

**City of Portland, Maine
Finance Committee Meeting
Monday, November 20th, 2017
4:00PM - 5:00PM - Room 209**

1. Finance Committee Meeting Agenda

Documents:

[FINANCE COMMITTEE AGENDA_11.20.2017.PDF](#)

1.I. Finance Committee Meeting Agenda Back-Up

Documents:

[DISPLACEMENT OF PUBLIC WORKS AND APPROPRIATION OF BAYSIDE
PARCEL SALES PROCEEDS.PDF](#)

1.II. Finance Committee Meeting Agenda Back-Up

Documents:

[ADDITIONAL CANCO RD BACKGROUND INFORMATION.PDF](#)

**City of Portland, Maine
Finance Committee Meeting
Monday, November 20th, 2017
4:00PM - 5:00PM - Room 209**

AGENDA

- 1. Displacement of Public Works - Appropriation of Bayside Sale Proceeds for Relocation - Public Hearing and Vote**
- 2. FY19-FY23 Capital Improvement Plan (CIP) Overview**
- 3. Future Meeting Dates/Topics**



To: Members of the Finance Committee

From: Brendan T. O'Connell, Finance Director and Chris Branch, Public Works Director

CC: Jon P. Jennings, City Manager, Anita LaChance, Deputy City Manager

Date: November 6, 2017

Subject: Displacement of Public Works and Appropriation of Bayside Parcel Sales Proceeds

Executive Summary: The City has been working diligently to achieve the goal of relocation of Public Works out of the downtown Bayside neighborhood. In support of this goal the City is selling the six parcels listed below. Four property sales have already been approved by City Council, 65 Hanover Street, 178 Kennebec Street, 56 Parris Street and 82 Hanover Street. Properties at 55 Portland Street and 44 Hanover Street are in final stages of sale negotiations and will be going to the Economic Development Committee and City Council for approval in the coming weeks.

As a result of these property sales the majority of City of Portland Public Works Department is being displaced and must be relocated to the City's Canco Road facility. Operations displaced include critical activities such as Fleet Maintenance (including the current City fuel depot), Traffic, Winter Operations, Districting, Water Resources, Engineering and Public Works Administration. In order to pay expenses related to the parcel sales and relocation effort additional funding is immediately needed. Sale proceeds from the parcels being sold were always intended to be the primary funding source for relocation and renovation expenses. City staff is requesting the Finance Committee make a formal recommendation to City Council on the sales proceeds: *Recommendation to appropriate Bayside sale proceeds to pay expenses related to displacement and relocation of Public Works.*

Parcel Location	Price
65 Hanover Street	\$1,100,000
178 Kennebec Street	\$250,000
56 Parris Street	\$175,000
82 Hanover Street	\$2,350,000
55 Portland Street	\$1,400,000
44 Hanover Street	\$1,200,000
	\$6,475,000

Why is the funding necessary and how will it be spent? It is estimated that there are approximately \$342k of sale related expenses which need to be paid including brokerage commission, survey expenses, and valuation / appraisal expenses. The remaining \$6.13M will be utilized to relocate the Public Works operations to Canco Road and to renovate and equip operations. It is the objective of the City to fully fund the Public Works move to Canco Road with sales proceeds. Eliminating the need to incur additional general obligation debt to fund the move would be a major financial victory for the City. Other local municipalities have recently incurred significant amounts of general obligation debt to fund their Public Works facilities. In 2013 South Portland voters approved \$14M of new debt to finance their Public Works facility – costing an estimated total principal / interest repayment of \$20M. In 2014 Westbrook approved \$8.7M of new general obligation debt to fund their Public Works facility – costing an estimated total principal / interest repayment of \$12M. It has always been intended that the Bayside sale proceeds would be used to relocate Public Works operations and this approach would have no increase on future tax rates.

The \$6.13M of appropriation for Canco Road will be expended on a variety of high priority items at the site, the most significant of which is expansion of the existing building footprint to accommodate the Fleet Services operation (total current cost estimate is \$3.5M). A replacement vehicle wash bay and fuel depot are also required. The City salt and sand shed needs to be relocated. The parking area for City vehicles and equipment needs to be paved and expanded including a new shed building and stormwater / drainage work. The interior of the buildings need to be renovated to convert warehouse space into usable office space for Public Works administration and Engineering. Finally, the roof at Canco Road needs approximately \$100k of immediate repair work. The sum of these projects is approximately \$7M – the \$6.13M of new financial appropriation will be combined with existing funds to complete the relocation and renovation effort.

Public Works Director Chris Branch will be in attendance at the November 14th Finance Committee meeting to answer any additional questions about the displacement of Public Works and the relocation / renovation effort.

To: Chairperson and Members of the Finance Committee

From: Anita LaChance, Deputy City Manager
Jon Jennings, City Manager
Ethan Strimling, Mayor
Brendan O'Connell, Finance Director

Subject: Canco Rd Background Information

Date: November 16, 2017

Mayor Strimling has asked for information on what was previously allocated to the relocation of Public Works to 250 Canco Rd. and that the information be shared with the Finance Committee.

In July of 2015, the City Council authorized bonds in the amount of \$3,400,000 and appropriated \$930,000 in proceeds from the sale of land to purchase 250 Canco Rd. and begin the relocation of Public Works from Bayside. At the time staff provided a master plan on the relocation of Fleet Services, which was identified as Phase 2 at an estimated cost of \$8.1 million. I have attached a copy of the master plan. At the request of the Mayor, I have also compared the original \$8.1 million budget to our current estimate to not only relocate Fleet Services, but also move staff from 55 Portland St into 212 Canco Rd. (also attached)

In the fall of 2016, the City Council appropriated \$1,000,000 from the sale of the midtown property towards the relocation of Fleet Services. That amount, combined with the requested \$6,130,000, would complete the relocation of Public Works from Bayside. This appropriation would bring the total amount to relocate all of Public Works, including 55 Portland, to \$11,460,000.



July 1, 2015
15056

Michael J. Bobinsky, Director
Department of Public Services
City of Portland
55 Portland Street
Portland, ME 04101

**Memorandum of Master Planning – Relocation of Public Services to Canco Road,
Portland, Maine**

Dear Michael:

Sebago Technics, Inc. has been retained by the City of Portland to assist in the master planning for the potential relocation of various Public Services operations to Canco and Quarry Road properties. The purpose of this memorandum is to provide a general summary of the space planning completed to date, together with findings for consideration.

Introduction:

Over the past several years, the City of Portland has continued to actively evaluate alternatives for the phased relocation of Public Services from Hanover Street in the Bayside area of Portland. The relocation effort is part of an overall vision to vacate several city properties in the Bayside area for redevelopment. In addition to relocating Public Services, other essential City services would also be relocated to Canco Road as outlined in this report. Locating the majority of City Public Services into one combined campus provides a unique and important opportunity for consolidation of an operation that has space limitations and is somewhat fragmented by having various operations in multiple locations throughout the City.

The selection of a new site is a difficult task in itself since a Public Services operation is industrial in nature and therefore must be located in a compatible area where zoning and neighboring uses are consistent with the proposed use (generally industrial or commercial in nature). In addition, the selected location must provide sufficient land area to accommodate a large fleet of vehicles, equipment, and sand/salt distribution, refueling, materials and laydown storage. The location must also provide for adequate circulation areas to move large equipment including temporary parking/storage of large equipment.

The City has been presented with a suitable relocation site that meets the programming requirements and is centrally located and easily accessible. The proposed location off Canco Road is located in the IM Zone and partially a contract zone (C50). The identified parcels are

commonly known as the Nelson & Small property (212 Canco Road), Seltzer and Rydholm property (250 Canco Road) and open land owned by J.B. Brown are the focus of this master planning effort.

Operations to be relocated to Canco Road: The following provides an overview of immediate and long-term City Public Service operations that may be relocated to the Canco Road property over a period of time in a phased approach.

1. Seltzer & Rydholm & JB Brown Parcels.

- Fleet Maintenance
- Construction Company
- Dispatch
- Districting
- Forestry & Horticulture
- Sand/Salt Storage
- Fuel Dispensing
- Vehicle and Equipment Wash Facility
- Parking for employees
- Outside storage for equipment and materials storage

2. Nelson & Small Parcel

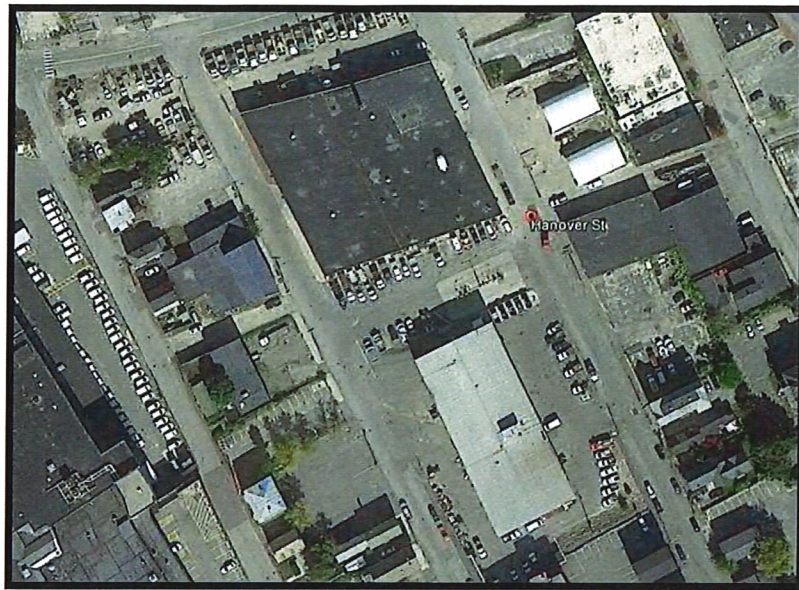
- Facilities/Recreation Administration
- Building & Trades Personnel
- Fire Department Electrical & Communications
- Traffic
- Parks Operations

Location & Space Requirements:

The Portland DPS is essentially a large industrial operation that operates on a 24/7 basis providing city wide services. As a result, the selection of a location for DPS requires careful consideration of many factors including appropriateness of the general area (industrial zoning), access to major streets, available property and building space. The location must also provide easy and convenient access to the downtown and outlying areas. When considering these attributes both individually and collectively, the options within the City of Portland are limited for locating a large DPS facility.

The following provides a general overview of the existing space currently utilized by the DPS and the proposed location located off Canco Road.

Existing Bayside Public Services Site: Presently, the City of Portland Department of Public Services (DPS) generally operates within a 4 acre area located between Hanover Street and Parris Street as shown on the adjacent photo.



Existing Public Services - Hanover Street

The location is an inner City Urban area that has numerous logistical challenges. The site is constrained with limited out of door parking areas for equipment, staging, and employee parking which extends into the neighborhood. During winter operations, the DPS utilizes both Hanover and Parris Streets for vehicular queuing and as an operational area. It is not uncommon for both streets to have large vehicles maneuvering around parked cars on these narrow urban streets. The site has become further constrained due to the elimination of the sand and salt storage areas to accommodate recent commercial development. Due to the limited space, the City requires some activities to be remotely located such as storage of equipment and vehicles at the Portland Ocean Terminal and at the City-owned Outer Congress Street property.

Canco Road Properties:

The Canco Road properties provides the City of Portland with an opportunity to acquire existing property and buildings to relocate its Department of Public Services operations. In the future, the relocation will require the construction of a new fleet maintenance building due to special operational characteristics of a fleet maintenance building.



Canco Road Properties

This area of Portland is one of the few locations that is compatible and well suited to DPS operations. The Canco

Road properties are within an industrial setting and location well suited to a DPS operations. Both the Nelson and Small and Pepsi properties are located in the I-M Industrial Zone with the abutting JB Brown property located in a Contract Zone (designated at C50). The general area has served as an industrial and commercial area of Portland for many decades and includes land area that is suitable for a DPS operation. Accommodating the full DPS operation must include the acquisition of all three land and building areas to combine into an overall tract of land suitable for the proposed operations. A concept master development plan is appended to this letter.

Comparative Area Summary:

The following chart provides a general comparative summary of the land and building holding that the City currently utilizes for DPS at the Hanover Street Facility and Portland Ocean Terminal.

<i>Summary of Existing Public Services Space Utilization</i>			
<i>Location</i>	<i>Area of Property Acres</i>	<i>Existing Bldg. S.F.</i>	<i>Open Lot Area S.f.</i>
65 Hanover Street	0.465	7,217	13,600
52 Alder Street	0.218	5,792	3,700
44 Hanover Street Fleet Maintenance/Admin. Engineering & Administration	1.928	18,500	46,656
71 Hanover Street (Recently Sold)	0.347		15,102
82 Hanover Street 36,227 (garage) & 4,541 (storage)	0.843	40,768	0
Portland Ocean Terminal (Maine State Pier)	0.106	4,600	0
56 Parris Street - bought 2010	0.234		10,213
Totals	4.141	76,877	89,271

Summary of Canco Road Property			
Location	Area of Property Acres	Existing Bldg. S.F.	Open Lot Area S.f.
Seltzer & Rydholm Building Future Fleet Maintenance	5.100	63,780 13,000	158,376
Nelson & Small Building	4.170	76,500	105,145
JB Brown	4 +/-		41,360
Totals	13.27 +/-	153,280	304,881

The Portland Department of Public Services currently operates predominately out of the Hanover Street facilities. The available land area in the Hanover Street area is approximately 4 acres and has presented numerous operational challenges due to the space restraints. Equipment and parking is limited as well as operational areas needed for fueling, staging, loading/unloading and general circulation. Both Hanover Street and Parris Street are frequently utilized for operations to include employee parking, vehicle stacking, loading of sand and salt and queuing for fueling and moving large vehicles. It should be noted the sand and salt storage lot was recently sold and is no longer available for use.

By nature, a Public Services Department requires significant land area for buildings, circulation, parking equipment & vehicles, storing seasonal equipment, stockpiling materials and for winter operations. For reference purposes Sebago Technics, Inc. is currently working with the cities of Westbrook and South Portland for new Public Services facilities. These communities, which are smaller than Portland have gone through a facility programming process that has identified land areas in excess of 15 acres that are required for facility operations. The total cost of Westbrook and South Portland new Public Works facilities are \$9 Million and \$15.2 Million dollars respectively, not including real estate costs.

When considering the combined land area of the various parcels, the City of Portland's current operations occur on approximately 10 to 12 acres of land area including the snow dump at Outer Congress Street. The outer Congress Street Parcel, despite its size, is not practical for development due to natural resources and potential air navigation considerations since it is in the approach and departure path of the Jetport. This City owned property currently houses: sand/salt operation; sanitation; snow dump.

It is noted that not all of the Departments operations can be accommodated at the Canco Road Property. Through the land planning and facility proگرامing process, we determined that the Water Resource Division of the Department currently located at 55 Portland Street and 82

Hanover Street would be best suited at the outer Congress Street site. To that end, plans are for the Water Resources operations and asset management staffing to be housed at remodeled storage space at outer Congress Street and is funded in the FY16 CIP Sewer Budget.

Canco/Quarry Road Property Master Plan

Accompanying this report is a conceptual level Masterplan layout accommodating DPS needs utilizing the previously discussed Canco and Quarry Road properties. The masterplan demonstrates the need for combining parcels to form a tract of land suitable for DPS.

The relocation process as with any project of substantive size will require development planning and permitting.

Summary:

This report has been prepared for the City of Portland to better understand the adaptive space re-use of the three parcels located off Canco Road. The combination of three tracks of land together with buildings is expected to meet the current and foreseeable needs for Portland Public Services.

Should the City decide to move forward with the land and building acquisition, improvements for each of the properties will be needed for adapting the existing sites to the specific needs of a public service operation. This adaptation is expected to occur in a phased manner with the eventual construction of a new building for fleet services and associated site improvements.

Upon review of this report, please feel free to contract us if there are any questions or if we can be of further assistance. Best wishes as you consider this important project.

Sincerely,

SEBAGO TECHNICS, INC.

A handwritten signature in black ink, appearing to read "Owens A. McCullough". The signature is stylized with a large initial "O" and a long, sweeping underline.

Owens A. McCullough, P.E.; LEED A.P.
Vice President of Engineering and Project Development
OAM: oam

Cc: Greg Mitchell
Kathy Alves

Fleet Services & 55 Portland Relocation	Master Plan	Current
Fleet Services	2,295,000	3,500,000
Roofing Improvements Roof still has a useful life, furture CIP (2025)	637,000	-
Ventilation/Mechanical	350,000	complete
Electrical, Lighting IT	200,000	complete
Office Renovation	1,250,000	complete
Locker Room Renovations	132,000	complete
Wash Bay Original new addition Proposed interior existing bay	404,250	300,000
Salt Shed Additional Salt/Sand and Equipment Storage	30,000	350,000
Fuel Island	300,000	250,000
Generator	10,000	20,000
Roadway Construction No longer necessary to serve Quarry Rd property	360,000	-
Site Development	768,100	650,000
Furniture & Equipment	724,225	-
Relocation of 55 Portland (212 Canco)	-	1,080,000
ADA Improvements (212 Canco)	-	250,000
Subtotal	7,460,575	6,400,000
Soft Costs (6%)	674,075	384,000
Contingency (5%)	-	346,000
Grand Total	8,134,650	7,130,000