed to providing a balance of development opportunities and has set a goal to evaluate the use of city-owned property for residential and commercial purposes. As one step in accomplishing this goal, the City of Portland will accept proposals for the re-development of the property located at 65 Hanover Street and 52 Alder Street, Portland, Maine (Map 33, Block C, Lot 3 and Map 33, Block C, Lot 15).

An environmental assessment was conducted on the 5-acre parcel that houses the Public Services Department in June 2003 by Tewhey Associates and is attached to the RFP as Exhibit 2.

To facilitate the development of this site, the City of Portland may make funding available from the City resources noted below. However, strong preference will be given where the value of the property is the only source of subsidy provided by the City of Portland.

1. FY 2014-2015 HUD Home Investment Partnership Program (HOME) Funds (which may include a mandatory set-aside for CHDO organizations or organizations eligible for CHDO certification). The HUD definition of a CHDO organization is attached as Exhibit #1 entitled Definition of a Community Housing Development Organization (CHDO).
2. FY 2014 City Housing Trust Funds

The City of Portland’s Division of Housing and Community Development uses the RFP process to ensure that public resources are utilized for maximum public benefit while accomplishing specific objectives and providing fair access to all applicants.

General Guidelines

Redevelopment proposals shall provide development which is consistent with the zoning requirements of the B2-b zone. However, this RFP will give preference to proposals that create residential units affordable to households earning up to 100% of the area median income.

Proposals which include the use of HOME funds must meet the income and/or rent restrictions of the HOME program. Rental developments shall provide units to households earning no more than 60% of the area median income and ownership developments shall provide units to households earning no more than 80% of area median income.

Proposals which include the use of City Housing Trust Funds must meet the income and rent restrictions outlined in City Ordinance Chapter 14, Division 30, Section 14-485 which requires that rental developments shall be affordable to households earning no more than 80% of the area median income and ownership developments shall be affordable to households earning no more than 120% of the area median income.

The minimum term of affordability is **90** years, to be secured by a land use restriction covenant in the deed.

Redevelopment should incorporate costs and measures to properly manage contaminated soil in compliance with state and federal regulations. In general, any soil disturbance should be conducted in accordance with the requirements of the Maine DEP.

The proposed use of funds, leveraging of other public and private resources, terms of affordability, design compatibility, readiness, financial feasibility, development experience, management capacity, and unit mix are among the scoring factors to be used in the review process.

This RFP outlines the selection criteria which all projects applying for these funds must meet, as well as scoring factors which will be used by the City of Portland to evaluate the proposals.

I. Background

The site at 65 Hanover Street contains approximately 20,273 square feet and the site at 52 Alder Street contains approximately 9,500 square feet. The Hanover Street property is currently used by the City's Traffic Division. The Alder Street property is currently used by the City's Trades Division. Both sites are located on the south side of Lancaster Street and share a common wall, essentially creating one building with a common parking area. The site is zoned B-2b.

II. Goals for This RFP

The goal for the sale and development of the property at 65 Hanover Street and 52 Alder Street is to promote the development with a high standard of quality, design, and livability. Proposals should not require a contract or conditional zone (although other rezoning consistent with the City's Comprehensive Plan may be considered). Designs should reflect and be consistent with the concepts outlined in *A New Vision for Bayside* as well as the design standards in the Land Use Ordinance Zone B2-b. They should also incorporate high standards of energy efficiency and "green" design criteria. *A New Vision for Bayside* is part of the City's Comprehensive Plan and can be found on the City's website (<http://www.portlandmaine.gov/562/Comprehensive-Plan>)

Proposals should consider the recommendations outlined in the Affordable Housing Feasibility Study completed by Bluestone Planning Group a copy of which is included as Exhibit #2. However, the recommendations outlined in this study are intended to be descriptive and not prescriptive.

SCOPE OF SERVICES

General Specifications

All proposals submitted for this funding must meet the following selection criteria to be considered further in the review process.

A. Eligible Projects

- 1) Projects must be consistent with the requirements of the B2-b Zone. Preference will be given to projects that create residential units affordable to households earning up to 100% of the area median income (AMI). The following income information is provided as a reference:

	Family of Two	Family of Four
100% AMI	\$61,875	\$74,250

- 2) Projects requesting HOME funds must provide units affordable to households that meet the income requirements of the HOME Program .
- 3) Projects receiving funding through this RFP must include a written occupancy policy that prohibits smoking in the units and the interior common areas of the project in addition to including a non-smoking clause in the lease for unit and making educational materials on tobacco treatment programs available to residents through the residentservice coordinator, occupancy specialist, or property manager, such as the phone number for the statewide Maine Tobacco HelpLine.
- 4) Projects that will properly manage contaminated soil in accordance with state and federal regulations.

B. Site Information and Criteria

- 1) Purchase Price: The City of Portland is willing to consider the value of the property as a subsidy source for projects that maximize the number of units allowable under the B2-b zoning requirements, with a preference for 2 and 3 bedroom units. As noted below in the

section entitled Selection Process, I. Point System for Evaluation and Scoring Proposals, maximum points will be awarded to proposals that maximize the number units allowed under the current B-2b Zoning Ordinance that are affordable to households earning up to 100% of the area median income. The use of additional City subsidy will be considered, however, strong preference will be given to proposals where the value of the property is the only source of subsidy by the City of Portland.

- 2) Local Approvals: Local land use approval is not required prior to submittal of the proposal.
- 3) The applicant must submit an analysis of the project in relation to local land use regulations and site feasibility.
- 4) Proposals must not require a contract or conditional zone (although other rezoning consistent with the City's Comprehensive Plan may be considered).
- 5) Proposal must include language indicating the applicant has considered the environmental conditions of the lot and understands the implications of these conditions. The proposal may include a plan summary for addressing said environmental conditions and any planning institutional controls to be applied to the property.

C. Financial Feasibility

- 1) Financial Projections: Financial proposals must be developed in accordance with the underwriting guidelines of the primary funding source, including adequate cash flow and debt coverage ratio.
- 2) Use of City funding resources: All projects will be reviewed for the proposed use of City funds compared to other resources. Applicants must describe the proposed mortgage and security position for the City of Portland's funding.

D. Applicant Capacity

All applicants must demonstrate capacity to develop, own and manage the proposed project. All proposals must provide evidence of a development team with the capacity to successfully complete the project including;

1. Key staff members assigned to the project with the abilities and experience to successfully complete the project within the proposed timeframe.
2. An architect, general contractor and professionals on the team with the experience and capacity to complete the project.
3. An environmental consultant to ensure proper management and handling of contaminated soils as well as establish an environmental management plan after development.
4. A management team with qualified personnel and the capacity and experience to operate, manage and maintain property of size and mix of the proposed project and/or effectively market the property for sale or lease, as applicable.
5. Qualified staff with the capacity to perform ongoing property ownership requirements

such as budgeting, tax accounting and oversight of management and maintenance, as applicable.

6. A portfolio of current projects that are financially sound and meeting their established goals. Projects that successfully redeveloped contaminated properties should be highlighted.

E. Term of Affordability

The minimum term of affordability is **90** years, to be secured by a land use restriction covenant in the deed. Proposals which include the use of HOME funds for home ownership projects must have a plan that meets HOME Program recapture or resale regulations.

F. Design Compatibility

Projects must be designed to contribute to the character of the neighborhood and adhere to the following guidelines.

- 1) **Connect the Neighborhood** The development should not be an island unto itself, but rather blend into and enhance the surrounding Bayside Neighborhood community. The development must be compatible with *A New Vision for Bayside*.
- 2) **Design Considerations**
 - a. **High Quality Design** Excellence in architectural and landscape design is expected.
 - b. **Traditional Design** Design shall be reflective of the surrounding traditional neighborhood and shall create an infill development that reflects and respects the existing pattern, streetscape, density, scale, massing, exterior materials and design elements of the neighborhood. Buildings should orient to the street.
 - c. **Green Design** The site and buildings shall be designed to meet the City's Green Building Code.
 - d. **Streetscape** The development shall enhance the pedestrian experience and the public realm. Alternative transportation modes shall be accommodated and incorporated in the project.
 - e. **Height** Heights shall be consistent with the Land Use Ordinance requirements for the B-2 zoning district.
 - f. **Permeability** Design shall be permeable or porous. View corridors are encouraged.
 - g. **Heterogeneity** Design of the buildings on the site shall be heterogeneous, not homogenous.
 - h. **Accessibility** Universal Design principles shall be incorporated wherever feasible, to ensure that the design is physically accessible to the greatest range of users.

G. Timeframe

The applicant must describe projected dates by which commitments will be obtained; the closing will take place, construction start-up, substantial completion, final completion and occupancy. Timeframes must be realistic and achievable. All funded projects must be able to start construction within 12 months of notice of award.

PROPOSAL REQUIREMENTS

Complete responses to this RFP, should include six (6) complete copies of each proposal including one original bearing the hand written signature of an officer or employee having authority to bind the organization and the following, in the order outlined below.

Note: All respondents should investigate legal and zoning requirements for proposed projects prior to submission of proposal.

i. Project Summary

A brief description of the project, no longer than two pages, to include the number and type of units, tenants or owners to be served, special features, the impact on the neighborhood and other ways the proposal meets the selection criteria and preference guidelines.

Photographs and maps of the site and area are required.

ii. All Proposals Must Provide The Following:

- 1) Conceptual architectural and site plans
- 2) A soil management plan or provision to prepare one including who shall prepare the document and their qualifications upon award
- 3) A project schedule showing critical path events and their timeframe for completion;
- 4) Map showing location of site
- 5) Corporation/partnership articles and by-laws
- 6) Most recent audit or federal tax returns for the last three years, and financial statements for the last two years
- 7) Documentation demonstrating certification or eligibility to obtain certification as a CHDO (if seeking HOME CHDO funds)
- 8) A brief development team summary, including:
 - The type of organization/ownership structure
 - The names of Board of Directors, Corporate Officers, or Owners, as appropriate
 - Name, title and relevant experience of individuals involved in managing the business entity and this proposed project. A copy of the 501(3)(c) exemption certification
 - Brief description of similar projects completed
 - A list of all projects currently in development with status and projected timeframe
- 9) A sources and uses funding statement
- 10) Evidence of financial commitments, or explanation of the ability and timing to secure those commitments. A statement describing the applicant's capacity for and experience in raising the type of capital needed to finance projects of this size and type.

- 11) Applicant must include a marketing plan for the sale of home ownership units.
- 12) An analysis and discussion of market demand justifying the need for the proposed project.

SELECTION PROCESS

Selection criteria will be used in reviewing and scoring the proposals.

I. Point System for Evaluating and Scoring Proposals (Maximum Points 100)

1. Proposed use of resources to achieve the City of Portland's goals and address demonstrated need. **35 points**

Maximum points will be awarded for those proposals that maximize the number of units allowable under the B-2b Zoning Ordinance, demonstrate sufficient market demand, create housing options which promote economic diversity in the neighborhood in which the development is located.

Points shall be allocated as follows:

1. 0.34 points will be awarded for each homeownership unit created, up to a maximum of 15 points.
 2. 0.34 points will be awarded for each homeownership unit available to households earning up to 100% of the area median income, up to a maximum of 15 points.
 3. Up to five points shall be given for a project that maximizes the number of units allowable under the B-2b zone and other zoning requirements.
2. Financial feasibility, including cost, development budget, operating pro forma and the provision of secured and leverage funds. **20 points**

Maximum points will be awarded for those proposals that include a complete set of financial documents to support the financing request, contain a realistic set of sources and uses development budgets, and a minimum of City subsidy. Maximum points are only available for a project that only uses the donation of the land as a City subsidy.

3. Applicant's ability to complete project, including development team, experience, capacity, project readiness and timeframe for completion. **20 points**

Maximum points will be awarded for those proposals that demonstrate a development team with a successful track record in projects of similar size, scale, type and complexity to the proposed project and capacity to fulfill their responsibilities and the readiness of the project to proceed.

4. Impact on surrounding neighborhood, including design compatibility and environmental issues. **25 points**

Maximum points will be awarded for those proposals where the design is consistent with neighborhood design characteristics and *A New Vision for Bayside*, amenities and unit design are well thought out and appropriate, meet the requirements of the City of Portland's Green Building Code, and where provisions to protect the surrounding community during

contaminated soil disturbance are proposed. Design should reflect and be consistent with the concepts outlined in *A New Vision for Bayside* as well as the design standards in the Land Use Ordinance Zone B2-b.

II. RFP Evaluation and Selection Process and Timeframe

Proposals will be reviewed by an evaluation team that will include City of Portland staff. The following process will be used:

- 1) Upon closing of the RFP application period, all proposals will be reviewed for completeness.
 - 2) Complete proposals will be reviewed under the scoring factors in order to recommend the most qualified proposals based on the information submitted. The proposal review team may confer with the applicants and/or third parties to clarify or verify information and request additional information.
 - 3) Recommendations, along with all proposals and scoring information, will be forwarded to the City Council's Housing and Community Development Committee for review and approval. Their recommendations will be forwarded to the City Council for final review and approval. Public presentations may be required.
 - 4) Applicants will be kept informed throughout the review process, specifically in regard to recommendations and funding levels.
 - 5) The evaluation and review process should be substantially complete by XXXXXX, 2015. Applicants will be notified of their proposal status as soon as possible.
 - 6) Based on City Council approval, a purchase and sale agreement will be negotiated (see legal requirements) and as appropriate, successful applicants will receive a letter of funds reservation. A letter of funds reservation is not a commitment letter but an agreement to set aside budgeted funds for up to six months, to allow the project sponsor to proceed with securing other commitments.

INSTRUCTIONS AND OTHER INFORMATION

- A. The City of Portland reserves the right, at its sole discretion, to award all, a portion, or none of the available funding from this RFP, as well as reject any and all proposals for city funding, based on the quality and merits of the proposals received, or when it is determined to be in the public interest to do so. Furthermore, the City of Portland may extend deadlines and timeframes, as needed.
- B. Confidentiality: Proposals received by the City of Portland shall become a matter of public record subject to public inspection, except to the extent, which an applicant designates in writing, proprietary data to be confidential and submits that data under separate cover, such information may be held from public inspection, as provided in Maine law: 5 MRSA Sections 13119-A and 13119-B
- C. Compliance with Federal Law: The selected applicant will be required to certify that the development and management of any proposed housing will be in compliance with all applicable laws, executive orders, OMB Circulars and federal regulations, including but not limited to: Fair Housing Act, Equal Opportunity and Non-discrimination, National Environmental Policy Act (NEPA), the Uniform Relocation Assistance and Real Property Acquisition Policies Act, the

Davis-Bacon Act, the Lead Based Paint Poisoning Prevention Act, Flood Disaster Protection Act, Conflict of Interest, Contractor Debarment and Cost Principles.

- D. All applications seeking HOME Program funding must meet the rules and regulations of the HOME Program as noted in 24 CFR Part 92, as amended, and the requirements of the Consolidated and Further Continuing Appropriations Act of 2012 and 2013.**

LEGAL REQUIREMENTS

The selected developer will be required to provide a performance guaranty in the form of a letter of credit or a performance bond, the performance of the developer's obligations outlined in this Request for Proposal and subsequent contract to be negotiated with the City. This performance guaranty is separate from any performance guaranty that will be required as a result of the City's site plan review process.

The City shall convey the described real estate by quitclaim deed to the developer, or where the City has obtained a warranty deed for the real estate, it shall provide a warranty deed for the same to the developer. Any deed from the City will contain a restriction in the deed that the property must meet the permanent affordability requirements as described in this Request for Proposals.

In the event the City makes a financial contribution to a developer and to secure the developer's obligations, the City shall have a security interest in the form of a mortgage in the real estate to be developed. The terms of the mortgage shall be negotiated with the developer at the time of the commitment of funds.

EQUAL EMPLOYMENT OPPORTUNITIES

Vendor shall comply fully with the Nondiscrimination and Equal Opportunity Provisions of the Workforce Investment Act of 1998, as amended (WIA, 29 CFR part 37); the Nontraditional Employment for Women Act of 1991; title VI of the Civil Rights Act of 1964, as amended; section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975, as amended; title IX of the Education Amendments of 1972, as amended; and with all applicable requirements imposed by or pursuant to regulations implementing those laws, including but not limited to 29 CFR part 37.

Reservation of Rights

The City of Portland reserve the right, at its sole discretion, to award all, a portion, or none of the available funding from this RFP, as well as reject any and all proposals based on the quality and merits of the proposals received, or when it is determined to be in the public interest to do so. Furthermore, the City of Portland may extend deadlines and timeframes, as needed.

The City of Portland reserves the right to substantiate any proposers' qualifications, capability to perform, availability, past performance records and to verify that the bidder is current in its financial obligations to the City of Portland.

All materials and equipment used as well as all methods of installation shall comply at a minimum with any and all Federal, OSHA, State and/or local codes, including applicable municipal ordinances and regulations. Additionally, all contaminated soil should be managed in accordance with state and federal regulations.

The successful bidder shall agree to defend, indemnify and save the City of Portland harmless from all losses, costs or damages caused by its acts or those of its agents, and, before signing the contract, will produce evidence satisfactory to the City of Portland's Corporation Counsel of coverage for General Public and Automobile Liability insurance in amounts not less than \$400,000 per person, for bodily injury, death and property damage, protecting the contractor and the City of Portland, and naming the City of Portland as an additional insured from such claims, and shall also procure Workers' Compensation insurance.

Pursuant to City of Portland procurement policy and ordinance, the City of Portland is unable to contract with businesses or individuals who are delinquent in their financial obligations to the City of Portland. These obligations may include but are not limited to real estate and personal property taxes and sewer user fees. Bidders who are delinquent in their financial obligations to the City of Portland must do one of the following: bring the obligation current, negotiate a payment plan with the City of Portland's Treasury office, or agree to an offset which shall be established by the contract which shall be issued to the successful bidder.

The City of Portland, Maine, reserves the right to waive any informality in proposals, to accept any proposal or portion thereof, and, to reject any and all proposals, should it be in the best in the best interest of the City of Portland to do so.

It is the custom of the City of Portland, Maine to pay its bills 30 days following equipment delivery and acceptance, and following the receipt of correct invoices for all items covered by the purchase order. In submitting bids under these specifications, bidders should take into account all discounts; both trade and time allowed in accordance with this payment policy and quote a net price. The City of Portland is exempt from the State's sales and use tax as well as all Federal excise taxes.

XXXXXX, 2015

Matthew F. Fitzgerald
Purchasing Manager

Appendices

Exhibit #1. HUD definition of a Community Housing Development Organization (CHDO)

Exhibit # 2. Affordable Housing Feasibility Study completed by Bluestone Planning Group

PROPOSAL***THIS PAGE MUST BE INCLUDED***

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

The UNDERSIGNED hereby declares that they have read and understand all conditions as outlined in the invitation for bids, and that their 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 that may be derived there from, 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 of Portland employee who would be paid to perform services under this proposal. An example of indirect interest would be a City of Portland 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 _____
If Applicable

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

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

PRINT NAME & TITLE: _____

ADDRESS: _____

TELEPHONE: _____ FAX: _____

E-MAIL: _____ FEDERAL TAX ID NUMBER: _____

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 proposal package.

EXHIBIT #1 – DEFINITION OF A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION

1. Is a private nonprofit organization under State or local laws;
2. Has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;
3. Is neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization. A community housing development organization may be sponsored or created by a for-profit entity, but:
 - i. The for-profit entity may not be an entity whose primary purpose is the development or management of housing, such as a builder, developer, or real estate management firm.
 - ii. The for-profit entity may not have the right to appoint more than one-third of the membership of the organization's governing body. Board members appointed by the for profit entity may not appoint the remaining two-thirds of the board members; and
 - iii. The community housing development organization must be free to contract for goods and services from vendors of its own choosing;
4. Has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986;
5. Does not include a public body (including the participating jurisdiction). An organization that is State or locally chartered may qualify as a community housing development organization; however, the State or local government may not have the right to appoint more than one-third of the membership of the organization's governing body and no more than one-third of the board members may be public officials or employees of the participating jurisdiction or State recipient. Board members appointed by the State or local government may not appoint the remaining two thirds of the board members;
6. Has standards of financial accountability that conform to 24 CFR 84.21, "Standards for Financial Management Systems;"
7. Has among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons, as evidenced in its charter, articles of incorporation, resolutions or bylaws;
8. Maintains accountability to low-income community residents by:
 - i. Maintaining at least one-third of its governing board's membership for residents of low- income neighborhoods, other low-income community residents, or elected representative of low-income neighborhood organizations. For urban areas, "community" may be a neighborhood or neighborhoods, city, county or metropolitan area; for rural areas, it may be a neighborhood or neighborhoods, town, village, county, or multi-county area (but not the entire State); and
 - ii. Providing a formal process for low-income program beneficiaries to advise the organization in its decisions regarding the design, siting, development, and management of affordable housing;
9. Has a demonstrated capacity for carrying out activities assisted with HOME funds. An organization may satisfy this requirement by hiring experienced key staff members who have successfully completed similar projects, or a consultant with the same type of experience and a plan to train appropriate key staff members of the organization; and
10. Has a history of serving the community within which housing to be assisted with HOME funds is to be located. In general, an organization must be able to show one year of serving the community before HOME funds are reserved for the organization. However, a newly created organization formed by local churches, service organizations or neighborhood organizations may meet this requirement by demonstrating that its parent organization has at least a year of serving the community.

DRAFT 2015 HOUSING & COMMUNITY DEVELOPMENT COMMITTEE MEETING CALENDAR

Meetings: 2nd & 4th Wednesday of each month

As of February 6, 2015

<u>January</u>	<u>January 14</u> Review and Approval of Revisions to Guidelines for Lead Safe Housing Program Housing Study Report Update, Review and Approval of Proposed Rosa True School Housing Transaction Communication: Spring Street Garage/Bid for Broker for leasing Retail/Office Space; Portland Technology Park/RFP for Brokers Executive Session: Possible Disposition of City Owned Property at 157 Brackett and 176 Clark Streets
	<u>January 28</u> Review and vote to recommend to City Council on award of bid and purchase and sale agreement for Cliff Island tax-acquire parcel. Review of 65 Hanover/52 Alder Street Feasibility Report and possible recommendation on RFP/Deed Options Housing Study Policy Response- Direction from HCDC Review, Discussion and Possible Approval of RFP for 157 Brackett Postponed to a later date.
<u>February</u>	<u>February 11</u> Responses to Munjoy Street RFP Review and recommendation to City Council award of bid and Purchase and Sale Agreement for 71 Hanover Street Review of Revised RFP for 65 Hanover/52 Alder Street and possible recommendation to issue Executive session: Guidance to staff on Ready Seafood Lease amendment review at Portland Ocean Terminal
	<u>February 25</u> HCDC Housing Production and Affordability Forum.
<u>March</u>	Update on City-owned lot at 98 High Street. Area-wide Affordable Housing TIF District discussion. Executive Session: Ocean Cluster House Tenant Lease at POT to provide guidance to staff. Ready Seafood Company Lease Amendment vote and recommendation to City Council. Shucks Maine Lobster Lease Amendment for executive session. Update of Tax Acquired Properties for Development Opportunities/Coordinate with Trust for Public Land Review, Discussion and Possible Approval of RFP for 157 Brackett
	<u>March 11</u> CDBG Allocation Committee Funding Recommendations. Review and Approval of FY15-16 Affordable Housing Application Process. Housing Program Budget Recommendation to City Council. Housing Trust Fund Annual Plan Recommendation to City Council.
	<u>March 25</u>

<u>April</u>	Short Term Rentals - Air bnb. India Street lot. Police Parking lot. Waterfront TIF District geography amendment discussions, including consideration of Portland Company as TOD TIF Discussion. Riverwalk TIF District Reduction Amendment – Discussion and director to staff.
	<u>April 8</u> Action Plan.
	<u>April 22</u> Review of HUD 5-Year (2015-2020) Consolidated Plan and FY 15-16 HUD Annual
<u>May</u>	Wilmot Street Matter Resolution. Review and Comment/Recommendation to City Council if necessary: Improvement to CDBG process.
	<u>May 13</u>
	<u>May 27</u>
<u>June</u>	Begin discussion related to Riverside Street area wide needed public infrastructure status and improvements.
	<u>June 10</u>
	<u>June 24</u>
<u>July</u>	
	<u>July 8</u>
	<u>July 22</u>
<u>August</u>	
	<u>August 12</u>
	<u>August 26</u>
<u>September</u>	
	<u>September 9</u>
	<u>September 23</u>
<u>October</u>	
	<u>October 14</u>
	<u>October 28</u>
<u>November</u>	Note: November 11 is Veteran's Day and November 25 is the day before Thanksgiving Portland Economic Development Plan Implementation - Update
	<u>November 11?</u>
	<u>November 25?</u>
<u>December</u>	FYE 2015 Annual City-Wide TIF District Activity Report 2015 Calendar Year HCDC Accomplishments Report Proposed 2016 HCDC Work Plan
	<u>December 9</u>
	<u>December 23</u>