Order 251-16/17
Passage: 9-0 on 5/15/2017

Effective 5/25/2017

ETHAN K. STRIMLING (MAYOR)
BELINDA S. RAY (1)
SPENCER R. THIBODEAU (2)
BRIAN E. BATSON (3)
JUSTIN COSTA (4)

CITY OF PORTLAND
IN THE CITY COUNCIL

DAVID H. BRENERMAN (5)
JILL C. DUSON (A/L)
PIOUS ALI (A/L)
NICHOLAS M. MAVODONES, JR (A/L)

ORDER APPROVING PURCHASE AND SALE AGREEMENT WITH DEVELOPERS COLLABORATIVE PREDEVELOPMENT LLC FOR THE SALE OF REED SCHOOL AT 19 LIBBY STREET

ORDERED, that the Purchase and Sale Agreement with Developers Collaborative Predevelopment LLC for city-owned land and buildings thereon, formerly known as the Reed School, at 19 Libby Street, is hereby approved in substantially the form attached hereto; and

BE IT FURTHER ORDERED, that the City Manager is hereby authorized to execute the Purchase and Sale Agreement and whatever other documents are necessary to effect the intent and purpose of the Purchase & Sale Agreement.

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PURCHASE AND SALE AGREEMENT

THIS AGREEMENT for the purchase and sale of real estate 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"), and DEVELOPERS COLLABORATIVE PREDEVELOPMENT LLC, a Maine limited liability company with a mailing address of 100 Commercial Street, Suite 414, Portland, Maine, 04101 (hereinafter referred to as "BUYER").

RECITALS

WHEREAS, the SELLER is the owner of certain land and buildings located 19 Libby Street in Portland, Maine, known as the former Reed School, as more specifically described in Exhibit A, attached hereto and incorporated herein (the "Premises"), and as generally depicted in the plan attached as Exhibit B and incorporated herein; and

WHEREAS, the SELLER desires to sell the Premises and has published a certain request for proposals entitled "Sale and Re-use Of The Former Reed School Buildings And Property 19 Libby Street Portland Maine RFP #6316" (the "RFP"), a copy of which is attached hereto as Exhibit C and incorporated herein; and

WHEREAS, the BUYER has submitted a proposal in response to the RFP dated May 19, 2016 (the "Proposal"), a copy of which is attached hereto as Exhibit D and incorporated herein; and

WHEREAS, after reviewing all proposals submitted in response to the RFP, the SELLER has selected the BUYER as the successful bidder;

WHEREAS, BUYER has in good faith and at its own expense conducted a comprehensive neighborhood process to achieve successful consensus on the basic elements of a development proposal (the "Neighborhood Process"), and

WHEREAS, BUYER desires to purchase and develop the Premises in accordance with the terms of the Proposal (the "Project"), and the SELLER desires to sell the Premises to the BUYER so that the BUYER may do so.

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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. **RECITALS NOT INCORPORATED BY REFERENCE**. The recitals set forth above are not incorporated herein by reference and made a part of this agreement. Any terms from the RFP and the Proposal which are to be binding on Buyer and Seller are restated in the body, not the Exhibits, of this document, other than Exhibit B. If any disagreement is found between the RFP or the Proposal and this document, then this document shall govern..

2. **SALE.** SELLER agrees to sell the Premises to BUYER, and BUYER agrees to buy the Premises in accordance with the terms and conditions set forth in this Agreement. This Agreement is for the sale of the buildings and land on the Premises.

3. **CONSIDERATION**. The consideration for the Premises shall be Seventy Five Thousand Dollars ($75,000.00) (the "Purchase Price") payable as follows:

    a. The SELLER acknowledges receipt of BUYER's deposit in the amount of One Dollar ($1.00) (the "Deposit") paid to it as of the date of this Agreement; and

    b. The BUYER shall pay to the SELLER at closing the remaining Seventy Four Thousand Four Hundred Ninety Nine Dollars ($74,999.00) by wire transfer at closing.

TITLE. SELLER shall convey the Premises to BUYER at the closing in fee simple with good and marketable title by a quitclaim deed without covenant. BUYER acknowledges that Premises shall subject to a deed restriction requiring that a certain portion of the Premises remain as open space, free of any habitable residential or commercial buildings (the "Open Space"), which Open Space is more particularly described in Exhibit A and generally depicted on the site plan attached as Exhibit B. SELLER shall convey the Premises to BUYER at the closing in fee simple with good and marketable title by a quitclaim deed without covenant. BUYER acknowledges that Premises shall subject to a deed restriction requiring that a certain portion of the Premises remain as open space, free of any habitable residential or commercial buildings (the "Open Space"), which Open Space is more particularly described in Exhibit A and generally depicted on the site plan attached as Exhibit B. BUYER further 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 either (a) in the amount equal to 25% of 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, (b) if such a policy is adopted, such other target percentage as may be approved as part of a city-wide PILOT policy, or (c) $5000 annually whichever is less.

4. If SELLER is unable to convey title to the Premises in accordance with the provisions of this paragraph, then SELLER shall have a reasonable time period, not to exceed 60

days from the time SELLER receives written notice of a defect, unless otherwise agreed to by both parties, during which it shall make a good faith effort to remedy the defect, after which time, if such defect is not corrected so that there is marketable and insurable title, BUYER may within 2 days thereafter, at BUYER's option, withdraw the Deposit, and neither party shall have any further obligation hereunder. BUYER may, at BUYER's option elect to close notwithstanding any such defects that may exist.

5. **POSSESSION.** Full possession of the Premises will be delivered to Buyer at the transfer of title, free and clear of all tenancies or occupancies by any person or entity.

6. **INSPECTIONS**. At reasonable times upon reasonable prior notice prior to Closing, BUYER, its agents, contractors and any prospective lender or investor of BUYER shall have the right to enter the Premises and perform, at BUYER's expense, any and all inspections, tests, surveys or other due diligence inquiries with respect to the Premises as BUYER deems necessary or appropriate. In the event BUYER does not purchase the Premises, BUYER agrees to return the Premises as nearly as possible to its original condition after all of such tests and inspections. SELLER shall cooperate with BUYER in such inspections. BUYER shall complete any such inspections within 60 days of the date first set forth above (the "Inspection Period"). In the event that an inspection reveals defects or conditions which are unacceptable to BUYER, BUYER may, prior to the end of the Inspection Period, terminate this Agreement and receive back the Deposit.

   BUYER agrees to defend, indemnify and hold harmless SELLER against any mechanics' liens that may arise from the activities of BUYER and its employees, consultants, contractors and agents on the Premises.

   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.

   BUYER shall cause any contractors, consultants or any other party conducting the Inspections to procure automobile insurance 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 and also Workers' Compensation Insurance coverage to the extent required by law.

7. **REAL ESTATE TAXES, PRORATIONS AND TRANSFER TAX.** BUYER shall be liable for all real estate taxes beginning as of the start of fiscal year following the closing and continuing thereafter. Because the Premises is currently owned by the City of Portland, which is exempt from real estate taxes, no taxes were assessed or will be due for any portion of the current fiscal year, and no taxes will be prorated at the closing. Any utilities for the Premises shall be prorated as of the closing. 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.

8. **DEFAULT AND REMEDIES**. In the event that BUYER defaults hereunder for a reason other than the default of the SELLER, SELLER shall retain the deposit, it being understood, however, the SELLER's acceptance thereof shall not constitute a waiver of any other legal or equitable remedy available to SELLER. In the event SELLER 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, after which neither party will have any further obligation or liability to the other under this Agreement.

9. **RISK OF LOSS.** The risk of loss or damage to the Premises by fire or otherwise, until transfer of title hereunder, is assumed by the SELLER. The Premises is to be delivered in substantially the same condition as of the date of this Agreement unless otherwise stated. In the event SELLER is not able to deliver the Premises as stated, BUYER may terminate this Agreement and receive a refund of the Deposit.

10. **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." SELLER, 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 SELLER of every agreement and obligation contained herein.

11. **ENVIRONMENTAL INDEMNIFICATION**. BUYER covenants and agrees to indemnify, defend, and hold SELLER 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 SELLER 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. This duty to indemnify, defend, and hold harmless shall be included as a covenant in the deed and shall run with the land conveyed and be binding upon BUYER's successors, assigns, and transferees.

12. **RIGHTS OF SELLER TO REPURCHASE PREMISES**. If development of the Premises in substantially the form set forth in the Proposal, is at any point abandoned or not actively pursued by BUYER for longer than six months using commercially reasonable means, the Seller shall have the right, but not the obligation, to repurchase the Premises at the Purchase Price. SELLER's deed to BUYER shall include a reference to the SELLER's option to repurchase the Premises. Any reconveyance under this Section shall be subject to all mortgages of record placed by BUYER in connection with the financing of the redevelopment of the Premises. SELLER agrees to enter into such agreements on reasonable commercial terms as may be requested by BUYER's lenders and/or investors, including, without limitation, notice and cure rights.

13. **CHARACTERISTICS OF PROJECT.** Buyer agrees to develop the 1950 addition with an educational use. Buyer agrees to develop the Project in basic harmony with the site plan attached as Exhibit B which is the result of the Neighborhood Process. Buyer represents that they have discussed issues including traffic, parking, intensity and hours of use, and open space with the neighborhood and have come to general consensus on all major items, such consensus being represented by Exhibit B. At this time Buyer is not proposing a use for the original 1926 structure of the building, but has reached a general consensus through the Neighborhood process that a low intensity of use such as no more than 8 residential units would be acceptable. As this use is currently not allowed in the R-3 zone, Buyer agrees that they will seek any desired zoning approval, should such a use be found to economically feasible, through a contract or conditional re-zoning process. At that time Buyer agrees to continue the Neighborhood Process to attempt to agree on any additional consensus needed as to such proposed use. The provisions in this Section 13 shall survive the closing.

14. **CLOSING**. Time is of the essence in the performance of this agreement. The closing shall be held at the office of BUYER's counsel at a time agreeable to the parties on or before seventy-five (75) days after the date first set forth above.

15. **ENTIRE AGREEMENT; NO ORAL MODIFICATIONS; SEVERABILITY.** This Agreement represents the entire and complete Agreement and understanding between the parties and supersedes any prior agreement or understanding, written or oral, between the parties with respect to the acquisition or exchange of the Premises hereunder. This Agreement cannot be amended except by written instrument executed by SELLER and BUYER. 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.

16. **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.

17. **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.

18. **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.

19. **TIME.** The SELLER and BUYER each confirm and agree that each of the time periods set forth herein are essential provisions of the terms of this Agreement.

20. **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.

21. **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 SELLER:	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:	Developers Collaborative Predevelopment LLC Attn: Kevin Bunker 100 Commercial Street Portland, Maine 04101
With a copy to:	Cito Selinger, Esq. Curtis Thaxter One Canal Plaza, Suite 1000 Portland, ME 04101

22. **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. A signature in

a faxed, pdf or other reproduced or electronic document shall be considered the equivalent of an original signature.

23. **ASSIGNMENT**. Buyer may freely assign this Agreement or any of its rights hereunder without Seller's prior written consent to a single purpose entity formed by Buyer for the express purpose of obtaining financing for and otherwise developing the Project. Buyer may not otherwise assign this Agreement or any of its rights hereunder without Seller's prior written consent.

24. **BROKERS.** Seller and Buyer each represents and warrants that neither has dealt with a real estate broker in connection with this transaction. Buyer agrees to indemnify and hold harmless Seller 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, Seller agrees to indemnify and hold harmless Buyer from any claims made by any broker should Seller'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.

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

CITY OF PORTLAND

_____
WITNESS

_____
Jon P. Jennings
Its City Manager

DEVELOPERS COLLABORATIVE PREDEVELOPMENT, LLC

_____
WITNESS

_____
Kevin Bunker
Its _____

Approved as to Form:

_____
Corporation Counsel's Office

Exhibit B

PARKING
(2) 8'-0" x 24'-0" PARALLEL SPACES
(69) 9'-0" x 18'-0" 90 DEG. SPACES
(71) SPACES TOTAL

1 | SITE PLAN a
1" = 20'-0"

Prepared For: Owner

Consultant:

Architect: ARCHETYPE architects
48 Union Wharf Portland, Maine 04101
(207) 772-6022; ARCHETYPE@ARCHETYPEPA.COM

Project: REED SCHOOL
28 HOMESTEAD AVE.
PORTLAND, ME 04103

Revisions:
1 | Date 1 | Revision 1

Scale: 1" = 20'-0"

Date: DEC. 7, 2016

SITE PLAN

A1.0a

Exhibit C

CITY OF PORTLAND, MAINE

SALE AND RE-USE OF THE FORMER REED SCHOOL BUILDINGS AND PROPERTY
19 LIBBY STREET
PORTLAND MAINE 04103

RFP #6316

April 13, 2016

Notice and Specifications

The City of Portland, Maine seeks proposals from qualified developers for the purchase, rehabilitation and reuse of the former Reed School property. Located at 19 Libby Street, between Libby Street and Homestead Avenue in the Riverton neighborhood in Portland, the property includes a former public elementary school (hereafter, "the school") and is designated on the City of Portland Tax Assessor's Map and Block as 338 K004001.

Sealed proposals for the project, including an original, six (6) additional copies, and one (1) digital copy, will be received by the Purchasing Office, Room 103, City Hall, 389 Congress Street, Portland, Maine 04101, until 3:00 p.m., Thursday, May 19, 2016, at which time they will be publicly opened. Proposals shall be submitted with the attached form, and returned in sealed envelopes plainly marked on the outside "Sale and Re-Use of the Former Reed School Property." Proposals that are late and/or submitted via tele-facisimile shall not be accepted. All proposals shall be held open to acceptance for sixty days from opening.

Potential proposers and their contractors, architects, engineers, etc. are free to view the property on the following dates:

- **Wednesday, April 27, 2016, from 9:00 AM to 10:30 AM**
- **Thursday, April 28, 2016 from 2:00 PM to 3:30 PM**

All parties entering the above named premises are required to execute and present the attached RELEASE AND HOLD HARMLESS form prior to admittance. No questions will be answered during this tour.

Questions must be submitted in writing to the Purchasing Office. These may be mailed; hand delivered, faxed to (207) 874-8652 or e-mailed to mff@portlandmaine.gov and received not later than five (5) business days prior to the opening date. Questions received after this time will not be addressed. Any interpretation, correction, or change of this Request for Proposals will be made only by written addenda. Changes in any other manner will not be binding on the City. Proposers should not contact City Staff with regard to this Request unless to obtain general public information as specified in the document. The disposal of this real estate shall be on the basis of a negotiated proposal, with the City of Portland reserving the right to refuse any or all proposals. *All proposers are advised that the property will be sold "as-is" and "where-is", in its existing condition, with no warranties either expressed or implied*. The City disclaims any and all responsibility for injury to proposers, their agents or others while examining the property or at any other time.

I. GENERAL INFORMATION

A. Background

The Reed School property has been a presence in the Riverton neighborhood since the construction of the original building as an elementary school in 1926. In later years it served as the central kitchen and a warehouse for the Portland Public Schools. In July, 2015 the Portland Board of Public Education voted to authorize closing of the former Reed School and transfer of the school and grounds to the City of Portland. The building sits largely empty now, though it has been used for life safety trainings and limited storage during the transition between uses, and the open space on the property remains a frequently utilized and valued amenity. The City seeks a new owner for the property to re-develop the former school site.

In response to significant community interest in this project, this RFP emphasizes engagement with the surrounding neighborhood on the issues of density, extent and character of open space, neighborhood compatibility and associated impacts related to the redevelopment. The selected proposal will best demonstrate the development team's success engaging the public towards completion of analogous projects, as well as establishing their capacity to carry out completion of the project in a successful and timely manner. It is expected that the ultimate redevelopment of the site will seek to balance, to the greatest extent practicable, community input on final site design, consistency with City goals and policies, and be a financially viable project that results in benefits to the City tax base. The development team chosen for this project will engage directly with the Riverton neighborhood regarding the anticipated redevelopment of the property, including soliciting community input on site design and uses before finalizing a development plan.

The Reed School Re-Use Advisory Task Force made recommendations for this site in a report available here: http://www.portlandmaine.gov/DocumentCenter/Home/View/11165
It includes recommendations for future uses, discouraged uses, open space, preservation, and context-sensitive redevelopment. This report provides important background material for any proposal for the Reed School property, but is intended as a guiding document rather than a set of requirements for the ultimate development plan for 19 Libby Street.

B. Land Use Regulations

Any redevelopment of this site will be subject to all applicable codes and regulations, including but not limited to building codes, zoning, site plan, subdivision and potential historic preservation requirements. The property is currently zoned R-3 Residential Zone. A summary of the R-3 zoning regulations are included in the accompany tables. Proposers are advised to refer to source documents for complete information.

R-3 Zone Dimensional Standards Summary	
Minimum Lot Size examples:	
Residential	6,500 sf
PRUD	3 acres
School	2 acres
Hospital	10 acres
Minimum Lot Area Per Dwelling Unit	6,500 sf
Minimum Frontage	50 feet
Front Yard Setback	25 feet or avg. depth of adjacent properties
Rear Yard Setback	25 feet
Side Yard Setback	8-16, variable by height of structure
Rear and Side Yard Setbacks - Accessory Structures	5 feet
Maximum Lot Coverage	35%
Minimum Lot Width	65 feet
Maximum Structure Height	35 feet

		Use Category
Permitted	Residential	Single-family and two-family dwellings
		Handicapped family units
		Single-family single- or multiple-component manufactured housing
		PRUDs
		Governmental buildings and uses/municipal uses
	Other	Accessory uses
		Parks
		Home occupation
		Wind energy systems
Conditional	Residential	Sheltered care group homes
		Additional accessory dwelling units
	Institutional	Schools
		Long-term and extended care facilities
		Intermediate care facility
		Places of assembly
		Hospitals
		Day care facilities
	Other	Utility substations
		Off-street parking
		Temporary wind anemometer towers
		Wind energy systems

Due to the distinct nature of this property, the City of Portland will consider requests from the developer to rezone the parcel through text amendments, map amendments, or through the creation of a conditional or contract zone if appropriate to meet the anticipated future redevelopment for the site. The original structure and 1950s addition have been deemed eligible for the National Register of Historic Places by the Maine Historic Preservation Commission, but are not designated locally at this time.

II. DEVELOPMENT CONSIDERATIONS

Re-use of the Reed School building and property is intended to support and enhance the integrity of the surrounding neighborhood. As a former school site, the property stands in contrast to the surrounding residential neighborhood in an established historic pattern. Redevelopment of the property should show consistency with the overall intent by sensitively introducing new

uses, occupants, and improvements do not unreasonably impact the character and vitality of the area. Evaluation of impacts and contextual sensitivity of the site will ultimately be determined over the course of site plan and subdivision reviews (including but not limited to standards for design, traffic, site circulation, stormwater management, lighting, and landscaping), and historic preservation reviews (if applicable), after full development application materials have been filed.

Phase I Environmental Site Assessment and a Phase II Environmental Site Assessment and Hazardous Building Materials Inventory have been completed for the property. Both reports will be made available upon request.

III. SUBMISSION REQUIREMENTS

Proposals shall be submitted in the following format; please use the headings presented below for the organization of responses.

A. Proposal Submission

All proposals shall include information and documentation in the following in order to be considered:

1. **Development Team**

The proposal shall identify the principal members of the development team and their respective roles in the project, including the developer, design professionals, other key staff and sub-consultants. Development team capacity shall include qualifications of key team members, including identification of a Project Manager, relevant experience, capacity, and identification of prior projects that demonstrate a proven ability to develop sites of comparable scales and contexts, including identification of projects that included substantive community engagement.

2. **Proposal**

Proposals shall include:

a. Description of a neighborhood engagement process. The proposal shall include specific examples of the development team members working with the public to find solutions to concerns voiced over the course of a project to result in a successful outcome, a description of the public engagement strategy, as well as an estimated timeline. The period of public engagement, for the purposes of this RFP, refers to the time after developer selection and prior to an application to the Planning Board for a Site Plan and/or rezoning.

b. A description of the redevelopment concept(s) for the site. This should be a narrative of intended uses for the site and any significant programmatic elements. It should address consistency with City policies and/or the *Final Recommendations and Report of the Reed School Re-Use Advisory Task Force,* and include a development timeline. A revised development plan that includes confirmed uses and site layout will need to be submitted following the conclusion of the neighborhood engagement process; no graphics or visuals are being requested as part of this RFP.

3. **Financial and Technical Capability**

The proposal shall include documentation demonstrating that the development team can successfully redevelop the site by supplying:

a. Letters of financial capability from credible financial institutions with experience working with principles of the development team; and,
b. Descriptions and examples of comparable projects or endeavors demonstrating adequate experience and expertise of the development team to successfully complete the project.

4. **Purchase Price**

The proposal shall indicate the proposed purchase offer to the city for the anticipated redevelopment. Any changes to the development plan for the site between submittal of proposal and conclusion of the public engagement process will be taken into consideration when negotiating the final purchase price and terms of the purchase and sale agreement. Please provide your proposed purchase offer on the Proposal Page, page 8 of this RFP.

5. **Timetable.**

The anticipated schedule is outlined in VII, Project Schedule, below. Any anticipated departure from the post-selection submittal timeframe should be indicated in the proposal.

6. **Copies**.

Six (6) copies, with the original so marked, of each proposal shall be submitted along with one (1) digital copy.

7. **References**.

Provide a minimum of three professional references. Include name, title, phone number, and email for each reference.

IV. REVIEW PROCESS

A. Proposals will be reviewed for completeness.

B. A proposal review committee will review submissions and give the City Council a summary of the proposals, and recommendations on a preferred proposal for the Council's review and approval. The review committee's recommendations are advisory only.

C. Upon agreement on a development plan for the site (after completion of the neighborhood engagement outlined in the proposal and before the submission of a Planning Board application), a purchase & sale agreement will be negotiated.

Public presentations may be required at any or all stages of the process.

V. SELECTION CRITERIA

1. Neighborhood engagement plan that clearly outlines how the Development Team will engage the neighborhood on this project **(30%)**
2. Summary of intended redevelopment concept for the site broadly consistent with City Policies and/or the *Final Recommendations and Report of the Reed School Re-Use Advisory Task Force* **(20%)**
3. Developer Team qualifications and references **(20%)**
4. Applicant's ability to complete project, including readiness to initiate the project and ability to begin the application process in a timely manner **(15%)**
5. Responsiveness to submittal requirements **(15%)**

VII. SCHEDULE

Consultant Selection Schedule:

- RFP released: April 13, 2016
- Proposal due: May 19, 2016
- Proposal review and recommendations: May 2016
- Consultant selection: June 2016 (according to availability of Council Agendas)
- Notice to Consultant to begin work: Following Council approval

Estimated Post-Selection Schedule:

The public engagement process is expected to occur over the summer, with the expectation that a purchase and sale agreement, a Site Plan and Subdivision (if applicable) plan, and an application for zone map or text amendments (if applicable) will be submitted in the fall of 2016, with a property transfer following Planning Board review.

VIII. LEGAL REQUIREMENTS

The City shall convey the described real estate by quitclaim deed to the developer, or where the City has obtained a warranty deed for the real estate, it shall provide a warranty deed for the same to the developer.

In the event that a proposal includes retention of property or rights to property by the City for use as publicly accessible open space, the limits and restriction on the use of such property will be negotiated during the process of sale and described in the conveying deeds.

In the event the City makes a financial contribution to a developer and to secure the developer's obligations, the City shall have a security interest in the form of a mortgage in the real estate to be developed. The terms of the mortgage shall be negotiated with the developer at the time of the commitment of funds.

VIII. RESERVATION OF RIGHTS

The City of Portland reserves the right, at its sole discretion, to award all, a portion, or none of the available funding from this RFP, as well as reject any and all proposals for the City owned land, based on the quality and merits of the proposals received, or when it is determined to be in the public interest to do so. Furthermore, the City may extend deadlines and timeframes, as needed.

The City reserves the right to waive any informalities in proposals, to accept any proposal, and, to reject any and all proposals, should it be deemed for the best interest of the City to do so. The City reserves the right to substantiate the Proposer's qualifications, capability to perform, availability, past performance record and to verify that the proposer is current in its obligations to the City, as follows:

Pursuant to City procurement policy and ordinance, the City is unable to contract with businesses or individuals who are delinquent in their financial obligations to the City. These obligations may include but are not limited to real estate and personal property taxes and sewer user fees. Bidders who are delinquent in their financial obligations to the City must do one of the following: bring the obligation current, negotiate a payment plan with the City's Treasury office, or agree to an offset which shall be established by the contract which shall be issued to the successful bidder.

April 13, 2016

Matthew F. Fitzgerald
Purchasing Manager

Background Material found at: http://www.portlandmaine.gov/1348/Reed-School-Reuse-Project

PROPOSAL FORM
Sale and Re-Use of the Former Reed School Buildings and Property
19 Libby Street
Portland Maine 04103

RFP #6316

**** THIS SHEET MUST BE INCLUDED IN YOUR PROPOSAL ****

The undersigned hereby declares that he/she or they are the only person(s), firm or corporation interested in this proposal as principal, that it is made without any connection with any other person(s), firm or corporation submitting a proposal for the same, and that no person acting for or employed by the City of Portland is directly or indirectly interested in this proposal or in any anticipated profits which may be derived there from.

The undersigned hereby declares that they have read and understand all conditions as outlined in this Request for Proposals, and that the proposal is made in accordance with the same.
The bidder acknowledges the receipt of Addenda numbered: _____

TOTAL PURCHASE PRICE: $_____

COMPANY NAME: _____

AUTHORIZED SIGNATURE: _____

DATE: _____

PRINT NAME & TITLE: _____

ADDRESS: _____

E-MAIL ADDRESS: _____

PHONE NUMBER: _____ FAX NUMBER: _____

TYPE OF ORGANIZATION - PARTNERSHIP, CORPORATION, INDIVIDUAL, OTHER:
_____

STATE OF INCORPORATION, IF APPLICABLE: _____

FEDERAL TAX IDENTIFICATION NUMBER (Required): _____

AUTHORIZED SIGNATURE: _____

NOTE: Proposals must bear the handwritten signature of a duly authorized member or employee of the organization submitting a proposal.

Exhibit D

DEVELOPERS
COLLABORATIVE

May 19, 2016

Matthew F. Fitzgerald
Purchasing Manager
City of Portland
389 Congress Street
Portland, ME 04101

RE: Sale and Re-Use of the Former Reed School Buildings and Property

Dear Mr. Fitzgerald:

We enthusiastically submit our response to your Request for Proposals for the sale and re-use of the former Reed School buildings and property on Libby Street.

The redevelopment of this property both presents a set of challenges and offers an opportunity for public-private collaboration for the developer, the neighborhood, and the City. We are experienced developers, with a proven track record of successfully working with neighbors and redeveloping historic schools, who will make it possible to successfully re-develop this property.

We previously submitted a proposal for affordable senior housing with R-5 density but this was ultimately not determined to be feasible. We are now submitting a proposal that is completely different. It is also more conceptual in nature in part because we do not want to make too many assumptions at the outset. If selected, we are committed to developing this concept further side by side with the re-use committee, neighbors, and City staff.

We hope you will find our supporting materials informative and comprehensive. We look forward to the prospect of working with the City to assure that this project (and others) are a success.

Sincerely,

Kevin Bunker
Developers Collaborative

100 Commercial Street, Suite 414, Portland, ME 04101
www.developerscollaborative.com
(207) 772-7673

PROPOSAL FORM
Sale and Re-Use of the Former Reed School Buildings and Property
19 Libby Street
Portland Maine 04103

RFP #6316

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The undersigned hereby declares that they have read and understand all conditions as outlined in this Request for Proposals, and that the proposal is made in accordance with the same.
The bidder acknowledges the receipt of Addenda numbered: _____

TOTAL PURCHASE PRICE: $ 1 - 100,000

COMPANY NAME: Developers Collaborative Predevelopment, LLC

AUTHORIZED SIGNATURE: _____

DATE: May 19, 2016

PRINT NAME & TITLE: Kevin Bunker, Principal

ADDRESS: 100 Commercial St, Ste 414, Portland, ME 04101

E-MAIL ADDRESS: bunker.kevin@gmail.com

PHONE NUMBER: 766-1632 FAX NUMBER: _____

TYPE OF ORGANIZATION - PARTNERSHIP, CORPORATION, INDIVIDUAL, OTHER:
LLC

STATE OF INCORPORATION, IF APPLICABLE: Maine

FEDERAL TAX IDENTIFICATION NUMBER (Required): 27-1402705

AUTHORIZED SIGNATURE: _____

NOTE: Proposals must bear the handwritten signature of a duly authorized member or employee of the organization submitting a proposal.

DEVELOPERS COLLABORATIVE

Sale and Re-Use of the Former Reed School Buildings and Property

19 Libby Street, Portland, ME

RFP #6316

May 19, 2016

1. Development Team

The development team will be: Developers Collaborative as Developers and Owners, Archetype Architects as Architect, and Pinkham & Greer as Engineer.

Team contact information is:

Kevin Bunker
Developers Collaborative
100 Commercial St, Suite 414
Portland, ME 04101
766-1632
bunker.kevin@gmail.com

Developers Collaborative Overview

Developers Collaborative has completed, and is currently involved in, a number of groundbreaking and award-winning projects. Each of these responds to diverse physical, economic, and community opportunities and constraints in a unique way that maximizes the smart growth potential of the particular site. DC is also known for working closely with neighborhoods and stakeholders to achieve results that work for all involved, and we intend to work very closely with the City and neighborhood to make sure this project is a major credit to the tax base and a good neighbor.

DC has likely developed more historic schools than any developer in the state. General areas of DC specialization include:

- Public/private partnerships;
- Infill;
- Redevelopment;
- Mixed use;
- Historic rehabilitation;
- Affordable housing; and
- Green development.

More specific and detailed information on relevant completed projects can be found throughout this qualifications package, as well as examples of our team's development capacity and experience. Brief biographical summaries highlighting Kevin Bunker's, Mike Lyne's, and Laura Reading's general experience are found below. Kevin Bunker would be the Project Manager for the redevelopment of the former Reed School.

Kevin Bunker is a founding principal of Portland-based Developers Collaborative. Kevin founded DC with Richard Berman after graduating with distinction from the Harvard University Graduate School of Design with a Master in Urban Planning degree. A former municipal planner and lobsterman in the Rockland area, Kevin is a principal on current DC projects from Orono to Sanford with a current development pipeline of $150 million. Past DC projects have won many statewide awards for general best practices as well as for smart growth and historic preservation. Kevin is also an activist promoting the causes of smart growth and downtowns at the state and local level, including as a past board chair of GrowSmart Maine and as a Steering Committee member of the Maine Affordable Housing Coalition. Kevin lives in Brunswick with his wife and two daughters.

Mike Lyne is the newest member of Developers Collaborative. Prior to joining the DC team, he was a project manager for JHR Development, LLC, overseeing a mix of projects in Portland, Topsham, Bath and the development of the Maine Street Station project in Brunswick. A 1986 graduate of Bowdoin College, and a former Alaska Smokejumper, Mike likens the thrill of putting out fires with the adventures of commercial real estate development and management. He has a passion for Maine's downtowns and consults on small mixed-use projects that blend the commercial, historic and cultural needs of the community. He has volunteered on the boards of the Brunswick Downtown Association, Brunswick Recreation Commission, and GrowSmart Maine.

Laura Reading joined Developers Collaborative in 2013, after graduating from the University of Michigan with a Master's degree in Urban Planning and Real Estate Finance. Laura brings experience in environmental design and finance to create well-designed, financially feasible projects that benefit building users and their community. Laura was a principal on the recent Nathan Clifford School project in Portland.

Archetype Architects Overview

Over the past twenty-five years Archetype has designed and constructed over 150 million dollars in commercial and residential construction. They continue to educate themselves in the latest procedures and designs in the industry. Archetype has incorporated numerous methods of reducing long term operating costs in their project design. They approach their projects with the basic premise of designing spaces with a high degree of efficiency, yielding the owner/tenant useful, practical and attractive spaces. As a design firm, they are constantly reviewing and refining these designs, which yield a product of which the owner/tenant can be proud.

David Lloyd, an architect and principal of Archetype Architects, has practiced in Maine since 1978. He started his career in Boston working for several large firms including IM Pei and Partners and he relocated to Bangor in 1978 where he partnered with his Architect father, George Lloyd. During this time he worked on small scale office buildings and homes all while renovating an 1864 farm house. In 1982, he moved to Portland and cofounded the firm Archtellic, which became Archetype in the 1990s. Architecturally David's most interesting projects involve an urban fabric and historical context with contemporary additions, all with a developer at his side insisting on lowering project costs.

Pinkham & Greer Overview

Pinkham & Greer Civil Engineers provide civil and structural engineering services to a wide array of clients throughout Maine and beyond.

Thomas Greer has experience in construction inspection, civil engineering design, and project management, as well as company management as a Principal of Pinkham & Greer; each experience building on the previous to form a well-rounded background in civil engineering and business management.

Mr. Greer's principal responsibilities within the company include management of civil engineering projects such as site designs and permit applications, and the financial management of the firm. Civil engineering projects include subdivision

and land planning, stormwater management plans, site designs for commercial and institutional clients, and utility design for sewer and water projects.

The responsibility of corporate management adds to Mr. Greer's direct, hands-on experience when addressing each client's individual business concerns; developing solutions sensitive to the issues important to the client, such as financing, in addition to the technical engineering issues.

Mr. Greer has chaired the American Society of Civil Engineering subcommittee reviewing the stormwater management manual prepared by the Maine Department of Environmental Protection and was a member of the Technical Advisory Committee in developing the DEP Stormwater Management Program. He has also assisted the DEP with training programs for Non Point Source Stormwater through the Non Point Source Technical Advisory Committee.

Relevant Prior Projects

A summary of the development team's major experiences with relevant and historical preservation projects is found below. Most, if not all, of our projects involve community engagement but we have identified several below that benefitted from a strong community engagement process.

Historic Preser-vation Project	**Substantive Community Engagement**	**Year**	**Project**	**Location**	**Program**	**Value**	**Develop-ment Team Member**
x		2015	Diamond Cove Inn	Great Diamond Island, Portland	hotel	$5 million	Archetype
x	x	2014	Nathan Clifford Residences	Portland	market-rate apartments	$7.3 million	DC, Archetype
	x	2014	River Landing	Topsham	affordable apartments		DC, Archetype
x		2014	Mill 108	Saco	affordable apartments	$4.2 million	Archetype
x	x	2013	Hyacinth Place	Westbrook	affordable apartments	$8 million	DC, Archetype
x	x	2004-2013	Brickhill	South Portland	mixed-use residential and commercial	$55 million	DC
		2012	Androscoggin Valley Medical Arts Center	Livermore Falls	medical office building	$2.8 million	DC
x		2012	Emery School	Biddeford	affordable apartments	$6.8 million	DC, Archetype
x		2012	Lamb Block	Livermore Falls	medical/commercial	3.2	DC
x		2011	Healy Terrace	Lewiston	affordable apartments	$8.8 million	DC
x		2010	Mill at Saco Fills	Biddeford	affordable and market-rate apartments		Archetype
x		2010	Baxter Building	Portland	commercial		Archetype
x		2010	Gilman Place	Waterville	Mixed-use apartments and commercial	$10.1 million	DC

					gymnasium		
x		2009	Lofts at Saco Falls	Biddeford	affordable apartments	$10 million	Archetype
x		2009	Brackett-Ellsworth-Hill Apartments	Portland	market-rate apartments	$1.4 million	DC
		2009	Crescent Heights	Portland	residential/ student housing	$4.4 million	DC

2. Proposal

a. *Neighborhood Engagement Process.*

Even if the City was not stressing an extensive public process, we would hold one. Public participation provides a venue for neighbors to share local conditions, needs, and attitudes and for us to share any relevant development constraints. Not only does public input streamline the development process by avoiding time and cost consuming legal processes, but it leads to a project that is well liked by both the end users and the community.

In brief, we will act as facilitators between our development partners (the proposed occupants) and the community. This role is enhanced by our technical knowledge not only as facilitators per se, but also in the more traditional areas of developer expertise like financial analysis, design, historic requirements, and permitting. This facilitator role is paramount, and needs to be front and center: in order to proceed with the project and ultimately achieve a successful development we first need to achieve consensus with both the neighborhood and our partners.

As you will see in Section 2b below, this proposal is more conceptual than our last proposal of senior housing. While that proposal was feasible at the time, it did not garner public support and, not having been selected as the developer for the site, we were never able to engage the community. We feel a process that chooses the developer partner based on their approach and track record in this area is a better way to ultimately get to a successful building disposition and redevelopment that all (rather, most) can agree on.

All development proposals to some extent involve public input and all developers to some extent can say they worked with the public. However, it's pretty easy to differentiate when looking at specific examples and overall track record. Collaboration is a principle imbued in our culture and reflected in our name and it's readily apparent in our work. We are more than just a developer of affordable housing or of high-end condominiums, though we do both those things very well. We have a high level of comfort with public engagement, demonstrated by both our understanding of a proposed process for Reed School as well as our prior experience.

We will hold a series of public meetings. The first will be the "unveiling" of the concept, after we have been selected. Having been selected, our partners will be able to go public with their names and more specific aspirations for the site. That first meeting should be limited in scope to present the concept and then discuss with the community and answer as many questions as we can. We will all be getting to know each other and learning under what parameters this can work.

Following that meeting, we will respond to issues raised and questions asked and revamp or further develop our proposal as necessary. During the interim between the first and second meetings we will have at least two public tours scheduled at convenient times. The first tour(s) will be of the operations of our proposed development partners where they will show what they do in their current location to interested members of the public. The second tour will be of a DC project, most likely Nathan Clifford Residences, to demonstrate the results of a previous successful endeavor. These meetings will provide information to the community that will allow for a productive second meeting.

The second meeting is where the development proposal will begin to firm up. It should occur four to six weeks after the first. We are anticipating little to no change to the building and site, except some cleanup and deferred maintenance/capital investment, so the major neighborhood issues should revolve around operations. It is during this meeting where we will highlight issues such as hours of operation, any impacts from noise, light, and traffic, and community integration (for example, an urban agriculture component involving community gardens and environmental stewardship learning). We hope to leave this second meeting with a clear sense of whether or not we are likely to be accepted into the community, and if so, what are the most important issues we'll need to address as we move forward.

There should be one more meeting near the conclusion of this neighborhood engagement process. At that meeting we will show the concept we will submit to the City for signing of the Purchase & Sale Agreement and site plan approval. This will give us one more check-in for final items that need tweaking, and hopefully happy wishes for success with the Council and Planning Board. If we are not successful, we will know by the end of the summer. In all likelihood, you may well have less dense (and possibly less imaginative) housing proposal upon which to fall back.

b. *Redevelopment Concept.* DC's redevelopment concept for the site is an educational campus in keeping with its historic use as a school. DC previously proposed housing with R-5 density but, since then, we have learned that housing at this site is not politically feasible at the density required to make the project financially feasible.

Housing at the site is not politically feasible. The City received two proposals, both of which detailed a very similar concept and one that was identified by the Re-use Advisory Task Force and accompanying public process as an acceptable one: senior housing with R-5 density. However, this was ultimately not acceptable to the public.

Under DC's prior proposal with Avesta Housing, senior housing with R-5 density was marginally feasible but there were significant barriers that needed to be overcome:

- There is a tremendous amount of hazardous material (asbestos) in the property.
- The layout of the original building is not readily conducive to installing a required elevator, nor to efficient layouts.
- The layout of the addition also poses problems for a residential layout.

- The project would have needed to be heavily subsidized not only by historic tax credits, but also LIHTC credits as well as City assistance in the form of additional grants/loans and a robust and lengthy TIF.
- Even after all these things, the project would have faced an uncertain outcome in the highly competitive MaineHousing LIHTC application.

However, we still thought we could have been successful - along with our previous co-applicants, we have the strongest track record in the state at successfully financing affordable housing.

Senior affordable housing at the site is not economically feasible. It is not feasible to propose a similar project at a lower density because costs get amortized over fewer units, leading to a higher overall total development cost, which would lower the project's score in the highly competitive MaineHousing LIHTC application.

It is also less feasible to propose senior affordable housing now that MaineHousing recently issued new scoring rules that significantly favor family housing, especially projects in higher income census tracts. This site is not located in a higher income census tract so would not score as well compared to higher income census tracts in many other parts of Cumberland County and elsewhere.

Family affordable housing at the site is not politically or economically feasible. Based on neighborhood feedback to senior housing, which is a very low impact use, we would imagine that family housing would be seen as even less favorable. Even if it were acceptable, the larger unit sizes required for families are much more difficult to fit into an existing building, increasing costs, and the resultant scoring loss would not be overcome by the higher score for being family as opposed to senior.

Market-rate, senior or family, housing at the site is not economically feasible. DC is the only developer in the state who has recently used historic tax credits to do a market-rate residential development (Nathan Clifford Residences). As such, we understand the numbers. In that project, the construction cost was lower than we would anticipate at the Reed School, and the rents are higher. We also needed to purchase that building for $1 to make even those numbers work. Even given the high rents in Portland right now, we think that any housing proposal, even if heavily subsidized by the City, is not a good bet for feasibility.

An educational use can, under the right circumstances, be politically feasible for the reuse of the Reed School campus. This site has successfully been a part of the neighborhood as an educational use since 1926 and was identified as an encouraged use by the Re-use Advisory Task Force. An educational use would enliven the neighborhood but still keep it quiet at night. It would provide a neighborhood anchor as a central gathering place, a focal point, around which daily life happens.

As Maine's foremost developer of historic schools, including Nathan Clifford, we understand the roles of schools in daily neighborhood life well. We also understand that any conversion, but especially a residential one, inevitably involves some degree of privatization of space that was formerly for the community. We were able to mitigate that to a large degree with Nathan Clifford

by providing a public park as well as involving the neighborhood extensively in the process, but an educational use could provide even more continuity and access to public space. And, it's simply a more interesting neighborhood when there's a mix of uses rather than simply all housing.

An educational use is economically feasible for the reuse of the Reed School campus. Retaining an educational use requires significantly less construction than conversion to a new use. This is a tremendous factor often underestimated by developers who tend to do more new construction. This also means that asbestos can likely be managed in place rather than completely removed (it's only dangerous when friable, and is otherwise inert). It is easier to phase construction because the educational user can expand slowly over time and rehab sections of the building as needed. The same is true with the elevator: though an elevator will eventually be needed to access upper floors, it will not necessarily be required up front (though it could). Buildings "want to be" a certain use, and this one just doesn't "want to be" housing. The required rent or, alternatively, cost of ownership can thus be far lower for an educational use than a residential one.

There is a definite market for quasi-public and private educational space in Portland that is not being met. Other schools are looking (and building) in other parts of the metro area because space is not available in Portland. Over time, this is not good for the diversity and health of the community.

The Proposal

We are currently working with two potential educational users. Both have a demonstrable track record of resilience, success, and community stewardship and engagement. Either or both could be a fit for the Reed School.

Given the uncertain nature of the public process and the limited requirements of this RFP, we have decided together with our clients that at this time we should not make the specific entities public in this document. We would be happy to do so if our proposal is selected for further review based on the qualifications in the RFP - namely our concept, our process, and our experience. Provided there appears to be some consensus that our use, if properly designed, could be an acceptable one, we will happily come forward with the specific names of our partners and engage with the neighborhood alongside them. Given the uncertainty around this process to date, it isn't fair to bring a lot of attention to our tenants if our proposal is not even selected for further vetting. We understand this may make this proposal harder to evaluate and are happy to talk it through with you.

Publicly accessible open space would absolutely be a component of the redevelopment of the Reed School campus, and we would also like to incorporate urban agriculture as both an educational element and neighborhood engagement.

DC may act as building owner or may act as consultant for the educational users if they want to own their space. There may be a rent-to-own scenario as well. The specific ownership structure will be decided based on the desires of the users and the community.

Development Timeline

Consultant selection:	June 2016
First neighborhood meeting:	July 2016

Public tours of partners' current facilities:	July 2016
Public tour of DC project:	August 2016
Second neighborhood meeting:	August 2016
Third neighborhood meeting:	September 2016
Sign Purchase & Sale Agreement:	October 2016
Municipal Approvals:	December 2016
Construction Loan Closing:	December 2016
Construction Completion:	June 2017

3. Financial and Technical Capacity

a. Developers Collaborative has more than adequate financial capacity to undertake this project. The principals of Developers Collaborative have 25 years of experience financing development projects of all sizes, including those larger than the anticipated project cost of the Reed School. DC maintains equity in both lines of credit and in cash in order to develop projects to the point where they can be financed. DC has relationships with numerous local banks and our business is typically aggressively courted by lenders due to our track record of successful projects. A letter of reference from Bangor Savings Bank is found in Appendix A.

b. Comparable Projects

Nathan Clifford Residences

In 2013, Developers Collaborative responded to the City of Portland's Request for Qualifications for the Re-use and Re-development of the Nathan Clifford School, proposing 22 market rate apartment units. The only other respondent, Community Housing of Maine (CHOM), proposed a large number of low-income units on the site, which was expressly what the neighborhood had said in an extensive community process that they did not want. DC on the other hand proposed a project that fit within existing zoning, something that was very important to the neighborhood. This demonstrates our flexibility: we design to what all the local stakeholders want to the maximum extent we can, rather than dictate our style of development in all instances. The only way to meet the community preference in this case was by creating large, market-rate units. DC also offered to pay $200,000 for the building.

DC's proposal was chosen as the winner and we began to engage the neighborhood. Generally the response was very positive as we had been listening to the neighborhood for some time already (having attended all the meetings). However, we had originally proposed 4 duplex units in the additional land next to the school and 18 in the building (zoning allowed 22 total). The one factor our original proposal did not consider, since it evolved over time, was the strong community desire to retain publicly accessible open space in the form of a playground and public park.

In response to this new knowledge, we gave the City Council two purchase and sales agreements and said that we would sign either. One was for $200,000 and was based on the original development plan. The other was for $1 and included an innovative concept: a public park on the land upon which we had proposed duplexes. We would allow public access in perpetuity, and maintain at our own expense. The price reduction was necessary because even though we moved the other 4 units inside the building, the amount of rentable square feet did not

change. We wanted to make it a City decision of whether the priority should be purchase price or the park, and over a year into operations, we are very glad the Council made the decision they did.

The park itself is working very well. It is designed on the one hand to blend seamlessly into the project, yet still provide a unique gradient of public, semiprivate and private spaces from the public playground and open space to the private patio and resident community gardens and the building. The relative privacy of the space is signaled through visual cues such as a low unlocked gate as opposed to an actual barrier or off-putting signage, and it has worked very well. Park users and dog owners have been respectful of the park and have kept it largely clean, while we have maintained it to a high standard without assistance from the City.

The overall development has also been a neighborhood success. This project created 22 housing units while preserving a community landmark and existing open space within walking distance of downtown. The unit mix includes 1 one-bedroom, 16 two-bedroom, and 5 three-bedroom units. The units rented up very quickly upon completion and provide a compelling value compared to the higher rents and smaller units found on the Peninsula. There have been no issues since the ribbon cutting, due in part to active professional management and in part to careful planning during the development phase. One example of the latter is that we moved the trash room inside to address neighborhood concerns regarding noise.

Above: Nathan Clifford Residences in Portland.

Above: Playground at the park at Nathan Clifford Residences.

Above: Resident garden plots at Nathan Clifford Residences.

Above: Unit interior at Nathan Clifford Residences.

Sisters of Mercy

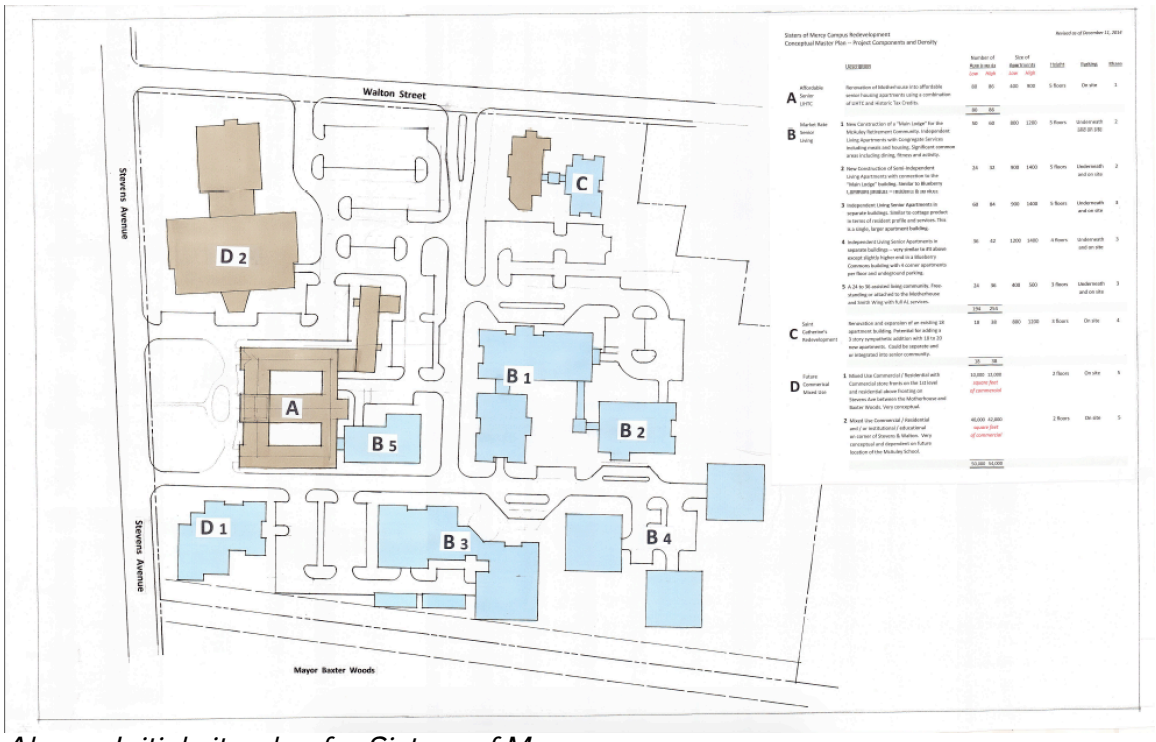
Sea Coast Management had been working to redevelop the Sisters of Mercy campus for a decade or more. With the rebound in the economy the project began heating up again around 2013. Sea Coast formed a partnership with DC to redevelop the Motherhouse as affordable housing but retained sole control of the market rate component to be developed on the athletic fields behind.

DC was able to successfully gain an award of 4% LIHTC credits for the Motherhouse, therefore giving the overall project the financial wherewithal to proceed. However, the re-zoning for the market rate units in the back proved immensely controversial, and the re-zoning appeared headed to defeat until DC was asked to step in. Kevin Bunker of DC took over the public presentations and meetings and moved forward toward a hotly contested Council vote in June 2015. That vote ended in a tie 4-4 with the likely 5th vote in favor out of town. Several members of the Council approved of the project generally but did not feel politically that they could vote for it due to neighborhood opposition over issues like density and traffic. DC and Seacoast were asked, along with the neighborhood group, to get together and try to iron out their differences.

We immediately saw value in meeting with our opponents. We reached out to them early and often and yet still Sea Coast was caught largely by surprise when opposition began to surface, in social media and stapled to telephone poles, because the concerns were mostly not raised at the meetings that we held. Internally we felt we were doing a very worthwhile smart growth project with the lowest possible impact of the range of permissible uses, and we knew we "had

the votes." However, that is not how we wanted to win. We wanted to create a win-win for all.

Kevin Bunker of DC met the leaders of the neighborhood group and brokered a compromise over breakfast: we agreed to drop 85 units from the project and the leaders of the group promised to support the re-zoning. Several days later the 4-4 tie was broken by a 9-0 unanimous vote. Since then the project has taken twists and turns including some unfortunate litigation that continues to be appealed despite being thrown out decisively by the courts. However, the entire tenor of the project and public process has changed from one of combativeness to a spirit of "we are all in this together and we need to work toward an acceptable outcome." Neither side got everything it wanted but the end result is a feasible project that is acceptable to the neighborhood.



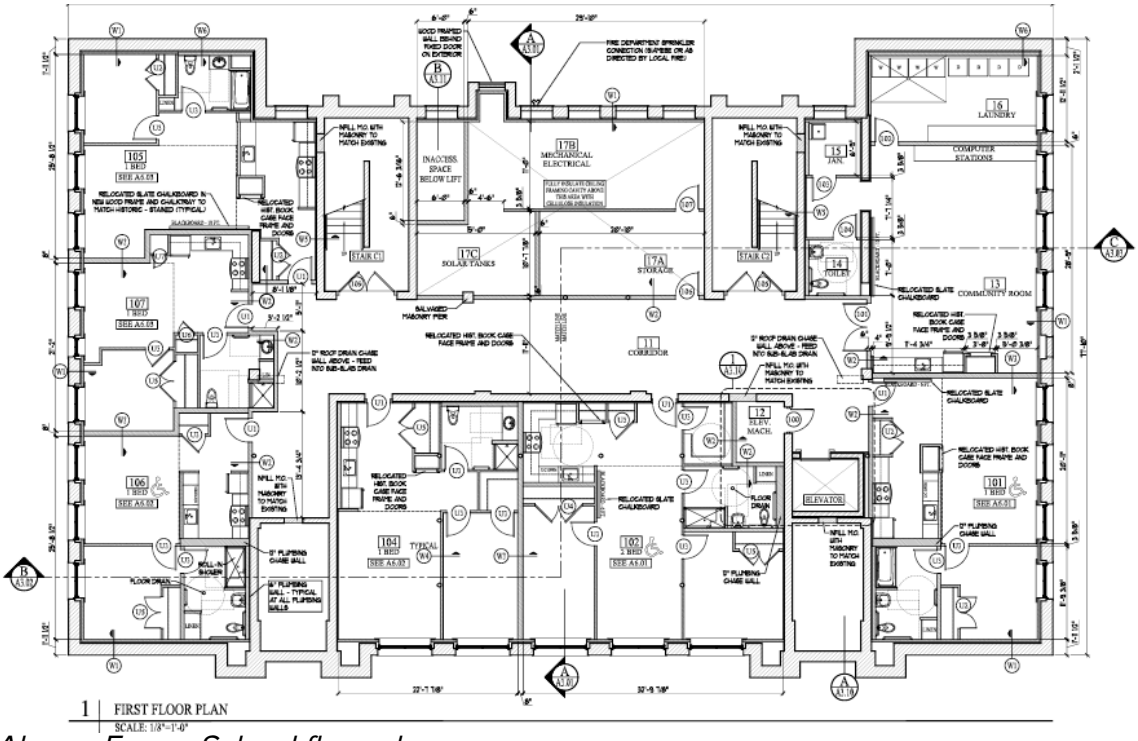
Above: Initial site plan for Sisters of Mercy campus.

Above: Revised site plan of Sisters Mercy campus after working with neighbors.

Emery School

Beginning in 1912, the Emery School in Biddeford served as an elementary school in the dense residential neighborhood adjacent to Biddeford's Downtown and Mill Districts. Since the school played a significant role in Biddeford's history, community leaders were very eager to see their landmark brought back to its former stature. In the summer of 2010, Developers Collaborative partnered with Avesta Housing to convert the former school into senior apartment units. DC was responsible for all predevelopment, design, and financing aspects of the project and partnered with the City on an Affordable Housing TIF, contract zone, and site plan approval, all of which was accomplished in a single month fast track schedule in order to meet MaineHousing submission deadlines. Archetype was the architect for the project, revitalizing the early 20th century architecture and its significance to the neighborhood.

Above: Emery School in Biddeford.



Above: Emery School floor plan.

The project created 24 affordable senior housing units while preserving a community landmark within walking distance of the downtown. The unit mix includes 20 one-bedroom units and 4 two-bedroom units, with 13 units fully

handicapped accessible. It was DC's third consecutive affordable housing historic tax credit project.

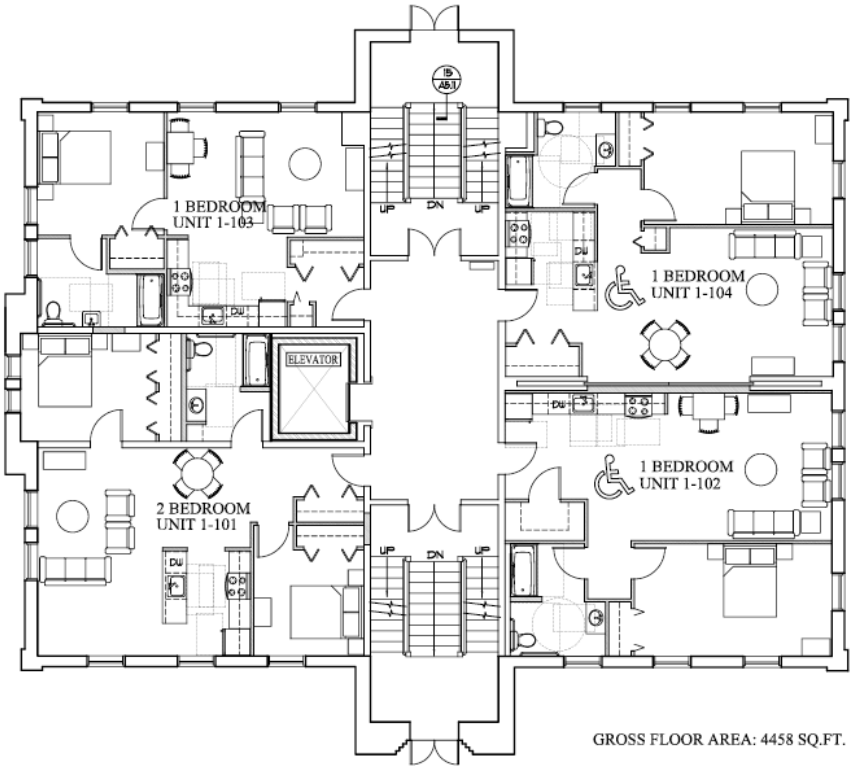
Hyacinth Place

Hyacinth Place is Developers Collaborative's fourth historic tax credit project. DC partnered with Avesta to rehabilitate and repurpose a school and former convent building at St. Hyacinth's church in Westbrook. The new project is currently under construction and will create 37 new affordable apartments in the historic buildings and will house residents that make 50% to 60% of the area median income.

In predevelopment of the project, DC worked with Avesta, the Catholic Church, the City, and the neighborhood to create a design that worked not only for the community but also for the owner. The development is clustered around the existing buildings so as to preserve 3 acres of open space out of a total site of 4.5 acres, right in the heart of a densely populated neighborhood known as Frenchtown, adjacent to the Dana Warp Mill.

Above: Hyacinth Place in Westbrook, a former school.

Above: Hyacinth Place in Westbrook, a former convent building.



Above: Hyacinth Place floor plan.

An interesting fact about the school building at Hyacinth Place is that Jefferson Coburn, the same architect who originally designed Healy Asylum (note their similar cupolas), designed it. It was built the following year, meaning Developers Collaborative followed Mr. Coburn's footsteps across Maine 114 years after the fact, redeveloping his beautiful buildings. Another historical connection with what is now Healy Terrace is that Bishop Healy himself inspected the newly completed school back in 1894 soon after it was completed. DC is honored to make a contribution toward preservation of these historical threads that run throughout our state.

Healy Terrace

Developers Collaborative and the Lewiston Housing Authority partnered for the second time, following the Birch Hill project, to continue meeting the housing development needs of Lewiston. At the same time, one of downtown's most iconic and endangered historic buildings was preserved. For decades, the Healy Asylum was a Catholic children's home. Originally built in the 1890s for about 100 residents, it was expanded during the Great Depression to house up to 350 children. Over the ensuing years it fell into disuse until DC transformed it into Healy Terrace, consisting of 32 affordable elderly apartment units.

Above: Healy Terrace in Lewiston.

The unit mix includes 26 one-bedroom units, and 6 two-bedroom units, with 17 units fully handicapped accessible. Healy Terrace was a 2012 Maine Preservation Honor Award winner and built upon the success of Gilman Place, establishing DC as a leader in the state as a historic tax credit developer.

4. Purchase Price

As indicated on our Proposal Form, DC is requesting a low or nominal purchase price in the range of $1 - $100,000 for the former Reed School property. However, this project will not request HOME funds from the City. At this time we do not anticipate requesting a TIF either. Since we are proposing a more feasible use, this project will be far less of a drain on the City budget since it requires less subsidy but it can also be completed more quickly.

5. Timetable

DC has no anticipated departure from the post-selection submittal timeframe set forth in Section VII of the Reed School RFP.

6. Client References

General professional references are found after individual team resumes in Appendix B.

May 18, 2016

City of Portland
389 Congress Street
Portland, ME 04101

RE: Reed School Redevelopment

To Whom It May Concern:

On behalf of Bangor Savings Bank I am pleased to provide this letter in support of Developers Collaborative for the redevelopment of the Thomas B. Reed School on Homestead Avenue in Portland. Based on our prior experience working with Developers Collaborative on similar redevelopment projects, we believe that the applicant has the "ability to finance projected costs and develop a project of similar type and scale from a fiscal perspective".

Bangor Savings Bank has worked with Developers Collaborative on multiple projects and they possess the management skill and development expertise to successfully complete the proposed project on time and on budget.

While this letter of support is not a commitment to lend, Bangor Savings Bank would welcome the opportunity to be a resource for project financing. Please feel free to call me with any questions.

Sincerely,

Shawn McKenna
Vice President
Commercial Banking

KEVIN BUNKER

Principal

100 Commercial Street, Suite 414
Portland, Maine 04101
(207) 766-1632
bunker.kevin@gmail.com

PROFESSIONAL AND DEVELOPMENT EXPERIENCE

Developers Collaborative Portland, ME 2007-Present
Owner, Property Development

University of Southern Maine Portland, ME 2008
Co-instructor, Community Planning Graduate Degree Program

City of Rockland / Self-Employed Planning Consultant Rockland, ME 2004-2007
Community Development Planner, GIS Analysis, Grant Writing/Administration, Park Planning

EDUCATION

Harvard University Graduate School of Design Cambridge, MA 2005-2007
MUP Urban Planning, concentration in Real Estate

USM Muskie School Portland, ME 2004-2005
Certificate in Community Planning and Development

The George Washington University Washington, DC 1992-1996
B.A. International Affairs, minor in Geography

COMPLETED PROJECTS

Gilman Place / Waterville, Maine - $10.3M
Historic preservation of former high school into 35 apartment units and 15,000 sf commercial space.

Healy Terrace / Lewiston, Maine - $8.7M
Mixed-use historic preservation of former children's home in downtown into 32 senior apartments and 2,500 sf office space.

Emery School / Biddeford, Maine - $6.8M
Historic preservation of former elementary school in downtown into 24 senior apartments.

Birch Hill / Lewiston, Maine - $4.5M
20 units of senior apartments.

KEVIN BUNKER

Principal

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COMPLETED PROJECTS (Continued)

Crescent Heights / Portland, Maine - $4.4M
44-bedroom Platinum LEED medical student housing.

Livermore Falls Medical Arts / Livermore Falls, Maine - $4.2M
Redevelopment of vacant downtown mall site to 13,700 sf medical office building for Franklin Memorial Hospital.

Lamb Block / Livermore Falls, Maine - $3.2M
Historic preservation of the oldest building in downtown, 3 stories, 11,000 sf medical offices and mixed commercial.

Hyacinth Place / Westbrook, Maine - $9.6M
Historic preservation of former Catholic Diocese campus in downtown into 37 family affordable rental units for Avesta Housing. Responsible for all aspects of development up to construction start.

Osprey Circle / South Portland, Maine - $7.1M
48 units of senior apartments.

Nathan Clifford School / Portland, Maine - $7.5M
22 units of luxury apartments.

River Landing / Topsham, Maine - $5.8M
36 units of senior apartments in downtown Topsham's Elm St Historic District.

CURRENT PROJECTS IN DEVELOPMENT

Webster Point / Orono, Maine - $3.5M **(under construction)**
14 mixed-income condominium units on former Brownfield site.

Hodgkins School / Augusta, Maine - $8.7M **(under construction)**
47 units of senior apartments for Augusta Housing Authority

Rosa True / Portland, Maine - $1.9M **(under construction)**
11 family affordable rental units in Portland's Spring Street Historic District

Griffin Road Senor Housing / Scarborough, Maine - $5.5M **(in development)**
36 units of senior apartments in Scarborough.

SELECT PROFESSIONAL AFFILIATIONS

Board Chair, GrowSmart Maine, 2011-2014
Steering Committee, Maine Affordable Housing Coalition 2011-present
MEREDA, 2008-present

MIKE LYNE

Developer

100 Commercial Street, Suite 414
Portland, Maine 04101
(207) 522-3055
mdlyne@gmail.com

PROFESSIONAL AND DEVELOPMENT EXPERIENCE

Developers Collaborative *Property Development*	Portland, ME	2015-Present
JHR Development of Maine *Project/ Property Management*	Brunswick, ME	2007-2015
Alaska Fire Service and Anchorage Fire Department *Wildland Firefighting Hotshot/Smokejumper*	Anchorage, AK	1994-2007
Spaulding Investment Company, Inc. *Boston commercial leasing and construction management*	Burlington, MA	1988-1993

EDUCATION

Bowdoin College *B.A. Government, minor in History*	Brunswick, ME	1983-1987

Tiemer Award for Dedication and Leadership

MANAGEMENT PROJECTS

Mid Coast Hospital,
OA Centers for Orthopedics.

Barber Foods, Paradigm Windows
56 Milliken Street, Portland.

Mid Coast Hospital
108 Centre Street, Bath 20,000 sf MOB.

Habitat for Humanity 7 Rivers
126 Main Street, Topsham.

LAURA READING

Developer

100 Commercial Street, Suite 414
Portland, Maine 04101
(207) 766-6696
reading.lauraj@gmail.com

PROFESSIONAL AND DEVELOPMENT EXPERIENCE

Developers Collaborative *Property Development*	Portland, ME	2013-Present
Planning Consultant *Urban Planning and Design Consulting*	Portland, ME	2012
Bernstein, Shur, Sawyer & Nelson *Environmental Legal Assistant*	Portland, ME	2006-2008

EDUCATION

University of Michigan *Master of Urban Planning, Certificate in Real Estate Finance*	Ann Arbor, MI	2011-2013
University of Southern Maine *B.A. Environmental Planning and Policy*	Portland, ME	2008-2011

COMPLETED PROJECTS

Nathan Clifford School / Portland, Maine - $7.5M
22 luxury apartment units in historic former school

PROFESSIONAL AFFILIATIONS

Board Member, Maine Association of Planners, 2014-present

Developers Collaborative Client References

Project: Androscoggin Valley Medical Arts Center, complete 2011

Rebecca Ryder
President/CEO
Franklin Community Health Network
111 Franklin Health Commons
Farmington, ME 04938
779-2265
rryder@fchn.org

Project: Nathan Clifford Residences, complete 2014

Ed Suslovic
City Councilor
City of Portland
46 Kenwood St.
Portland, ME 04103
671-6320
edsuslovic@portlandmaine.gov

Project: Gilman Place, complete 2010

Michael Roy
City Manager
City of Waterville
One Common St.
Waterville, ME 04901
680-4203
mroy@waterville-me.gov

John Egan
Development Director, Coastal Enterprises, Inc.
36 Water Street
Wiscasset, ME 04578
607-9711
jwe@ceimaine.org

Project: Emery School, complete 2012

Daniel Stevenson
Economic Development Director
City of Biddeford
205 Main St.
Biddeford, ME 04005
205-1048
dstevenson@biddefordmaine.org

Project: Healy Terrace, complete 2011

Jim Dowling
Executive Director
Lewiston Housing Authority
One College Street
Lewiston, ME 04240
783-1424
jdowling@lewistonhousing.org

Lincoln Jeffers
Assistant City Administrator
City of Lewiston
27 Pine St.
Lewiston, Maine 04240