

MINUTES

COMMUNITY DEVELOPMENT COMMITTEE MEETING

March 20, 2007

A meeting of the Portland City Council's Community Development Committee was held on Tuesday, March 20, 2007, at 6:00 p.m. in City Council Chamber on the second floor of Portland City Hall. Present from the Committee were Chair Councilor James Cloutier and members Councilors Kevin Donoghue and Jill Duson (arriving shortly after the meeting started as noted in the Minutes). Also present from the Council were Mayor Nicholas Mavodones and Councilor David Marshall (the latter arriving shortly after the meeting started as noted in these Minutes). Present from City staff were Associate Corporation Counsels Jim Adolph and Mary Costigan, City Manager Joseph Gray, Planning Division Director Alex Jaegerman, Ports and Transportation Department Director Jeff Monroe, Senior Planner Bill Needelman, Senior Executive Assistant Lori Paulette, Assistant Finance Department Director Ellen Sanborn, and Planning and Development Department Director Lee Urban.

Item #1: Review and accept Minutes of previous meeting held on January 10, 2007.

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

Item #2: Review and recommendation to City Council on sale of tax-acquired property at 229 Anderson Street containing approximately 8,500 square feet.

On motion made and seconded, the Committee voted unanimously to forward this item to the City Council with the recommendation that it be approved in the amount of \$25,900.

Item #3: Presentation by the proposers in response to the City's Request for Proposals for development of the Maine State Pier:

- a. **Ocean Properties**
- b. **Olympia Companies**
- c. **Next Steps**

Chair Cloutier said that although Councilor Duson is still in an Appointments Committee meeting, he has received word that she has requested that the meeting continue. She was present at the Chamber presentation yesterday evening in the Merrill Auditorium.

Chair Cloutier said that the City is grateful to have received two proposals from well-established organizations. Unfortunately, only one will proceed with the project; and this is beginning of the City's review of both.

Chair Cloutier continued by saying that the RFP is a concept RFP, and now an interactive process begins and things can and do change. There are regulatory requirements to go through, which can make for a prolonged process up to award of a bid and a final contract. He cited one such process which started in 2000 and it is now close to getting its building permit. For this RFP, a lot of information has been received and will continue to be received, based on questions, answers, and requests for more information. Eventually, it will be the full Council's ultimate decision as to whom to lease the Maine State Pier for development. It is a public policy decision that rests with

the full Council. This Committee does not have authority to approve anything. It makes a recommendation to the City Council for its decision-making process.

Chair Cloutier gave an example of a regulatory requirement that will need to be addressed, that of zoning. There may need to be a zone change or contractual zoning done.

There is always a chance that the City Council will not decide on either proposal, if it feels that that is in the best interests of Portland. The Council may also take the recommendation of this Committee and amend it.

Chair Cloutier said that the purpose of the meeting today is to hear the presentations from the proposers, going in alphabetical order. This is not an opportunity for public comment. After the presentations, the Committee will hear from staff about salient issues of the proposals, and there may be some general requests from this Committee or other Councilors present. After hearing from staff, the Committee will go into executive session to discuss financial issues with the project. The Committee will have a meeting in April, at which time it will most likely have questions for the proposers, with some answers presented at that meeting and perhaps another. After that, there will be a session scheduled to take public comment.

Chair Cloutier also noted that the City's website will have a space dedicated to this project. He also mentioned that anyone can email the Council with comments, or via U.S. mail. Perhaps by June or July, this will go to the Council for deliberation. He noted that sometimes the first developer selected to begin negotiations with does not always end up as the final developer.

Chair Cloutier then asked for presentations, adding his request that speakers keep presentations to thirty minutes to allow for fifteen minutes for any follow-up questions/ comments from the Committee.

Bob Baldacci, Vice President of Development for Ocean Properties, thanked the City for the opportunity. He then introduced the team, including Ocean Properties' founder and Chairman Tom Walsh. Mr. Baldacci noted that one of the company's principals, George Mitchell, wanted to be here today but sends his apologies – his partner and close friend passed away, so Mr. Mitchell needed to leave for DC to attend the funeral. The Project Architect is TMS Architects; the project engineer is the Maguire Group; and the urban design and landscape architect is MRLD.

Mr. Baldacci noted that both Tom Walsh and George Mitchell were born and raised in Maine. Mr. Walsh was raised in Bangor, where he started his first business. Mr. Mitchell was raised in Waterville, and his reputation precedes him.

Ocean Properties (OP) would like the opportunity to turn the Maine State Pier into a world-class destination and enhance Portland's working waterfront. It is committed to an open process and met with over 100 people during the formation of its proposal, including small business owners, fishermen, and government. OP's proposal reflects their ideas.

OP's three objectives in its proposal are to revitalize an aging pier, create a place for tourists while providing economic and job benefits for Portland, and undertake the project with no financial obligation to Portland taxpayers. OP's plan is also all about bringing people to the water with public access, revitalizing Compass Park, and bringing people to events, festivals, and shows. There will be a harbor walkway and a restaurant

at the end of the pier, and OP has talked with Dana Street and John Naylor about the project.

(Councilor Duson arrived at this time.)

Mr. Baldacci continued saying this proposal will increase tourism and provide substantial economic benefits to Portland. The proposal offers 120,000 sq. ft. of Class A office space, with retail on the first floor, and a 200-room first-class hotel. The proposal also provides space for the tugboats and other vessels, as well as a parking garage. This proposal does not require any filling of submerged land.

Mr. Baldacci said that the proposal assumes total cost of pier maintenance and \$500,000 per year in property taxes for the City of Portland. It will preserve the deep-water berthing for cruise ships and significant public access to the waterfront.

(Councilor Marshall arrived at this time.)

Mr. Baldacci said that the proposal calls for a 300-car parking garage. There is currently a five-year wait for parking in the Casco Bay Lines garage, so this part of the proposal is necessary.

Mr. Baldacci then introduced Tom Walsh.

Mr. Walsh thanked everyone for coming to this meeting. This project is important for Portland's historic waterfront. In showing slides of projects completed by Ocean Properties, he noted that the wide walkway as shown on the Key West project is similar to what is proposed for Portland, with 2,500 feet of walkway. This proposal also includes ferry service to Rockland and Bar Harbor with OP's ferry boats, designed in the same fashion as airline seating. OP proposes two to three ferry trips per day.

Mr. Walsh then highlighted the proposed dolphin system for the pier for the Committee.

Mr. Walsh thanked the City for the opportunity to make this proposal and said he looked forward to moving this along.

Ron Ward, legal counsel for OP and this project, said that he was a participant in the Waterfront Task Force meetings, so he is aware of the complex zoning ordinances for the waterfront. The location of the hotel is the fundamental difference in the proposals, with OP's placement in keeping with the spring tide line. Regarding filling the harbor as proposed by Olympia, this alone can take years to obtain the necessary permits.

Mr. Ward said OP's proposal does and should provide parking. Parking is already tight, and without it, it would squeeze other users of space, including businesses and islanders.

John Naylor, former Manager of the Green Grocer and owner of the Rosemont Bakery, said that he has worked with Martha Putnam, particularly with her Maine resources/farmers to purchase goods. He and Martha approached the City a few years ago about the Maine State Pier as a possible location for farmers to have a wholesale market, but it was cost prohibitive.

Mr. Naylor said that in order to have a wholesale market with the OP plan, parking is needed.

John Eder then spoke to the Committee regarding the green design of OP's proposal. Mr. Eder said that he is a resident of Portland and facilitated the legislation in Maine for green design. OP's proposal integrates a solar design, which will operate many systems on the pier. OP has a commitment to carbon neutrality in its design, and it

can also be done without hurting the bottom line. The design integrates the community, waterfront, intermodal facilities, and parking. Without the parking, motorists will idle around the City looking for parking. This is a ground-breaking project that is environmentally sound.

Mr. Baldacci said that OP's experience is rated the best in hotel and marine development and is known to get done what it says it can get done, noting the short time frame in helping Salt Lake City get ready for the Winter Olympics. It has the experience in working out issues for homeland security in its projects. There will be a new pier for the tug boats and reduced lease rates for the working waterfront. It will be an intermodal hub, including the Maine Narrow Gauge Railroad and light passenger rail. The project also meets zoning requirements and has the funding to make it happen.

Mr. Baldacci thanked the City for the opportunity to presents its proposal.

Chair Cloutier then asked Olympia Development to present its proposal, and Mayor Mavodones noted that he needed to leave the meeting at about 8:00.

Mr. Mahaney thanked everyone for attending this meeting and introduced the architect for this project, Alan Holt, to make the initial presentation.

Mr. Holt said that as the City's former Urban Designer, he participated in the Waterfront Master Planning process, and this proposal continues that work. In working with the developer in this proposal, Mr. Mahaney posed the question to him as to how he can create a 100-year vision for the site. That started Olympia's process of tapping into the entire community for their ideas and brainstorming those ideas into the proposal that was submitted. This proposal addresses the nine minimum requirements, the seven selection criteria, and the design elements with a vision that reflects the community.

Mr. Holt said that the process that resulted in the proposal submitted started with a team of architects and engineers from Portland. The group then held four interactive meetings, bringing in students from the Muskie School, neighbors, neighborhood organizations, culminating in a meeting with everyone. The first session brought up the biggest fear regarding parking on the waterfront. The second issue was people fearing the loss of the working waterfront and losing public access. This is the reason for the big gesture of having the park area that can hold 3,500 to 4,000 people.

Mr. Holt said the next steps were locating the office and hotel, which then resulted in the village ambiance at the end of the pier.

Regarding parking for the proposal, Mr. Holt said that there will be valet parking in the new garage to be built by Drew Swenson; and, because of the narrow design of the office, it can provide 50 on-street parking spaces adjacent to the hotel. The design enhances the working waterfront, park space, and for the project to be for people and not cars.

There will be 175-room six-story hotel, a four-story office building – both Leadership In Energy and Environmental Design-certified (LEED), accommodations for a maritime museum, and public market space. Compass Park would be reconfigured and enhanced where over 47,000 sq. ft. will be devoted to pedestrian access with a matrix of pedestrian streets and alleys with four new one-story buildings housing a fish market, restaurants, and retail and artisan spaces.

Winton Scott then addressed the Committee saying that this area is a pivotal point for the waterfront. The process for this proposal caused a design that specifically

addresses open space, with a welcoming waterfront park for Portland's citizens, guests, and businesses and their employees. Space like this is all about the people of Portland.

Mr. Scott said that buildings are green designed, with a 60' atrium in the middle providing a natural lighting scheme. The design allows for a feel that one can naturally keep walking towards the east where there is even more planned development with Drew Swenson's project. The design allows for views as you walk through the project area, and there are many options for public art.

Compass Park is now open and windy. The new design has been reconfigured to allow for a human environment with the retail elements, as well as still providing an area for local fishing. There will be outside seating and places to get out of bad weather.

Mr. Scott described the security fencing, approximately six feet in height, set back 15 feet from the pier's edge, allowing for continuing pedestrian usage while a vessel is berthed.

Mr. Holt said that Olympia Companies is already committed to Portland and has been doing construction projects in Portland continually over the past several years. Olympia was the first to build a certified LEED green building. It employs over 500 in Maine, and over 200 in Portland. It will make \$15 Million worth of repair to the pier itself; it will replace the skirt wall; and its timeline includes all that the City requested.

Barry Sheff of Woodard and Curran said that his firm has been working on the Ocean Gateway project for the past ten years. It is also working with marine engineers Fay, Spofford & Thorndike who originally designed the pier in 1922. He has met with the DEP, Army of Engineers, and EPA; and the marine habitat is extremely low in value. There are a lot of old piles and indepth research has been done to determine how to fix

the pier for the long-term. Together with new piling and some filling, this is a common building method for marine development. All total, this proposal will invest \$15 Million to fix the pier for long-term use, including fendering the entire lip of the pier. Olympia recommends fendering versus dolphins to achieve a longer, trouble-free use of the pier.

Mr. Sheff then discussed the engineering details of why the hotel was placed on the site.

Regarding security designs/engineering, Mr. Sheff said the deployable fencing worked best for both cruise ship security while maintaining continued pedestrian flow around the site.

Mr. Sheff said that in discussions with Portland Tugboat, LLC, the proposal is for tugboats to berth along the pier except when large vessels are berthed, as is the case now. Office space has also been set aside for the tugboats' use.

Queuing for the international ferry terminal has been accommodated.

(Mayor Mavodones had to leave the meeting at this time.)

Regarding parking, Tom Gorrill said that this proposal is designed for pedestrian flow, open space, and transit. Olympia takes parking into consideration and it has 50 spaces on site and is working with the Longfellow and its garage development for additional valet parking. More parking on the site would conflict with pedestrians and traffic on Franklin Arterial and Commercial Street.

Kevin Mahaney, noting the late hour, said that this proposal was generated by a process of reaching out to the community, neighbors, and government. If the citizens of Portland don't agree with a proposal, then it will not get built here. That community outreach drove the final proposal that is here today. The proposal submitted is detailed

and you see what you will get with Olympia. It took the whole 90 days to write the proposal for the City, and it has the consensus of the community. It will be a venue for the citizens, visitors, and marine industry. The design also takes into consideration what it will take to get 18-wheelers to the site for unloading. He will show the City money upfront to fix the pier - \$15 Million, not \$3 Million as Ocean Properties' proposal.

Chair Cloutier thanked both proposers for coming today to present their proposals. Now, the hard work will begin to go through them. The Planning Division has made a first cut at issues, with more cuts to follow. He will ask that Division for a brief description of what it has done to date, and then the Committee will go into executive session to discuss financial issues. There will be no questions and answers at this meeting today. Public comment is encouraged and can be done via email, but there will be an opportunity for public comment at a future meeting. Chair Cloutier indicated that it is anticipated that this Committee will meet again in about a month, but he is not certain that public comment will be taken at that time. Chair Cloutier expects a large volume of information-sharing at that meeting.

Alex Jaegerman said that the chart put together by Carrie Marsh and Bill Needelman takes into consideration the selection criteria and each project's responses. It then has identified first-blush issues and has notations. This was put together in a limited timeframe, so there are most likely some errors and omissions at this time.

Bill Needelman said that chart represents staff's first pass through the proposals received on February 22nd. There are six categories in this chart, but there will be more. Marine aspects of the proposals need to be evaluated by Appledore Marine Engineering and the City's Waterfront office. Security and customs as they relate to public access,

CBITD, Ocean Gateway queuing will need further scrutiny. Traffic in regard to the MDOT traffic movement permit will need further review, as well as issues regarding zoning and contract and conditional zoning for waterfront/marine uses.

Regarding open space for each proposal, Mr. Needelman said that he would need further clarification on what is open private space and what is open public space.

Mr. Needelman said that regarding the Eastern Waterfront Design Guidelines and these proposals, he will need more details on materials, marine functions, floor plans, orientation of buildings, and how the project will interact with surroundings.

Chair Cloutier said that he would like to see a dedicated website space on the City's website for this project.

Councilor Duson said that she would invite members of the public to email her and staff if they have questions. She mentioned a "FAQ" area on the website for the project.

Chair Cloutier requested members of this Committee to begin compiling their questions over the next week or so.

Councilor Donoghue asked if staff was reviewing the proposals as submitted on February 22nd, or also on other materials submitted after.

Chair Cloutier said that if there is any substantial change from what was submitted on February 22, the Committee would need to know. There was the proposal deadline for a concept RFP on February 22.

Councilor Marshall asked about the process and when an award would be made, understanding that this Committee would make a recommendation to the full City Council which will make the ultimate decision.