

TO:	Cumberland County Commissioners
FROM:	James H. Gailey
DATE:	September 7, 2023
SUBJECT:	27 Northport Drive, Portland, Maine

Requested Action: Authorize the purchase of 27 Northport Drive, Portland, Maine for the negotiated price of \$4,600,000.00.

Background & Purpose of Request:

Over the last twenty years the County has initiated a number of Space Needs studies due to the confinements of the County Courthouse and the diminished ability to house departments. Highlights of some of the past studies included the relocation of the Registry of Deeds out of the Courthouse to 10,000 SF of rented spaced in the Old Port and the first phase of moving the DA's Office (Juvenile DA) out of the lower floor to the first floor. The establishment of an Assessing service to towns resulted in the Assessor's Office joining the Registry of Deeds in the rented space. The 2006 Space Needs study went further and looked at a number of alternatives for providing the District Attorney's Office better space, but was never pursued for a variety of reasons.

In 2018, the County hired OakPoint Associations to conduct a Space Needs Analysis and Master Plan to evaluate the existing space at the County Courthouse and 25 Pearl Street (Deeds and Assessing) and to provide site analysis and concept design for a new facility at two potential locations in Portland (surface parking lot next to Courthouse & land at the Jail complex).

The OakPoint study found that there is little opportunity to make more efficient use of space at the County Courthouse building, as many areas were never intended for office space are being utilized as such. Furthermore, the Registry of Deeds and Assessing Departments would require more space than the building could be expected to provide, even after moving out offices/departments that do not necessarily function in close proximity with the Courts. The report summarized that there is a true need for additional office space outside the bounds of the County Courthouse building in order for County Government offices to function efficient and as needed.

The OakPoint report presented obstacles of developing the surface parking lot next to the Courthouse due to a greater cost of development. The County Jail site has the advantage of having sufficient undeveloped land to accommodate the building plus the required parking.



A new building would include space for a number of County departments, allowing the County to no longer lease space. The building would also include large conference/training space and a break room. The total area required to accommodate this program is approximately 21,000 square feet over two levels with a footprint of 10,500 square feet.

Since the report was done in 2018, the County has increased the size of some offices, in particular the Assessing Office by a few employees (towns joining the service). The County, in 2021, established a Public Health Department which has grown in the short time it has been in existence (10 employees). This has resulted in the need to rent 2,000 SF in additional space on Milk Street in the Old Port for the Public Health Department.

The pandemic over the last two+ years has also shown that the County's current office setup is not safe and is susceptible to significant impacts. There were a number of times entire offices were being impacted by Covid exposure and with having upwards of four/five staff in a small office, those impacts were felt. Better ventilation and greater space between employee work areas is a desired outcome.

RFP for Developer/Investor:

In February 2023, the County Commissioners awarded a bid to Developers Collaborative (DC) for the design, build and lease of a building on the County's property that includes the Jail and Law Enforcement building. Over the last six months, DC and staff having been working on what a future building would look like inside and out. Learning what we did during the design of the Jail Medical Wing over the last year, DC and staff thought that a preliminary design exercise done by DC and their Team, would give the County an understanding of site conditions and any constraints in building on the property.

In August, DC brought back a number of different schematics showing building and parking lot layouts. The preliminary design exercise exposed contaminated soil (lead) and inferior subsurface stability that dictated what could and could not be done on the site. In addition, a back road leading to the Fore River Parkway was not designed due to costs in treating and moving additional contaminated soil. It was estimated that it would cost upwards of three million just to get a foundation in the ground. The site would not qualify for Brownfields money due to historical documents shows the County purchased the property before knowing the condition of the soils in the area, a disqualifier for the federal cleanup funds.

The cost estimation for a 25,000 SF, two story building, was between 16M -17M. Alternatives were to be explored by reducing the footprint and going to a third story, but all believed the cost savings were not going to be great enough. The County after contributing funds upfront would still be looking at an annual lease payment of in the proximity of 400k over 20 years.



Shifting Focus

During the August meeting with DC, a partner with DC, presented staff a marketing brochure for an existing building as a possible alternative to building new. Though the goal of the new building was to consolidate County staff on one site, the opportunity presented was intriguing. The building located at 27 Northport Drive in Portland is a three story, 32,532± freestanding building with a field of parking. The property has been well kept and many floors have existing furniture that will be transferred as part of the sale. The building provides space for the County offices, plus more. Spaces exists for a number of conference rooms, a cafeteria, exercise room and more. This building serves the County today and will for years to come.

On August 22nd, the County Commissioners held a special meeting for a site walk of the property, ultimately entering into executive session to provide negotiation guidance to the County Manager. The County has put the building under contract for 4.6M (asking price 4.9M). Staff are currently working with consultants on title search, Phase I environmental, appraisal and building inspection. All should be completed in the next couple of weeks.

This item is being brought forth for the County Commissioners to formally appropriate the contractual price of 4.6M. The County has the opportunity to pay cash for the building from the Revenue Replacement fund associated with the ARPA funds. This will allow an outright ownership of the building with no long-term debt. Annual operations costs will be less than what the County is currently paying in leases in the Old Port for three departments. In addition, annual parking garage revenue will increase based on the opportunity to market those spaces vacated by employees.

The attached ORDER was developed by Corporation Counsel and should be referenced when making the motion for this item.

Funding Amount and Source: ARPA Revenue Replacement \$4,600,000.00

Attachments: Order for the Commissioners to Authorize the Purchase

Building marketing brochure



Agenda Item Number:_____

Date on Agenda:_____

Result

Seconder:

Mover: Vote Tally: Vote Result: Roll Call Vote if Meeting Remotely:

Chair of Board, Date