



ECONOMIC DEVELOPMENT COMMITTEE

DATE: Tuesday, February 19, 2019

TIME: 5:30 PM

LOCATION: Room 209

NOTE: No public comment will be taken on non-action items.

- 1. Review and accept Minutes of previous meeting held on February 5, 2019.**
 - a. See 2/5/2019 Minutes Attached
- 2. Public Hearing and vote to recommend to City Council Proposed Amendment to Purchase and Sale Agreement to sell a vacant, land-locked City-owned property adjacent to the Maine Turnpike.**
 - a. See enclosed memo and backup material from Greg Mitchell. NOTE: Pursuant to 1 M.R.S.A. 405(6)(C), the Committee may go into executive session to discuss negotiations for the sale of this real estate.
- 3. Executive Session: Pursuant to 1 M.R.S.A. 405(6)(C), the Committee will go into executive session to discuss real estate negotiations and provide guidance to staff for the following:**
 - a. Review and discuss offers received for sale of City property at 654 Riverside Street; and
 - b. Review and discuss possible sale of City-owned property located on the peninsula.

Next Meeting Date: March 5, 2019

Minutes
Economic Development Committee
February 5, 2019

NOTE: These meetings are now live-streamed, which can be viewed at this link: <http://www.portlandmaine.gov/1695/Economic-Development-Committee> These Minutes provide a record of those in attendance, general discussion taking place, and motions made.

A meeting of the Economic Development Committee (EDC) of the Portland City Council was held on Tuesday, February 5, 2019, at 5:30 p.m. in Room 209 on the second floor of Portland City Hall. Present from the Committee was its Chair Councilor Justin Costa and members Councilors Pious Ali, Nicholas Mavodones, and Spencer Thibodeau. Present from the City staff were Public Buildings/Port Director Kathy Alves, City Manager Jon Jennings, Economic Development Director Greg Mitchell, Waterfront Coordinator Bill Needelman, Senior Executive Assistant Lori Paulette, and Office of Economic Opportunity Director Julia Trujillo.

Item #1: Review and accept Minutes of previous meeting held on January 15, 2019.

On motion made by Councilor Ali, seconded by Councilor Thibodeau, the Committee voted unanimously to accept the Minutes as presented.

Item #2: Review of Proposed Amendments to Waterfront Central Zone (WCZ) for EDC Information – Jon Jennings

Mr. Jennings first thanked Mr. Needelman for all his efforts to date in working with the Working Waterfront Group (WWG), with the first order of business being amendments to the WCZ, including decreasing frontage along a portion of Commercial Street in the Non-Marine

Use Overlay Zone from 500-feet to 150-feet, excepting Long Wharf at 300-feet; this discussion will continue with the WWG, as well as other proposed amendments to prohibit hotels in the WCZ.

Mr. Needelman added that parking issues will be discussed at a future WWG meeting.

Mr. Jennings said that the next meeting of the WWG this Thursday will further discuss proposed amendments offered by staff, which would then be brought through the process including a review here, Planning Board, and City Council. In addition, Mr. Mitchell will highlight the Waterfront TIF and its components for investment in the waterfront. Mr. Jennings said that Waterfront TIF revenues will be discussed during the budget process, and he anticipates that an advisory committee to the City Manager, made up of members of the working waterfront – pier owners and fishermen, would be created to advise him on potential Waterfront TIF revenue investment on a yearly basis.

Regarding parking issues, Councilor Thibodeau suggested that the Sustainability and Transportation Committee take these up for a recommendation to the City Council.

Councilor Mavodones noted in the past additional parking at the Fish Pier was offered and was not entirely successful. Parking recommendations should be made on the best data available. Councilor Mavodones also noted that the groundfishing industry was not represented on the WWG and their perspective would be good to have.

Mr. Jennings said that the City is doing a better job on the parking inventory, and Councilor Thibodeau suggested parking for private piers perhaps could be incentivized by a Credit Enhancement Agreement.

Mr. Jennings added that both the City and WWG want a good future for the working waterfront for generations to come for both pier owners and fishermen.

Chair Costa asked if this Committee would see recommended zoning changes in one package, and Mr. Jennings suggested that there could be zoning amendments in one package; parking recommendations at another time; and TIF recommendations at yet another meeting.

Mr. Needelman suggested that the EDC would review the issues and approaches for the proposed zoning amendments before going to the Planning Board.

Seeing no further comments/questions, Chair Costa thanked staff for the update.

Item #3: Review, Discussion, and Direction on City staff recommended City Workforce Development Investment Options using Tax Increment Financing (TIF) District Revenue – Greg Mitchell and Julia Trujillo.

Chair Costa said that workforce development has been a topic here at this Committee for quite some time. As staff goes through the budget process and has estimates of TIF revenue for FY20, this Committee will then review this in further detail once the TIF estimates are refined.

Mr. Mitchell agreed, noting that this has been a multi-year discussion with the first results being the creation of the Office of Economic Opportunity (OEO), first housed in the Executive Department and now housed in the Economic Development Department. When OEO was first created/conceived, the model had a Director and two Program Managers, and the latter two positions did not get filled. At this time, Mr. Mitchell said that staff is proposing that OEO has an additional full-time position to support implementation of the Strategic Plan for Inclusion. Funding needs for the position is approximately \$87,500 for salary, fringe benefits, and expense items. The position will provide further outreach and connections to employers, and other new programmatic strategies in the Strategic Plan for Inclusion.

The second component City staff is recommending is a workforce training program, where the Council would authorize appropriations and City staff would solicit proposals from area organizations to fill gaps in workforce training programs.

Councilor Mavodones questioned requesting hiring 1 and not 2 for the OEO office as was originally planned. Mr. Jennings said that staff is recommending one additional full-time position based on capacity. He noted that Ms. Trujillo has done a great job to date and now needs some assistance. Once the position is hired, OEO would take on more responsibility and, once capacity is reached again, then that may be the time for another position. During the budget process, all departments want new positions but there are financial constraints. As the OEO office grows, Mr. Jennings hoped that it could be grant funded, as this was the original intent for the two program managers.

Councilor Ali asked about partnerships, and Ms. Trujillo said that partnerships are growing and are included in OEO's website at www.portlandofportunity.com. Partners will take on responsibility for a majority of the initiatives in the Strategic Plan, which includes a new accountability framework and timetables.

Mr. Jennings added that it was never anticipated that the City would own everything, rather it was to be the convenor and depending on and coordinating with partners doing great work.

In response to Councilor Ali, Ms. Trujillo said that, for instance, the website has an area providing direction/contacts to partners for various questions people may ask such as "How do I advance my career or get help finding a job in Portland?", "How do I learn English in Portland?" and the like.

Councilor Ali asked if Ms. Trujillo has these partners at the table, and Ms. Trujillo said that she has an advisory board of these partners that she meets with regularly. Ms. Trujillo added that when she first started she worked to find employers for jobs seekers in the immigrant community, with Mr. Jennings adding that she was successful.

Chair Costa asked about timing, and Mr. Jennings said that the financial recommendation would be done through the budget process. Workforce development is a priority and if the Council approves the workforce training program, staff anticipates that it would be run similar to the CDBG program.

Chair Costa noted that there is a process to prioritize and budget use of TIF Revenue over the three area wide TIF Districts. He then recognized Anita St. Onge and Elizabeth Love from Portland Adult Education for their input.

Anita St. Onge thanked the Chair, noting the PAE has been part of this conversation for several months with a goal to further their programs. Its workforce training program is funded almost entirely by grants for the New Mainers Resource Center (NMRC). With annual TIF funding, it would provide sustainable/predictable funding and allow for the creation of the Workforce Development Program (WDP) which would have sector-specific training; intensive English; and job readiness training. Ms. Love added that PAE/NMRC has the human capital for additional workforce training at various levels. It could also help with asylum seekers awaiting work authorization. In partnership with OEO, employers would be convened to see what their needs are and in what job sectors.

Councilor Thibodeau asked if the budget was part of the budget process last year, and Ms. St. Onge indicated that this was a new, additional program.

Councilor Thibodeau noted that a goal of the WDP is to serve 200 students annually, and Ms. St. Onge said that that was an estimate; it could be more. Over the past two years, NMRC has served over 400 students.

Councilor Mavodones asked, if during the budget process it appeared that the WDP could be funded for \$100,000, would this enable the program to go on, and Ms. St. Onge said that they would make it work but scaled down a bit.

Councilor Ali asked if PAE works with PATHS, and Ms. St. Onge indicated that they do.

Mr. Jennings added that he has been talking with PATHS investors seeking after school hours to use equipment for additional training; conceptual at this time.

Chair Costa thanked everyone, noting that it is good to see forward movement for workforce training through the use of TIF revenue funding. At this time, the Committee would need to see TIF revenue estimates for a recommendation to the Council. He thanked Mr. Mitchell for putting together the TIF amendments to allow for the use of TIF Revenue for workforce training, which will help the disadvantaged; the Committee concurred.

Mr. Jennings said that during March there should be preliminary TIF revenue estimates.

Item #4: Portland East End Presentation for EDC Information.

Mr. Needelman presented the attached presentation to the Committee, noting that the construction of Ocean Gateway (OG) in 2008 was the catalyst in spurring further development.

After the presentation, the City Manager noted discussions with the Maine Gauge Railroad, where it was indicated plans to have its equipment stored near the trestle; the train would stay; the museum may move. Mr. Jennings noted that the Railroad may construct a small station at its own cost within the Maine DOT right of way.

Chair Mavodones said that the City needs to be clear what it can and cannot pay for.

Regarding a proposed Boardwalk between OG and the Maine State Pier, Ms. Alves said that it would help with pedestrians, cruise ship passengers/personnel, street artists, and vehicles, perhaps starting with a boardwalk similar to Compass Park.

The Committee was generally supportive of the idea, noting that it may not be permanent due to what could happen in the queuing section, and there would also be maintenance costs. It was also noted that there needed to be a balance of street artists and bricks and mortar businesses.

Regarding the queuing lanes, Mr. Jennings said that this area is now available due to Bay Ferries not coming back. City staff has been looking at the area, particularly for when construction of the Thames Street extension takes place this year. The City parking lot next to the WEX development holds approximately 70 cars and will go away with the construction. Replacement parking is being suggested in the queuing lanes. It is being further looked into to have an entrance from Commercial Street to the middle of the lanes, with one side for replacement parking of those 70 vehicles and the other side for hourly parking, which people would pay in advance and could pay for, for example, five days, 24/7. This would not be a permanent solution, and temporary parking signs would be in place.

Committee consensus was this made sense as a temporary solution.

Ms. Alves noted that in the current 70 space parking lot, you can park for up to 7 days, 24/7. She also noted that Bay Ferries is interested in the ramp and it may be relocated to Bar Harbor at no cost to the City; no one here has a use for the ramp.

Mr. Jennings then noted that environment remediation for Moon Tide Park is needed and may suggest that the Council allocate \$1 Million from the WEX sale to assist.

Ms. Alves said that she is working with Casco Bay Lines regarding the removal of the finger building to assist with turn around and provide access to the front of Portland Ocean Terminal building.

Councilor Thibodeau asked about a possible new pier and if the tug boats would then need to be moved. Mr. Jennings said that grant funding would be needed for the endeavor.

Councilor Mavodones suggested MARAD (Federal Maritime Administration) be checked into for grant funding, as well as possible private partners.

Mr. Jennings said that staff will move forward and keep the Committee updated.

There being no further business, the meeting was then adjourned at 7:30 p.m.

Respectfully, Lori Paulette



MEMORANDUM

To: Economic Development Committee
From: Portland Adult Education
Date: February 5, 2019
Subject: PAE Workforce Development Proposal

Program Description:

Portland Adult Education proposes an annual TIF allocation of \$200,000 to create a comprehensive Workforce Development Program that will address the region's labor shortage and local employer demand for qualified workers.

PAE has both the supply of human capital and training expertise to implement a highly effective program. In 2018, over 2,400 adults took literacy, academic and/or workforce classes at Portland Adult Ed. Of those, more than 2,200 were New Mainers from 82 countries or territories. Many are recently arrived asylum seekers who are studying in preparation for their first job in the US (prior to work authorization), and are often ineligible for state or federal workforce funding. With additional resources, PAE could create a Workforce Development Program that provides comprehensive career advising and training (including intensive English) leading to quality employment opportunities for adults while meeting local workforce demand.

PAE has a proven track record of offering workforce training, however, restricted and temporary funding has limited its scope and impact. The proposed Workforce Development Program would provide the infrastructure and capacity to serve additional students, and design training to meet local, sector-specific needs. PAE would partner with the Office of Economic Opportunity to assess employer need, respond accordingly, and collaborate with local workforce agencies to leverage state and federal funding sources as much as possible. Additionally, TIF funding would enable PAE to train students otherwise ineligible for tuition reimbursement, such as asylum seekers awaiting work authorization.

Goals:

The PAE Workforce Development Program would have the following annual goals:

Number of students served per year: 200
Sector-specific trainings: 3
Intensive English classes: 3
Job Readiness training: 3
Student advising: 150
Job Placement Rate (initial or better job): 75%

Leveraged Funding:

Based on two recent trainings offered at PAE, including the Bridge to Healthcare, and the Education Academy, PAE estimates that approximately 60% of students will be eligible for state or federal workforce dollars to cover the course tuition, offsetting the total training costs.

Workforce Development Program Budget Summary:

Description	Expense
Program Coordination and Student Advising	\$135,500
Sector-Specific Training	\$68,280
Intensive English	\$32,220
Job Readiness Training	\$60,000
Total	\$296,000
Total with 60% training offset from leveraged workforce funds	\$199,700

Per Student Cost:

The budget above outlines a per student TIF investment of \$998.50

Budget Narrative:

Program Management and Coordination: Includes a Program Coordinator, student intake, student advising and administrative expenses. These would be fixed costs.

Sector-Specific Training: 3 sector-specific trainings, 11 weeks, 15 hours/week (165 hours) for 12 students each training, plus instructor prep time.

Intensive English: 3 intensive english classes, 12 weeks, 10 hours/week (120 hours) for 15 students each.

Job Readiness Training: 3 job readiness trainings, 8 weeks, 15 hours/week (120 hours) for 15 students each to prepare mid-level English speakers for entry level positions in the US across a broad range of sectors. In addition to class time, students receive intensive one-on-one career advising, job application and placement support, and follow-up case management to promote retention.

Eastern Waterfront Development 2008-2018

Presentation to the City of Portland
Economic Development Committee
February 5, 2019

Greg Mitchell, Econ Dev Director
Bill Needelman, Waterfront Coordinator



Eastern Waterfront Development Activity 2008 to Present

500 250 0 500 Feet



Map produced by the City of Portland Economic Development Department
from 2018 pictometry. Intended for orientation only.
January 2019

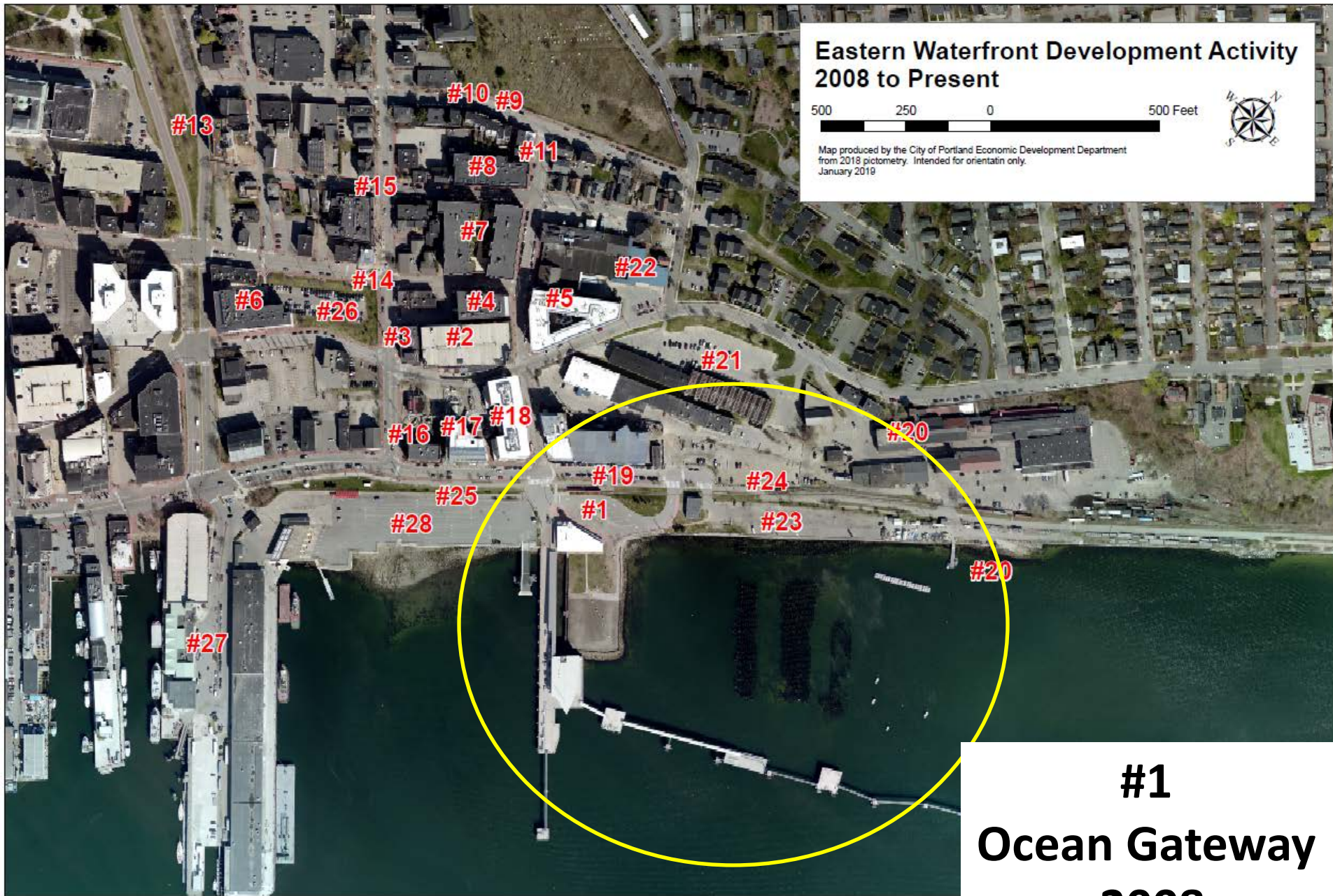


Eastern Waterfront Development Activity 2008 to Present

500 250 0 500 Feet



Map produced by the City of Portland Economic Development Department
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January 2019



#1

**Ocean Gateway
2008**

#1 Ocean Gateway 2008





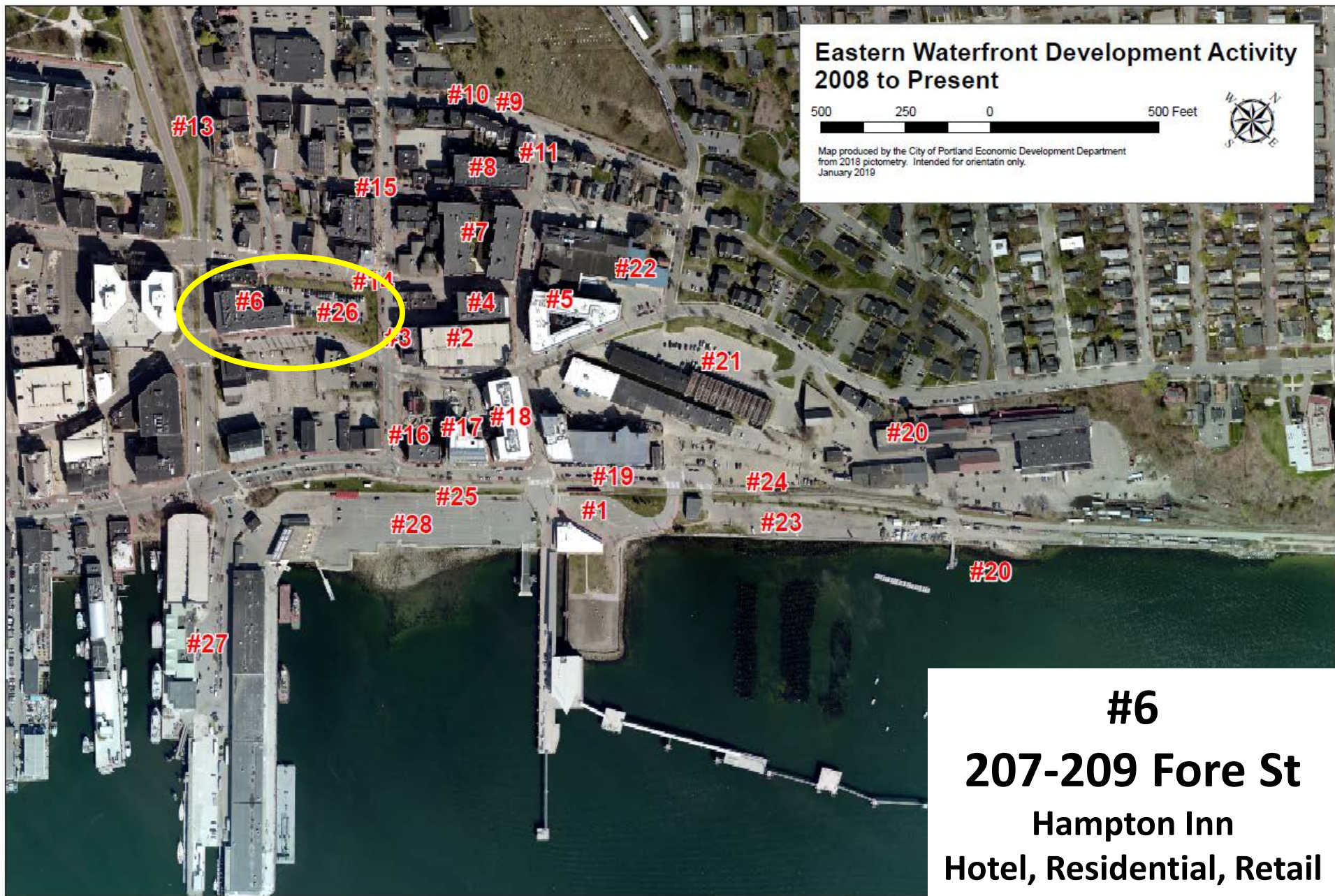
#2

Ocean Gateway Garage

719 spaces 2009

Wrap 2018





Eastern Waterfront Development Activity 2008 to Present

500 250 0 500 Feet



Map produced by the City of Portland Economic Development Department
from 2018 pictometry. Intended for orientation only.
January 2019

#6

207-209 Fore St

Hampton Inn

Hotel, Residential, Retail

#6
207-209 Fore St
Hampton Inn
Hotel, Residential, Retail
2009



Eastern Waterfront Development Activity 2008 to Present

500 250 0 500 Feet



Map produced by the City of Portland Economic Development Department
from 2018 pictometry. Intended for orientation only.
January 2019



#26

**Future Hotel
Pending**

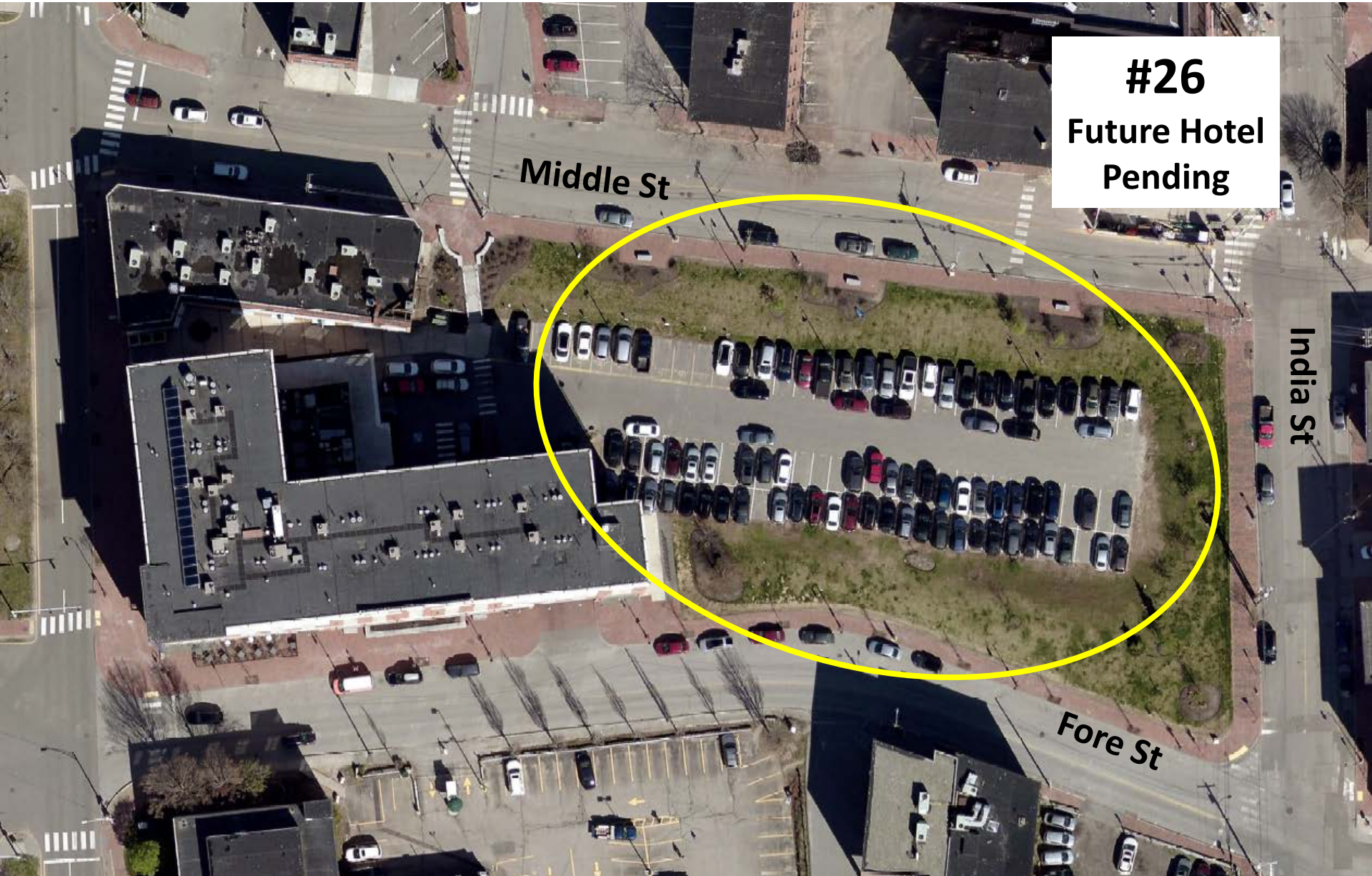
#26

**Future Hotel
Pending**

Middle St

India St

Fore St



Eastern Waterfront Development Activity 2008 to Present

500 250 0 500 Feet



Map produced by the City of Portland Economic Development Department
from 2018 pictometry. Intended for orientation only.
January 2019



#5

**Residence Inn
Hancock and Fore St**

Relationship to Munjoy Hill

#5
Residence Inn
Hancock and Fore St
2010

Residence Inn *Marron*

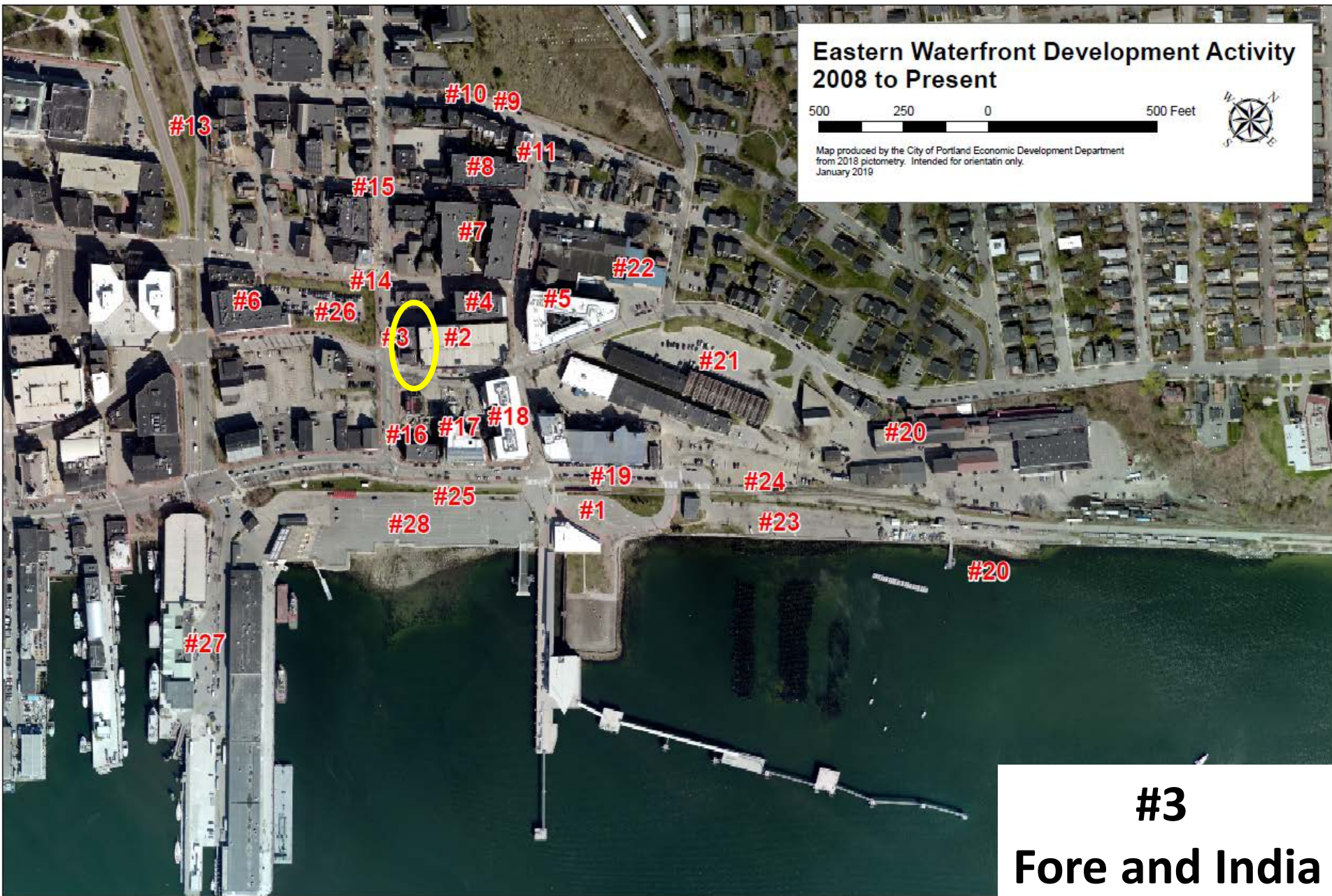


Eastern Waterfront Development Activity 2008 to Present

500 250 0 500 Feet



Map produced by the City of Portland Economic Development Department
from 2018 pictometry. Intended for orientation only.
January 2019



#3

Fore and India



#3

**Fore and India
6 Units + Retail
+/-2012**



#4

Tilson 50,000 sq ft Office
1st floor retail
Hancock and Middle St
2017



Hancock St

From Newbury St

Spring 2018

#5

**Residence Inn
Hancock and Fore St**



Eastern Waterfront Development Activity 2008 to Present

500 250 0 500 Feet

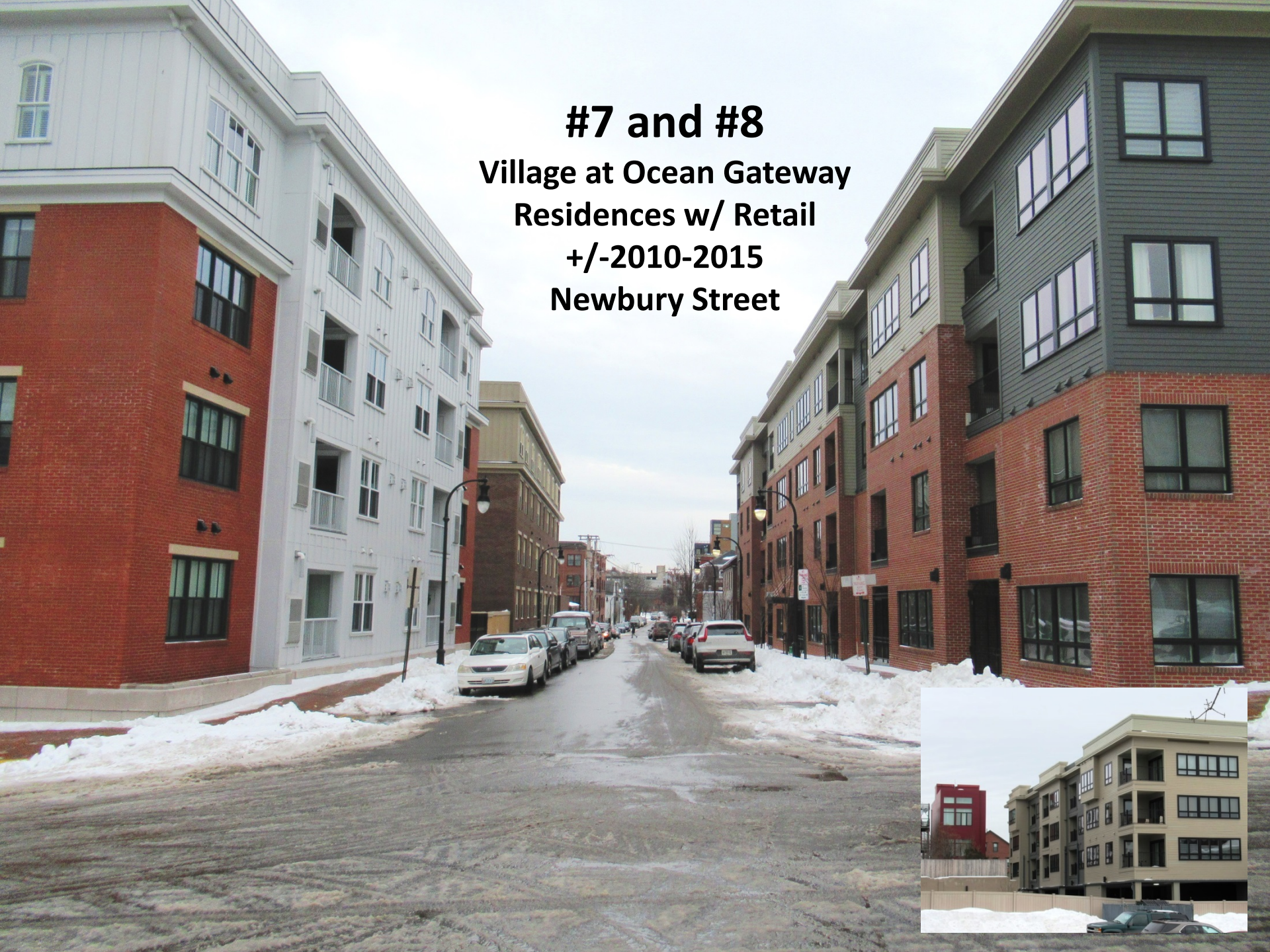
Map produced by the City of Portland Economic Development Department
from 2018 pictometry. Intended for orientation only.
January 2019



#7 and #8

Village at Ocean Gateway
Hancock, Middle and
Newbury Street

#7 and #8
Village at Ocean Gateway
Residences w/ Retail
+/-2010-2015
Newbury Street



Eastern Waterfront Development Activity 2008 to Present

500 250 0 500 Feet



Map produced by the City of Portland Economic Development Department
from 2018 pictometry. Intended for orientation only.
January 2019



#9

Federal St Row Houses

#9
Federal St Row Houses
+/-2012



Eastern Waterfront Development Activity 2008 to Present

500 250 0 500 Feet



Map produced by the City of Portland Economic Development Department
from 2018 pictometry. Intended for orientation only.
January 2019



#10

52 Federal St

#10

52 Federal St

3 Unit

+/-2012



Eastern Waterfront Development Activity 2008 to Present

500 250 0 500 Feet



Map produced by the City of Portland Economic Development Department
from 2018 pictometry. Intended for orientation only.
January 2019

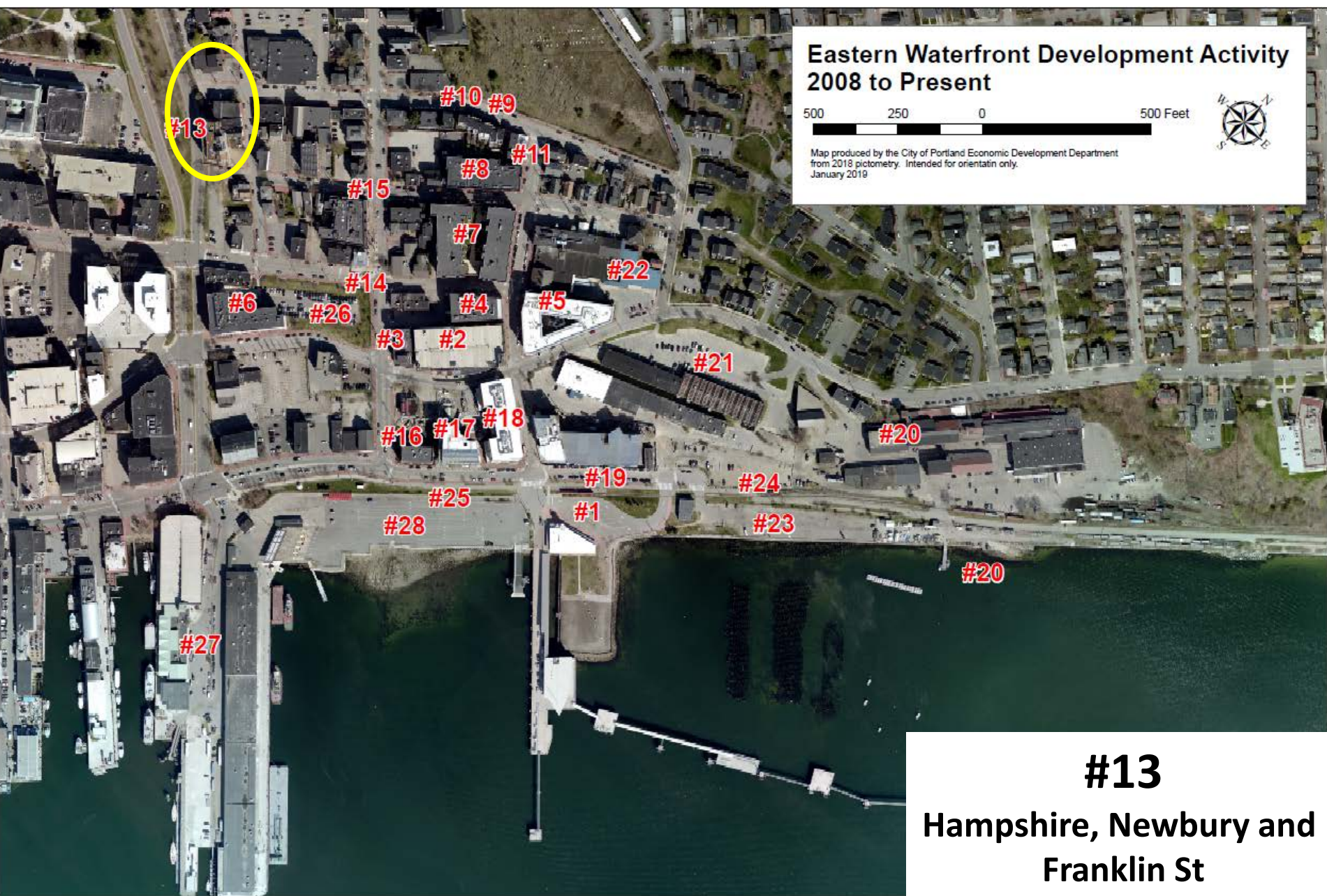


#11

48 Hancock St
+/-2016

#11
48 Hancock St
+/-2016





Eastern Waterfront Development Activity 2008 to Present

500 250 0 500 Feet

Map produced by the City of Portland Economic Development Department
from 2018 pictometry. Intended for orientation only.
January 2019



#13

Hampshire, Newbury and
Franklin St

#13

**Luminato Condominiums
Hampshire, Newbury and
Franklin St
+/-2017**



Eastern Waterfront Development Activity 2008 to Present

500 250 0 500 Feet



Map produced by the City of Portland Economic Development Department
from 2018 pictometry. Intended for orientation only.
January 2019



#14

cPort Credit Union
Middle and India St

#14

**cPort Credit Union
Middle and India St
2019**



Eastern Waterfront Development Activity 2008 to Present

500 250 0 500 Feet



Map produced by the City of Portland Economic Development Department
from 2018 pictometry. Intended for orientation only.
January 2019



#15

62 India St
Residences/Retail

#15
62 India St
Residences/Retail
2019



Eastern Waterfront Development Activity 2008 to Present

500 250 0 500 Feet



Map produced by the City of Portland Economic Development Department
from 2018 pictometry. Intended for orientation only.
January 2019



#16

1 India St
Gorham Savings

#16

1 India St

Gorham Savings

Rehab of

Grand Trunk Admin Bldg

2018



Eastern Waterfront Development Activity 2008 to Present

500 250 0 500 Feet



Map produced by the City of Portland Economic Development Department
from 2018 pictometry. Intended for orientation only.
January 2019



#17

Thames St Condos

#17

**Thames St Condos
Under Construction**



Eastern Waterfront Development Activity 2008 to Present

500 250 0 500 Feet



Map produced by the City of Portland Economic Development Department
from 2018 pictometry. Intended for orientatin only.
January 2019



#18

AC Hotel

Thames and Hancock St

#18

AC Hotel

**Thames and Hancock St
2018**



Eastern Waterfront Development Activity 2008 to Present

500 250 0 500 Feet



Map produced by the City of Portland Economic Development Department
from 2018 pictometry. Intended for orientation only.
January 2019



#19

WEX Headquarters
Thames and Hancock St



#19

**WEX Headquarters
Thames and Hancock St
Under Construction**

Eastern Waterfront Development Activity 2008 to Present

500 250 0 500 Feet



Map produced by the City of Portland Economic Development Department
from 2018 pictometry. Intended for orientation only.
January 2019



#20

58 Fore St Marina

#20

**58 Fore St Marina
Under Construction
Phased development of
uplands anticipated
2019**



Eastern Waterfront Development Activity 2008 to Present

500 250 0 500 Feet



Map produced by the City of Portland Economic Development Department
from 2018 pictometry. Intended for orientation only.
January 2019



#21

100 Fore St
Office, Garage, Retail

#21

**100 Fore St
Office, Garage, Retail
Construction anticipated
2019**





#21
100 Fore St
Office, Garage, Retail
Construction anticipated
2019

Eastern Waterfront Development Activity 2008 to Present

500 250 0 500 Feet



Map produced by the City of Portland Economic Development Department
from 2018 pictometry. Intended for orientation only.
January 2019



#22

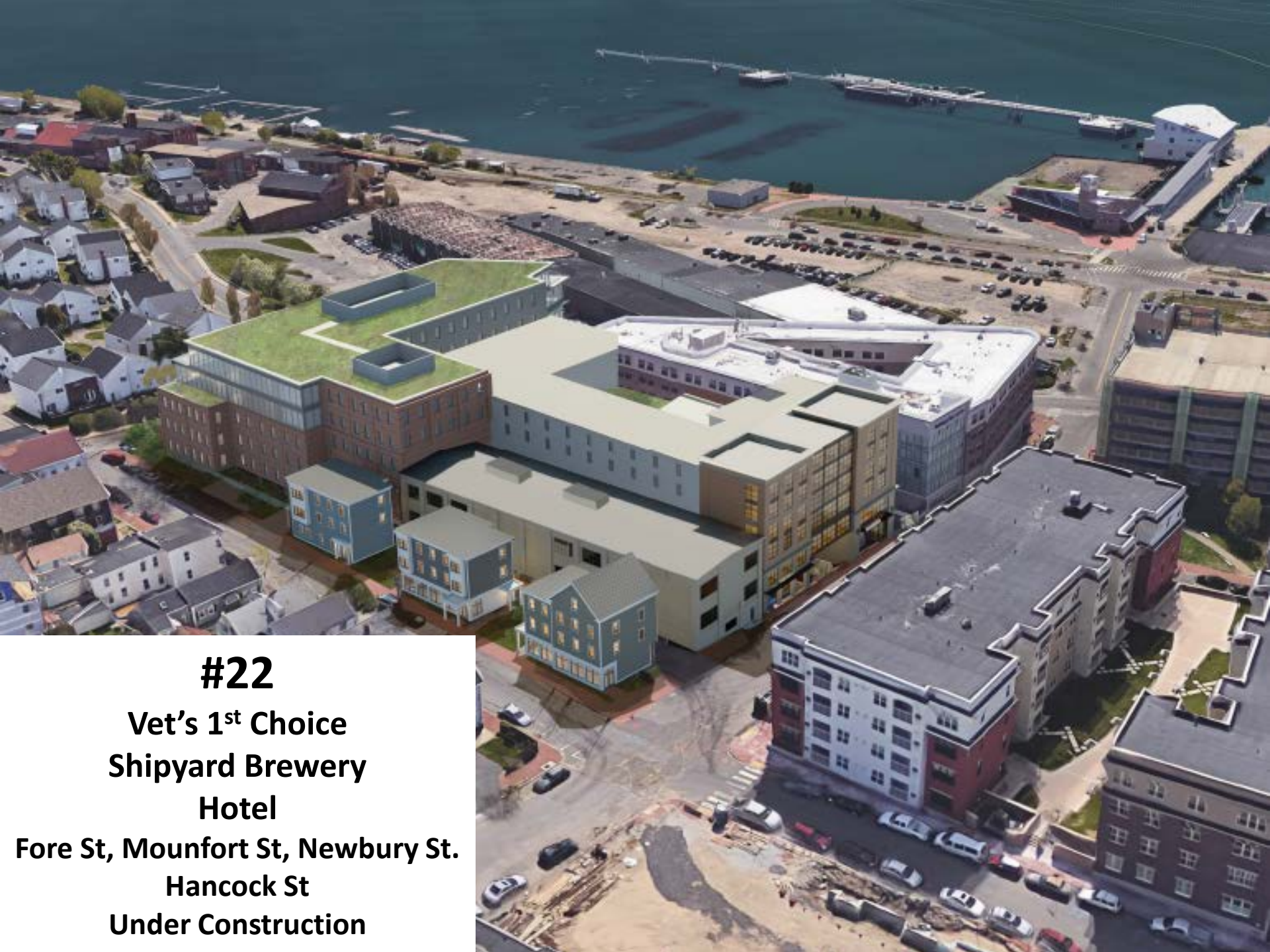
**Vet's 1st Choice
Shipyard Brewery
Hotel**

#22

**Vet's 1st Choice
Shipyard Brewery
Hotel**

**Fore St, Mounfort St, Newbury St.
Hancock St
Under Construction**





#22

**Vet's 1st Choice
Shipyard Brewery
Hotel**

**Fore St, Mounfort St, Newbury St.
Hancock St
Under Construction**

Eastern Waterfront Development Activity 2008 to Present

500 250 0 500 Feet



Map produced by the City of Portland Economic Development Department
from 2018 pictometry. Intended for orientation only.
January 2019



#23

Portland Landing
Open Space

#23
Portland Landing
Open Space
and
Community Boating
Interim improvements
2019

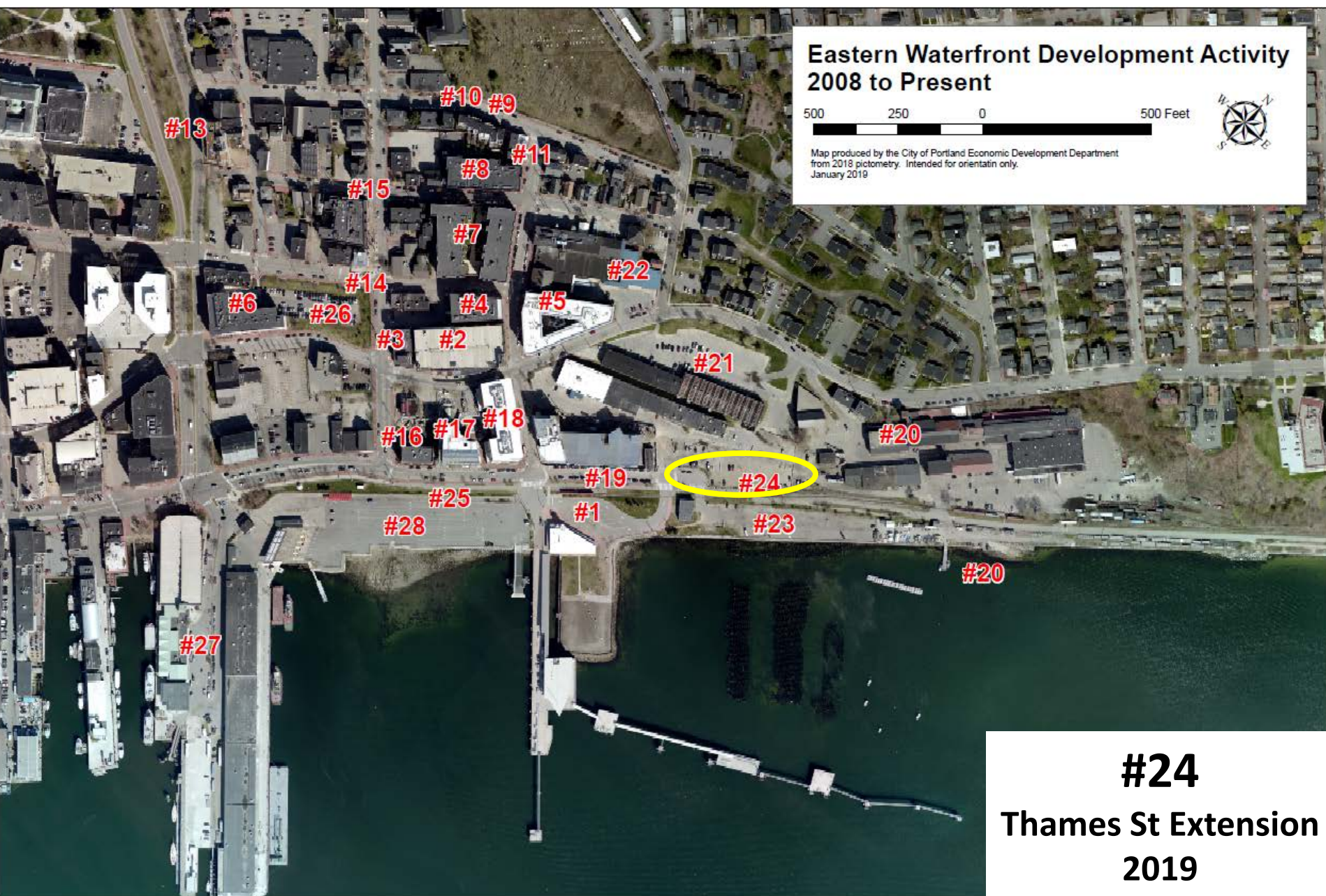


Eastern Waterfront Development Activity 2008 to Present

500 250 0 500 Feet

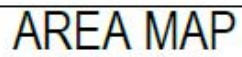


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January 2019



#24

Thames St Extension
2019



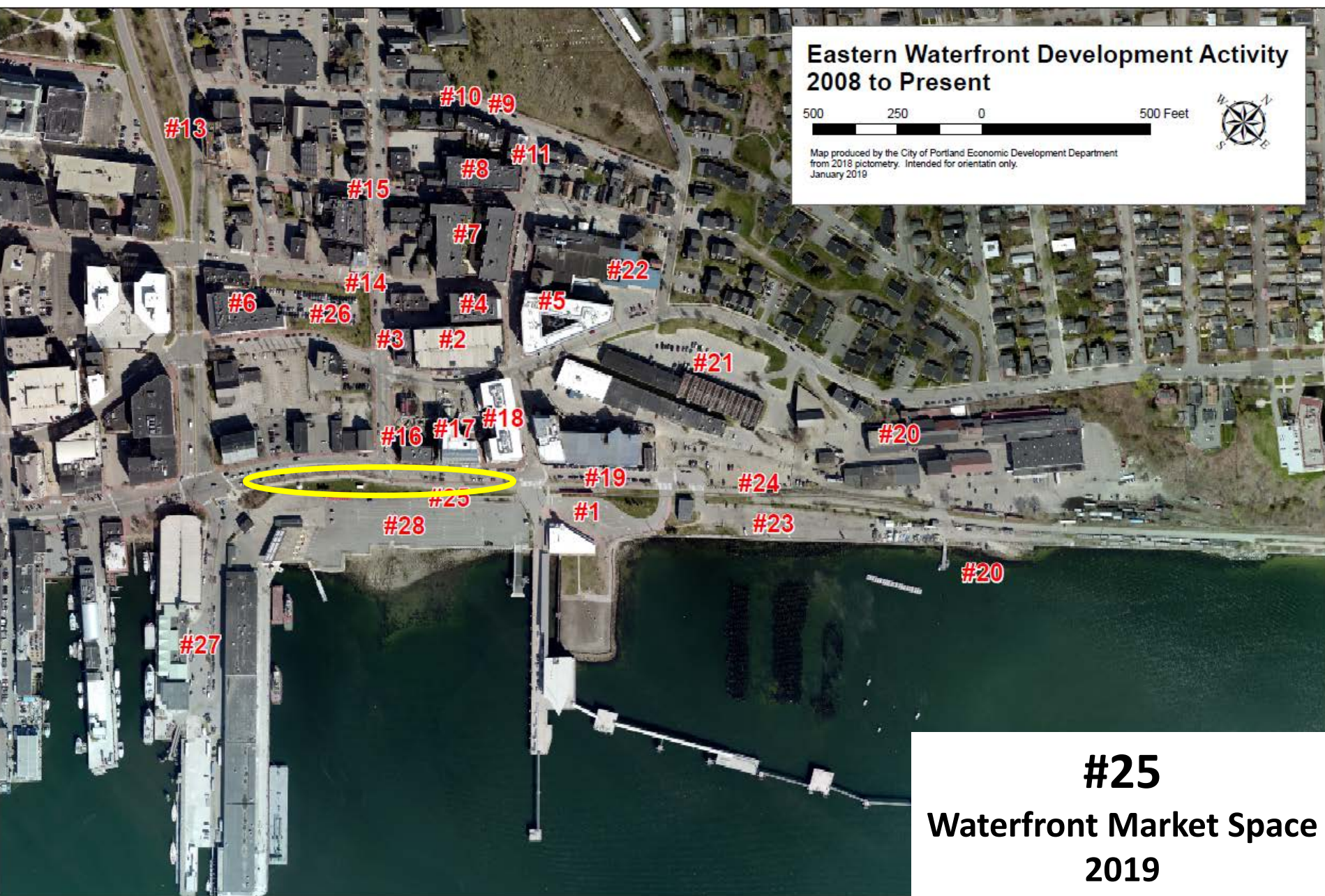
Thames St Extension 2019

Eastern Waterfront Development Activity 2008 to Present

500 250 0 500 Feet

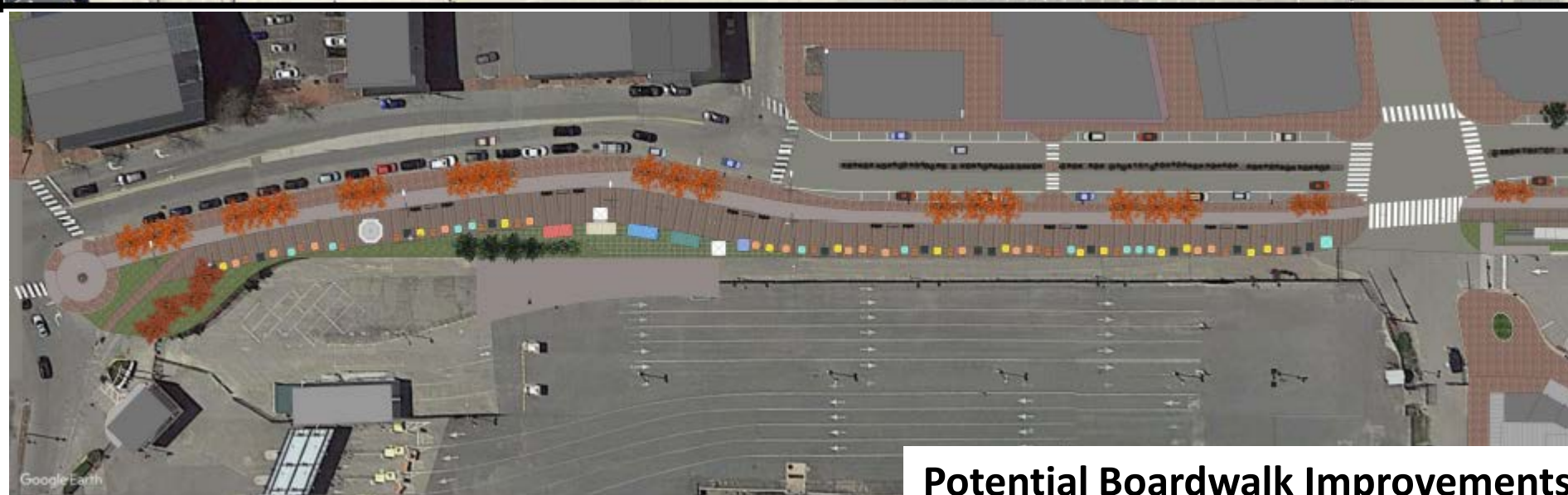
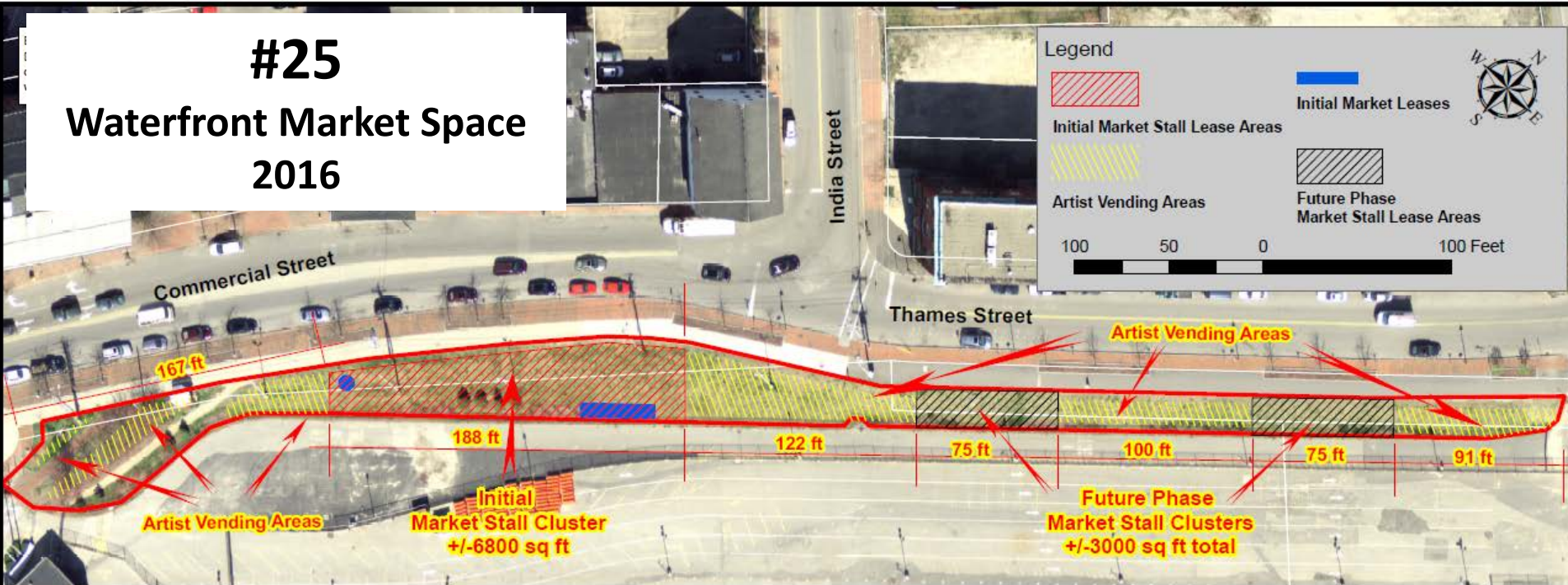


Map produced by the City of Portland Economic Development Department
from 2018 pictometry. Intended for orientation only.
January 2019



#25
Waterfront Market Space
2019

#25 Waterfront Market Space 2016



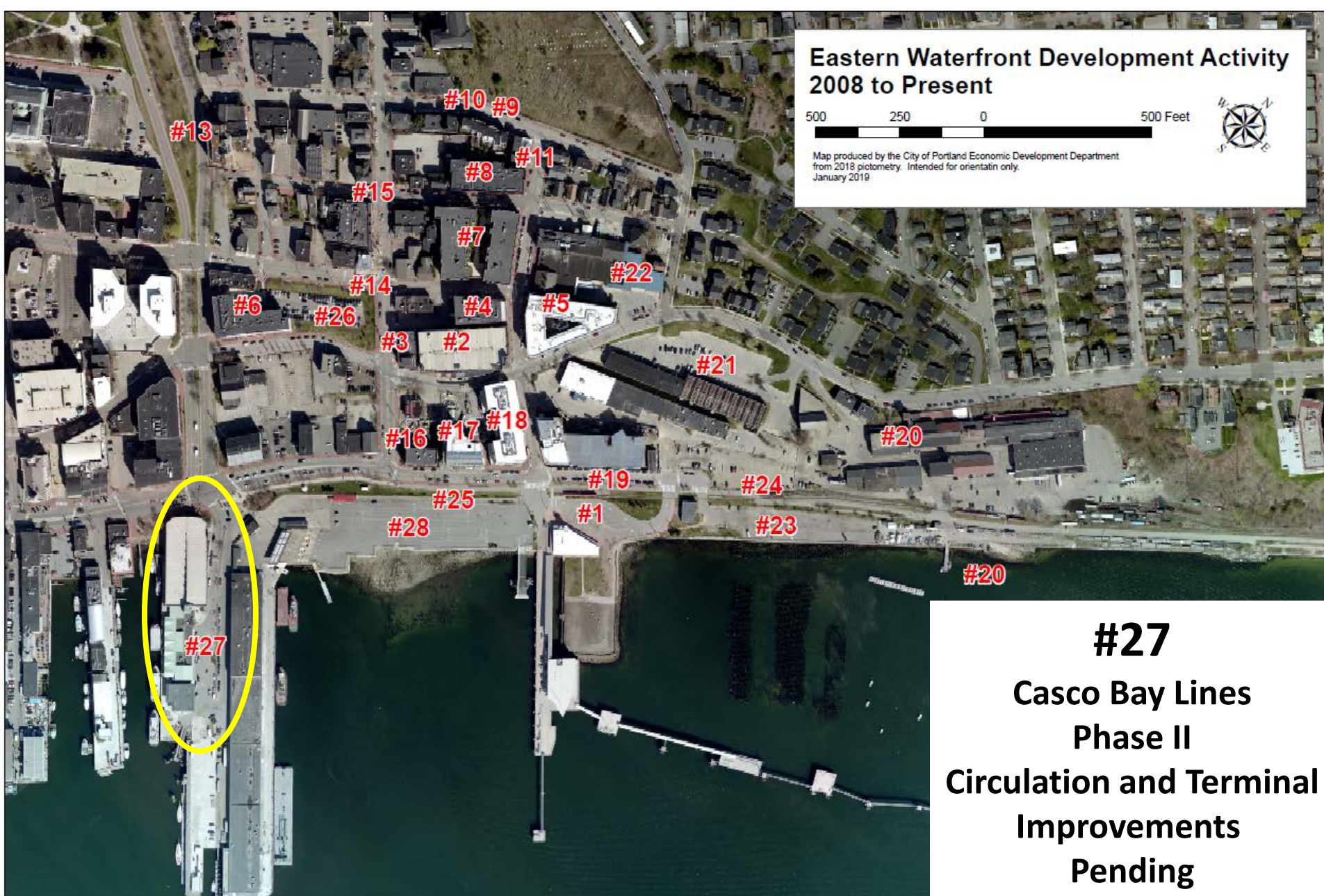
Potential Boardwalk Improvements 2019

Eastern Waterfront Development Activity 2008 to Present

500 250 0 500 Feet



Map produced by the City of Portland Economic Development Department
from 2018 pictometry. Intended for orientation only.
January 2019



#27

**Casco Bay Lines
Phase II
Circulation and Terminal
Improvements
Pending**

#27

**Casco Bay Lines
Phase II
Circulation and Terminal
Improvements
Pending**



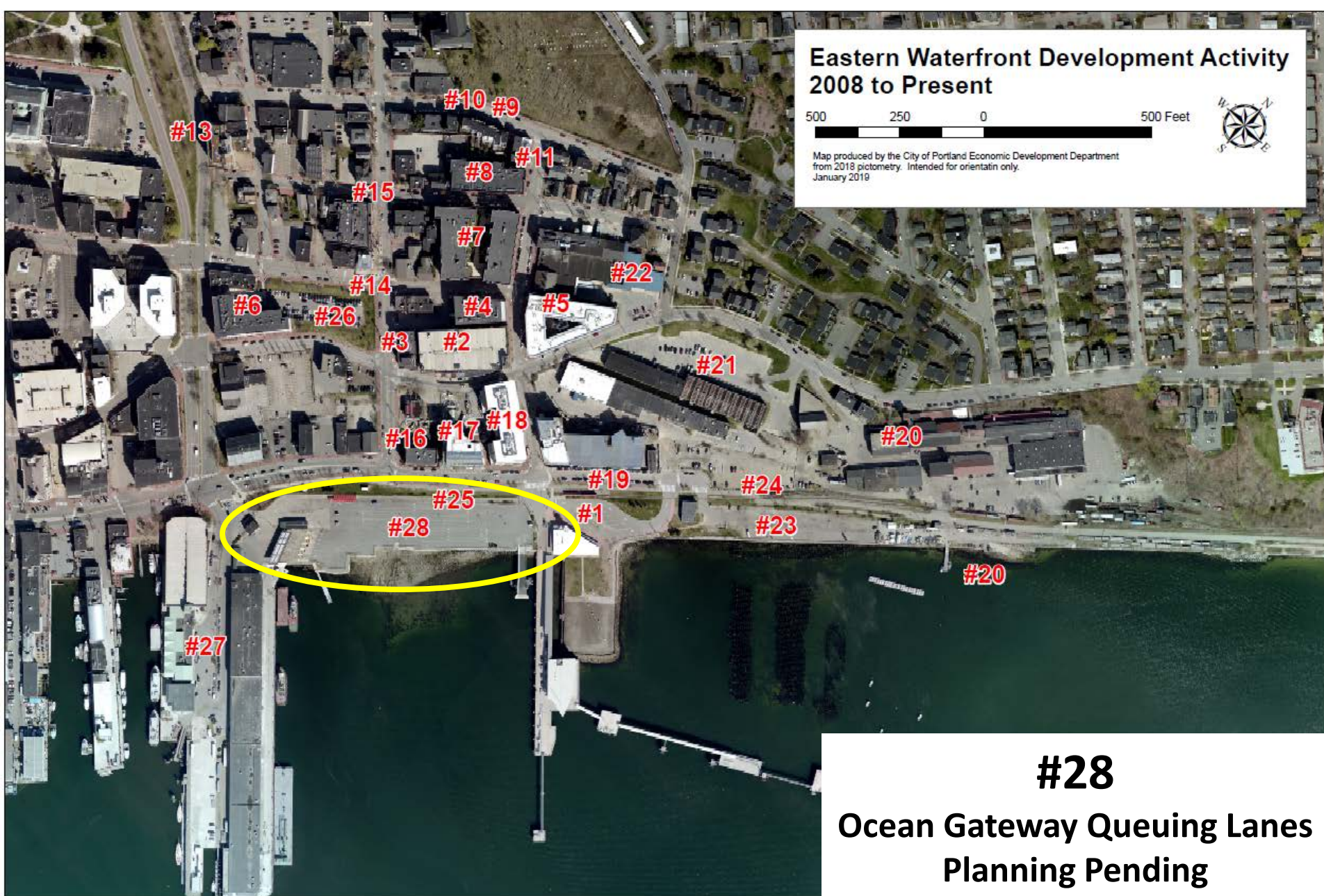
**Casco Bay Lines
Phase I
2014**

Eastern Waterfront Development Activity 2008 to Present

500 250 0 500 Feet



Map produced by the City of Portland Economic Development Department
from 2018 pictometry. Intended for orientation only.
January 2019



#28

**Ocean Gateway Queuing Lanes
Planning Pending**

#28

**Ocean Gateway Queuing Lanes
Planning Pending**



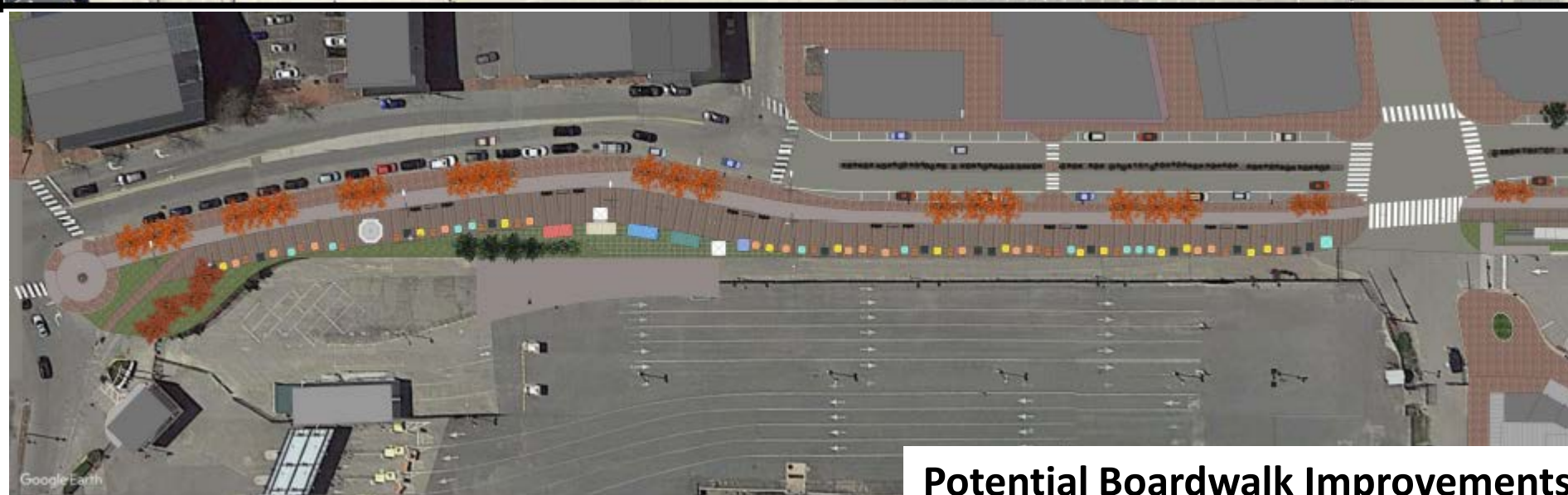
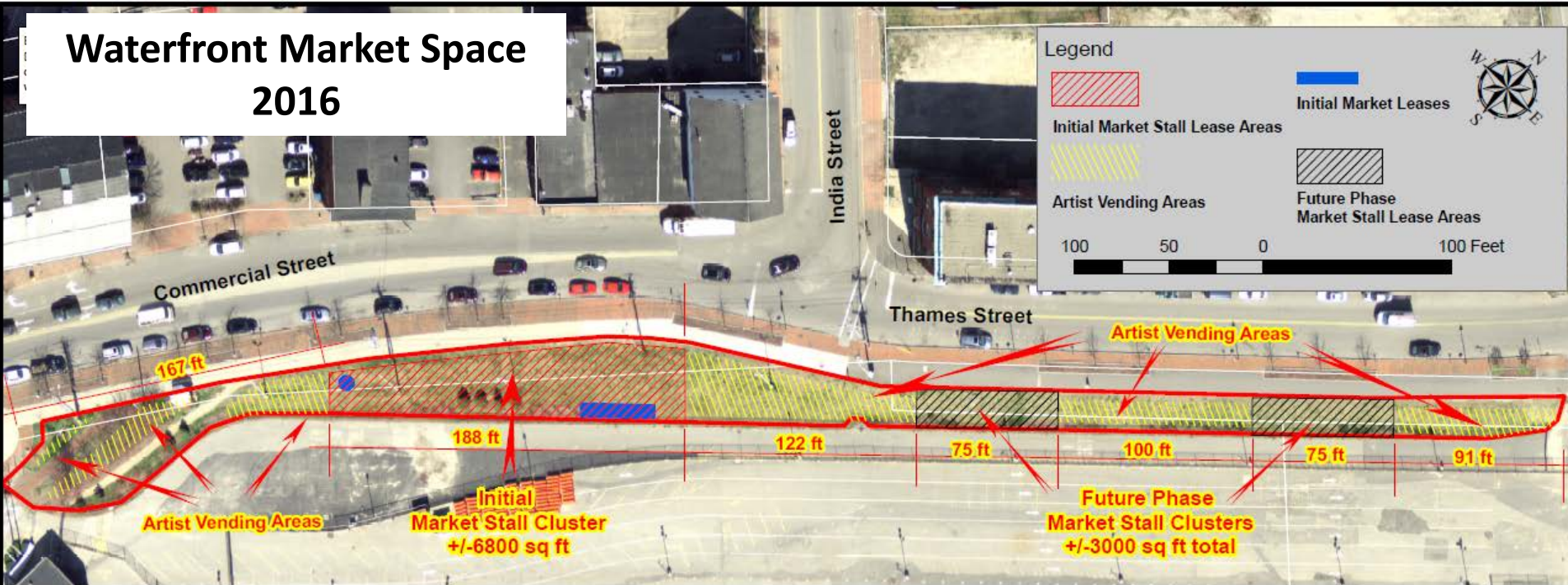
**Ocean Gateway Queuing Lanes
Bulkhead and Paving improvements
2014**

Eastern Waterfront Development 2008-2018

Questions?



Waterfront Market Space 2016



Potential Boardwalk Improvements 2019

Ocean Gateway Queuing Lanes Planning Pending





Eastern Waterfront Development Activity
Ocean Gateway Queuing Lanes

250 125 0 250 Feet

Map produced by the City of Portland Economic Development Department
from 2018 photography. Intended for orientation only.
January 2019



Gregory A. Mitchell
Director, Economic Development Department

MEMORANDUM

TO: Economic Development Committee

FROM: Greg Mitchell, Economic Development Director

DATE: February 14, 2019

SUBJECT: REVISED Purchase and Sale Agreement between City of Portland and Waterstone Properties Group, Inc.

I. SUMMARY

A REVISED Purchase and Sale Agreement is presented for a vote, in the form of a recommendation to the City Council, to sell a City-owned 4.82 acre vacant “land locked” parcel to the Waterstone Properties Group, Inc for the new sale price of \$100,000.

You will recall that on October 16, 2018 the EDC recommended approval of the original Purchase and Sale Agreement (PSA) to the City Council. The City Council, on November 5, 2018, postponed action on the original PSA to determine the buyer’s planned use of the City property. Despite the extensive easements and wetlands which cross this property, the buyer hopes to develop this property in the future. Based upon the buyer’s interest to develop this property, in the future, a new property sale price was negotiated in the amount of \$100,000.

II. BACKGROUND

The City has determined that the 4.82 acre vacant parcel, located in Portland, is not needed for municipal use and should be sold. The interested buyer for this property is the Westbrook mixed use project developer (Waterstone Properties Group, Inc.).

III. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

EDC approval, in the form of a recommendation to the City Council, on the REVISED Purchase and Sale Agreement between the City of Portland and Waterstone Properties Group, Inc.

IV. FINANCIAL IMPACT

An overview of the Proposed Purchase and Sale Agreement includes the following:

Parcel Size: 4.82 acres.

Parcel Location and Environmental Constraints. The parcel is located in Portland, between the Maine Turnpike and the proposed large scale mixed-use project in Westbrook. The developer of the mixed use project (Waterstone Properties Group, Inc.) is the buyer for this property. The site is not a legal conforming parcel to develop because it lacks street frontage and there is no access to public utilities. Additionally, the site is encumbered by 1.81 acres of wetlands and two CMP easements (including 1.48 acres) which prohibit erecting or maintaining structures of any kind. Also, it is noted that the upland areas, estimated to be 1.53 acres (excluding the no-build CMP easements), are not contiguous, and access to these areas would require crossing wetlands on-site and wetlands located on the adjacent privately owned Westbrook mixed use project property. See attached map showing the location of wetlands, CMP no-build easements, and uplands.

Property Value and Sale Price. The new sale price is \$100,000. It is noted that the property appraisal determined the value of this property to be \$0. See attached excerpt of the Property Appraisal.

Environmental Indemnification. Buyer agrees to indemnify the City regarding any environmental issues, and the property is sold in an “AS IS WHERE IS” condition.

It is noted that the Buyer paid for the costs of the property survey and appraisal.

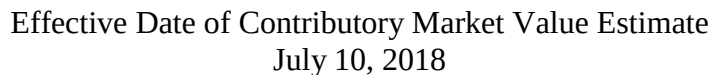
V. RECOMMENDATION

Staff recommends approval of the attached REVISED Purchase and Sale Agreement.

VI. LIST ATTACHMENTS

- Map of Subject Area
- Property Appraisal Excerpt
- REVISED Purchase and Sale Agreement between the City of Portland and Waterstone Properties Group, Inc.

Appraisal Report of the contributory value of a 4.82± acre non-access land parcel in the City of Portland, Maine. This parcel is located adjacent to a development site referred to as the Dirigo Plaza which is referenced on Map 42B, Lot 14 and located in the City of Westbrook. GA File Reference: 2753.



Prepared by:
Goulet & Associates, Inc.
183 Main Street
Lewiston, Maine 04240

Summary of Salient Facts and Conclusions

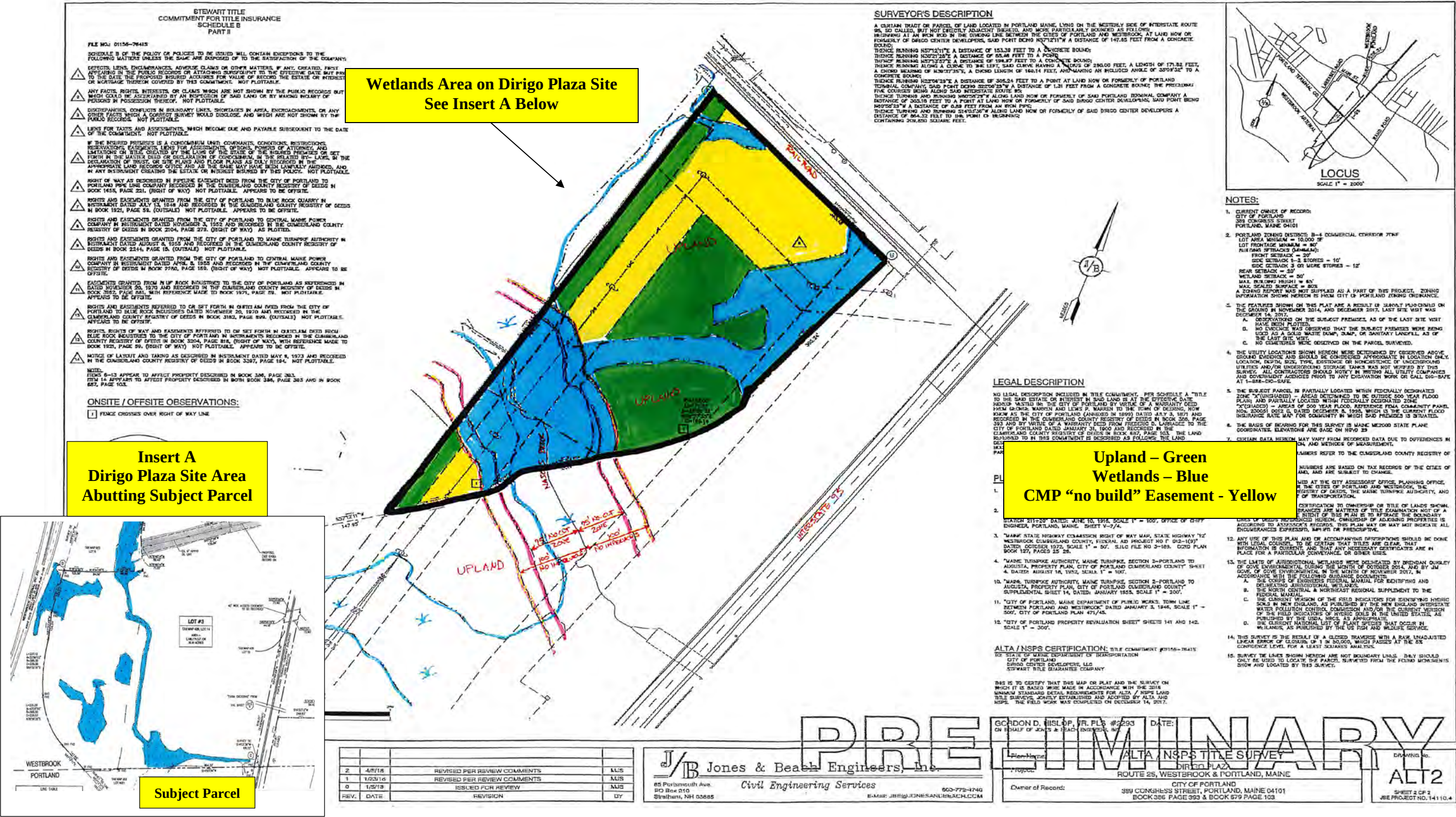
Appraisal Purpose:	The purpose of this appraisal report is to estimate the bulk contributory value of the subject property in light of its assemblage with the abutting Dirigo Plaza site. The intended use is to aid our named client, the City of Portland, in formulating a purchase price for the subject property.
Date of Inspection:	July 10, 2018.
Date of Value:	July 10, 2018.
Date of the Report:	August 8, 2018.
Property Rights Appraised:	Fee Simple Estate.
Property Location:	The property is an interior lot located to the north of Rand Road and to the west of the Maine State Turnpike in the City of Portland. The site represents a portion of Map 243, Lot B-1, Map 244, Lot A-1, Map 252, Lot A-1 and Map 253, Lot A-1. However, the City of Portland's map and lot references are not accurate as they do not reflect the land areas that were previously acquired by the Maine DOT. Refer to extraordinary assumptions.
Title/Owner of Record:	Title to the subject property is referenced to the City of Portland per Cumberland County Registry of Deeds (CCRD) as a portion of Book 386, Page 393 dated July 3, 1871 and CCRD Book 687, Page 103 dated January 31, 1900 per the submitted survey. The subject parcel is the portion of the land area remaining to the north of the 10.33± acres previously acquired by the State of Maine by condemnation by way of a Notice of Layout and Taking recorded in CCRD Book 3397, Page 194 dated May 17, 1973. No specific legal description of the subject parcel is available therefore, the submitted survey was relied upon.

Land Area:	The subject property contains 4.82± acres and has no road frontage. The site has 1.81± acres of wetland areas and 3.01± acres of uplands areas based on the wetlands survey provided by Jones & Beach Engineers, Inc. The site is also subject to two easements granted to Central Maine Power (CCRD Book 2104, Page 279 dated November 3, 1952 and CCRD Book 2365, Page 181 dated July 12, 1957). Both of these CMP easements prohibit erecting or maintaining any structure of any kind on the easement. Based on the submitted site survey, the upland areas are estimated to be 1.53± acres excluding areas within the no-build CMP easements.
Zoning:	The site is located in the Industrial (I-L) zoning district in Portland. The site has no minimum lot size requirement. However, the minimum road frontage requirement is not met as the subject has no road frontage. The City of Portland does not currently map the subject site. For the purpose of this analysis, it is assumed the site is in a lawful status. Assemblage of the same would be legal and appropriate given the site's Highest and Best use.
Highest and Best Use:	As Vacant – assemblage as open space with the abutting development land parcel, or retention for open space by the local municipality or affiliated non-profits.
Conclusion of Value	Based on the analyses developed within this report, it is our opinion that, as of July 10, 2018, the subject property has <u>no determinable contributory market value</u>. Refer to extraordinary assumptions and scope of work detailed in the Transmittal Letter and engagement.

[illegible]

[illegible]

Subject Parcel



PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT IS made this ____ day of _____, 201~~98~~ by and between the **CITY OF PORTLAND**, a body politic and corporate located in Cumberland County, Maine (hereinafter referred to as “Seller” or “City”), and **WATERSTONE PROPERTIES GROUP, INC.**, a Massachusetts corporation having a mailing address of 322 Reservoir Street, Needham, MA 02494 or nominee or designee (hereinafter referred to as “Buyer”).

RECITALS

WHEREAS, the City is the owner of approximately 4.82 acres of land at Westbrook Arterial and along the Maine Turnpike, Portland, Maine as generally depicted on the boundary survey attached hereto as Exhibit A (the “Survey”) and incorporated herein, and more particularly described in Exhibit B attached hereto and incorporated herein (the “Premises”); and

WHEREAS, Buyer desires to purchase the Premises, and the City desires to convey the Premises to Buyer.

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. **SALE.** City agrees to sell the Premises to Buyer, and Buyer agrees to purchase the Premises in accordance with the terms and conditions set forth in this Agreement. This Agreement is for the sale of land only.
2. **CONSIDERATION.** The purchase price for the Premises shall be ~~One Hundred Eleven~~ Thousand ~~Two Hundred Twenty~~ Dollars (\$~~100,000~~~~1,220~~.00) (the “Purchase Price”), subject to the following cost adjustments and conditions:
 - a. The Buyer shall pay the City for the cost of the City’s appraisal for the Premises (“Appraisal Cost”) within 3 business days after the full execution of this Agreement; and
 - b. The Buyer shall pay the Purchase Price to the City by wire transfer (or as otherwise reasonably requested by the City) at closing.
3. **TITLE AND DUE DILIGENCE.**
 - a. **Due Diligence Period.** Buyer will have from the date of this Agreement until 4:00 PM Eastern Daylight Savings Time on the day that is one hundred eighty (180) days after the date of this Agreement (the “Due Diligence Period”) to complete any survey, environmental review and title examinations.
 - b. **Title and Survey Objections.** Buyer will have until the end of the Due Diligence Period to deliver to City any written objections to title, environmental, or survey matters (other than the permitted exceptions identified in subsection d below) that

affect Buyer's intended use of the Premises as contemplated by this Agreement, including the terms of Section 12 below. Objections not made prior to the end of the Due Diligence Period will be deemed waived; provided, however, that objections pertaining to matters of record first appearing after the end of the Due Diligence Period may be made at any time prior to the closing.

- c. Option to Cure. In the event of a title or survey objection, City will have the option, but not the obligation, to cure the objection and will notify Buyer of its election within ten (10) business days after receipt of the objection. In the event that the City elects to cure the objection, it will have thirty (30) days from the date of the notice of election, or such other reasonable time as the parties may agree, to cure the objection. In the event that the City does not elect to cure the objection, or, having elected to cure the objection fails to timely do so to Buyer's reasonable satisfaction, Buyer will have the option to (i) terminate this Agreement (after which neither party will have any further obligation or liability to the other under this Agreement), (ii) waive the objection and close, or (iii) undertake the cure of such objection at its own expense (in which case it shall have thirty (30) days to do so).
- d. City shall convey the Premises to Buyer at the closing in fee simple by a municipal quitclaim deed without covenant. Title shall be good and insurable title, free and clear of all encumbrances except (i) the easements on the Survey or otherwise described herein; (ii) easements for all public improvements now on, under or over the Premises and for utilities servicing the property, (iii) zoning ordinances, and (iv) real estate taxes not yet due and payable. Further, Buyer acknowledges that the deed shall contain a restriction stating that in the event that the Premises or any portion thereof shall be exempt from real and personal property taxes, by transfer, conversion, or otherwise, then the then-owner of the exempt portion shall make annual payments to the City in lieu of taxes in the amount equal to the amount of property taxes that would have been assessed on the exempt portion of the real and personal property situated on the Premises had such property remained taxable. Such restriction shall also confirm that Buyer and its successors and assigns shall possess and be vested with all rights and privileges as to abatement and appeal of valuations, rates, and the like as are accorded owners of real and personal property in Maine. All of the laws and regulations applicable to the payment of real estate taxes and personal property taxes, except those governing property tax exemptions, shall apply to any such payments in lieu of taxes including, without limitation, how such taxes are calculated and the right to seek abatements and appeals.

4. INSPECTIONS

- a. During the Due Diligence Period, Buyer and its employees, consultants, contractors and agents shall have the right, at Buyer's expense, to enter on the Premises at reasonable times in order to (i) inspect the same, (ii) conduct engineering studies, percolation tests, geotechnical exams, environmental assessments, and other such studies, tests, exams, and assessments, and (iii) do such other things as Buyer determines, it is sole discretion, to be required to

determine the suitability of the Premises for Buyer's intended use (collectively, the "Inspections"). The City acknowledges that such Inspections may include the digging of test pits, which the City hereby approves.

- b. Buyer agrees to defend, indemnify and hold harmless the City against any mechanics liens that may arise from the activities of Buyer and its employees, consultants, contractors and agents on the Premises.
- c. Buyer shall exercise the access and inspection rights granted hereunder at its sole risk and expense, and Buyer hereby releases the City from, and agrees to indemnify, defend, and hold the City harmless against, any and all losses, costs, claims, expenses and liabilities (including without limitation reasonable attorney fees and costs) (collectively, "Damages") suffered by the City on account of any injury to person or damage to property arising out of the exercise by Buyer of its rights hereunder, except to the extent that such Damages result from the act or omission of the City.
- d. Buyer shall cause any contractors, consultants or any other party conducting the Inspections to procure automobile insurance, if applicable, and commercial general liability insurance coverage in amounts of not less than Four Hundred Thousand Dollars (\$400,000.00) per occurrence for bodily injury, death and property damage, listing the City as an additional insured thereon, and also Workers' Compensation Insurance coverage to the extent required by law; the forms of all such insurance to be subject to City's Corporation Counsel's reasonable satisfaction.
- e. In the event that Buyer does not purchase the Premises, Buyer agrees to either return the Premises as nearly as possible to its original condition after conducting the Inspections, or, at the City's option, reimburse the City for any physical damage caused to the Premises in connection with the Inspections; provided, however, the City hereby acknowledges and agrees that the term "physical damage" does not include any disturbance of any pre-existing environmental contamination on the Premises caused by such inspections, studies, tests, exams, and assessments, and that Buyer shall have no obligation to clean-up, remove or take any other action with respect to any pre-existing environmental contamination disturbed thereby.
- f. The parties hereto acknowledge and agree that it is a condition to Buyer's obligations under this Agreement that the results of the Inspections be acceptable to Buyer in its sole discretion. If the results of such due diligence are not acceptable to Buyer in its sole discretion, and if Buyer exercises its right to terminate this Agreement, then neither party shall have any further obligations or liabilities under this Agreement except as expressly set forth in this Agreement. The City acknowledges and agrees that Buyer shall be entitled to terminate this Agreement for any reason or for no reason during the Due Diligence Period by providing written notice of such election to the City during the Due Diligence Period.

5. **REAL ESTATE TAXES, PRORATIONS AND TRANSFER TAX.** Buyer shall be liable for all real estate taxes beginning as of the start of fiscal year following the closing and continuing thereafter. Because the Premises 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 the current fiscal year, and no taxes will be prorated at the closing. Any utilities for the Premises shall be prorated as of the closing. Buyer's fifty percent (50%) share of the Maine real estate transfer tax shall be paid for by Buyer in accordance with 36 M.R.S.A. § 4641-A. City 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.
6. **DEFAULT AND REMEDIES.** In the event that Buyer defaults hereunder for a reason other than the default of the City, City shall retain the Appraisal Cost as its sole remedy. In the event City defaults under this Agreement, and if Buyer is not then in default hereunder, Buyer shall have the right to pursue specific performance.
7. **RISK OF LOSS.** The risk of loss or damage to the Premises by fire, eminent domain, condemnation, or otherwise, until transfer of title hereunder, is assumed by the City. The Premises is to be delivered in substantially the same condition as of the date of this Agreement unless otherwise stated and excluding any alterations made to the Premises by Buyer. In the event City is not able to deliver the Premises as stated, Buyer may terminate this Agreement, and neither party shall have any further obligations or liabilities under this Agreement except as expressly set forth in this Agreement.
8. **PROPERTY SOLD "AS IS, WHERE IS."** Buyer acknowledges that Buyer, at Closing, will have 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." City, 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 City of every agreement and obligation contained herein.
9. **ENVIRONMENTAL INDEMNIFICATION.** Buyer covenants and agrees to indemnify, defend, and hold the City 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 Buyer or the City and relating directly or indirectly to the violation of or compliance with any federal, state, or local environmental laws, rules, or regulations governing the release, handling or storage of

hazardous wastes or hazardous materials and affecting all or any portion of the Premises, except to the extent that such a claim results directly from the City's release, handling or storage of hazardous wastes or hazardous materials on the Premises. This duty to indemnify, defend, and hold harmless shall be included in a covenant in the deed and shall run with the land conveyed and be binding upon Buyer's successors, assigns, and transferees.

10. INTENTIONALLY OMITTED.

11. CLOSING. Time is of the essence in the performance of this Agreement. The closing shall be held at the offices of Buyer's counsel in Portland, Maine at a time agreeable to the parties on the date that is thirty (30) days following the expiration of the Due Diligence Period or such other date as is mutually agreed upon by the parties.

At the Closing:

- a. the City shall execute, acknowledge and deliver to Buyer a municipal quitclaim deed conveying to Buyer good and marketable title to the Premises, free and clear of all encumbrances except as otherwise set forth herein.
- b. Buyer shall deliver the Purchase Price to the City by wire transfer (or as otherwise reasonably requested by the City); and
- c. Each party shall deliver to the other such other documents, certificates and the like as may be required herein or as may be necessary to carry out the obligations under this Agreement.
- d. Buyer shall deliver evidence, reasonably satisfactory to City's Corporation Counsel, that the entity receiving title to the Premises is in good standing under Maine law, and that the individuals closing and executing documents on behalf of Buyer are authorized to do so.

12. 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 Premises hereunder. This Agreement cannot be amended except by written instrument executed by City and Buyer.

13. NON-WAIVER. No waiver of any breach of any one or more of the conditions of this Agreement by either party shall be deemed to imply or constitute a waiver of any succeeding or other breach hereunder.

14. 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.

15. 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.

16. TIME. The City and Buyer each confirm and agree that each of the time periods set forth herein are essential provisions of the terms of this Agreement.

17. 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.

18. 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 City: 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: Waterstone Properties Group, Inc.
322 Reservoir Street
Needham, MA 02494

With a copy to: Hinckley Allen
650 Elm Street, Suite 500
Manchester, NH 03101
Attention: John H. Sokul, Esq.

19. 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.

20. BROKERS. City and Buyer represent and warrant to each other that no brokerage fees or real estate commissions are or shall be due or owing in connection with this

transaction or in any way with respect to the Premises. Subject to the limitations of liability set forth in the Maine Tort Claims Act, City agrees to defend, indemnify, and hold Buyer harmless from any claims, costs, judgments, or liabilities of any kind advanced by persons claiming real estate brokerage fees through City. Buyer agrees to defend, indemnify and hold City harmless from any claims, costs, judgments, or liabilities of any kind advanced by persons claiming real estate brokerage fees through Buyer. The foregoing indemnities shall include all legal fees and costs incurred in defense against any such claim, and shall survive closing.

21. RECITALS INCORPORATED BY REFERENCE. The recitals set forth above are incorporated herein by reference and made a part of this Agreement.

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

CITY OF PORTLAND

WITNESS

Jon P. Jennings
Its City Manager

**WATERSTONE PROPERTIES GROUP,
INC.**

WITNESS

Its:

Approved as to Form:

Approved as to Funds:

City Corporation Counsel's Office

City Finance Department

Exhibit A Survey

Exhibit B
Legal Description

The land described in Warranty Deeds recorded in Book 386, Page 393 and in Book 687, Page 103.