

Housing developers among six bidders for Mercy Hospital site

pressherald.com/2018/12/03/housing-developers-among-six-bidders-for-mercy-hospital-site/

By Randy Billings

December 3, 2018

Housing developers are among the six individuals or groups that responded to a nationwide request for proposals to redevelop the 77-year-old Mercy Hospital building in Portland.

Mercy officials will spend the upcoming weeks going through the proposals for its State Street facility and conducting interviews with the development teams, according to spokesman Ed Gilman, who said a finalist could be announced in January.

Mercy is selling its hospital building at 144 State St., which is listed on the National Register of Historic Places and considered a local landmark, and an adjacent parking lot as it prepares to consolidate its operations at its Fore River location by 2021. Mercy officials have expressed a desire to continue operating some sort of health clinic on-site.



“We received several robust proposals that are in line with what we need to complete our Fore River project,” Gilman said in a statement. “Because we are now in the review process, we are not discussing the details or merits of specific proposals.”

The Portland Press Herald reached out to nearly two dozen developers and real estate professionals who either attended a pre-proposal meeting at Mercy in August or have experience in redeveloping historic buildings. Four development teams or individuals acknowledged submitting proposals for the hospital building, which sits on a 3½-acre site in the city’s West End. Two teams have proposed a mix of housing and uses for the site. None would discuss their offering price.

Hospital officials estimated that the building could fetch up to \$20 million on the market, but instead issued a request for information from developers, so it could have some sort of say in how the building is reused.

One thing is clear: The hospital will not be reused as a homeless shelter, medical clinic, office space and a mix of housing. That idea was offered by M. Curt Sachs, a local architect. He said he met recently with officials who described his proposal as “non-responsive” because he did not include a detailed financial plan or a team of stakeholders.

“They did not consider value to community,” Sachs said.

One development team to submit a proposal was the Portland Housing Authority, the Community Housing of Maine and the NewHeight Group.

Chip Newell of the NewHeight Group, which recently completed the Luminato high-end condo project next to Franklin Street, declined to discuss details of their proposal until after their interview with hospital officials in December. But he indicated it included “a broad mix of uses,” including affordable and market-rate housing and office space.

“It’s a big site,” Newell said. “We think it can take a wide variety of uses.”

The Developers Collaborative, which recently teamed with Sea Coast Management to restore and convert the old Mother House on the former Catherine McAuley High School campus into senior housing, is also part of a development team that submitted a proposal for a mixed-use project.

“We are in a competitive situation still and I really can’t discuss it too much,” said Kevin Bunker of Developers Collaborative. He declined to name any partnerships.

Ellen Thompson, the chief financial officer of Northland Management Corp., which recently converted office space in the Clapp Building on Congress Street into housing, said they hoped to work on a project submitted by Todd Alexander of Renewal Housing, which has experience in renovating and preserving affordable housing in seven states and the District of Columbia. Alexander said he had a nondisclosure agreement with Mercy that prevented him from discussing details.

Another potential developer would be Avesta Housing, the state’s largest affordable housing developer, but officials there are not talking.

“I am not in a position to be able to respond,” Avesta President and CEO Dana Totman said in an email. “Probably Mercy is best able to provide information.”

A similar response was sent by the Boston-based Leggat McCall, which attended an August meeting at Mercy. “I’m not in a position to provide any information on this. I’d suggest reaching out to Mercy directly,” said Vice President Sam Reiche.

Sea Coast Management or the Boston-based Fallon Co., both of which attended the pre-proposal meeting in August, did not respond to a request for comment.

Others, including a hotelier and several market-rate developers, passed on the project.

Jonathan Culley of Redfern Properties said he considered submitting a proposal.

“We found the existing building to be challenging to renovate and new construction of apartments is not economically feasible in Portland in the current environment,” Culley said. “I would imagine that ultimately the site will have a mix of affordable, market-rate, and perhaps senior housing, and maybe ongoing medical use.”

Nathan Szanton of the Szanton Co., which is known for mixed-income housing development, attended last summer's meeting but did not submit a plan.

Developers were encouraged to reach out to neighborhood groups prior to submitting proposals. Elizabeth Parsons, president of the West End Neighborhood Association, declined to comment on any meetings with development teams.

Anne Pringle of the Western Promenade Neighborhood Association said that she met with one development team, but declined to name them. They were interested in meeting neighborhood needs, such as a medical clinic, some sort of affordable grocery store and a mix of housing, she said.

"They seemed legitimately interested in putting the mix of mix of uses that people in the neighborhood were looking for," Pringle said.

[< Previous](#)

[Amid snowy winter, helpers emerge to shovel out city's elderly, disabled](#)

filed under:

[mercy hospital, portland maine](#)