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Border Electric

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Betsy Fitzgerald
Secretary
Washington County
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Senator David Burns
Washington County
Legislative Delegation



October 30, 2015

RECEIVED NOV - 5 2015

Grant T. Pennoyer
Executive Director of the Maine Legislature
115 State House Station
Augusta, Maine 04333

Dear Mr. Pennoyer,

Attached you will find the Washington County Development Authority Annual Report and two attachments with it, the Financial Report and the Authority's property deed. If there are any questions I can be reached at 207-255-0983 or through email at preNSEMA@sunrisecounty.org

Respectfully,

Peter H. Rensema Jr
Project Manager
Sunrise County Economic Council

WASHINGTON COUNTY

DEVELOPMENT AUTHORITY

ANNUAL REPORT July 1, 2014 – June 30, 2015

Introduction

Pursuant to the provisions of Title 5 of Maine Revised Statutes Annotated, Chapter 383, Subchapter 3, Article 2-A, the Washington County Development Authority is required to submit an annual report to the Governor, the Executive Director of the Legislative Council and the joint standing committee of the Legislature having jurisdiction over business and economic development matters. The report must be submitted no later than 120 days after the close of the authority's fiscal year. The Authority's fiscal year ended on June 30, 2015. This annual report must be submitted on or before the statutory deadline of October 30, 2015. The report that follows fulfills that requirement.

Section 13083-F of 5 MRSA requires that the annual report of the Authority include:

- A. A description of the authority's operations and activities;
- B. An accounting of the authority's receipts and expenditures and assets and liabilities at the end of its fiscal year;
- C. A listing of all property transactions pursuant to section 13083-D;
- D. A statement of the authority's proposed and projected activities for the ensuing year; and
- E. Recommendations regarding further actions that may be suitable for achieving the purposes of this article.

History of the Authority

The Washington County Development Authority was established by the Second Regular Session of the 120th Maine Legislature as Chapter 568 of the Laws of Maine 2001. The Authority was established in response to the need to create a state entity that could take title to the former Naval Computer and Telecommunications Station in Cutler, Maine from the United States Navy. Since that time, the legislation was amended to broaden the scope of the authority's mission to allow the authority to provide financial and technical assistance to any governmental entity and nonprofit located within Washington County in support of community and economic development projects. Representation was expanded to include all municipalities in Washington County, including the unorganized territories.

For the reporting period, the Authority was comprised of the following members: Betsy Fitzgerald (Machiasport), Robert Tyler (Calais and St. Stephen, NB), Bob

Hammond (Harrington), Marianne Moore (Calais), Bob Whitman (Marshfield), Lewis Pinkham (Milbridge), Christine Phillips (Calais), Dean Pike (Eastport), and Michael Radeka (East Machias). For this time period, the following officers were elected: Betsy Fitzgerald / Chairperson, Lewis Pinkham / Vice-Chairperson, / Secretary, and Marianne Moore / Treasurer. The WCDA held meetings at 1p.m. every third Monday of the month at the Machias Career Center.

The Authority can have from 9 to 13 voting members. At this point, there are only nine Trustees. Brian Mulligan (DECD) was appointed as ex-officio, as the designee for the Commissioner of Economic and Community Development. Dale Crowley has resigned his appointment due to medical reasons. Michael Radeka has withdrawn his application for re-appointment, but will stay on until a replacement is confirmed.

Operations and Activities

The WCDA Trustees scheduled at least eleven (11) regular meetings from July 2014 to June 2015, though there was not always a quorum present for official business to take place. Major items of discussion during the course of the report period included the following subjects:

The Authority continues to contract with Sunrise County Economic Council to provide administrative services.

The Authority accepted a gift of part of the former Cutler Base from Cutler North, LLC.. The gift includes the real estate and buildings on most of the former administrative side of the base including the warehouse and commissary, the main administration building, the maintenance shop building, and the morale and recreation facility.

Using support from the Washington County Council of Governments Brownfields Program, the Authority completed a Phase I environmental assessment of the donated property before the transfer of ownership. A Phase II environmental assessment of the property is on-going.

The Authority has worked with the existing tenant of the warehouse and commissary (Look's Gourmet Food Company, Inc.) to expand its warehouse operation within the existing building and has begun to address the deferred maintenance on the warehouse and commissary building.

The Authority is seeking tenants to rent the vacant maintenance and recreation buildings.

The Authority has also assisted the Delta Development Corporation, a municipal development corporation, serving the western part of Washington County, to maintain real estate located in Harrington while it was offered for sale. Delta Development Corporation was unable to find a buyer for the property and has transferred ownership to the mortgage holder, Machias Savings Bank.

Receipts and Expenditures

See attached Financial Statement

Property Transactions:

The Authority received a gift of real estate from Cutler North, LLC as described in the Operations and Activities. A copy of the deed is attached. This gift included four buildings: the main administration building (#500); the maintenance shop (#501); the warehouse and commissary(#502), and the morale and recreation facility(#506). The Authority assumed the existing lease agreement with Look's Gourmet Food Company, Inc., the tenant in the warehouse and commissary building.

Proposed and Projected Activities

The Authority intends to continue its work to redevelop the former Cutler Navy base despite the lack of resources. The Authority receives no direct funding from the state or federal governments. Sunrise County Economic Council and Washington County Government have provided what staff support they could, but the Authority's trustees are handling much of the day to day management of the property as volunteers. The Authority's only source of income is rent, which has been entirely used for the maintenance and repair of the base property. In short, the redevelopment effort is hobbled by the lack of resources.

With continued support from the Washington County Council of Governments' Brownfields Program, the Authority plans to complete the Phase II environmental assessment and if necessary, to attempt to raise funds to pay for any needed mitigation.

The Authority is seeking new tenants to fill the commercial buildings on the base and continues to look for funding to repair the former base structures.

Recommendations

L.D. 1334, *An Act to Authorize a General Fund Bond Issue to Repair and Renovate the Former Cutler Navy Base in Washington County to Facilitate Development and Stimulate the Economy* was carried over by the Legislature's Appropriations Committee. The legislation would send a bond issue question to the voters that, if approved, would provide funds to repair and modernize the buildings on the former base. This funding is essential to the successful redevelopment of the property and would allow this significant public asset to again contribute to the state's economy. The Authority strongly recommends passage of LD 1334.

The Authority also recommends that the state invest the necessary staff and financial resources to support the redevelopment of the former Cutler base. A bill that

would have provided direct financial support to the Authority (LD 1333) was defeated in the last legislative session. The Commissioner of the Department of Economic and Community Development has appointed Brian Mulligan as his representative on the Authority's Board; Mr. Mulligan's active participation has been very helpful. Staff support in grant proposal development, project administration, and property management would help move the redevelopment project forward.

Attachments:

- ❖ Financial reports: WCDA Annual Income Statement
- ❖ Deed of Cutler North, LLC to the Washington County Development Authority dated March 30, 2015.

Respectfully submitted:



Betsy Fitzgerald, Chair



Financial
 Report
 06/08/15
 Marianne Moore – Treasurer

Account No.	Description	Debits	Credits	Balance	Date of Balance	Interest Rate	Maturation Date
8011575930	Non-Profit Organization Checking Account Check # 295 (Travel Exp) Check # 296 (SCEC) Deposit (Look's Rent)	\$108.53 \$341.90	\$7,912.00	\$1,413.51	04/30/15	n/a	n/a
				\$8,875.08	05/29/15		
12001268	91-Day Certificate Passbook Account (NOTE: CD was closed out and funds transferred to Money Fund Account)			\$0.00	Transferred	0.35%	04/12/11
8012412920	Money Fund Business Account Service Charge Interest	\$10.00	\$0.06	\$1,247.30	04/03/15	0.25%	n/a
				\$1,237.36	06/03/15		
	Total			\$10,112.44			

QUITCLAIM DEED WITHOUT COVENANT

KNOW ALL BY THESE PRESENTS, that CUTLER NORTH, LLC, a Maine limited liability company having its place of business in Cumberland, Maine, does hereby remise, release, bargain, donate and convey, and forever quitclaim unto Washington County Development Authority with an address of P.O. Box 679, Machias Maine, 04654, its successors and assigns, the property described below:

A certain lot or parcel of land with the improvements thereon on the West side of Route 191 in the Town of Cutler, County of Washington, State of Maine shown as Parcel A on Exhibit B of Cutler Administration Lot Division for Cutler North, by Sebago Technics, Inc. (project number 15055) dated March 26, 2015 and being more particularly bounded and described as follows:

Beginning at a point on the westerly sideline of Route 191 at the southeasterly corner of the Fire Station Lot as shown on plan of Condominium Plat of Beachwood Bay Estates for Cutler Residential Development by Sebago Technics, Inc. last dated May 18, 2006 and recorded in the Washington County Registry of Deeds plan book 15, page 36;

Thence S 11°-37'-29" W, along the westerly sideline of Route 191, a distance of 183.17 feet to a found baseline monument at the westerly intersection of Route 191 and Ackley Road, so called;

Thence S 27°-48'-45" W, along the sideline of Ackley Road, a distance of 296.66 feet;

Thence N 63°-11'-24" W, along land of the condominium, a distance of 62.99 feet;

Thence S 27°-53'-36" W, along land of the condominium, a distance of 122.37 feet;

Thence S 20°-55'-15" W, along land of the condominium, a distance of 55.95 feet;

Thence S 46°-23'-20" W, along land of the condominium, a distance of 130.63 feet;

Thence N 65°-56'-49" W, along land of the condominium, a distance of 386.07 feet;

Thence N 08°-03'-13" W, along land of the condominium, a distance of 127.96 feet;

Thence S 88°-44'-00" W, along land of the condominium, a distance of 67.38 feet;

Thence S 75°-44'-35" W, along land of the condominium, a distance of 120.00 feet to a monument;

Thence N 22°-34'-16" W, along land of condominium, a distance of 50.53 feet, crossing the Access Easement serving the Condominiums as shown in the above mentioned Condominium Plat, to the southerly corner of Parcel B as shown on Exhibit B;

Thence N 75°-44'-35" E, along Parcel B and the Access Easement, a distance of 56.32 feet;

NO TRANSFER TAX PAID

Thence N 31°-08'-29" E, along Parcel B, a distance of 30.60 feet;

Thence N 04°-41'-37" W, along Parcel B, a distance of 115.00 feet;

Thence N 28°-52'-18" E, along Parcel B, a distance of 380.00 feet;

Thence N 00°-00'-00" W, along Parcel B, a distance of 250.00 feet to land now or formerly of Earnest and Dorothy Rice as described in a deed recorded at the Washington County Registry of Deeds in Book 1564, Page 83;

Thence N 87°-59'-31" E, along land of said Rice, a distance of 513.39 feet to a monument at the northwesterly corner of the Fire Station Lot;

Thence S 02°-00'-29" E, along said Fire Station Lot, a distance of 328.97 feet to a monument;

Thence S 63°-16'-37" E, continuing along Fire Station Lot, a distance of 54.50 feet;

Thence S 71°-33'-36" E, continuing along Fire Station Lot, a distance of 63.28 feet;

Thence S 79°-45'-48" E, continuing along Fire Station Lot, a distance of 100.71 feet to the westerly side of Route 191 and the Point of Beginning.

The total area of the above-described parcel is approximately 14.54 Acres.

Subject to a shared access easement over all roads within Parcels A as shown on Exhibit B.

Also subject to an underground fiber optic communications cable easement.

Also subject to and benefited by a 30-foot wide easement reserved in a deed recorded at said Registry in Book 2827, Page 234, described as follows: The Housing and Administration area shown hereon will be subject to an easement and right-of-way reserved by the United States of America for the purpose of, but not limited to, ingress and egress over the existing road.

Said lot also subject to an easement granted to the Bangor Hydroelectric Company by the United States of America, dated November 18, 1993, recorded at said Registry in Book 1900, Page 6 for relocation, operation, maintenance, repair and replacement of a utility pole numbered 158 with the necessary fixtures and supports.

Said lot also subject to an ingress, egress, and utility easement along the existing roads and utility lines that serve the condominium as shown on the above mentioned Condominium Plat.

Meaning and intending to describe a parcel of land being a portion of the land described in a deed to Washington County Development Authority recorded in the Washington County Registry of Deeds in Book 2827, Page 223.

IN WITNESS WHEREOF, the said Cutler North, LLC has caused this instrument to be signed in its corporate name by Kenneth Ray, its President thereunto duly authorized, this 30th day of March, 2015.

Signed and Delivered
In the Presence of:

Kenneth Ray

STATE OF MAINE
CUMBERLAND, ss.

Cutler North, LLC

Kenneth Ray

By: Kenneth Ray
Its: President

March 30, 2015

Then personally appeared the above named Kenneth Ray, President of said Cutler North, LLC, as aforesaid, and acknowledged the foregoing instrument to be his free act and deed in his said capacity, and the free act and deed of said limited liability company.

Before me,

Rebecca A. Morais

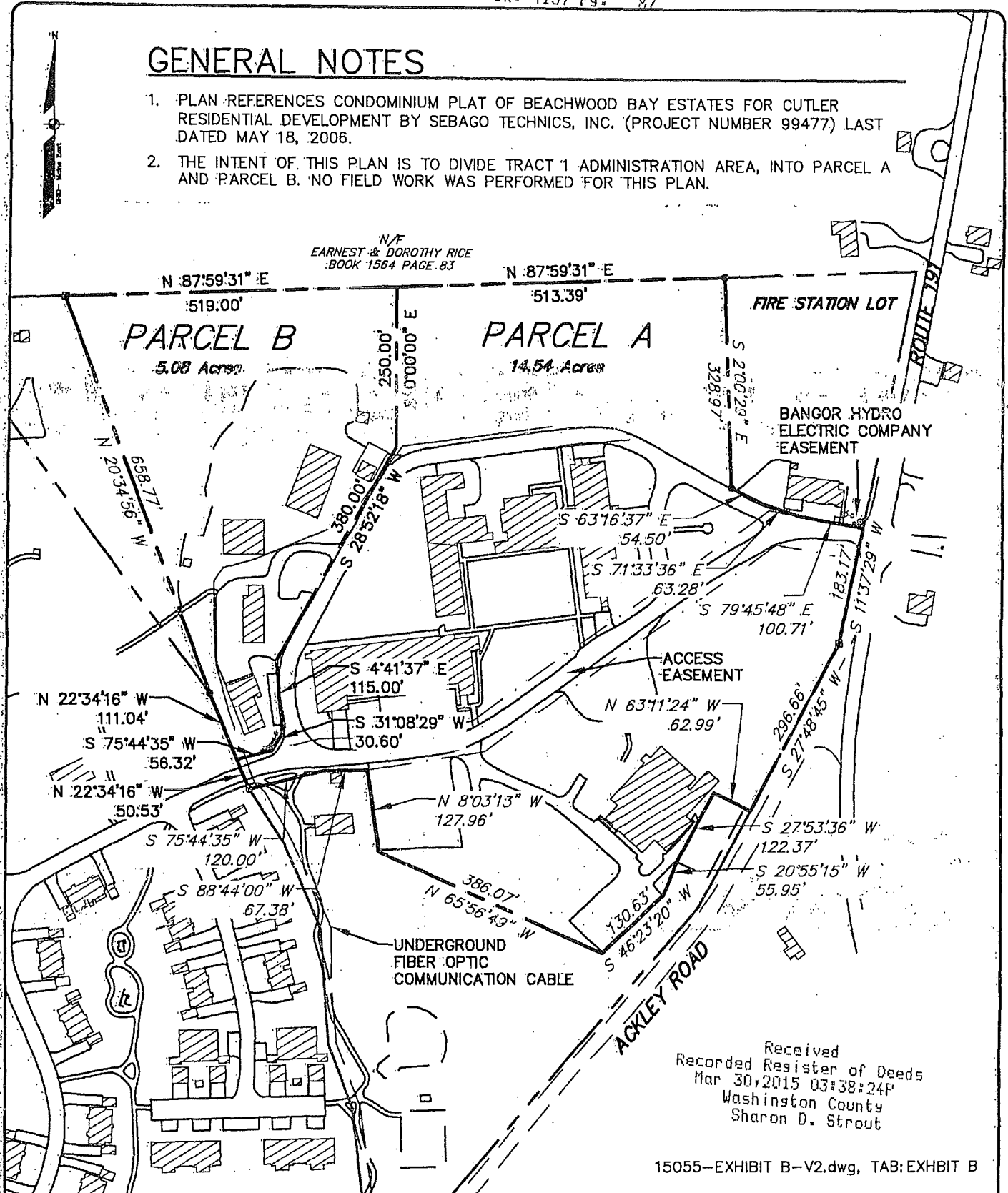
Notary Public/Attorney at Law

5/25/20 Rebecca A. Morais

My Commission Expires

GENERAL NOTES

1. PLAN REFERENCES CONDOMINIUM PLAT OF BEACHWOOD BAY ESTATES FOR CUTLER RESIDENTIAL DEVELOPMENT BY SEBAGO TECHNICS, INC. (PROJECT NUMBER 99477) LAST DATED MAY 18, 2006.
2. THE INTENT OF THIS PLAN IS TO DIVIDE TRACT 1 ADMINISTRATION AREA, INTO PARCEL A AND PARCEL B. NO FIELD WORK WAS PERFORMED FOR THIS PLAN.



Received
 Recorded Register of Deeds
 Mar 30, 2015 03:38:24P
 Washington County
 Sharon D. Strout

15055-EXHIBIT B-V2.dwg, TAB:EXHIBIT B

SEBAGO
 TECHNICS

WWW.SEBAGOTECHNICS.COM
 75 John Roberts Rd. Suite 1A South Portland, ME 04106 Tel. 207-200-2100
 250 Goddard Rd. Suite B Lewiston, ME 04240 Tel. 207-783-5656

EXHIBIT B
 OF CUTLER ADMINISTRATION LOT DIVISION

LOCATION: NAVAL COMPUTER & TELECOMMUNICATIONS STATION
 TURNER WAY, CUTLER, MAINE

FOR: CUTLER NORTH
 15 EISENHOWER DRIVE
 WESTBROOK, MAINE 04092

SCALE: 1"=200'
 DATE: 03/26/2015
 SHEET: 1 OF 1