

Home	News	Opinion	Obits	Crime	Sports	Contact	
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Proposed \$2.3M Bayside land sale clears hurdle

By Casey Conley
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The tentative deal between the city and a Miami developer looking to buy three vacant acres in Bayside cleared a key committee yesterday.

In a 2-0 vote, the city council's Community Development Committee endorsed the potential \$2.28 million sale of 3.25 acres of city-owned land to Federated Cos., a national real estate investment firm that focuses on housing.

Federated still hasn't presented detailed plans of what it wants to build on the site, which stretches from Elm Street to Franklin Street along Somerset Street. But in an interview this week, company chairman Jonathan Cox said it would likely include a mix of rental housing, retail and even some office space.

A 500-car parking garage is also planned.

City economic development director Greg Mitchell speculated total investment across the seven parcels could reach \$30 million.

At first glance, councilors and most residents liked what they saw.

"As far as the concept goes, this is very exciting," said Ron Spinella, who lives in the neighborhood. He added, "I am very, very pleased with what looks like it will be a historic development in the neighborhood."

Alex Landry, chair of the Bayside Neighborhood Associated, said after the meeting that some of his concerns about the project have been allayed. Still, until detailed development plans are submitted, it's too soon to know if the association will support the project, he said.

"All in all it's good. But it's what goes on inside these walls that's the sticky part," he said, referring to the city's review of any design plans.

Committee chair Cheryl Leeman said she was "excited beyond words" at the proposed development, which in her estimation could "transform this whole area."

To be sure, much of the deal still must be worked out. Deed restrictions enacted around the old railroad that runs through the site might require the city to carry liability insurance costing between \$10,000 and \$30,000 per year. At issue are deed restrictions that prevent the construction of housing within a certain distance from the railroad right of way.

City attorney Gary Wood said that matter is still under negotiation with Guilford Northern, the former rail operator, which has tentatively agreed to drop the restrictions if the city carries a certain insurance.

There is also potential environmental remediation needed at a former scrapyardsite on Somerset Street that's seen as a likely spot for the parking garage. City officials declined to put a price tag on that clean up

If the development moves ahead, the city has plans to extend Pearl Street slightly beyond its current dead-end at Somerset Street — moving a step closer to connecting that thoroughfare from Commercial Street to Marginal Way. The extension of Pearl Street is seen as the likely entrance to the new parking garage.

Federated Cos., which formed in 1999, has developed more than 7,500 apartment units across much of the U.S., according to its website. Federated already owns property in the neighborhood.

It bought Bayside Village student housing complex on Marginal Way on Dec. 30, 2010 for \$9.2 million, city records show.

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Terms of the potential deal also allow the city to buy back the land, at a its original sale price, if development has not substantially begun within two years.

Mayor Nick Mavodones praised those conditions, saying it will prevent Federated from "banking" the land instead of developing it.

The city council is expected to review the land sale at its June 6 meeting.



Bayside Village student housing on Marginal Way is owned by Federated Companies of Boston and Miami, which is the prospective buyer of over 3 acres of city property in Bayside. (DAVID CARKHUFF FILE PHOTO)