

South Portland City Council
Position Paper of the Interim City Manager

Subject:

ORDER #143-16/17 – Authorizing the Interim City Manager to request proposals for design and planning for the Portland Street Pier, an economic feasibility study, and appropriating \$75,000 to the Portland Street Pier Contractual Services – Engineering Account.

Position:

The City Council met in workshop on January 9, 2017 and discussed the concept of an expansion of the Portland Street Pier to support the growing aquaculture industry in Casco Bay. At the workshop staff recommended a phased approach that would begin with development of a Master Plan and concurrently prepare several financing sources including grant funding and tax increment financing (TIF). During the workshop we heard some Councilors express support for moving more quickly with a project of limited scope, while at the same time beginning a more comprehensive planning process that may lead to a more substantial investment down the road.

At the conclusion of the workshop, staff was asked to get a cost estimate to engineer, design, permit, and construct an expanded docking system that could accommodate an additional six to eight commercial vessels. During the weeks since that meeting we have consulted with multiple Marine Engineering firms and learned that the engineering will likely cost between \$25-35K, and the construction is estimated to be at least an additional \$75K. Furthermore, the earliest that construction could commence would be late-fall of 2017, and more likely the following year.

Staff would like to reiterate our belief that, if there is support amongst Councilors to pursue such a project, there are several actions that should be considered and questions answered as we progress through the decision-making process. For example, what specific improvements should be made at the facility if it is to support aquaculture, and how much would those improvements cost? How much additional revenue is likely to be generated based on market demand for slips, cold storage space, etc.? The Portland Street Pier currently operates as a quasi-Enterprise Fund, with annual revenues set aside

and used to cover maintenance expenses. It is important to note, however, the cost of labor to maintain and operate the facility is not billed to the pier account, and in fact the pier is not currently profitable. An investment to expand the pier and associated facilities could potentially result in a profitable enterprise, but a Master Plan and Market Study (economic feasibility) should be completed to determine whether the project would have an acceptable return on investment. The Council should understand the project envisioned would likely cost several hundred thousand dollars, or perhaps exceed \$1 million if a substantial pier extension is undertaken.

At this time the City is prepared to request proposals from Marine Engineering firms that specialize in this type of work. If the Council would like to move quickly on a small-scale expansion of the docking system, the City is prepared to request proposals specific to that project. We are also recommending that proposals are requested to develop a facility Master Plan, which would be of value even if expansion did not occur. Additionally, we are recommending the City hire a consultant to perform a Market Study that could be used to inform future decisions on investments in the facility.

The Master Plan would likely include the following:

- Assessment of the structural condition of the existing facility to determine necessary maintenance repairs/upgrades; short-term, mid-term, long-term, i.e. asset management plan.
- Evaluating and prioritizing short-term and long-term improvements for the property, and developing a time-phased development plan.
- Determining regulatory, environmental, and physical constraints that would impact further expansion of the pier and/or improvements to the facility, including submerged lands lease, harbor commissioner lines, dredging, etc.
- Developing conceptual plans for expansion and/or modification of the dock system, pier, building, and the access road and parking area.
- Developing a design and use plan for the building, e.g. refrigerated storage, utilities, stainless steel sinks, etc.

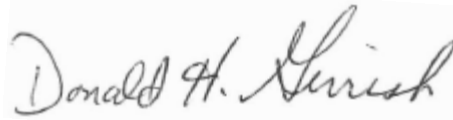
Upon completion of the Master Plan, the City would be sufficiently prepared to apply to one or more grant programs that could assist with capital improvements. In particular, the MaineDOT Small Harbor Improvement Program (SHIP) could provide \$250,000 for construction costs that promote economic development and support the fishing industry. The City is also currently preparing amendments to multiple TIF Development Programs and we anticipate these being prepared for Council action on or about March 20, 2017.

The Order that has been prepared for consideration includes an initial appropriation of \$75,000, of which \$25,000 would come from the grant received last year from the Greater

Portland Public Development Commission, and \$50,000 from the Portland Street Pier Enterprise Fund. The current balance of the enterprise account is \$175,790.

Requested Action:

Council passage of ORDER #143-16/17.

A handwritten signature in cursive script that reads "Donald H. Gurish". The signature is written in black ink on a light-colored background.

Interim City Manager



CITY OF SOUTH PORTLAND

PATRICIA A. SMITH
Mayor

DON H. GERRISH
Interim City Manager

EMILY F. SCULLY
City Clerk

SALLY J. DAGGETT
Jensen Baird Gardner & Henry

IN CITY COUNCIL

ORDER #143-16/17

District One
CLAUDE V. Z. MORGAN

District Two
PATRICIA A. SMITH

District Three
EBEN C. ROSE

District Four
LINDA C. COHEN

District Five
BRAD FOX

At Large
MAXINE R. BEECHER

At Large
SUSAN J. HENDERSON

ORDERED, that the Interim City Manager be, and hereby is, authorized and directed to invite bid proposals from Marine Engineering Firms to design, permit, and prepare bid documents for the construction of between six and eight berths at the Portland Street Pier; and

BE IT FURTHER ORDERED, that the Interim City Manager be, and hereby is, authorized and directed to invite bid proposals from Marine Engineering Firms to develop a Master Plan for the Portland Street Pier; and

BE IT FURTHER ORDERED, that the Interim City Manager be, and hereby is, authorized and directed to invite bid proposals from qualified consultants to prepare an Economic Feasibility Study related to a proposed expansion of the Portland Street Pier; and

BE IT FURTHER RESOLVED, that \$75,000.00 be, and hereby is, appropriated to the Portland Street Pier Contractual Services - Engineering Account (207562-628801) for engineering related expenses for the Portland Street Pier, with funding from the Greater Portland Public Development Commission donation for \$25,000 and the Portland Street Pier Fund Unassigned Fund Balance for \$50,000.

Fiscal Note: \$75,000

Dated: February 22, 2017