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Portland Press Herald Maine Sunday Telegram

Developer to buy newspaper properties

The Press Herald's new owners will sell two downtown buildings to John Cacoulidis, who plans a 30-story high rise.

By DENNIS HOEY, Staff Writer

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John Cacoulidis

PORTLAND — The Portland Press Herald building and its former printing plant on Congress Street are in the process of being sold to a developer who also owns an island off the coast of Maine.

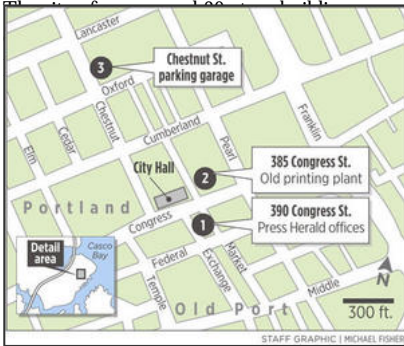


Gregory Rec/Staff Photographer

The Portland Press Herald's main office building at 390 Congress St. would be renovated under Cacoulidis' plan and used for office space and possibly some apartments.



Press Herald file



MTM Portland Properties, an affiliate of MaineToday Media Inc., announced Wednesday night in a press release that it has entered into a purchase agreement with John Cacoulidis for the newspaper's main office, located at 390 Congress St., and its former printing press building, located at 385 Congress St.

Cacoulidis said he would like to build a 30-story tower at the 385 site and renovate the main Press Herald building, converting it to office space and perhaps a few apartments.

The sale also would include the portion of the parking garage at 134 Lancaster St. owned by the Press Herald, which is commonly referred to as the Chestnut Street garage.

The agreement gives the parties 30 days to complete the sale. The sale price is not being disclosed.

Richard L. Connor is chief executive officer of MaineToday Media, which this week completed its acquisition of The Seattle Times' media properties in Maine, including the Press Herald. He said the sale of the newspaper's downtown properties – the buildings are adjacent to City Hall – will allow his company to reduce its debt and establish a strong financial footing.

"Once the sale is final, we will begin moving some of our employees to our South Portland printing plant, and for others we will be leasing office space at an in-town Portland location," Connor said in a statement. "Employees will experience no disruption in parking while we complete the move over the next six months."

The transaction was negotiated separately over the past several months in conjunction with Connor's purchase of the

Maine holdings of The Seattle Times Co., according to the press release.

Robert Baldacci, a member of the original team Connor assembled to try to acquire the Maine newspapers, assisted in the property negotiations. Thomas W. Moulton, a broker with The Dunham Group, represented Cacoulidis. He could not be reached on Wednesday.

Contacted at his home in Westbury, N.Y., on Wednesday, Cacoulidis said he plans to renovate 390 Congress St., mostly for office space, and is considering naming it Herald Square.

At 385 Congress, Cacoulidis said he wants to remove the old structure and build a 30-story hi-rise. "It will be a really classy building," he said.

His vision calls for a basement-level parking garage, with retail shops, a pharmacy and a bank on the first floor. He would top that with another eight levels of parking and build a hotel and office space above that.

Cacoulidis, who said he has no formal development plan yet, owns several properties in Maine, as well as Hope Island off the coast of Cumberland. According to Press Herald reports, Cacoulidis and his wife, Phyllis, acquired the 89-acre island in Casco Bay for \$1.3 million. The couple objected to the tax rate and were unsuccessful in their attempt to persuade the Legislature to allow them to secede from the town of Cumberland.

In 2001, Cacoulidis presented his plans for a hotel and convention center on a 22-acre parcel he acquired at Spring Point in South Portland. The project called for twin 35-story towers with 2,600 hotel rooms and was to feature a 300-foot-high cable-car system capable of ferrying passengers across Portland Harbor.

He was unable to get city permits for that project, or permits for a scaled-down version presented to city officials in 2003.

In June 2003, Cacoulidis acquired Two Monument Square, a high-profile office building in downtown Portland. The asking price was \$14 million.

Connor, who did not make a secret of his desire to sell the Press Herald's downtown properties, acknowledged their history.

"These buildings have been a part of the fabric of the community and have been a home away from home to employees who have spent their entire careers working here," he said.

"But selling the physical property is simply a financial necessity if we're going to make the Press Herald the newspaper that we, our readers and our advertisers want it be."

Maddy Corson, a former publisher of the Press Herald and a member of the Guy Gannett family, which sold its Maine

newspapers to The Seattle Times in 1998, said she hopes Connor will indeed keep the newsroom in Portland. She said it's important to have a presence in the city the paper is named after.

"It's very exciting, very sad, but progress needs to happen," she said of the sale of the buildings.

Corson, who has four grandchildren, said she asked Connor if she could take her grandson on a tour of the tunnel that runs under Congress Street, connecting the former printing press building with the main office.

Columnist Bill Nemitz, who came to the Press Herald in 1983, said he will miss the building, especially the tunnel.

"I used to love to take my kids under Congress Street. Their eyes would get really wide," Nemitz said. "The tunnel may be one of Portland's best-kept secrets."

Tom Atwell is one of the newspaper's longest-serving employees, having started as a part-time reporter in the fall of 1973. He said he will miss being able to go up to the main building's roof, where he could catch the city's annual July 4 fireworks display on the Eastern Prom.

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