

1. Agenda - November 28, 2017 Economic Development Committee

Documents:

[00 11-28-2017 EDC FINAL AGENDA.PDF](#)

2. Public Hearing On Proposed Payment In Lieu Of Services Policy For Non-Profit Organizations And Vote To Recommend To The City Council

Documents:

[01 PROPOSED PAYMENT IN LIEU OF SERVICES POLICY.PDF](#)

3. Public Hearing And Vote To Recommend To The City Council The Purchase And Sale Agreement For Sale Of City Owned 55 Portland Street

Documents:

[02 11-21-2017 FINAL MEMO TO EDC-55 PORTLAND ST.PDF](#)

4. Staff Presentation On Maine State Pier And Portland Ocean Terminal Redevelopment Concept Plans. No Public Comment Will Be Taken, At This Time, On This Item.

Documents:

[03 EDC MATERIAL, 11-28-17, AGENDA ITEM 3, MAINE STATE PIER.PDF](#)



## **ECONOMIC DEVELOPMENT COMMITTEE**

**DATE: Nov. 28, 2017 (Tuesday)**

**TIME: 5:30 – 7:30 p.m.**

**LOCATION: Room 209  
Portland City Hall**

- 1. Public Hearing on Proposed Payment in Lieu of Services Policy for Non-Profit Organizations and vote to recommend to the City Council.**
  - a. See enclosed memorandum and presentation from Brendan O'Connell, City Finance Director.**
  
- 2. Public Hearing and vote to recommend to the City Council the purchase and sale agreement for sale of city owned 55 Portland Street.**
  - a. See enclosed memorandum from Greg Mitchell with proposed purchase and sale agreement.**

**NOTE:** Pursuant to 1 M.R.S.A. 405(6)(C), the Committee may go into executive session to discuss real estate negotiations for the proposed sale of City property and provide guidance to staff.
  
- 3. Staff Presentation on Maine State Pier and Portland Ocean Terminal Redevelopment Concept Plans. No public comment will be taken, at this time, on this item.**
  - a. See enclosed memorandum and presentation from Bill Needelman, City Waterfront Coordinator.**

**No EDC meeting will occur this December.**



Finance Department  
Brendan T O'Connell, Director

## MEMORANDUM

**TO:** Members of the Economic Development Committee

**FROM:** Brendan T O'Connell, CPA – Finance Director

**DATE:** November 14, 2017

**SUBJECT:** **Introduction to Payment in-lieu of Taxes (PILOT) Policy**

### **(A) Summary**

One of the Economic Development Committee Goals for 2017 was to study a new payment in-lieu of taxes (“PILOT”) policy for the City of Portland. Staff researched PILOT policy types and alternatives and presented them to the Economic Development Committee on September 5. After taking Committee input at the September meeting a draft policy has been developed for presentation at the November 14<sup>th</sup> meeting. The proposed policy takes into account the community benefits provided by each exempt organization and includes guidance for City staff on opportunities to solicit participation in the PILOT.

### **(B) Background: Currently Exempt Property in Portland and Current PILOT Practice**

According to the City Tax Assessor, the amount of tax exempt real estate within the City of Portland has risen to approximately \$2 billion dollars as of June 30, 2017 and this amount may be understated. This represents nearly 21% of the total City valuation. Even after deducting the total valuation related to City owned property (approximately 4% of overall total) the remaining exempt property represents a very high percentage when compared to other municipalities nationwide (see Exhibit A). The rise in exempt valuation has put increasing pressure on the remaining property owners (referred to hereafter as “non-exempt property” owners) to fully fund the broad spectrum of services offered to residents and visitors to Portland.

The City currently has no formal PILOT policy. Agreements are negotiated with exempt property owners on very limited case by case basis, with little to no solicitation of new or extended PILOT agreements. The PILOT agreements and payments are typically negotiated to offset the cost of “basic” services in the City, loosely defined as public safety services and core

public works services. Currently 10 formal PILOT request letters are sent to nonprofit organizations annually, with a very limited number of other agreements in place with other non-exempt property owners. In total \$570,000 of revenue was estimated within the FY18 budget from PILOT payments. Actual collections in FY17 were slightly higher than budgeted, due in part to certain PILOT agreements based on profits.

It is important to note that nationwide there are no laws which require PILOT payments. The current City PILOT payments are voluntary and any future PILOT payments or agreements would remain voluntary.

### **(C) Goals of the PILOT Policy**

As noted by the Lincoln Institute of Land Policy, *PILOTs are a tool to address two problems with the property tax exemption provided to nonprofits. First, the exemption is poorly targeted, since it mainly benefits nonprofits with the most valuable property holdings, rather than those providing the greatest public benefits. Second, a geographic mismatch often exists between the costs and benefits of the property tax exemption, since the cost of the exemption in terms of forgone tax revenue is borne by the municipality in which a nonprofit is located, but the public benefits provided by the nonprofit often extend to the rest of the state or even the whole nation.*<sup>1</sup> PILOT policies are becoming an increasingly common way to solicit contributions from nonprofits to help offset the cost of services they consume. See Exhibit A on page 4 for a nationwide comparison of charitable nonprofit organizations registered with the IRS by type as well as their assets and liabilities.

The PILOT policy will have several goals and objectives. Above all, a uniform policy must be developed to be applied to the exempt properties within the City. A PILOT policy would provide clarity to exempt organizations who wish to locate in Portland and create a more even playing field within exempt property owners. An added benefit will be a more equitable distribution of cost of services between exempt and non-exempt property owners, although actual increases in property tax revenues from formal PILOT policies vary significantly from municipality to municipality.

As part of this uniform policy, guidelines for City staff may be included. For example, when a nonprofit expands holdings within the City, there should be protocol for initiation of a conversation around PILOT payments to offset the cost of conversion of non-exempt property to exempt property. This was recently done by the Planning Department when approving a recent development which included exempt property.

A secondary goal of the PILOT will be to review the population of exempt properties in more detail, to fully understand the organizations receiving the most value from their exemptions. It is best practice to review the benefits provided by exempt organizations during PILOT policy development.

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<sup>1</sup> Kenyon and Langley - *Payments in Lieu of Taxes - Balancing Municipal and Nonprofit Interests*, 2010

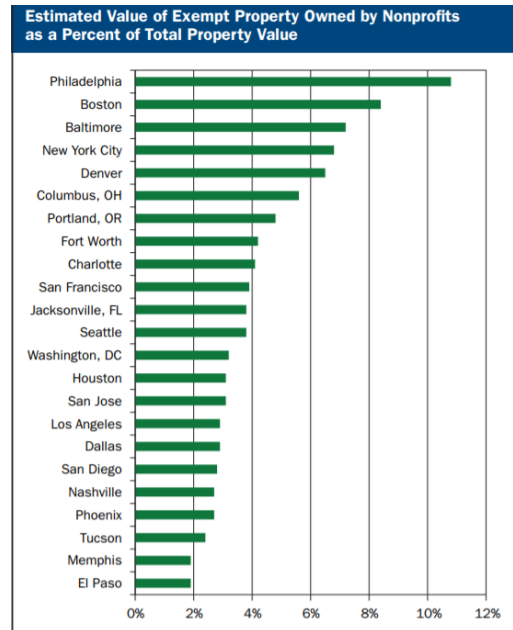
#### **(D) Arguments for Strong PILOT Policy**

- With an increasing percentage of exempt property within City, nonprofits should share in the cost of basic services which benefit them. Police and fire protection and road maintenance are the costs most frequently allocated to exempt property owners in other municipalities.
- A strong PILOT policy has the potential to help ease the tax burden on non-exempt property owners, and create a more equitable distribution of the tax levy across those who consume core City services.
- PILOT policies can help address inequities created by the charitable tax exemption (i.e. the greatest tax savings goes to organizations who have the most valuable property holdings).
- PILOT policies can reduce inefficient location decisions made by nonprofits (i.e. exempt status creates an incentive for nonprofits to locate in cities where the tax savings are higher).

#### **(E) Components of the Draft PILOT Policy**

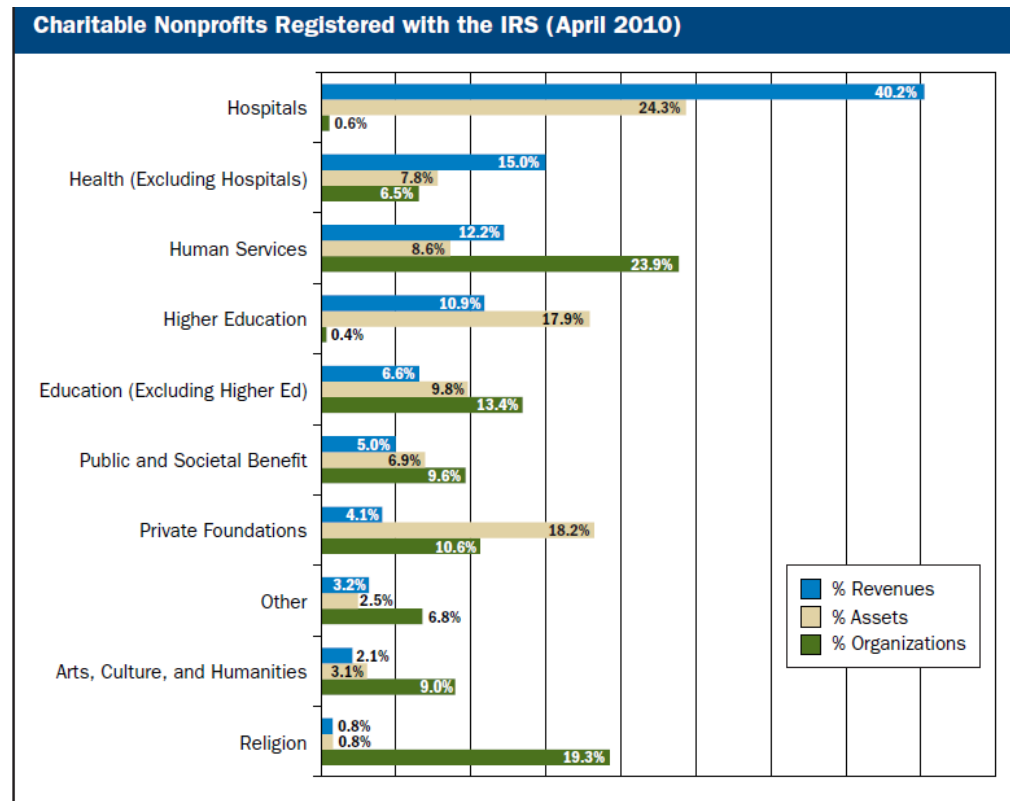
During the meeting on November 14<sup>th</sup> the draft PILOT policy (attached) will be reviewed with the Economic Development Committee and Public Comment will be taken. Committee members will have the opportunity to vote on the current draft or suggest revisions to the policy for presentation at the November 28<sup>th</sup> meeting.

## Exhibit A



Note: These statistics should be viewed as rough estimates. Policy makers should exercise caution when drawing conclusions from these data, because the quality of assessments of exempt property is wide-ranging and often unreliable (Lipman 2006b).

Source: Lipman (2006a).



Note: Religious congregations are not required to register with the IRS; nonprofits with gross receipts under \$25,000 and religious congregations are not required to file IRS Form 990 with financial information. The number of organizations includes all 501(c)(3) charitable nonprofits registered with IRS (1,138,289), but revenues and assets for each subsector only include charities that filed IRS Form 990 (598,110).

Source: National Center for Charitable Statistics (2010).

**CITY OF PORTLAND, MAINE**  
**PAYMENT IN LIEU OF TAXES POLICY (PILOT)**

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Revised: October 31, 2017

Effective: January 1, 2019

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## 1. PURPOSE

In order to maintain the high standard of municipal services that Portland has historically provided, the City Council has established a policy for PILOT (Payment In Lieu of Tax) contributions from tax-exempt property owners (referred to hereafter as “exempt property” owners). The purpose of this PILOT policy document is to summarize the uniform policy to be applied to the exempt properties within the City. The policy is intended to provide clarity to exempt organizations who wish to locate in Portland. The policy includes monetary payments and consideration of other services provided by exempt organizations. The policy also provides guidance for City staff when approached with questions about PILOT policy requirements.

## 2. THE NEED FOR A FORMAL PILOT POLICY

According to the City Tax Assessor, the amount of tax exempt real estate within the City of Portland has risen to approximately \$2 billion dollars as of June 30, 2017 and this amount may be understated. This represents nearly 21% of the total City valuation, a very high percentage when compared to other municipalities. The rise in exempt valuation has put increasing pressure on the remaining property owners in Portland (referred to hereafter as “non-exempt property” owners) to fully fund the broad spectrum of services offered to residents and visitors to Portland.

The City recognizes that non-profit organizations contribute directly to the quality of life within the community and welcomes these organizations. Portland has historically been recognized as leader in Maine the area of higher education, arts and culture, public health and religious freedom, and have encouraged non-profits to organize in the City to enrich the quality of life of its residents. The City’s location, status as the economic engine of Northern New England, located just under 2 hours north of Boston, with easy access via major highway, bus, rail, and jetport, makes it attractive for non-profit institutions. This demand for land and buildings to operate non-profit organizations has absorbed significant amounts of taxable property within

the City in recent years. A continuing shift in tax burden to a diminishing tax base will have a negative impact on residents, local businesses and the overall Greater Portland community. In order to maintain the financial health of the community as a whole and to as to continue to provide a range of quality services, the City must set an objective to maintain its existing tax base and expand it where reasonably possible. Strong PILOT policies have been used in municipalities nationwide to achieve this objective. Several key reasons noted for adoption of strong PILOT policies are listed below.

- With an increasing percentage of exempt property within a City, nonprofits should share in the cost of basic services which benefit them. Police and fire protection and road maintenance are the costs most frequently allocated to exempt property owners in other municipalities.
- A strong PILOT policy has the potential to help ease the tax burden on non-exempt property owners, and create a more equitable distribution of the tax levy across those who consume core City services.
- PILOT policies can help address inequities created by the charitable tax exemption (i.e. the greatest tax savings goes to organizations who have the most valuable property holdings).
- PILOT policies can reduce inefficient location decisions made by nonprofits (i.e. exempt status creates an incentive for nonprofits to locate in cities where the tax savings are higher).

### 3. FIVE BASIC PRINCIPLES OF THE PILOT POLICY

#### I. **Participation in the PILOT Program is voluntary**

Consideration was given to seeking an ordinance change to require PILOT payments and ensure more uniform participation. However any attempt to impose a legal or statutory requirement would face significant opposition and runs counter to the spirit of partnership between the City and its local institutions that a successful PILOT program would provide.

#### II. **PILOT should be applied equally to all current and future non-profit groups in Portland**

All non-profit institutions should participate in the PILOT program. While significant focus has been placed on the City's medical and educational institutions, the City's museums, cultural facilities, and other significant non-profits share a similar interest in the City.

However, while broad participation is essential to the program's success, the City has determined that an exception should be made for smaller nonprofits which may lack the resources to fully engage in the PILOT process. Normally, a threshold of **\$2 million** in assessed value would meet this goal. An exemption of this amount will be applied to all organizations under this policy, eliminating the PILOT completely for the smaller institutions, while mitigating the financial impact of PILOT payments on institutions just beyond this threshold.

#### III. **PILOT contributions should offset cost of basic City services: 25% of full tax levy**

PILOT contributions should be based on the value of real estate owned by an institution. This approach both reflects the size and quality of the institution's real estate holdings and is consistent with the approach taken for taxable properties. PILOT policies nationwide set contribution levels at an amount designed to cover the portion of the tax levy related to basic and core City services. For purposes of this PILOT, those services have been designated as public safety services (police and fire) and basic public works services including snow removal. This amount has remained at approximately 25% of the City's tax levy over many years and this level has been deemed to be appropriate for the current policy.

**IV. PILOT policy includes a SILOT (Services In Lieu of Taxes) deduction up to 50%**

Community benefits are an important aspect of an institution's contribution to the City. Institutions should receive up to a 50% PILOT deduction for qualifying community programs and services that uniquely benefit Portland residents. In the case of exceptional opportunities for partnership, the 50% cap may be exceeded. Institutions should also receive a credit on their PILOT in the amount of real estate taxes paid on properties that would ordinarily qualify for a tax exemption based on use and a credit for costs paid which would otherwise be paid. Section X of this document contains more detail on criteria for the SILOT deduction.

**V. The new PILOT formula should be phased in over a 5-year period starting in FY 2019**

While the payments currently made by some institutions approach the levels indicated by the program levels recommended above, most institutions fall below the recommended amounts. Institutions will require time to make the necessary adjustments in their budget and financial plans to accommodate increased PILOT

amounts. To ensure a smooth transition, the Task Force recommends that the new formula be phased in over a time period of not less than 5 years.

#### 4. IS THE PILOT POLICY APPLICABLE TO MY ORGANIZATION?

All tax exempt organizations are encouraged to participate in the PILOT policy. As noted previously an exemption amount of \$2M will be applied to all organizations under this policy, eliminating the PILOT completely for the smaller institutions, while mitigating the financial impact of PILOT payments on institutions just beyond this threshold.

#### 5. CALCULATION OF PILOT PAYMENT DUE

PILOT contributions are based on the value of real estate owned by an institution. The initial PILOT payment calculation is determined by multiplying the property assessed value less the exemption amount of \$2M, times the tax rate times 25%, and then subtracting any available SILOT credit applicable to the exempt organization.

$$\left( \text{Property Assessed Value}^* \times \text{Tax Rate} \times 25\% \right) - \text{Available SILOT Credit}$$

\* Less \$2M of exemption amount

The assessor's office determines your assessed value and the City Council sets the tax rate each spring with the passage of the city budget. The assessed valuation is reduced by the \$2M exemption, and PILOT payments due are then reduced to only 25% of the amount which would

have normally been due from a similarly valued non-exempt property. The 25% represents the cost of the City's "core" services which are public safety (Police and Fire Department) and basic street maintenance / winter operations. The PILOT payment due is subtracted by any available SILOT (Services-in-lieu-of-taxes) credit which has been applied to the exempt organization by the City. SILOT credits are not guaranteed to every organization and are calculated on a case by case basis by the City. The SILOT credit may not exceed 50% of the total amount of the PILOT due. See the SERVICES IN LIEU OF TAXES (SILOT) CREDIT section for complete details on SILOT criteria and calculation.

## 6. SERVICES IN LIEU OF TAXES (SILOT) CREDIT

In consideration of the community benefits of the exempt organization within the City, the PILOT policy includes a deduction for services provided. A list of items which WOULD qualify for SILOT credit are listed below. An exempt entity will have an opportunity on an annual basis to outline their SILOT contributions via a standard form distributed with the estimated PILOT bill.

### **Participation in City Initiatives**

- Targeted scholarships for Portland residents
- Summer Job Creation / Youth Employment
- Set Up Initiative Health Disparities Initiative

### **Policy Based Collaborations**

- Public/Community Health Initiatives
- Partnerships with Local Schools
- Job Training Initiatives
- Direct support on City Council Goals / participation on Task Forces

### **Other Direct Contributions**

- Real Estate Taxes on Property Used for Institutional Purposes

- Donations to City capital projects or initiatives
- Donations in kind (i.e. real estate, personal property)
- Provision of services otherwise provided by the City (i.e. snow removal on public right of way, maintenance of a public facility, security services provided in public areas)

### **Good Neighbor Activities**

- Volunteer Efforts of Students/Employees
- Sponsorships of local organizations

A non-comprehensive listing of items which would NOT qualify for SILOT credit is below:

- Real Estate Taxes on Property used for Non-institutional Purposes
- Linkage Payments
- Permits Inspection Fees
- Student Spending
- Salaries Paid to Employees
- Construction Costs
- Purchase of Goods, Services
- Grants Received / Outside Money
- Operating Support for Community Health Clinics
- Free Care (Safety Net Care)
- Unreimbursed Medicare or Medicaid

## **7. ANNUAL BILLING AND FIVE-YEAR PHASE IN (FY20-FY24)**

### **Annual Billing**

The annual billing for the PILOT will be performed by City staff. PILOT bills will be sent on a semiannual basis on a schedule similar to regular property tax billing – typically PILOT bills will be sent in July of each fiscal year. A SILOT credit application will also be enclosed with the PILOT bill and each exempt organization will have 30 days to complete and return form. The City will review the forms and notify each organization of SILOT credits received – including a

revised PILOT bill for the current fiscal year. PILOT payments will be due on the regular property tax payment dates – typically the second Friday in September and March of each year.

### **Five Year Phase In – New PILOT Agreements**

For any exempt organizations impacted by this policy, who currently exist in the City and are remaining in their existing locations, a five year phase in is permitted. The amounts due in the first five tax years of the new program are as follows:

FY20 – 10% of the normal PILOT amount

FY21 – 20% of the normal PILOT amount

FY22 – 30% of the normal PILOT amount

FY23 – 40% of the normal PILOT amount

FY23 – 50% of the normal PILOT amount

For any NEW exempt organizations seeking to locate within the City or Portland the full PILOT amount is due in FY20. For exempt organizations who currently exist within the City and are seeking to expand their footprint within the City, the full PILOT policy would be due on any new property acquired.

### **8. GUIDANCE FOR CITY STAFF – ENCOURAGING PARTICIPATION IN THE PILOT PROGRAM**

Several common transactions should be used as opportunities for City staff to inform exempt organizations about the PILOT policy and in some cases strongly encourage participation.

Property Sale – Where conversion to exempt property	Strongly encourage signing of a new PILOT agreement, present policy along with standard agreement.
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Building Permit – Where conversion to exempt property	Strongly encourage signing of a new PILOT agreement, present policy along with standard agreement.
Zoning Amendment Request	Strongly encourage signing of a new PILOT agreement, present policy along with standard agreement.
Site Plan Review	Inform of PILOT policy – present copy of document
Passage of Formal Pilot Policy / Amendments to PILOT Policy	Notify all potentially impacted exempt organizations

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## Fiscal Year 2016 Payment in Lieu of Tax (PILOT) Program Results

Educational Institutions	FY11	Total		FY16 PILOT	Less Community		1st Half	2nd Half	FY16
	PILOT	Exempt Value	If Taxable	(Year 5)	Benefits Credit	Cash PILOT	PILOT Contribution	PILOT Contribution	Total PILOT Contribution
Berklee College	\$ 151,331	\$ 149,334,523	\$ 4,635,344	\$ 904,351	\$ (452,175)	\$ 452,175	\$ 113,911	\$ 113,911	\$ 227,822
✓ Boston Architectural College	\$ -	\$ 19,056,500	\$ 591,514	\$ 31,478	\$ (15,739)	\$ 15,739	\$ 7,870	\$ 7,870	\$ 15,739
Boston College	\$ 297,571	\$ 526,217,533	\$ 16,333,792	\$ 3,447,088	\$ (1,723,544)	\$ 1,723,544	\$ 331,479	\$ -	\$ 331,479
Boston College High School	\$ -	\$ 27,176,500	\$ 843,559	\$ 94,490	\$ (47,245)	\$ 47,245	\$ -	\$ -	\$ -
Boston Conservatory	\$ -	\$ 29,053,500	\$ 901,821	\$ 109,055	\$ (54,528)	\$ 54,528	\$ -	\$ -	\$ -
Boston University	\$ 5,082,079	\$ 1,999,421,324	\$ 62,062,038	\$ 15,165,223	\$ (7,582,612)	\$ 7,582,612	\$ 3,050,000	\$ 3,050,000	\$ 6,100,000
Catholic Memorial	\$ -	\$ 16,753,071	\$ 520,015	\$ 13,604	\$ (6,802)	\$ 6,802	\$ -	\$ -	\$ -
Emerson College	\$ 141,591	\$ 240,541,000	\$ 7,466,393	\$ 1,750,198	\$ (875,099)	\$ 875,099	\$ 70,796	\$ 70,796	\$ 141,592
Emmanuel College	\$ -	\$ 194,556,700	\$ 6,039,040	\$ 1,393,360	\$ (696,680)	\$ 696,680	\$ 75,000	\$ 75,000	\$ 150,000
Fisher College	\$ -	\$ 44,638,499	\$ 1,385,579	\$ 229,995	\$ (114,997)	\$ 114,997	\$ -	\$ -	\$ -
Harvard University	\$ 2,109,293	\$ 1,512,947,591	\$ 46,961,893	\$ 11,607,145	\$ (5,803,573)	\$ 5,803,573	\$ 1,378,009	\$ 1,845,457	\$ 3,223,466
✓ Mass College of Pharmacy	\$ 242,252	\$ 109,297,000	\$ 3,392,579	\$ 731,745	\$ (365,872)	\$ 365,872	\$ 182,936	\$ 182,936	\$ 365,872
✓ NE College of Optometry	\$ -	\$ 25,065,500	\$ 778,033	\$ 78,108	\$ (39,054)	\$ 39,054	\$ 19,527	\$ 19,527	\$ 39,054
New England Conservatory	\$ -	\$ 31,627,000	\$ 981,702	\$ 129,026	\$ (64,513)	\$ 64,513	\$ -	\$ -	\$ -
Northeastern University	\$ 30,571	\$ 1,338,469,314	\$ 41,546,088	\$ 9,592,952	\$ (4,796,476)	\$ 4,796,476	\$ 550,000	\$ 550,000	\$ 1,100,000
Roxbury Latin School	\$ -	\$ 52,829,300	\$ 1,639,821	\$ 293,555	\$ (146,778)	\$ 146,778	\$ -	\$ -	\$ -
✓ Showa Institute	\$ 123,084	\$ 42,694,600	\$ 1,325,240	\$ 214,910	\$ (107,455)	\$ 107,455	\$ 53,728	\$ 53,728	\$ 107,455
Simmons College	\$ 15,000	\$ 139,730,000	\$ 4,337,219	\$ 967,905	\$ (483,952)	\$ 483,952	\$ -	\$ -	\$ -
Suffolk University	\$ 378,979	\$ 194,390,200	\$ 6,033,872	\$ 1,392,068	\$ (696,034)	\$ 696,034	\$ 219,475	\$ 219,475	\$ 438,950
✓ Tufts University	\$ 232,975	\$ 158,300,662	\$ 4,913,653	\$ 1,112,013	\$ (556,007)	\$ 556,007	\$ 278,003	\$ 278,003	\$ 556,007
Wentworth Institute of Tech. <sup>1</sup>	\$ 31,504	\$ 208,240,568	\$ 6,463,787	\$ 1,499,547	\$ (749,773)	\$ 749,773	\$ 299,403	\$ -	\$ 299,403
Wheelock College	\$ -	\$ 54,656,000	\$ 1,696,522	\$ 307,731	\$ (153,865)	\$ 153,865	\$ -	\$ -	\$ -
Winsor School	\$ -	\$ 41,283,900	\$ 1,281,452	\$ 203,963	\$ (101,982)	\$ 101,982	\$ -	\$ -	\$ -
<b>TOTAL</b>	\$ 8,836,231	\$ 7,156,280,785	\$ 222,130,956	\$ 51,269,510	\$ (25,634,755)	\$ 25,634,755	\$ 6,630,136	\$ 6,466,702	\$ 13,096,838

<sup>1</sup> Wentworth Institute of Technology received a \$50,000 exceptional opportunity credit for the donation of land for the construction of housing for seniors in Mission Hill

✓ = Institution contributed a cash PILOT and qualifying community benefits in the amount requested by the City

## Fiscal Year 2016 Payment in Lieu of Tax (PILOT) Results

	FY11 PILOT	Total Exempt Value	If Taxable	FY16 PILOT (Year 5)	Less Community Benefits Credit	Cash PILOT	1st Half PILOT Contribution	2nd Half PILOT Contribution	FY16 Total PILOT Contribution
<b>Medical Institutions</b>									
✓ Beth Israel Deaconess	\$ 167,000	\$ 813,129,901	\$ 25,239,552	\$ 6,193,488	\$ (3,096,744)	\$ 3,096,744	\$ 1,548,372	\$ 1,548,372	\$ 3,096,744
✓ Boston Children's Hospital <sup>2</sup>	\$ 111,921	\$ 660,688,500	\$ 20,507,771	\$ 3,248,521	\$ (2,436,391)	\$ 812,130	\$ 420,318	\$ 391,812	\$ 812,130
✓ Boston Medical Center	\$ 137,625	\$ 279,568,600	\$ 8,677,809.34	\$ 2,024,379	\$ (1,518,284)	\$ 506,094.76	\$ 254,375	\$ 251,720	\$ 506,095
✓ Brigham and Women's Hosp.	\$ 1,538,506	\$ 794,517,135	\$ 24,661,812	\$ 6,049,053	\$ (3,024,526)	\$ 3,024,526	\$ 1,512,263	\$ 1,512,263	\$ 3,024,526
✓ Dana Farber Cancer Institute	\$ 99,972	\$ 248,137,603	\$ 7,702,191	\$ 1,809,148	\$ (904,574)	\$ 904,574	\$ 452,287	\$ 452,287	\$ 904,574
✓ Faulkner Hospital	\$ -	\$ 161,926,400	\$ 5,026,195	\$ 1,140,149	\$ (570,074)	\$ 570,074	\$ 285,037	\$ 285,037	\$ 570,074
Franciscan Hospital	\$ -	\$ 50,402,000	\$ 1,564,478	\$ 274,720	\$ (137,360)	\$ 137,360	\$ -	\$ -	\$ -
✓ Harvard Vanguard	\$ 294,886	\$ 109,848,200	\$ 3,409,688	\$ 736,022	\$ (368,011)	\$ 368,011	\$ 184,006	\$ 184,005	\$ 368,011
Hebrew Rehabilitation Ctr	\$ -	\$ 42,544,000	\$ 1,320,566	\$ 213,741	\$ (160,306)	\$ 53,435	\$ -	\$ -	\$ -
Joslin Diabetes Center	\$ -	\$ 86,293,700	\$ 2,678,556	\$ 553,239	\$ (276,620)	\$ 276,620	\$ -	\$ -	\$ -
✓ Mass Eye & Ear Infirmary	\$ -	\$ 116,908,100	\$ 3,628,827	\$ 790,807	\$ (395,403)	\$ 395,403	\$ 197,702	\$ 197,702	\$ 395,403
✓ Mass General Hospital	\$ 2,668,355	\$ 1,786,908,729	\$ 55,465,647	\$ 13,750,012	\$ (6,875,006)	\$ 6,875,006	\$ 3,437,503	\$ 3,437,503	\$ 6,875,006
New England Baptist Hosp.	\$ -	\$ 134,481,973	\$ 4,174,320	\$ 927,180	\$ (463,590)	\$ 463,590	\$ 185,436	\$ 185,436	\$ 370,872
Shriners Hospital	\$ -	\$ 106,097,400	\$ 3,293,263	\$ 706,916	\$ (353,458)	\$ 353,458	\$ -	\$ -	\$ -
✓ Spaulding Rehab Hospital	\$ 78,919	\$ 153,933,900	\$ 4,778,108	\$ 1,078,127	\$ (539,064)	\$ 539,064	\$ 269,532	\$ 269,532	\$ 539,064
Tufts Medical Center	\$ 910,720	\$ 401,044,500	\$ 12,448,421	\$ 2,995,705	\$ (1,497,853)	\$ 1,497,853	\$ 424,396	\$ 641,286	\$ 1,065,682
<b>TOTAL</b>	\$ 6,007,904	\$ 5,946,430,641	\$ 184,577,207	\$ 42,491,207	\$ (22,617,264)	\$ 19,873,943	\$ 9,171,227	\$ 9,356,954	\$ 18,528,181

<sup>2</sup> Half of the hospital's cash PILOT was a direct cash contribution to the Boston Public Schools and Boston Public Health Commission as an exceptional opportunity credit according to program guidelines

	FY11 PILOT	Total Exempt Value	If Taxable	FY16 PILOT (Year 5)	Less Community Benefits Credit	Cash PILOT	1st Half PILOT Contribution	2nd Half PILOT Contribution	FY16 Total PILOT Contribution
<b>Cultural Institutions</b>									
Bayridge Center	\$ 17,884	\$ 29,788,000	\$ 924,620	\$ 114,755	\$ (57,377)	\$ 57,377	\$ 9,526	\$ 9,526	\$ 19,051
✓ Boston Symphony Orchestra	\$ 84,976	\$ 29,178,062	\$ 905,687	\$ 110,022	\$ (55,011)	\$ 55,011	\$ 27,505	\$ 27,505	\$ 55,011
Children's Museum	\$ -	\$ 31,029,000	\$ 963,140	\$ 124,385	\$ (62,193)	\$ 62,193	\$ -	\$ -	\$ -
✓ Gardner Museum	\$ -	\$ 27,868,501	\$ 865,038	\$ 79,888	\$ (39,944)	\$ 39,944	\$ 19,972	\$ 19,972	\$ 39,944
Inst. of Contemporary Art	\$ -	\$ 37,162,500	\$ 1,153,524	\$ 171,981	\$ (85,991)	\$ 85,991	\$ -	\$ -	\$ -
✓ MASCO	\$ 133,778	\$ 50,947,000	\$ 1,581,395	\$ 278,949	\$ (139,474)	\$ 139,474	\$ 69,737	\$ 69,737	\$ 139,474
Museum of Fine Arts	\$ 66,220	\$ 282,450,999	\$ 8,767,279	\$ 2,062,784	\$ (1,031,392)	\$ 1,031,392	\$ 32,133	\$ 36,787	\$ 68,920
Museum of Science	\$ -	\$ 34,903,500	\$ 1,083,405	\$ 154,451	\$ (77,226)	\$ 77,226	\$ -	\$ -	\$ -
New England Aquarium	\$ -	\$ 70,176,100	\$ 2,178,266	\$ 428,167	\$ (214,083)	\$ 214,083	\$ -	\$ -	\$ -
✓ WGBH	\$ -	\$ 49,902,500	\$ 1,548,974	\$ 270,843	\$ (135,422)	\$ 135,422	\$ 67,711	\$ 67,711	\$ 135,422
<b>TOTAL</b>	\$ 302,858	\$ 643,406,162	\$ 19,971,327	\$ 3,796,224	\$ (1,898,112)	\$ 1,898,112	\$ 226,584	\$ 231,238	\$ 457,822
<b>GRAND TOTAL</b>	\$ 15,146,992	\$ 13,746,117,588	\$ 426,679,490	\$ 97,556,941	\$ (50,150,131)	\$ 47,406,810	\$ 16,027,947	\$ 16,054,894	\$ 32,082,841

✓ = Institution contributed a cash PILOT and qualifying community benefits in the amount requested by the City



Economic Development Department  
Gregory A. Mitchell, Director

## **MEMORANDUM**

**TO:** Economic Development Committee

**FROM:** Greg Mitchell, Economic Development Director

**DATE:** November 21, 2017

**SUBJECT:** Review and vote to recommend to the City Council Authorizing the City Manager to Enter into a Purchase and Sale Agreement for Sale of City Property at 55 Portland Street

### **I. Summary**

This is for the Economic Development Committee (EDC) to review and vote to recommend to the City Council to authorize the City Manager to enter a Purchase and Sale Agreement to sell City property located at 55 Portland Street to Ford Reiche for \$1,400,000 with a delayed property closing on or before December 31, 2018.

### **II. Background**

It has been the long-term goal to sell this and other Public Works Bayside properties per the Year 2000 Bayside Vision. To support these property sales, the City Council approved the acquisition of property along Canco Road which has been and continues to be redeveloped to support the relocation of Public Works operations from Bayside and other City Departments.

The subject property is being used for Public Works administration. See attached property location map.

Public EDC meetings to discuss the sale of Bayside former Public Works Properties have been held on 1/3/2017, 1/31/2017, 2/27/2017, 3/7/2017, 6/27/2017, 7/19/2017, and 9/19/2017, with the additional meeting to be held on 11/15/2017.

Under the direction of the EDC, staff negotiated this Purchase and Sale Agreement with Ford Reiche. Mr. Reiche's proposal is to retain the building as office space with renovations for daylighting, various sized collaboration spaces, open work space environments, and energy efficient lights. Other necessary improvements would include:

- Separating mechanical services and vehicle circulation shared with the building at 44 Hanover Street;
- Updating parts of the façade and grounds;

- Modifying room configurations to the intended new use;
- Major renovation of flooring, ceilings, lighting; and
- Upgrades to restrooms.

These improvements, estimated at \$500,000-\$750,000, are intended to create modern Class B office space, which is a need on the peninsula. Tenants, one or two, are expected to be small or mid-sized commercial operations. Estimated employee capacity would be 48.

### **III. Intended Result and/or Council Goal Addressed**

The intended result would be the sale of this property to support office space development in Bayside. It also supports the Council's long-term goal to sell Public Works Bayside properties to support Public Works relocation out of Bayside.

### **IV. Financial Impact and Purchase and Sale Agreement Highlights**

If sold, the City would realize property sale proceeds in the amount of \$1,400,000 and future new taxes from the proposed development.

Also, provisions are included to ensure future payment of property taxes in the event of non-profit ownership.

The appraised value of this property in an "as is, where is" condition is \$1,620,000. Buyer will provide the City with environmental indemnification and be responsible for any site environmental remediation costs.

Proceeds from the sale of this and other Bayside property will be utilized to fund the relocation of remaining Public Works operations out of Bayside.

Also, Developer performance requirements are included in the Purchase and Sale Agreement.

### **V. Staff Analysis**

For the reasons stated previously, staff supports the approval of the Proposed Purchase and Sale Agreement as attached.

### **VII. Recommendation**

Staff recommends that the EDC review and vote to recommend to the City Council that it authorize the City Manager to enter into the proposed Purchase and Sale Agreement in substantial conformance as attached.

Attachments:

>Bayside Property Map

>Proposed Purchase and Sale Agreement and its Exhibits:

- a. Property Offer with Bayside Parcel Map
- b. Developer's Project Proposal

Map produced by the City of Portland  
Economic Development Department.  
Lot lines are approximate. For visualization  
only. Not intended for conveyance of  
property. November 2017

**Hanover Street**

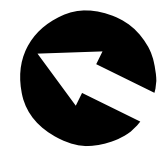
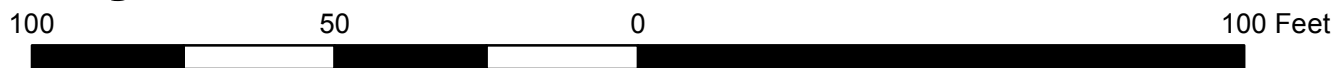
**Portland Street**

**55 Portland Street**

**Proposed Lot Division**

**Parris Street**

**Bayside Parcel: 55 Portland Street**



## PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT IS made this \_\_\_\_\_ day of \_\_\_\_\_, 2017 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 55 Portland Street, LLC, a Maine limited liability company to be formed by Ford S. Reiche, or its nominee (hereinafter referred to as “Buyer” ).

### RECITALS

WHEREAS, the CITY is the owner certain land at 55 Portland Street, Portland, Maine as generally depicted on the plan attached hereto as Exhibit A<sup>1</sup> as depicted on illustration appended to Purchaser’s Offer Dated June 22, 2017 (the “Premises”); and

WHEREAS, Buyer desires to purchase the Premises, and the City desires to convey the Premises to Buyer, subject to all easements of record and any other existing easements burdening the Premises.

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.
2. **CONSIDERATION.** The purchase price for the Premises shall be One Million, Four Hundred Thousand Dollars (\$1,400,000) (the “Purchase Price”), subject to the following cost adjustments and conditions:
  - a. Buyer shall deposit in the sum of One Hundred Thousand Dollars (\$100,000.00) (the “Deposit”) within 3 business days after the full execution of this Agreement that the parties agree will be held in escrow as of the date of this Agreement, in a non-interest bearing account with CBRE | The Boulos Company; the Deposit shall be fully refundable until the end of the Due Diligence Period as described herein; after such Period the Deposit shall be non-refundable (except as otherwise provided in Sections 3c, 3e, 6, 7 and 10 of this Agreement); and

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<sup>1</sup> Note is made that the back boundary line of the Premises will be at the rear of the approximately nine parking spaces adjacent to the building on the Premises, with a to-be-created access easement from Hanover Street to these parking spaces; and further, that the entire parking lot accessed from Portland Street is part of the Premises. This new to-be-created boundary will reduce the acreage of the Premises stated herein. The Premises shall be as depicted on illustration appended to Purchaser’s Offer Dated June 22, 2017.

- b. The Buyer shall pay the remainder of 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 sixty (60) days after the date of this Agreement (the “Due Diligence Period”) to complete any survey, environmental review and title examinations.

b. Property Description. The property description contained in the deed will be a survey description based upon a survey plan (the “Premises”), to be provided by the City, that will more specifically describe the property shown on Exhibit A hereto together with an easement over the adjoining property for access to and from Hanover Street to the parking located on the Premises. The Premises will be distributed to the parties hereto prior to expiration of the Due Diligence Period and the parties will agree on the property and easement description prior to closing. The Due Diligence Period shall be extended in the event that the survey plan is not completed by the end of the Due Diligence Period and Buyer is afforded reasonable time to review the plan and make any title objections as provided below.

c. Financing Contingency. Buyer shall have fifteen (15) days after the end of the Due Diligence Period (the “Financing Period”) to obtain commercially reasonable financing, and shall take timely and commercially reasonable steps to secure such financing. If Buyer fails to obtain a commitment for such financing within such period or if such financing is not provided at Closing, then, Buyer may serve written notice on the Seller of its election to terminate this Agreement. If Buyer gives such notice to the Seller, terminating this Agreement, this Agreement shall be deemed terminated, the Deposit shall be returned to Buyer and neither party shall have any further rights, claims or obligations, except as otherwise expressly provided herein.

d. 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 herein) that materially affect marketability or use. 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. City shall provide a copy of a Phase II environmental study completed on the Property and should the results of any such study be provided on or after the Due Diligence Period, Buyer shall be afforded reasonable time to review the results and make any objections as provided for herein.

e. 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 sixty (60) 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 (1) terminate this Agreement and obtain a refund of the Deposit (after which neither party will have any further obligation or liability to the other under this Agreement), (2) waive the objection and close, or (3) undertake the cure of such objection at its own expense (in which case it shall have 60 days to do so).

f. Deed. City shall convey the Premises to Buyer at the closing in fee simple by a municipal quitclaim deed without covenant. The deed shall include easement rights satisfactory to Buyer. Title shall be good, insurable and insurable title, free and clear of all encumbrances except (i) the easements described herein; (ii) easements for utilities servicing the property, (ii) City ordinances, and (iii) 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. 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.

#### **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, in its 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 general public 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 the City shall refund to Buyer the Deposit, if previously paid, without interest, within thirty (30) days after receipt of Buyer's termination notice, and neither party shall have any further obligations or liabilities under this Agreement except as expressly set forth in this Agreement.

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 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 the current fiscal year, 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. 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 deposit 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, but at all times may elect in substitution therefor, as its sole remedy, the right to a return of its deposit.
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. In the event City is not able to deliver the Premises as stated, Buyer may terminate this Agreement and receive a refund of the Deposit without interest, 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 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." 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. CONDITIONS PRECEDENT TO CLOSING.** The City shall pursue Subdivision approval by the City of Portland Planning Board, in order to obtain approval for the creation of the parcel which constitutes the Premises, unless the Buyer and City as Seller, determine such Subdivision approval is not required. In the event the City is unable to obtain such approval prior to the Closing Date, as defined below, then the Closing date shall be extended for one year and if after the end of such extension period, the City is unable to obtain such approval, then the City shall refund the Deposit, if previously paid, without interest, and this Agreement shall be terminated and neither party shall have any further obligations or liabilities under this Agreement, unless the parties mutually agree to extend this agreement. Buyer acknowledges and agrees that the City is acting as Seller, and not in its regulatory capacity, in connection with this Agreement. The acceptance or recording of a deed to the Buyer of the Premises will evidence conclusive and final consent by the Buyer to the waiver or completion of all this condition.

**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 or lender at a time agreeable to the parties on or before December 31, 2018 (the "Closing Date"). At the Closing:

- a. the City shall execute, acknowledge and deliver to Buyer a municipal quitclaim deed conveying to Buyer good and insurable title to the Premises, free and clear of all encumbrances except as otherwise set forth herein. Full possession of the Premises shall be given to Buyer at Closing and the City shall have removed all of its personal property and left the Premises in a clean and orderly condition.
- b. Buyer shall deliver the balance of the Purchase Price to the City by wire transfer (or as otherwise reasonably requested by the City);
- 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 acting to Closing and executing documents on behalf of Buyer are authorized to do so.

**12. BUYER'S POST CLOSING OBLIGATIONS.** To the extent described in this paragraph, Buyer agrees to substantially commence development of the project substantially as depicted on the attached Plan (Exhibit B), substantially as presented in the Memo dated August, 2017 to Nate Stevens and Vince Ciampi (copy to Greg Mitchell) from Ford Reiche and Jeff Zachau (the "Project") within twelve (12) months after the Closing, provided, however, that Buyer may expend less on building

rehabilitation if the result is to secure tenants at a rental of at least \$10/per square foot. If Buyer, its successors, assigns, or transferees fails to submit to the City of Portland Planning Board a substantially complete site plan review application for the Project on the Property within 12 months after the Closing, and to substantially complete construction of the buildings which are part of the Project within thirty (30) months after the Closing, the City shall have the right to draw on the \$200,000 letter of credit that Buyer's lender will provide to the City at Closing. Said 12 month and 30 month periods shall be automatically extended if Buyer fails to perform any of its obligations hereunder by reason of strikes, boycotts, labor disputes, acts of God, war, acts of superior governmental authority, failure to obtain land use approvals, or other reason over which it has no control; provided, however, that the suspension of performance shall be no longer than that required by the force majeure. The provisions of this paragraph will survive closing. Buyer shall have the right to make changes to the Project that are not material and such immaterial changes shall not entitle the City to draw on said letter of credit. The City agrees that it shall be reasonable in all aspects of application of the provisions of this paragraph.

13. **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 City and Buyer.
14. **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.
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 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.
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 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:** 55 Portland Street, LLC  
c/o Ford S. Reiche,  
54 Bartol Island Road, Freeport, Maine 04032

With a copy to: Ronald Epstein, Esq.  
Jensen Baird Gardner & Henry  
10 Free Street, Portland, ME

**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.

**21. BROKERS.** City shall pay CBRE | The Boulos Company at closing a brokerage commission equal to five percent (5%) of the Purchase Price at closing and any other brokerage fees due to it in connection with this transaction. The CITY and Buyer each represent and warrant that they have not dealt with a real estate broker in connection with this transaction other than CBRE | The Boulos Company. Buyer agrees to indemnify and hold harmless City 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, City agrees to indemnify and hold harmless Buyer from any claims made by any broker should City'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.

**22. 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 hereto have caused this instrument to be executed by their duly authorized officers or representatives, as of the day and year first written

above.

**CITY OF PORTLAND**

\_\_\_\_\_  
WITNESS

\_\_\_\_\_  
Jon P. Jennings  
Its City Manager

**55 Portland Street, LLC**

\_\_\_\_\_  
WITNESS

\_\_\_\_\_  
Printed Name: Ford S. Reiche  
Its Manager

Approved as to Form:

\_\_\_\_\_  
Corporation Counsel's Office

**Sketch Attached**

DATE: June 22, 2017

Vince Ciampi and Nate Stevens  
CBRE | The Boulos Company  
1 Canal Plaza, 5<sup>th</sup> Floor  
Portland, ME 04101Re: **Letter of Intent to Purchase**  
**A portion of Parcel 1, 55 Portland Street\***  
**Portland, ME**

**\*Reduce Parcel 1 to establish back (North) boundary line at rear of the nine parking spaces adjacent to building, with access easement established from Parris Street across the City garage property. See accompanying sketch. ALSO NOTE: It is assumed that the entire parking lot on Portland Street adjacent to 55 Portland Street building, and extending out to Hanover Street is INCLUDED in Parcel 1.**

Dear Vince and Nate:

It is our understanding that you represent the owner ("Seller"), of certain land and improvements as referenced above located in Portland, Maine (the "Property"). This letter shall serve to set forth the basic terms under which Ford Reiche and Jeffrey Zachau, permitted assigns or affiliates ("Purchaser") would purchase Seller's fee simple interest in the Property.

This letter does not constitute a binding agreement between the parties hereto and is intended only as an expression of their intent with respect to working together to try to consummate the transaction herein contemplated. The general terms and conditions for the negotiation of a Purchase and Sale Agreement for the Property are as follows:

**1. Property Description:****A portion of Parcel 1, 55 Portland Street\***  
**Portland, ME**

**\*Reduce Parcel 1 to establish back (North) boundary line at rear of the nine parking spaces adjacent to building, with access easement established from Parris Street across the City garage property. See accompanying sketch. ALSO NOTE: It is assumed that the entire parking lot on Portland Street adjacent to 55 Portland Street building, and extending out to Hanover Street is INCLUDED in Parcel 1.**

2. **Purchase Price:**

Purchaser would pay a purchase price of \$1,400,000 for a 100% fee simple interest in the Property. The purchase price, subject to customary prorations, would be payable by wire transfer of funds on the day of the closing of the purchase and sale of the Property. Purchaser will require Seller to deliver the Property free and clear of all encumbrances and title exceptions except for approved or deemed approved, tenant leases and any other matters approved or deemed approved by Purchaser. Purchaser will require that utilities easements serving the building are appropriate, as well as access to rear parking spots.

3. **Purchase and Sale Agreement:** Seller and Purchaser shall use good faith diligent efforts to negotiate a mutually acceptable Purchase and Sale Agreement drafted by the City of Portland.

4. **Closing:** At the City's convenience within next 12 months. If closing is before City vacates the premises, then parties would negotiate a lease back to City equal to Purchaser's holding costs without profit to Purchaser.

5. **Prorations and Closing Costs:** All rents, real estate taxes, assessments and operating expenses to be prorated as of the date of Closing based on the best information available at that time.

Seller shall pay for Seller's legal fees, and standard, customary seller closing costs. Purchaser shall pay for (i) Purchaser's legal fees, (ii) Purchaser's physical inspection costs and (iii) other standard buyer closing costs.

6. **Investigation/Environmental Period and Purchaser's Approval:** Purchaser to have 45 days after City acceptance of this offer to complete and accept any and all inspections/due diligence/environmental assessment Purchaser may deem necessary or prudent, including document review and physical inspection of the Property.

7. **Financing Contingency:** There is no financing contingency.

8. **Deposits:**

Within 3 business days after the full execution of a mutually acceptable Purchase and Sale Agreement, Purchaser shall deposit the sum of \$140,000 in a non-interest bearing account with CBRE | The Boulos Company. The deposit shall be fully refundable until the end of the Financing Period.

9. **Confidentiality:** The parties and their representatives shall keep strictly confidential this letter, any negotiations pertaining to the transactions contemplated hereby and any information that either party furnishes to the other pursuant hereto. Unless compelled by legal process, each party shall maintain the confidentiality of such information and shall not disclose same to persons other than its employees, agents, affiliates, attorneys, accountants, and consultants.

*JAN*

The above terms and conditions are not meant to be all inclusive and will be augmented by the terms of the Purchase and Sale Agreement. It is expressly understood by both Purchaser and Seller that this letter of intent shall not be construed as a binding or final purchase offer commitment or acceptance of a purchase offer but merely an expression of interest. Either party may, without liability to the other party, discontinue negotiations at any time. The parties shall not be bound with respect to the transaction contemplated hereby unless and until a definitive Purchase and Sale Agreement is executed and delivered by the parties. No liability of any nature is intended to be created between parties as a result of this letter. If the Seller agrees with the above, please have an authorized signatory of Seller acknowledge and approve the forgoing by signing and returning this letter of intent to the undersigned no later than **June 30, 2017**.

We look forward to working with you on this proposed transaction.

Sincerely yours,

SEEN AND AGREED TO:

CITY OF PORTLAND, SELLER

By: \_\_\_\_\_

Date \_\_\_\_\_

FORD REICHE & JEFF ZACHAU, PURCHASER

By:     *Ford Reiche*      
By: Ford Reiche

Date     6/21/17      
Date

Its:     *Parsons*    

*JR*

# 55 PORTLAND STREET CITY OF PORTLAND, PARCEL 1



## REICHE / ZACHAU OFFER 6/22/17

NOTE: Our offer involves establishing the rear lot line as shown above, with an access easement to parking spots behind the building at building at 55 Portland St.

MEMO

TO: Nate Stevens and Vince Ciampi, CBRE The Boulos Company  
CC: Greg Mitchell, Economic Development Director, Portland, Maine  
FROM: Ford Reiche and Jeff Zachau  
DATE: August, 2017

RE: 55 Portland Street

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Nate and Vince,

This is to respond to the seven written questions you posed regarding our interest in purchasing 55 Portland Street from the City of Portland. In addition to these written responses we would be pleased to provide any further information which the Council might request, or we could come to a meeting for a more detailed discussion.

In addition to the information provided below, I would refer you to the details of our submitted offer. In particular, we would like to reiterate that this would be a cash purchase, and we are very flexible in terms of when we close or take possession depending on the City's preference.

Experience and Qualifications

Our intended ownership structure would be Ford Reiche and Jeffrey Zachau as equal partners.

Reiche and his corporations currently own \$15MM of real estate in the Portland area, and has successfully owned and developed property here for 40 years. Although, the 55 Portland Street property is not an historic structure, it is an indication of the quality of past projects that of the three properties owned by Reiche which happen to be on the National Historic Register, all three won major awards for the finished product. The Boulos Company and the City Economic Development Director, Greg Mitchell, both have had significant direct experience working with Reiche over the years, and I believe that both would provide positive references.

Jeff Zachau is sole owner of Zachau Construction, which has been engaged in commercial construction and development since 1969. Zachau Construction has successfully completed over 250 projects with a combined value in excess of \$300 million. Currently their client list includes Tyler Technologies, L.L.Bean, Hannaford, MEMIC, Patrons Insurance, WEX, Portland Water District, AVESTA, Community Housing of Maine and many others.

## Vision For The Property

55 Portland Street is a 33 year old building which was built as an office building, and is uniquely suited to such a use. The configuration of this building is unsuitable for residential use, and the cost to attempt a conversion and modernization for such a purpose would be impractical.

The building has had minimal modernization or upgrade since its initial construction. Modern office space requires many amenities that will need to be incorporated into the renovation design such as; abundant daylighting, various sized collaboration spaces, open work space environments and energy efficient lighting to name a few. The absence of any windows on three of the exterior walls on the first level, and on one long wall on the third level, will require some significant expense. Other necessary improvements will include:

- Separating mechanical services and vehicle circulation shared with the building at 44 Hanover Street;
- Updating parts of the façade and grounds;
- Modifying room configurations to the intended new use;
- Major renovation of flooring, ceilings, lighting;
- Upgrades to restrooms;

Our redevelopment vision would be to execute significant renovation to create appealing modern Class B office space. There is a need for this type of property on the peninsula, and this building with adjacent parking is well suited to such a use. This work would be done as soon as purchase and acquire possession.

We would look to charge a rent in the range of \$10NNN, which we believe to be market

## Type Of Tenant

Candidate tenants will likely be small or mid-sized commercial operations, ideally in growth mode. The lower level, while of limited appeal because it is partly below grade, could offer expansion space over time. The fact that this parcel is on the peninsula with parking is also appealing from a tenant perspective.

We have already commenced preliminary discussions with prospective tenants: Two young start ups seeking to move to Portland, one Portland based non-profit seeking to relocate on the peninsula, one Portland professional firm seeking to relocate on the peninsula.

Single or Multi-Tenant?

The building could realistically lay out for either one or two tenants.

Profit or Non-Profit?

Because this building and location lends itself to development as solid, modern Class B commercial space, it would be attractive to both profit and non-profit operations.

How Many Employees Will Occupy The Building?

Based on a general formula of 275 SF/person, the two upper floors could accommodate 48 employees. This matches well with the 42 parking spots at the property. More employees could work in the lower level, but only to a limited degree because of the fact that that level is below grade on three out of four sides.

Estimated Cost Of Renovations?

We will spend approximately \$500,000 - \$750,000 as soon as we purchase and acquire possession. There will be no complicated zoning or project approval issues.

SUMMARY

We hope that we have provided complete and satisfactory responses, and that the City Council looks favorably upon our development plan and purchase proposal.

Thank you,

Jeffrey Zachau

Ford Reiche

[Ford@FordReiche.com](mailto:Ford@FordReiche.com)

207-740-6099



Economic Development Department  
Gregory A. Mitchell, Director

**TO:** Chair Brennerman and Members of the Economic Development Committee

**FROM:** Bill Needelman, Waterfront Coordinator

**DATE:** November 21, 2017

**SUBJECT:** **November 28, 2017 Workshop:** Portland Ocean Terminal at the Maine State Pier – Concept for increased utilization

**CC:** Jon Jennings, City Manager  
Greg Mitchell, Economic Development Director  
Sally Deluca, Parks, Recreation and Facilities Director  
Kathy Alves, Facilities Director

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**Introduction:**

Economic Development and Facilities staff request a workshop with the Economic Development Committee on the Portland Ocean Terminal (POT) at the Maine State Pier. This workshop follows and expands on ideas presented at an October 2 City Council workshop and the September 5 discussion by the Economic Development Committee on this same subject.

During the weeks following the October Council workshop, Economic Development and Facilities staff have been working with background documents and architectural consultants to elaborate and illustrate redevelopment concepts previously discussed. The workshop is an opportunity for staff to describe background and past policies, present draft material, receive feedback on program and design direction, and to outline next steps.

**Public and Stakeholder Outreach:**

At the meeting staff will discuss with the Committee options for public input and stakeholder involvement in the refinement and development of the concepts for increased utilization of the POT building.

## **Material for Presentation**

At the workshop, staff will present the material included with this memo including the following documents:

1. 2006 Policy Statement for the Maine State Pier
2. Draft revised Policy Statement for the Maine State Pier
3. Redevelopment program narratives: Market, Incubator Space, Event Space
4. Presentation with rendered concept images and illustrations

**Final Version, As Passed on September 18, 2006**

JAMES I. COHEN (MAYOR)(5)  
JILL C. DUSON (A/L)  
JAMES F. CLOUTIER(A/L)  
NICHOLAS M. MAVODONES (A/L)  
EDWARD J. SUSLOVIC (A/L)

CITY OF PORTLAND  
IN THE CITY COUNCIL

WILLIAM R. GORHAM (1)  
KAREN A. GERAGHTY (2)  
DONNA J. CARR (3)  
CHERYL A. LEEMAN (4)

**ORDER AMENDING CITY OF PORTLAND'S  
COMPREHENSIVE LAND USE PLAN**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PORTLAND,  
MAINE IN CITY COUNCIL ASSEMBLED AS FOLLOWS:**

1. That the Eastern Waterfront Master Plan, a component of the City of Portland's Comprehensive Land Use Plan, on file in the Department of Planning and Urban Development, be and hereby is amended by adopting the policy change below:

**Policy Statement for Maine State Pier**

Maine State Pier is a City owned deep water marine facility located on the Portland waterfront at the intersection of Commercial Street with Franklin Street Arterial within the Eastern Waterfront planning district. While over the years several piers with various names have existed on this site, for the purposes of the following Policy Statement, the "Maine State Pier" includes all of the land, piers, and structures located south of Commercial Street and east of Maine Wharf (at 68-72 Commercial Street) extending to and including "Berth #1" along the easterly edge of the transit shed of the Portland Ocean Terminal. (Please see the attached map)

As stated above, the Maine State Pier is located within Portland's Eastern Waterfront planning district. The following policy statement is intended to inform and amend the Eastern Waterfront Master Plan. One should look to the Eastern Waterfront Master Plan and other elements of the City's Comprehensive Plan for policy and land use issues not otherwise addressed herein.

**Statements of Fact for the Maine State Pier**

- The Maine State Pier is a regionally significant asset for the City of Portland. Throughout its long history, the Pier has served the harbor, the City, the State of Maine, and the region as a transportation hub and economic development generator.
- The Maine State Pier provides deep water and recreational connections between the sea and the City's people – connections that exist nowhere else and that can exist nowhere else in Portland Harbor. The Pier's long-term use and vitality as a marine passenger facility are primary goals for the City of Portland.

- Maine State Pier is, however, an aging facility in need of significant structural investment – specifically pertaining to the 1922 transit shed and the 1000 foot berth along the easterly pier edge. The City’s recent experience with marine industry has not provided the revenues needed to either maintain or rebuild the facility in a manner that ensures its long-term viability.
- The Portland Waterfront has developed over the centuries as an interface between marine and land-based commerce. While transportation technologies and economies have changed through time, the waterfront has always supported *both* marine and non-marine uses in a mutually beneficial relationship. The City’s extensive experiences with planning and zoning within the Eastern Waterfront Master Planning district and adjacent Waterfront Central Zone have demonstrated the wisdom of supporting mutually compatible uses to provide adequate revenue streams dedicated to stabilizing marine infrastructure.

## **Policy Goals for the Maine State Pier**

### **1. Preserve Deep Water Access and Marine Utility:**

The Maine State Pier is an anchor of the Portland Waterfront. Functionally, the 1000 foot berth on the easterly pier edge provides an irreplaceable landing for ocean going vessels to access the City of Portland, the State of Maine, and the New England region. In addition to the easterly 1000 foot berth, the pier provides other deep-water berthing facilities that must be reserved for the support of deep-draft vessels. The preservation of the deep water berthing utility and full use of these unique resources are the highest priorities for future re-use or re-development of the Maine State Pier.

### **2. Create Economic and Structural Stability for the Pier through Appropriate Mixed Use Development**

The extraordinarily high cost of marine infrastructure maintenance requires that the City promote the development of uses on the pier that generate revenues to support the facility. As an historic facility that will be needed for generations to come, the City must work to realize stability and longevity for this critical infrastructure. The City should explore finding an appropriate mix of mutually compatible uses to foster sufficient economic activity on the pier to pay for ongoing maintenance and redevelopment costs.

### **3. Respect and Enhance Other Vital Water Dependent Uses of the Pier:**

The Maine State Pier is home to many uses that exist nowhere else in the City and require primary consideration as part of any re-use or re-development planning for the pier.

- *The Casco Bay Islands*  
The island ferry service provided by the Casco Bay Island Transit District (CBITD) facility is a crucial community asset to the City, the Islands, and the

Casco Bay regional community. Six island communities within three municipalities depend on the pier for their daily needs. For five of these communities, Maine State Pier is the only public mainland facility serving their transportation requirements. Any re-use or re-development of Maine State Pier shall integrate the needs of CBITD regarding pedestrian and vehicular circulation, parking, water-side navigation, freight handling, and future expansion potential. (Note: Plans have been developed to improve the freight handling capabilities of CBITD, but this function remains deficient in the current facility.)

- *The Portland Ocean Terminal and Ocean Gateway*  
The Portland Ocean Terminal, which includes Ocean Gateway and Maine State Pier “Berth #1,” is designed for international ferry and “port of call” cruise ship operations. As such, Ocean Gateway, currently under construction, has been designed to function as an integrated whole with the Maine State Pier and the entire facility is operated by the City under the regulation and control of United States Customs and Border Patrol Service and the United States Coast Guard. The re-use and re-development planning for the Maine State Pier must respect the unique needs of the international ferry service and integrate with the circulation and security needs of the Ocean Gateway facility and cruise ship passenger operations.
- *Open Space and Public Access to the Water*  
Maine State Pier is home to two public parks, Compass Park and Buoy Park, and two public boat landings serving recreational, commercial, and water taxi vessels. For many visitors and citizens alike, Maine State Pier is their only point of vantage and access to experience the heart of the working harbor. The accessibility, size, and functionality of these public assets shall be protected to ensure the public’s visual and physical connection to the harbor and the bay. Any re-use or re-development of Maine State Pier must improve the public’s access to the water and reinforce the City of Portland as a city of mariners.
- *Emergency Response Vessel Support*  
The berthing of emergency vessels at Maine State Pier provides a critical security service for the harbor and the City of Portland islands. The existing emergency boat berthing is constrained and potentially conflicts with the existing public landing, water taxi, and CBITD ferry function. Any re-use or re-development planning for Maine State Pier should consider the crucial role emergency vessels play and must promote, and potentially improve, their continued existence and function on the pier.
- *Tug Boat Berthing and Support*  
Tug boats provide a critical harbor support service for the Port of Portland and currently berth at the Maine State Pier under a long-term arrangement with the City. The tug fleet additionally needs offices, warehousing and facilities in close proximity to berthing. The re-use and re-development of the Maine State Pier

must include a suitable home for the Harbor's tug boat vessels within a reasonable distance to supporting facilities.

## **The Future of the Maine State Pier**

The City will approach the future of the pier by encouraging a mix of appropriate uses that both promote deep water berthing options and provide the revenues needed to maintain the infrastructure for future generations. The development of new uses is primarily anticipated for the site of the transit shed and Berth #1, though the City encourages new ideas and imaginative visions for consideration.

Given the magnitude of financial investment anticipated, and given the low expectation that sufficient State and Federal support will be available in the foreseeable future, the City will engage with the private development community to create a new development plan for the pier. Leveraging the resources and vision of a selected development partner, the future development plan for the pier shall promote the policy goals stated above for the benefit of Portland citizens, taxpayers and the local economy.

### **1. Minimum Requirements for a Development Plan for the Maine State Pier**

The expectation for the transit shed and easterly side of Maine State Pier is to allow private investment to develop compatible marine and non-marine uses according to a specific development plan that achieves the objectives listed below.

The re-development plan for the Maine State Pier will:

- Construct, maintain and utilize berthing infrastructure for ocean-going vessels including supporting infrastructure for marine operations and appropriate access, use, and control of the pier edge by the City.
- Provide signature architecture that will promote the City of Portland as a world-class seaport.
- Protect and, where possible, enhance the other vital pier uses listed in section 3 above including but not limited to:
  - Coordinated design with CBITD terminal including planned traffic enhancements and freight shed expansion.
  - Coordinated design with anticipated and future needs of the Ocean Gateway marine passenger facility.
- Meet all applicable Federal, State and local regulations for security, environmental protection, traffic movement and site development.
- Provide a permanent location for Tug Boat Fleet

## 2. Specific Considerations for a Development Plan for the Maine State Pier

When evaluating and selecting a development partner, the City will look for a proposal that provides as many of the following opportunities as possible:

- Provides enhanced opportunities for public access to the water through:
  - Expanded and/or improved facilities for public landings.
  - Expanded and/or improved open space.
- Provides supporting facilities for both public and private water-dependent uses.
  - Expanded and/or improved facilities for emergency vessel berthing.
  - Preserved or expanded deep water berthing for oceangoing vessels.
  - Contribution toward or direct construction of expanded deep-water berthing facilities both on or off-site, including but not limited to Ocean Gateway, “Pier #2, Berth 2.” (Also known as the “megaberth.”)
- Creates linkages with sectors of the marine economy and facilities located both on and off Maine State Pier.

Note: The successful redevelopment of Maine State Pier provides opportunities for expanded facilities, visibility, and market for the broader harbor needs and economy. Examples of uses and activities located both on and off the Maine State Pier that could benefit the City’s marine economy and social interests:

- New facilities for the promotion and distribution of local seafood (including day boat landings, product from the Fish Exchange...)
- New facilities for marketing and promotion of off-site harbor uses including excursion boats, CBITD, seafood retailers, yacht brokerages, boat yards.
- New facilities for visitor information
- Access for the public, small business, and not-for-profit communities to utilize and benefit from the facility, and to the extent compatible with large vessel use of the pier, promotes actual access to the water’s edge (through leased space, shared infrastructure, advertising opportunities...)
- Shared parking, both on and off site, to allow the most flexible approach to parking in the area.
- Contribution to the City Waterfront Investment Fund.
- Contribution toward or direct construction of expanded public open space both on or off-site, including but not limited to the planned “Fisherman’s Monument”.

## 3. Spatial Relationships between Marine and Non-Marine uses

The use of Maine State Pier in support of commercial marine enterprise requires ground floor space for vehicular and pedestrian circulation areas, pier space dedicated to the handling and supplying of vessels, and security areas. Compatible non-marine uses must be scaled and located around the functional marine necessities of transferring of

passengers, goods and materials between the pier and berthed ships. The large size and width of Maine State Pier allows for adequate space to accommodate both marine and non-marine interests, but the following issues should be considered in the design and selection of re-development scenarios for the pier:

- The pier edge and deck adjacent to the pier edges must remain available for anticipated and future marine uses. Non-marine uses should step back from the pier edge as much as needed to retain the functional utility of the berthing resources.
- Non-marine uses should be concentrated on upper floors wherever possible.
- Circulation areas, for both vehicles and pedestrians, in support of non-marine uses should focus activity to the interior of the pier, away from the seaward edges.
- Where non-marine uses are proposed for the first floor, lobby areas, pedestrian entrances, vehicle drop off areas, and the like should respect the interior of the pier as an urban pedestrian space and create a welcoming, safe, and attractive extension of the city fabric onto the pier.
- In general, non-marine activity should concentrate toward the northerly end of the pier, leaving the southerly harbor-side end of the pier available for marine and open space uses.

#### 4. View Protection and Creation

Development in the area of Maine State Pier will be highly visible both to and from the water. Furthermore, changes such as the removal of old structures and the construction of new buildings create opportunities to enhance and protect public views to and from the harbor. The redevelopment of Maine State Pier and the surrounding area should be designed to strengthen the public's connection to the water through protection of critical view corridors and creation of new view opportunities. At a minimum, the following public view opportunities and corridors in the area of Maine State Pier must be considered and protected:

- **The Hancock Street right of way**, as extended and shown in the Eastern Waterfront Height Study.
- **The India Street right of way**, extended to the water from its terminus at Commercial Street.
- **The southerly end of Maine State Pier.** If the existing transit shed is to be removed in this area, public access to this portion of the pier and the public's views to the mouth of the harbor must be enhanced.

- **Other views**, as created by a revised architectural program for the pier and surrounding area. As an example, the existing transit shed creates a 1000 foot long un-interrupted view barrier between the interior of Maine State Pier and the water. New views of the water could be created between and through architectural elements of a new development program for the pier. Additional public view opportunities should be considered within new development through reasonable public access to interior spaces, observation decks, and the like.

## **IX. POLICY STATEMENT FOR MAINE STATE PIER**

***Amended Draft for Consideration by the  
Economic Development Committee  
November 2017***

Maine State Pier is a City owned deep water marine facility located on the Portland waterfront at the intersection of Commercial Street with Franklin Street Arterial within the Eastern Waterfront planning district. While over the years several piers with various names have existed on this site, for the purposes of the following Policy Statement, the “Maine State Pier” includes all of the land, piers, and structures located south of Commercial Street and east of Maine Wharf (at 68-72 Commercial Street) extending to and including “Berth #1” along the easterly edge of the transit shed of the Portland Ocean Terminal.

### **Introduction**

The following policy statement is intended to inform and amend the Eastern Waterfront Master Plan, Section IX, as was amended by the City Council in September of 2006. At the time of the 2006 amendments, the City contemplated significant redevelopment of the Maine State Pier to address poor revenue performance, deteriorating conditions, and development interest in the pier and the transit shed (herein referred to as the POT.)

During the years following the 2006 amendments, the City and Maine State Pier have weathered a contentious requested for proposals process, the Great Recession, and resurgence of activity and interest on the Pier. Notable changes since 2006 include:

- ***The arrival and success of Ready Seafood in the southerly end of the POT:*** A young, innovative, and growing lobster distribution center, Ready Seafood has proved a valuable tenant for the City, a source of needed revenue for the POT, and demonstrates the value of the infrastructure for marine commerce. Ready Seafood currently leases nearly one third of available space on the first floor of the POT.
- ***Growth of Marine Passenger Transportation:*** Cruise ship landings in Portland totaled 48,000 passengers in 2008 and have grown to over 100,000 in 2016. Continued growth is expected with over 200,000 passengers likely within the next few years. International ferry operations, which ended in 2009 and resumed in 2014, appear to have stabilized at around 40,000 passengers. Local ferry service to the Casco Bay Islands from the CBITD terminal on the Maine State Pier has grown in all categories, including passengers, vehicles, and freight. The necessary infrastructure supporting passenger operations has increased proportional to increased volumes, as has associated revenues.
- ***Growth of Hotel and Tourism Development:*** With the rapid and continuing of growth of hospitality and tourism related development located near the waterfront, the perceived need for additional larger scale non-marine development on the Maine State Pier has diminished.

One should look to the Eastern Waterfront Master Plan and other elements of the City's Comprehensive Plan for policy and land use issues not otherwise addressed herein.

### **Statements of Fact for the Maine State Pier**

- The Maine State Pier is a regionally significant asset for the City of Portland. Throughout its long history, the Pier has served the harbor, the City, the State of Maine, and the region as a transportation hub and economic development generator.
- The Maine State Pier provides deep water and recreational connections between the sea and the City's people – connections that exist nowhere else and that can exist nowhere else in Portland Harbor. The Pier's long-term use and vitality as a marine passenger facility are primary goals for the City of Portland.
- Maine State Pier is, however, an aging facility in need of significant continual investment – specifically pertaining to the 1922 POT and the 1000 foot berth along the easterly pier edge. The City needs to develop an appropriate mix of uses and revenue streams to ensure the pier's long-term viability.

### **Policy Goals for the Maine State Pier**

The City's extensive experiences with planning and zoning within the Eastern Waterfront Master Planning district and adjacent Waterfront Central Zone have demonstrated the wisdom of supporting mutually compatible uses to provide adequate revenue streams dedicated to stabilizing marine infrastructure. However, as consistent with the Comprehensive Plan, water dependent uses need operational and locational priority according to their particular needs.

#### **1. Preserve Deep Water Access and Marine Utility:**

The Maine State Pier is an anchor of the Portland Waterfront. Functionally, the 1000 foot berth on the easterly pier edge provides an irreplaceable landing for ocean going vessels to access the City of Portland, the State of Maine, and the New England region. In addition to the easterly 1000 foot berth, the pier provides other deep-water berthing facilities that must be reserved for the support of deep-draft vessels. The preservation of the deep water berthing utility and full use of these unique resources are the highest priorities for future re-use or re-development of any portions of the Maine State Pier.

#### **2. Create Economic and Structural Stability for the Pier through Appropriate Mixed Use Development**

The extraordinarily high cost of marine infrastructure maintenance requires that the City promote the development of uses on the pier that generate revenues to support the

facility. As an historic facility that will be needed for generations to come, the City must work to realize stability and longevity for this critical infrastructure. The City should explore finding an appropriate mix of mutually compatible uses to foster sufficient economic activity on the pier to pay for ongoing maintenance and redevelopment costs.

**3. Prioritize Water-dependent Use of the Pier**

Consistent with long-standing planning principles for the Portland waterfront, water dependent uses should be provided locations, space, and circulation needed to facilitate their operational needs and reasonable growth. Marine-support uses are encouraged, but should not interfere with higher priority water-dependent uses. Compatible non-marine uses are encouraged to the extent that they can locate and operate without compromising higher priority marine uses.

Certain uses are actively discouraged. Residential, hotel, casino, and any non-marine use that demands significant on-pier parking or vehicle traffic should be avoided.

**4. Respect and Enhance Other Vital Water Dependent Uses of the Pier:**

The Maine State Pier is home to many uses that exist nowhere else in the City and require primary consideration as part of any re-use or re-development planning for the pier.

- *The Casco Bay Islands*  
The island ferry service provided by the Casco Bay Island Transit District (CBITD) facility is a crucial community asset to the City, the Islands, and the Casco Bay regional community. Six island communities within three municipalities depend on the pier for their daily needs. For five of these communities, Maine State Pier is the only public mainland facility serving their daily transportation requirements. Any re-use or re-development of Maine State Pier shall integrate the needs of CBITD regarding pedestrian and vehicular circulation, parking, water-side navigation, freight handling, and future expansion potential. (Note: Plans are being developed to improve circulation and freight handling capabilities of CBITD, but these functions remains deficient in the current facility.)
- *The Portland Ocean Terminal and Ocean Gateway Operations and Security*  
The City of Portland's marine passenger assets in the Eastern Waterfront include the Portland Ocean Terminal on the Maine State Pier and Ocean Gateway terminal to the east. The two terminals have been designed to function as an integrated whole with the entire facility under a coordinated facility security plan. The re-use and re-development planning for the POT must respect the unique needs of diverse marine passenger industries including international ferry and cruise ship operations. Passenger, vessel, and terminal security are paramount.
- *Open Space and Public Access to the Water*

Maine State Pier is home to two public parks, Compass Park and Buoy Park, and two public boat landings serving recreational, commercial, and water taxi vessels. For many visitors and citizens alike, Maine State Pier is their only point of vantage and access to experience the heart of the working harbor. The accessibility, size, and functionality of these public assets shall be protected to ensure the public's visual and physical connection to the harbor and the bay. Any re-use or re-development of Maine State Pier must improve the public's connection to the water and reinforce the City of Portland as a city of mariners.

- *Emergency Response Vessel Support*  
The berthing of emergency vessels at Maine State Pier provides a critical security service for the harbor and the City of Portland islands. Any re-use or re-development planning for Maine State Pier should consider the crucial role emergency vessels play and must promote, and potentially improve, their continued existence and function on the pier.
- *Tug Boat Berthing and Support*  
Tug boats provide a critical harbor support service for the Port of Portland and currently berth at the Maine State Pier under a long-term arrangement with the City. The tug fleet additionally needs offices, warehousing and facilities in close proximity to berthing. The re-use and re-development of the Maine State Pier must include a suitable home for the Harbor's tug boat vessels within a reasonable distance to supporting facilities.
- *Private Pier Tenants*  
In addition to the tugs mentioned above, private tenants lease space from the City on the Maine State Pier. Charter schooners, seafood distribution, and stevedoring firms currently lease space on the Maine State Pier and the POT first floor. The functional needs of these and or future private marine tenants should be maintained and enhanced through pier redevelopment.

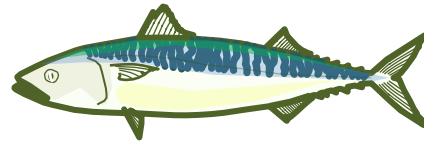
## **5. Spatial Relationships between Marine and Non-Marine uses**

The use of Maine State Pier in support of commercial marine enterprise requires ground floor space for vehicular and pedestrian circulation areas, pier space dedicated to the handling and supplying of vessels, and security areas. Compatible non-marine uses must be scaled and located around the functional necessities of transferring of passengers, goods and materials between the pier and berthed ships. Likewise, truck circulation and loading must remain safe and efficient for all pier users. The large size and width of Maine State Pier allows for adequate space to accommodate both marine and non-marine interests, but the following issues should be considered in the design and selection of re-development scenarios for the pier:

**Att. #2**  
**Draft Amendments to Policy Statement**

- The pier edge and deck adjacent to the pier edges must remain available for anticipated and future marine uses. Non-marine uses should step back from the pier edge as much as needed to retain the functional utility of the berthing resources.
- Non-marine uses should be concentrated on upper floors wherever possible.
- Circulation areas, for both vehicles and pedestrians, in support of non-marine uses should focus activity to the interior of the pier, away from the seaward edges.
- Where non-marine uses are proposed for the first floor, lobby areas, pedestrian entrances, vehicle drop off areas, retail storefronts, and the like should respect the interior of the pier as an urban pedestrian space and create a welcoming, safe, and attractive extension of the city fabric onto the pier.
- In general, non-marine activity should concentrate toward the northerly end of the pier, leaving the southerly harbor-side end of the pier available for marine and open space uses.

## The Market at Maine State Pier:



## Market Fundamentals *DRAFT 11-17*

The Market at Maine State Pier will be a unique retail environment that contributes to and gains value from Portland's premier marine passenger transportation facility. Between Casco Bay Lines, cruise ship visits, and international ferry operations, nearly 1.5 million passenger trips a year pass through the Maine State Pier and Ocean Gateway complex. The Market will serve these passengers, visitors to Portland, Casco Bay Islanders, and the residents of Portland by providing goods and services that meet every day needs and occasional indulgences. Additionally, the Market will showcase the best of Portland's extraordinary food scene in an informal environment that complements established retail venues in the Old Port and Downtown.

### The Market seeks to:

- Serve the needs of travelers - specifically Casco Bay Islanders
- Showcase world class seafood
- Promote "Trawl to Table" harvester-to-consumer connections
- Provide a venue for emerging seafood products
- Reduce the cost of entry for new ventures
- Expand exposure for established food and beverage entities through satellite operations

### The mix of goods and services offered at the Market will:

- Focus on seafood
- Support local ventures
- Promote the highest quality local products
- Provide affordable options
- Demonstrate authenticity - Nothing fake
- Strive for diversity
- Serve year-round Portland residents and Islanders - *All the fixings of a good meal at a reasonable price*

**The design of the Market will reinforce its mission:**

- Design functional spaces from timeless materials –stainless steel, stone, wood, tile, concrete...
- Expand pedestrian circulation for all pier users
- Foster social interaction between travelers, ferry passengers and locals

**Through sound management and rigorous standards, the Market will be:**

- Unreasonably clean
- Ruthlessly functional

**First thoughts on uses:**

Optimal Mix – 11 to 13 “stalls” measuring 20’x20’ each holding 1-2 vendors

50% or more of retail area

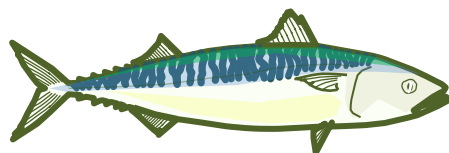
- Fish mongers
- Seafood take out
- Seafood specialty foods (smoked, canned, salted, accessories...)

50% or less or retail area

- Bakery
- Butcher
- Deli, cheese monger, specialty foods
- Green grocer
- Wine merchant

Including at least one each of

- 1 off-site brewery tasting room (Portland brewed only)
- 1 Coffee roaster
- “Satellite” restaurant, lunch counter



### Other Thoughts and Questions on Theme and Mission

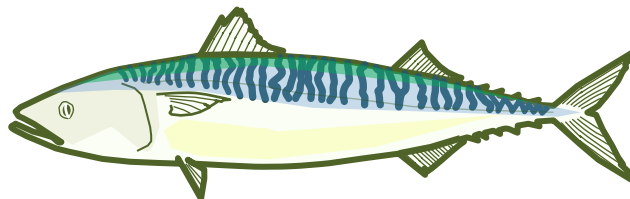
- Celebration of Trade – stalls dedicated to foster and promote trade relationships. Reykjavic, Iceland; Tromso, Norway; Irish Counties, Port Au Prince, Haiti; Archangel, Russia; Shinagawa, Japan.....
- Promotional link to the Portland Fish Exchange – labeling option, “Landed in Portland, Maine”
- What products and services do Islander’s need and want?
- What products/services will survive the winter, providing 356 activity?
- Goals for Retail Development: Profit /sq ft or “Mission Driven”  
If mission is key, *What is the Mission?*
- Development: public or private? RFP?
- Single developer/manager or City-Managed with individual tenants?

### Further Research:

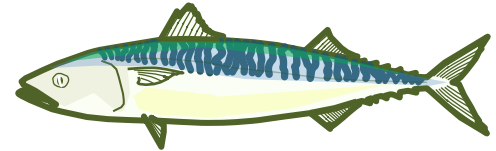
- Comparable examples to follow
- Development models
- Management models

### Why the Mackerel?

For many Portlanders, the Atlantic Mackerel is synonymous with the Maine State Pier. Immigrant families, retirees, young people, homeless, and sportsmen from here and away come to the Maine State Pier in pursuit of mackerel. Some are looking for bait for more glamorous quarry. Most come in search of quality food at the right price. All can find a pleasing view, companionship, and connection to Portland Harbor. The Market at Maine State Pier seeks to accomplish many of these same goals.



## Start-Up Space at Maine State Pier:



### Fundamentals *DRAFT 10-18-17*

Start-Up Space at Maine State Pier will be a business incubator environment that occupies approximately 18,000 square feet in the upper floor of the Portland Ocean Terminal building. The Start-Up Space will revitalize a longstanding vacancy with entrepreneurial energy and exciting opportunities while minimizing parking demands on site and in the Eastern Waterfront area. Utilizing a new lobby and circulation core located on the ground floor of the building, the entry lobby will share space with the northerly entry to the Market at Maine State Pier creating an active and attractive public face to the 1922 structure. Offering space for business start-ups, satellite offices, small firms and not-for-profits, the Start-Up Space will provide shared meeting, conference, and amenities fostering collaboration across industries and traditional boundaries. Up to 15 to 20 distinct six to seven hundred square foot incubator spaces will be available. Existing car share and public transit is currently located immediately adjacent to the building. This opportunity will be particularly attractive to downtown and island resident entrepreneurs looking to simplify and minimize transportation and parking costs.

#### Start-Up Space seeks to:

- Revitalize the upper floor of the 1922 Portland Ocean Terminal Building
- Provide opportunities for new and existing business and not-for-profit ventures
- Minimize parking and transportation demands
- Reduce the cost of entry for new ventures

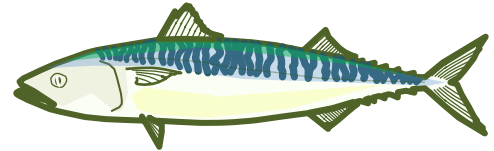
#### Other Thoughts and Questions on Theme and Mission

- Promotion of Trade – Provide preference to ventures engaged in international trade?
- Marine Focus – Preference to marine ventures?
- Single developer/manager or City-Managed with individual tenants?

#### Further Research:

- Market research and
- Management models

## Event Space at Maine State Pier:



### Fundamentals *DRAFT 11-17*

Event Space at Maine State Pier will be a high end meeting, conference, and special occasion venue occupying approximately 9000 square feet in the upper floor of the Portland Ocean Terminal building. The Event Space will revitalize a longstanding vacancy with signature happenings for private and public entities. Utilizing pedestrian access, shuttled transport, and public transit, the Event Space will minimize parking demands on site and in the Eastern Waterfront area. Utilizing a new lobby and circulation core located on the ground floor of the building, the entry lobby will share space with the southerly entry to the Market at Maine State Pier creating an active and attractive public face to the 1922 structure. Offering flexible space for both small meetings and large gatherings, the Event Space will have kitchen facilities, ADA accessibility, and modern restrooms. The industrial past of the building will be expressed in the design of the facility while highlighting unparalleled views of the harbor. A roof-top deck and pavilion complete the offerings.

#### Event Space seeks to:

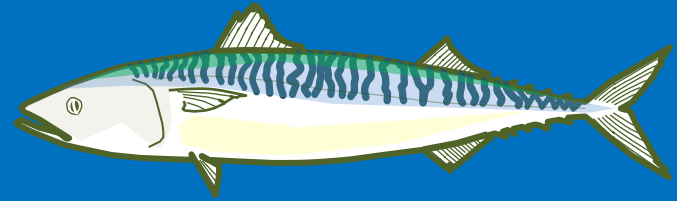
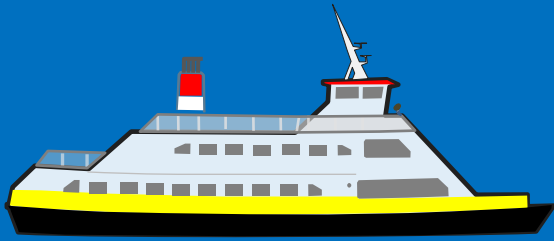
- Revitalize the upper floor of the 1922 Portland Ocean Terminal Building
- Provide opportunities for local and destination events
- Minimize parking and transportation demands
- Generate significant revenues in support of pier maintenance and to subsidize marine and public use of the Maine State Pier complex

#### Other Thoughts and Questions on Theme and Mission

- Promotion of Trade – Provide preference to events engaged in international trade?
- Marine Focus – Preference to marine events?
- Private developer/manager or City-Managed?

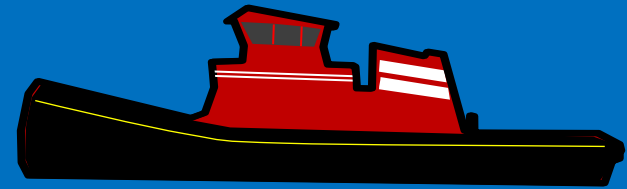
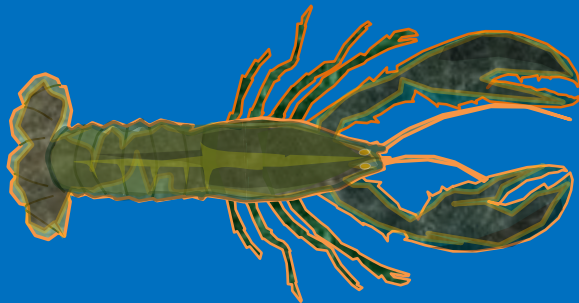
#### Further Research:

- Market research and
- Management models



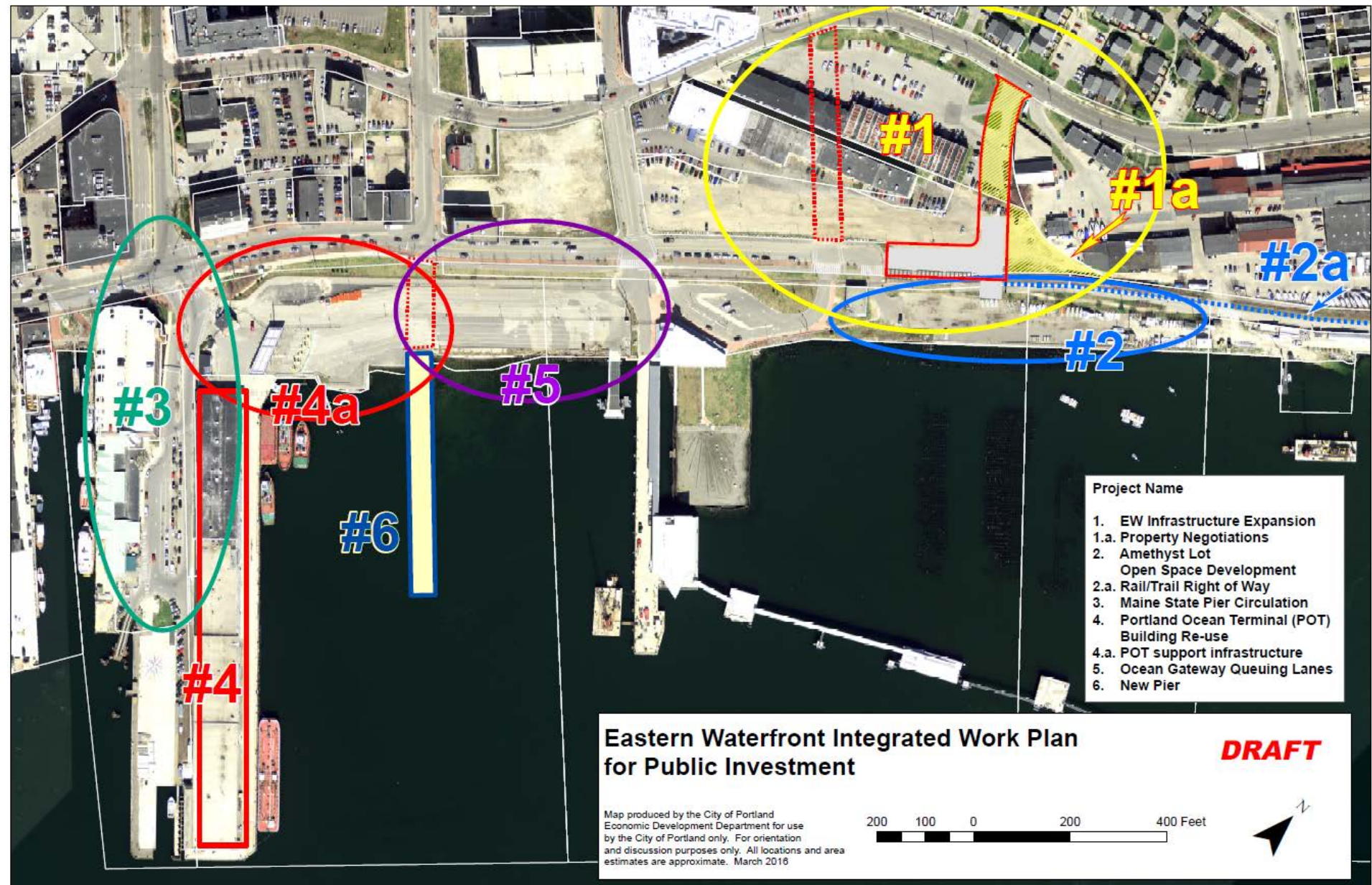
Redevelopment Options  
for the

# MAINE STATE PIER



**Economic Development Committee Workshop**  
on the Future of the Portland Ocean Terminal  
at the Maine State Pier

November 28, 2017 20



- Project Name**
1. EW Infrastructure Expansion
  - 1.a. Property Negotiations  
Open Space Development
  2. Amethyst Lot  
Rail/Trail Right of Way
  - 2.a. Rail/Trail Right of Way
  3. Maine State Pier Circulation
  4. Portland Ocean Terminal (POT)  
Building Re-use
  - 4.a. POT support infrastructure
  5. Ocean Gateway Queuing Lanes
  6. New Pier

## Eastern Waterfront Integrated Work Plan for Public Investment

**DRAFT**

Map produced by the City of Portland  
Economic Development Department for use  
by the City of Portland only. For orientation  
and discussion purposes only. All locations and area  
estimates are approximate. March 2016



# Project Area 4

## Portland Ocean Terminal Building Re-use Planning and Supporting infrastructure

<b>4. Portland Ocean Terminal (POT) Building Re-use</b>		Evaluate increased commercial and marine tenant use of available vacant second floor office space and vacant ground floor marine industrial space.
<b>4.a. POT support infrastructure</b>		Identify and design supporting infrastructure to facilitate 4. POT Re-use.





**Concentrating efforts on the  
“Northerly End of the Pier”**

# 2006 Policy Statement, Summarized

## The Maine State Pier:

- Is a regionally significant asset
- Is needed for the Marine Passenger industry
- Needs investment and revenues
- Mixed Use has a role on the Pier

## Policies:

- Preserve Deep Water Access and Marine Utility:
- Create Economic and Structural Stability for the Pier through *Appropriate* Mixed Use Development
- Respect and Enhance Other Vital Water Dependent Uses of the Pier:

## Development Strategies:

“The City will approach the future of the pier by encouraging a mix of appropriate uses that both promote deep water berthing options and provide the revenues needed to maintain the infrastructure for future generations....”

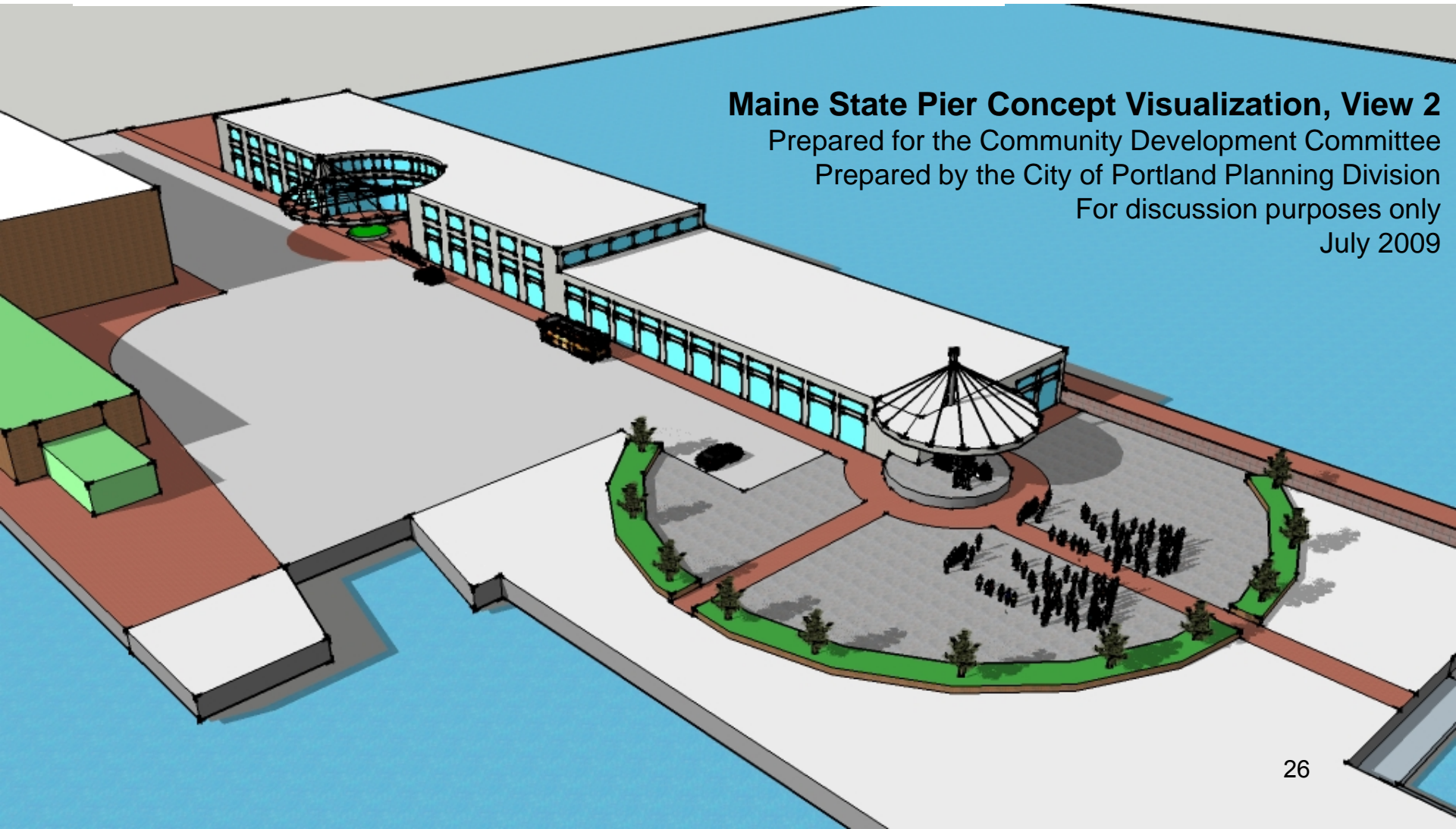
## 2006 Continued:

### Spatial Relationships for Non-marine Use

- The pier edge and deck adjacent to the pier edges must remain available for anticipated and future marine uses.
- **Non-marine uses** should be concentrated on upper floors
- **Circulation areas**, should **focus activity to the interior of the pier**, away from the seaward edges.
- Where non-marine uses are proposed, respect the interior of the pier as an urban pedestrian space and create a welcoming, safe, and attractive extension of the city fabric onto the pier.
- In general, non-marine activity should **concentrate toward the northerly end of the pier**, leaving the southerly harbor-side end of the pier available for marine and open space uses.

Protect and Create Views

# 2009 Public Process: 3 public forums, Community Design Workshop Extensive Council Review



## **Maine State Pier Concept Visualization, View 2**

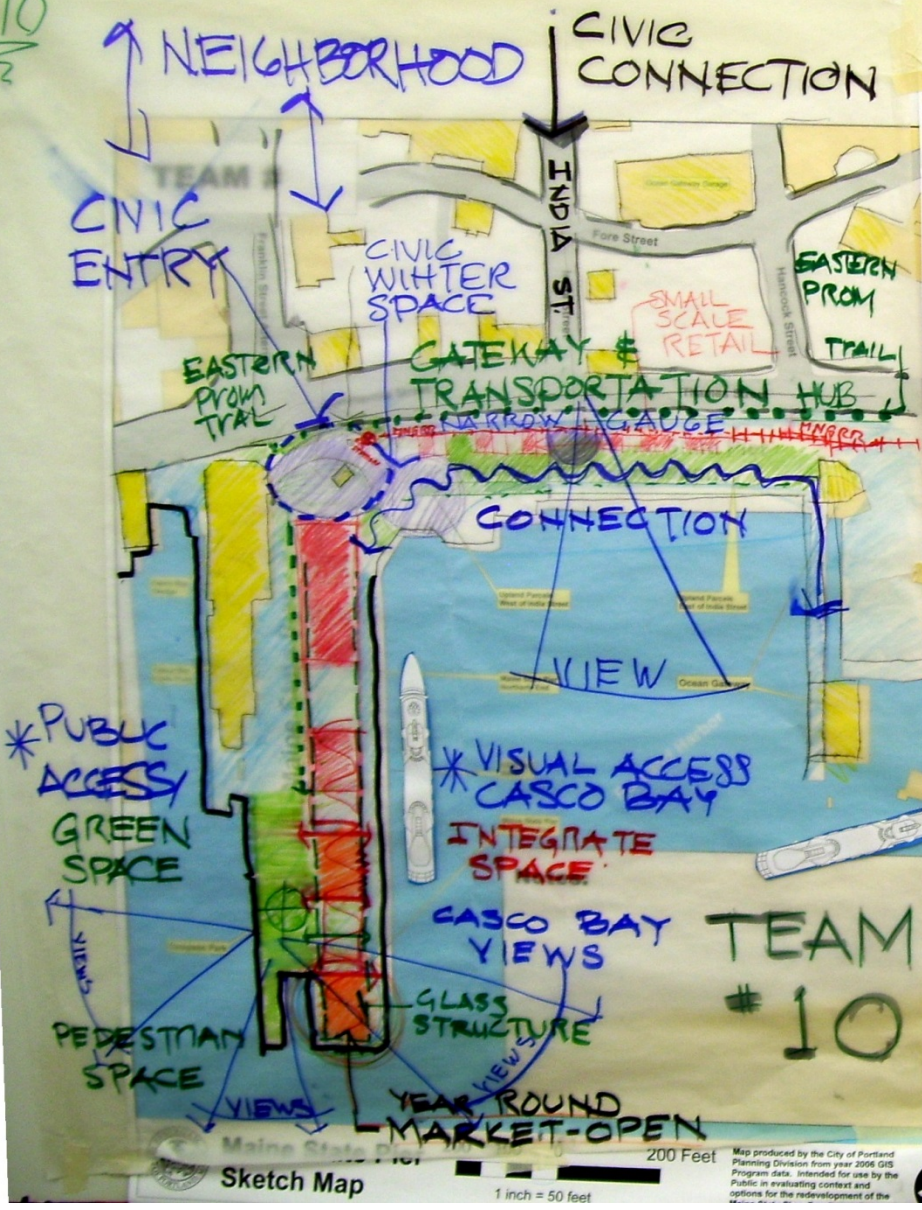
Prepared for the Community Development Committee

Prepared by the City of Portland Planning Division

For discussion purposes only

July 2009

#10



TEAM #10

Notes on Context:

TEAM #10 NOTES

COMPASS PARK

- enliven/enlarge/celebrate green space
- views, experience what is intriguing
- sense of place, place you want to be
- maintain traditional uses (fishing, schooners)

1000 FOOT BERTH

- functional marine industrial
- maintain berth
- design functional barrier

SOUTHERLY END

- remove existing structure
- replace with open glass year-round marketplace + facilities
- preserve visual access to waterfront

SOUTHERLY END CONT.

- interpretive displays of cultural and waterfront heritage

NORTHERLY END

- phased replacement with well-designed building
- marine industry priority with 2nd floor office space
- civic connection to neighborhood
- gateway and transportation hub at entrance to MSP (include Marine Narrow gauge RR)
- connection to Ocean Gateway - architecture, physical, style

UPLAND AREA

- develop small-scale retail
- pedestrian friendly (connection with E. Promenade Trail)
- open space with year-round potential
- continued connection to Ocean Gateway and NGR

Team #10 – Board

# 2009 Public Process Results

Northerly End of Pier	1	2	3	4	5	6	7	8	9	10	11
Policy Yes (More development than south end)	X	X			X		X	X			
Option 1, Intense Devel									X		
Option 2, Moderate Intensity Devel		X	X		X		X	X		X	
Option 3, Minimal Devel	X			X		X					X
Mixed Use?		X	X		X		X	X	X	X	X
Marine Industrial/Trans Use?	X		X	X	X	X				X	X
Other, Confr.Cnt/parking/retail/artists' lofts									X		

## Other Themes and Issues

Themes/Issues	1	2	3	4	5	6	7	8	9	10	11	
Train extension	X		X	X	X	X		X	X	X		8 out of 11
MNGRR extension					X	X		X	X	X		5 out of 11
Fish/Farmer's/Pulbic Market, "street retail"	X	X		X		X		X	X	X	X	8 out of 11
Performance space			X	X		X		X	X		X	6 out of 11
Iconic/Landmark/Signature Architecture			X		X		X		X		X	5 out of 11
Museum/Aquarium	X							X	X		X	4 out of 11
Cutural/History/Mar.heritage disply/art			X	X						X		3 out of 11
End of Pier Landmark					X			X	X			3 out of 11
Transit Hub	X			X						X		3 out of 11
Industrial Concentration	X			X								2 out of 11
Open Space Concentration					X	X						2 out of 11
Transportation Concentration	X									X		2 out of 11
Convention Center								X	X			2 out of 11
Green Roof	X								X			2 out of 11
Hotel (Specifically listed)								X	X			2 out of 11
On-site parking (not vehicle queuing)									X			1 out of 11

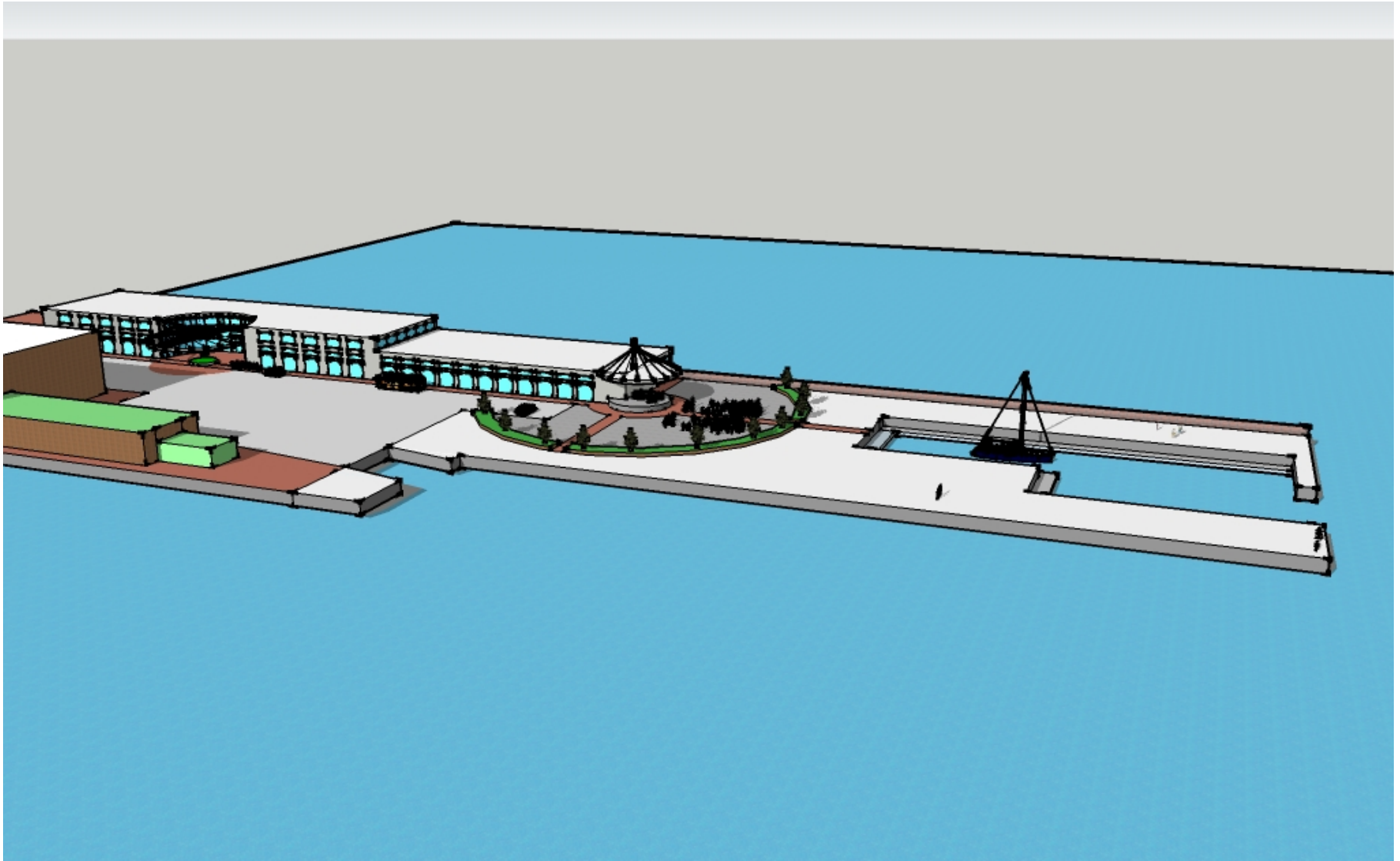
# 2009 Process Results, Northerly End of the Pier

## **Transit Shed First Floor – 47,500 sq ft:**

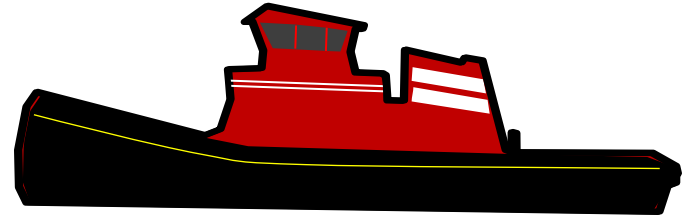
- **Marine storage and warehouse** – City, Tugs, Bay Ferries
- **Cruise ship** visitor support and screening
- **Multi-modal transport** ticket office
- **Bike and scooter** rental
- **Mixed use** – café, museum, retail...
- Covered **gathering space** (adjacent to open space at the southerly end of pier)

## **Second Floor** – 28,000 sq ft:

- Marine and non-marine use **office, mixed use**



# Proposed Policy



Recognize changes since 2006

- *The arrival and success of Ready Seafood in the southerly end of the POT*
- *Growth of Marine Passenger Transportation*
- *Growth of Hotel and Tourism Development*

Remove expectations for wholesale redevelopment of the pier from the policies

# Ongoing Process

1. ***Inventory existing uses***, assets, and current opportunities – including physical space, circulation, and parking requirements.
2. ***Assess existing conditions*** and maintenance needs of pier and building structure and systems.
3. ***Coordinate with existing operations*** including future CBITD and CAT ferries, Ready Seafood, Portland Tug, cruise operations, charters, US Customs and Border Protection, and City Events.
4. ***Generate concepts*** for short-term improvements facilitating greater use of the POT.

Results of a staff process would be reported to the EDC prior to taking further steps toward implementation.

# Potential Process

## Longer-term Consultant Process:

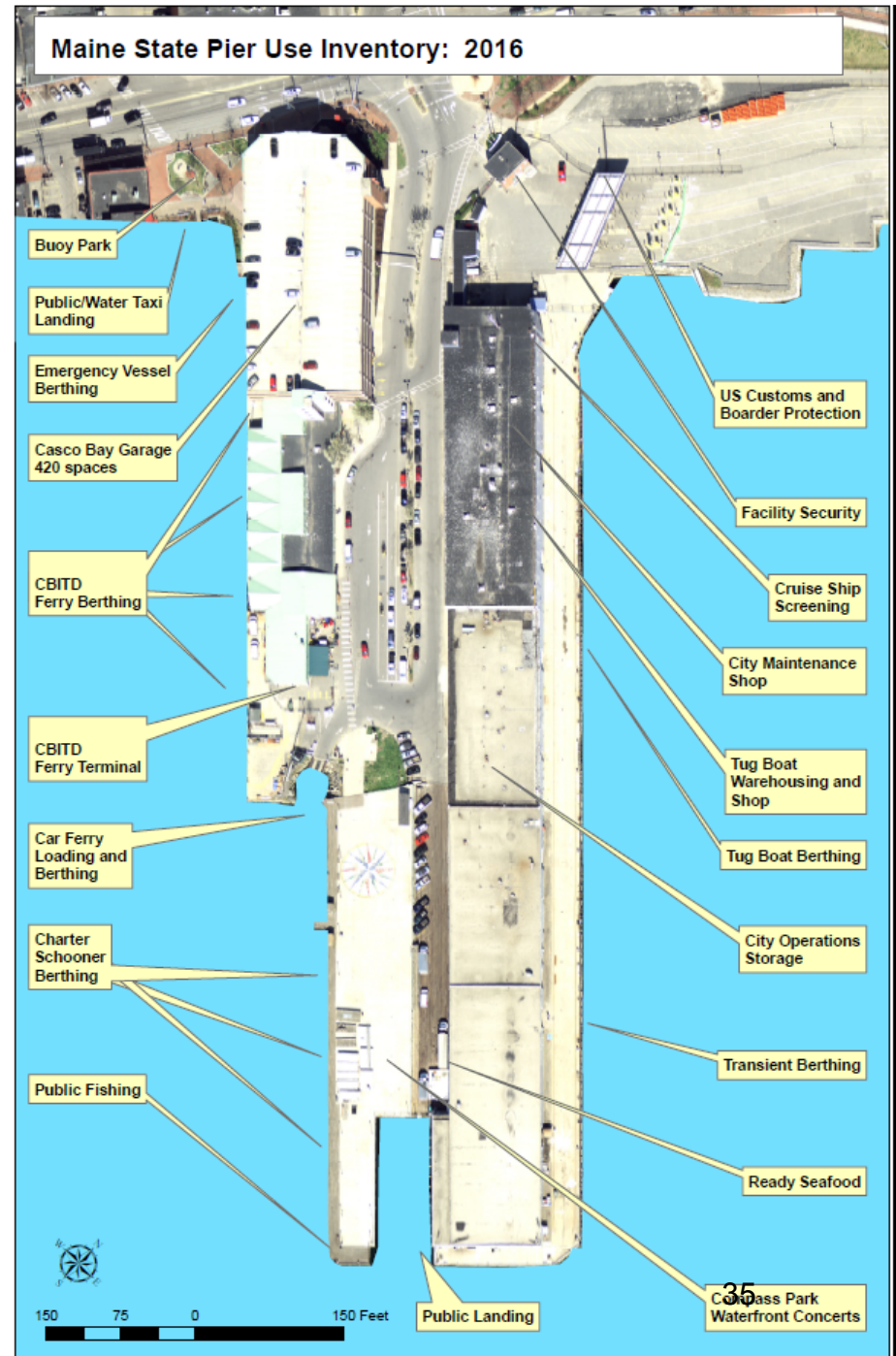
Following and building from the internal process described above:

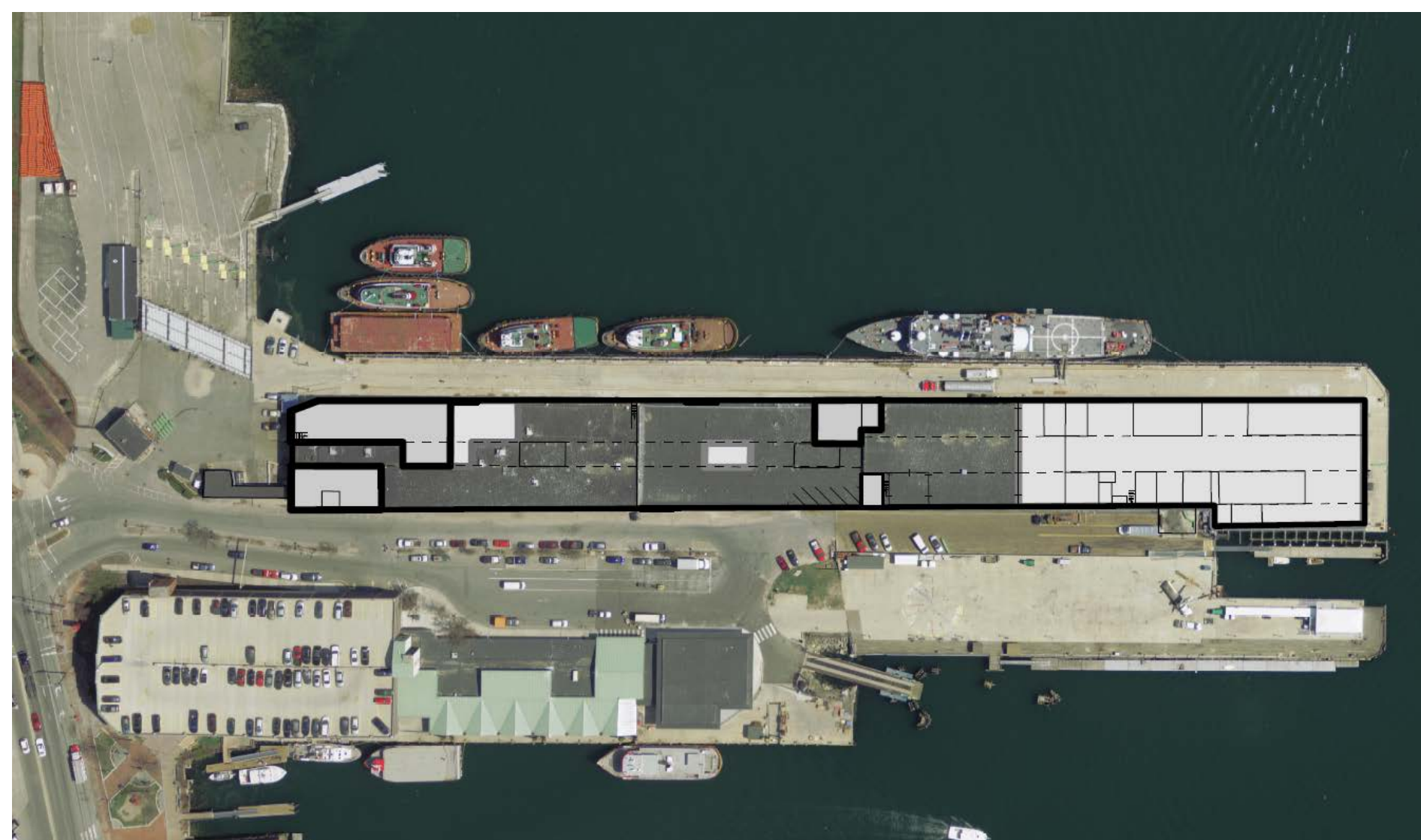
- Secure funding, draft scope, and release RFP for ***consulting services*** to refine development concepts and potentially provide for a more comprehensive rethinking of the POT structure for both use and physical improvements.
- Establish clarity on the future footprint and operations of ***international ferry***
- Gather input from pier ***stakeholders and the public***.
- Confirm ability to amend ***security*** plans
- Generate ***development alternative*** to be presented for review and approval by the EDC and the City Council prior to implementation.

**Over 20 public and private operations share the Maine State Pier**

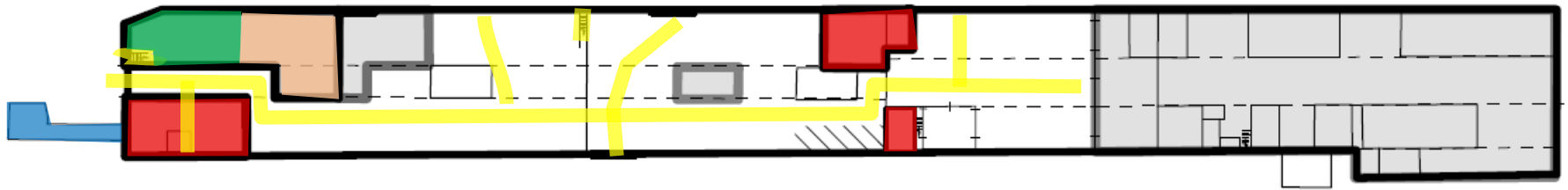
**Integration and coordination is crucial**

**Current policies informing Future pier changes were Adopted in 2006**





## Portland Ocean Terminal: Immediate Context



## Portland Ocean Terminal: Current Uses

**Cruise Ship Support**



**City Shop/Maintenance**



**Private Leases**



**Mechanical Core**



**Tenant Storage**

**Variable**

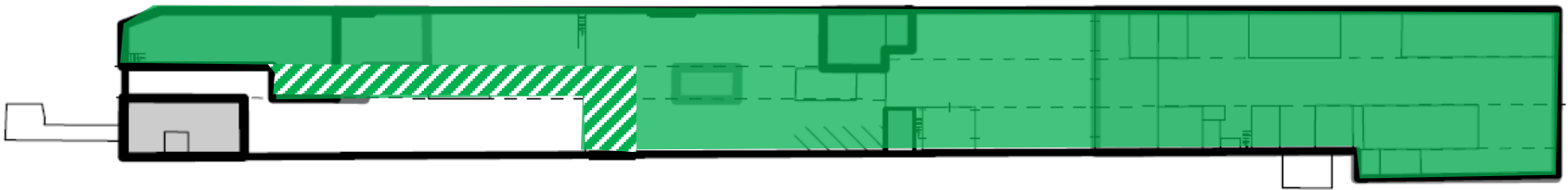
**City Storage**

**Seasonal**

**Vehicles**

**Variable**

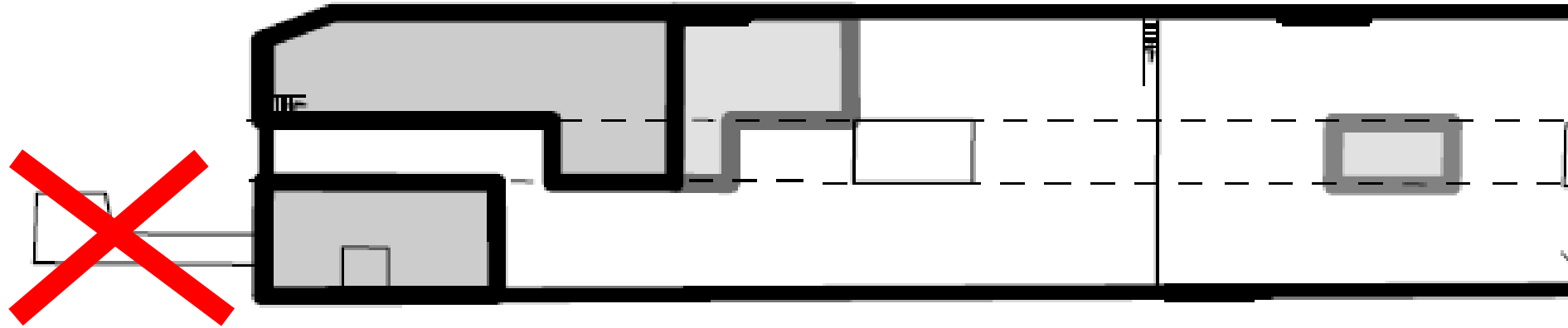
# Concepts for higher utilization of the Upper floor and Northerly End of the POT



- Consolidate and organize City and tenant marine operations and storage
- Retain Existing Marine Tenants – Charter, Tugs, Ready

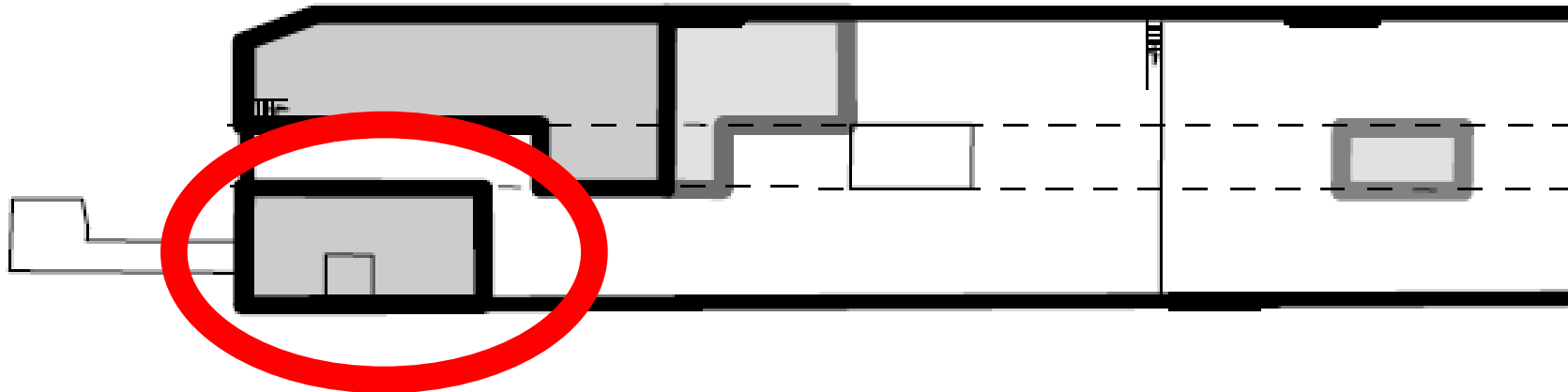
**Over 80% of the first floor would  
be retained for Marine Use**

# Concepts for higher utilization of the Upper floor and Northerly End of the POT



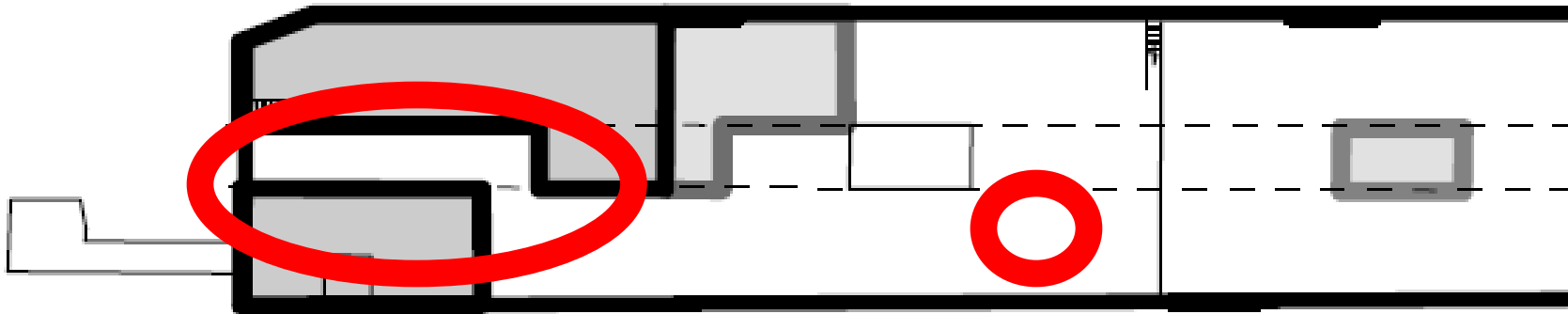
**Remove Utility Room**

# Concepts for higher utilization of the Upper floor and Northerly End of the POT



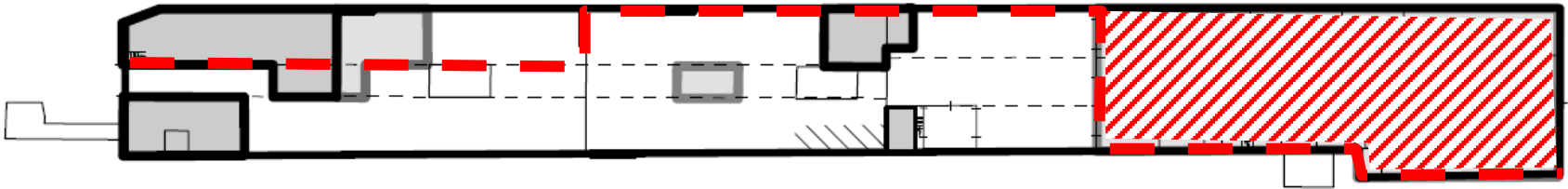
**Remove Elevator and Mechanical Core**

## Concepts for higher utilization of the Upper floor and Northerly End of the POT



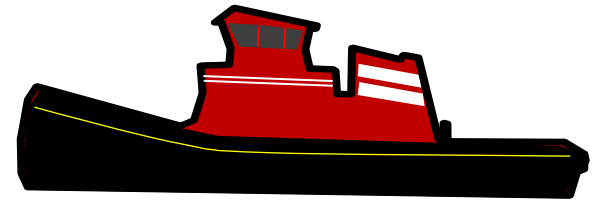
**New Primary and Secondary Lobbies for Second Floor**  
**New Mechanical Core**

# Concepts for higher utilization of the Upper floor and Northerly End of the POT

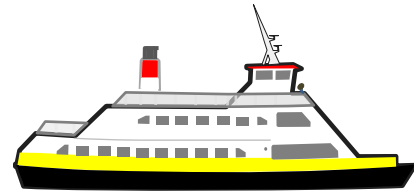


- Create a new security plan, protecting current marine operations, including: Tugs, Cruise Ships, others...

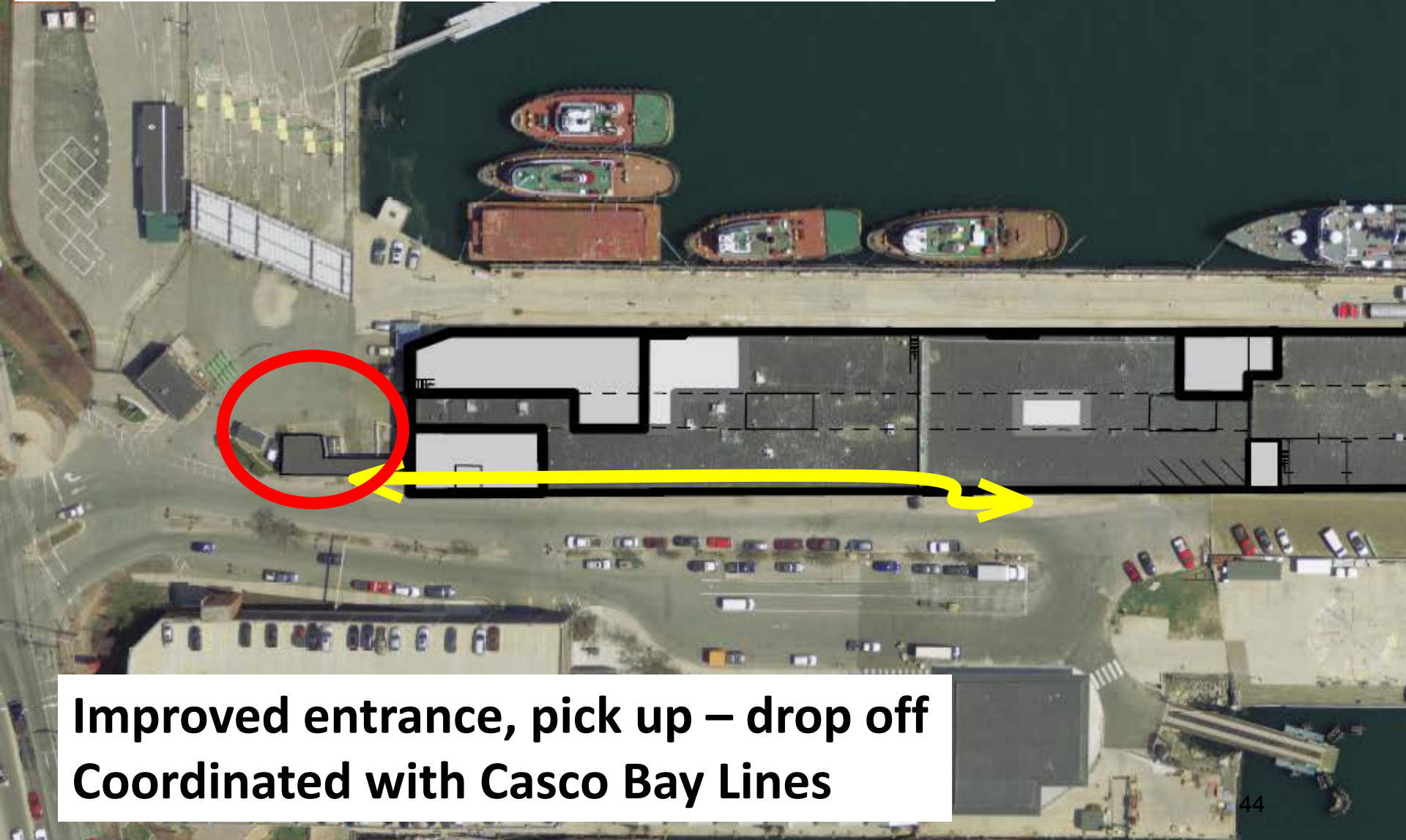
**1<sup>st</sup> Floor Areas Proposed to Remain within the “105” secure zone**



**Create covered pedestrian way  
within westerly edge of the POT**

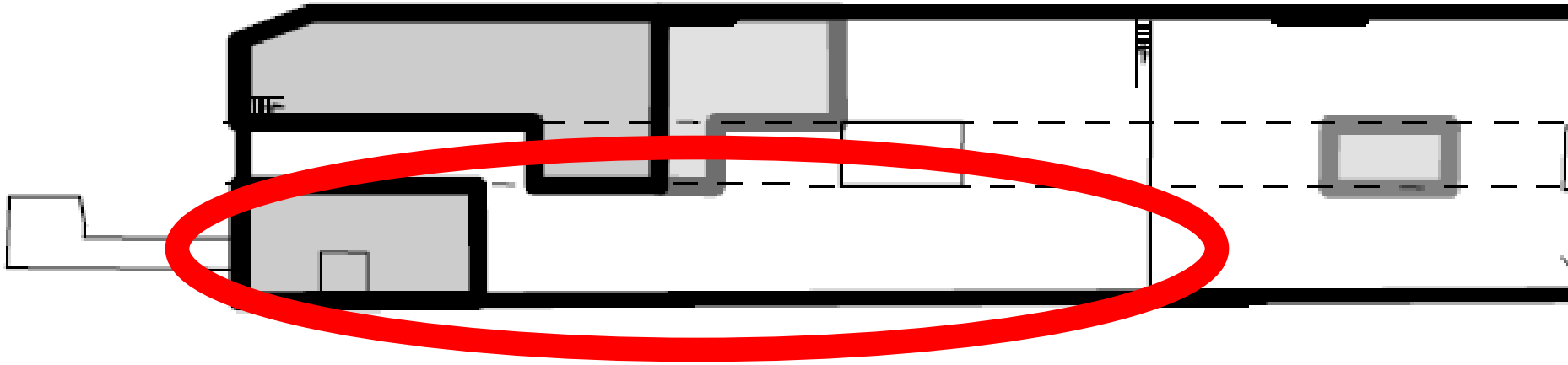


**Concepts for higher utilization of the  
Upper floor and Northerly End of the POT**



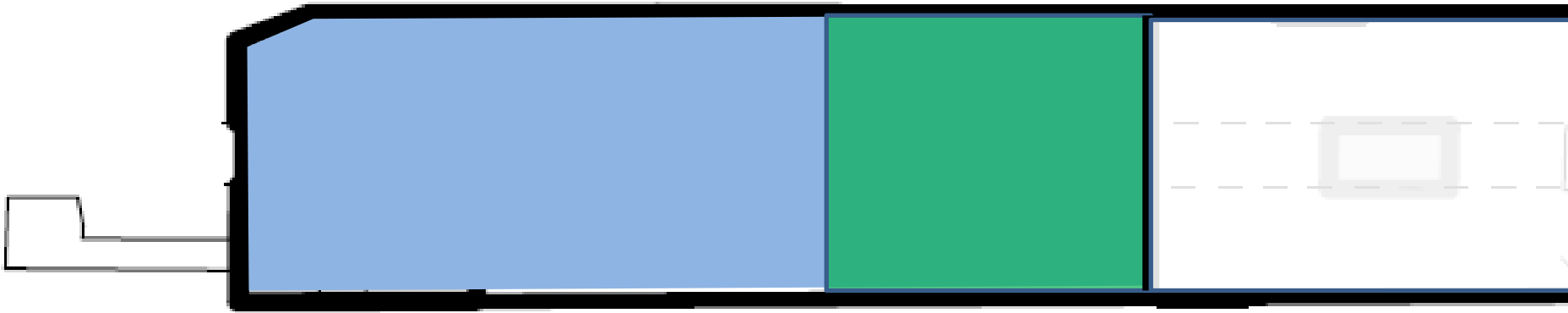
**Improved entrance, pick up – drop off  
Coordinated with Casco Bay Lines**

## Concepts for higher utilization of the Upper floor and Northerly End of the POT






**Introduce Market Style Retail  
Oriented to the interior of the pier**

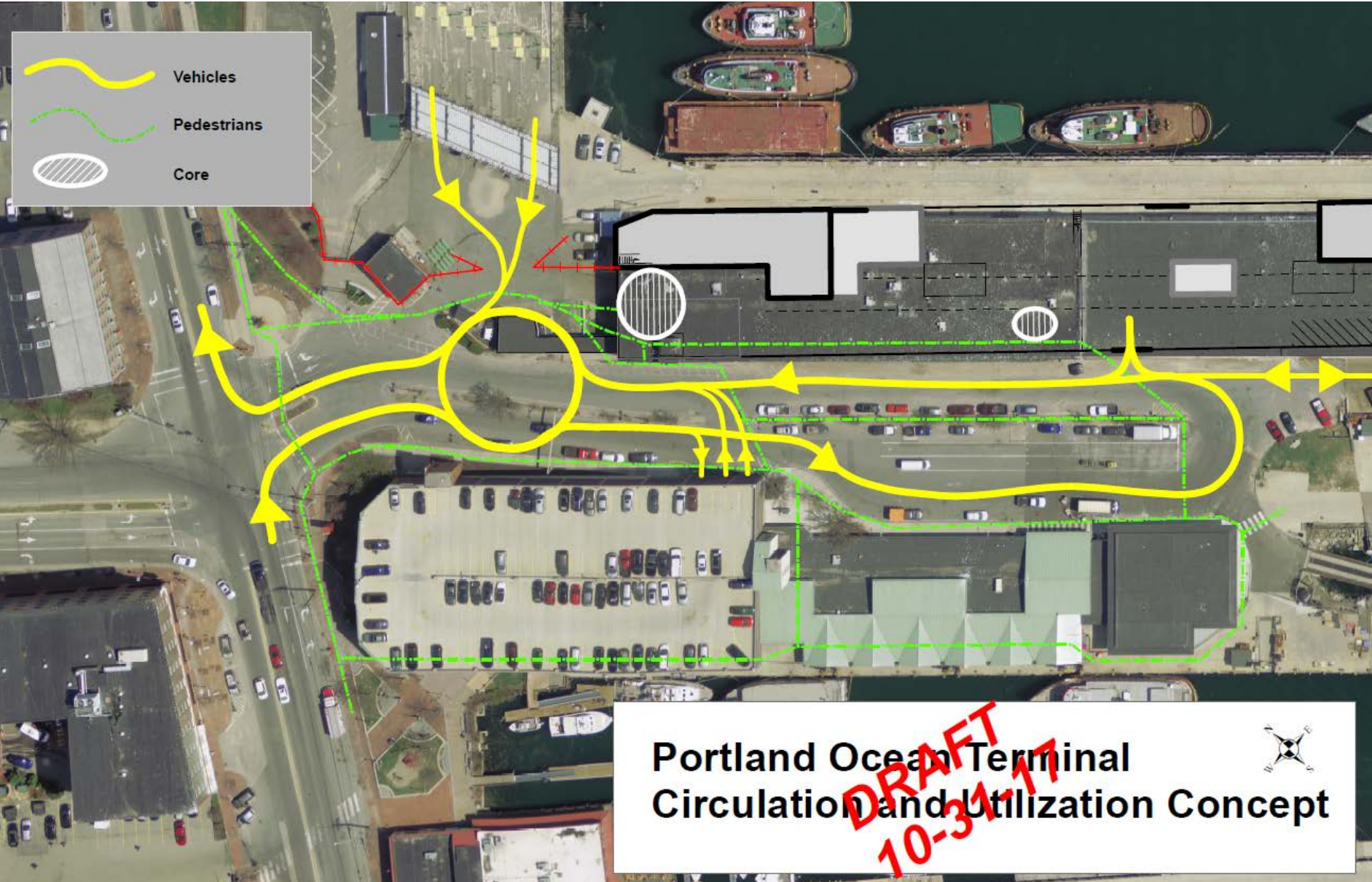
## Concepts for higher utilization of the Upper floor and Northerly End of the POT



**Prepare entire second floor for reuse  
Potential Uses**

- **Office incubator complex**
- **Event and meeting space**

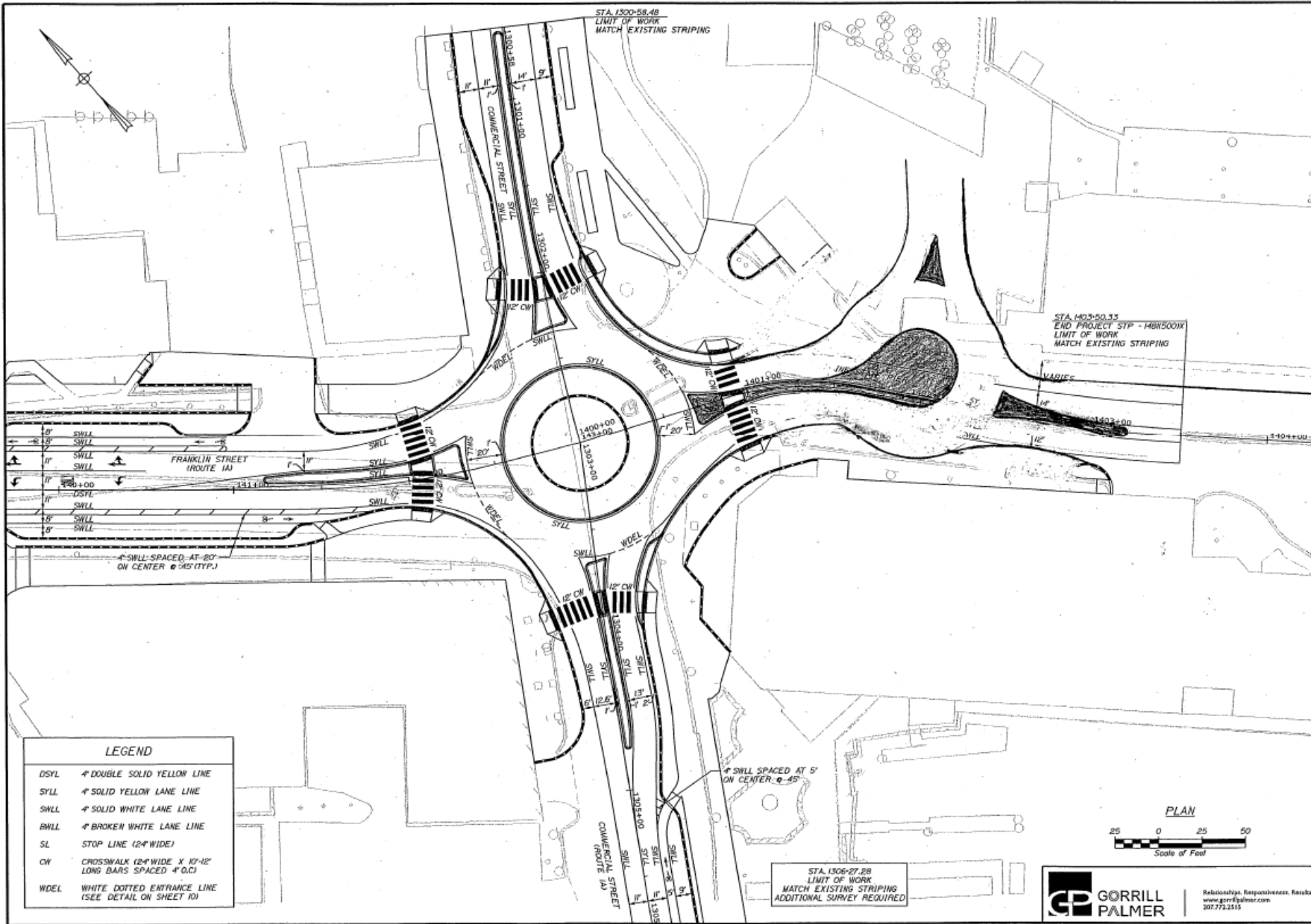
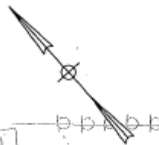
-  Vehicles
-  Pedestrians
-  Core



**Portland Ocean Terminal**  
**Circulation and Utilization Concept**

DRAFT  
10-31-17





**LEGEND**

DSYL	↔ DOUBLE SOLID YELLOW LINE
SYLL	↔ SOLID YELLOW LANE LINE
SWLL	↔ SOLID WHITE LANE LINE
BWLL	↔ BROKEN WHITE LANE LINE
SL	STOP LINE (2'-4" WIDE)
CW	CROSSWALK (2'-4" WIDE X 10'-12" LONG BARS SPACED 4'-0")
WDEL	WHITE DOTTED ENTRANCE LINE (SEE DETAIL ON SHEET 10)

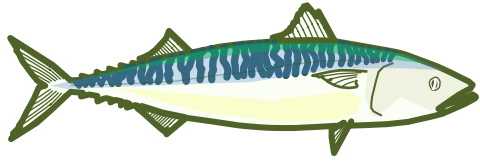


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MATCH EXISTING STRIPING  
ADDITIONAL SURVEY REQUIRED



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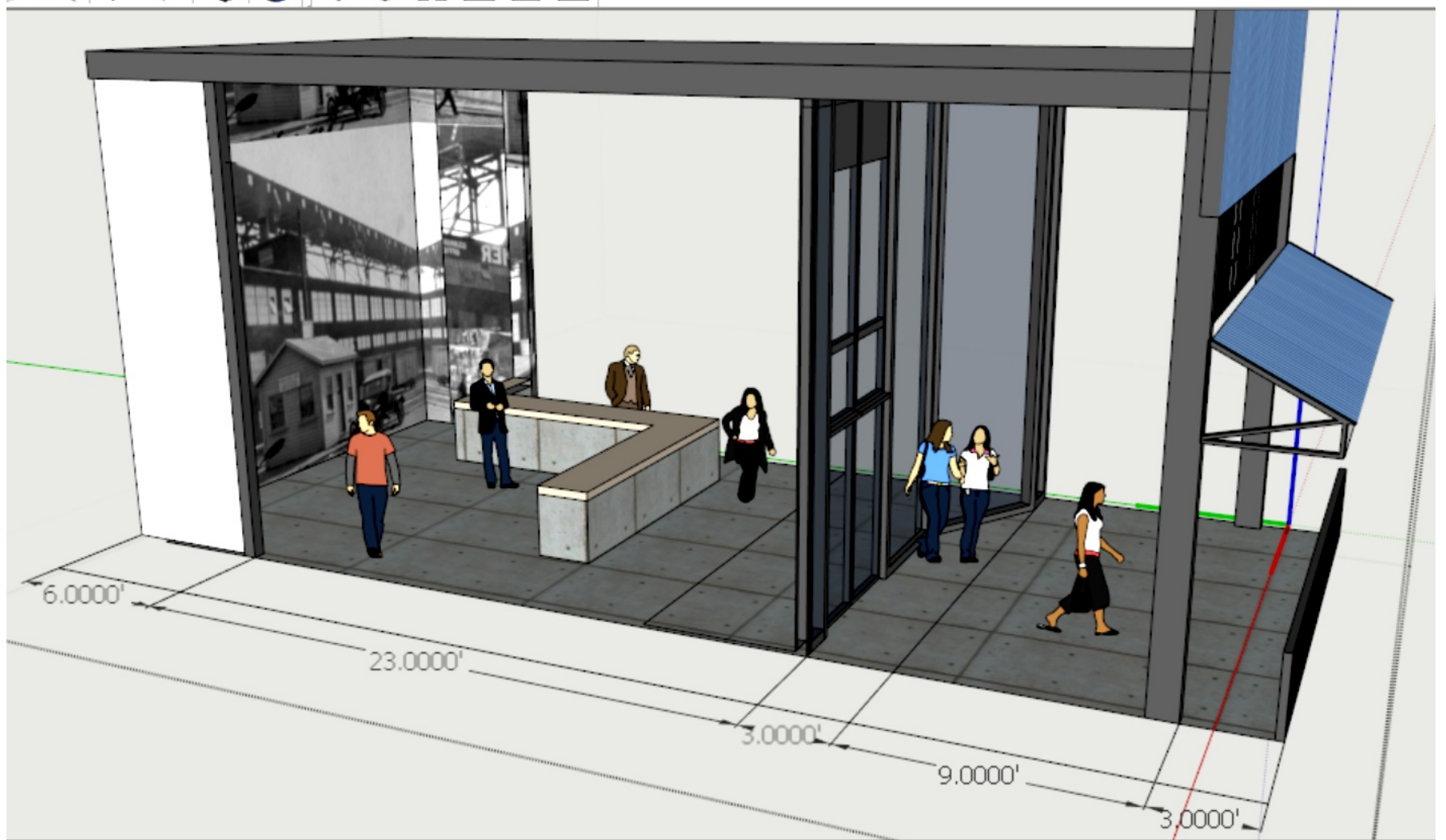
<b>CITY OF PORTLAND</b> <b>DEPARTMENT OF PUBLIC SERVICES</b>		STP-1481(500)X W/N 14815.00 HIGHWAY PLANS
PROJECT NUMBER PROJECT NAME DESIGNER CHECKED BY DATE	SITE DATE SIGNATURE P.E. NUMBER DATE	<b>PORTLAND</b> <b>FRANKLIN STREET (ROUTE 1A)</b> <b>STRIPING PLANS</b>
SHEET NUMBER		<b>41</b> OF 120



# THE MARKET at MAINE STATE PIER























1924 Tax Photo



CAR FERRY ↑

TERMINAL ↑

PARKING





**Questions?**

