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MRRA



EXECUTIVE DIRECTOR'S
OFFICE

2008 JAN 22 A 8:30

January 15, 2008

The Honorable John E. Baldacci
Governor
State of Maine
State House Station #1
Augusta, Maine 04330

Re: Annual Report of MRRA

Dear Governor Baldacci:

I am writing this report in compliance with 5 MRSA §13083-R to advise you of the activities of the Midcoast Regional Redevelopment Authority (MRRA).

The Board of Trustees held its first meeting on September 27, 2007 at the State Capitol. Following the swearing in of Board members by Lance Boucher, the Board adopted a set of bylaws and elected officers. Former State Senator Arthur Mayo of Bath was elected Chair. I have attached a roster of the current members of the Board of Trustees.

The Board authorized the appointment of Steven H. Levesque as the Executive Director of MRRA. Steve is the former Commissioner of the Maine Department of Economic and Community Development and also served as the Executive Director of the Brunswick Local Redevelopment Authority.

In December, the MRRA Board received proposed Homeless Assistance Applications from the Brunswick and Topsham Local Redevelopment Authorities along with the adopted reuse master plans. The Board authorized the submission of the Homeless Assistance Application to the Washington, D.C. and Manchester, New Hampshire offices of the Department of Housing and Urban Development and the Department of Navy. The applications and master reuse plans were submitted on January 15, 2008.

I believe that that the two LRAs have provided a strong vision and corresponding reuse master plans that when followed will result in the successful redevelopment of BNAS and the Topsham Annex. Copies of the reuse master plans are available on our website at www.mrra.us.

On November 26, the Office of Economic Adjustment approved a grant request of \$773,020 for the fiscal year ending December 31, 2008. The State of Maine has provided a \$100,000 Small Cities Community Development Block Grant to meet the local match requirement. In the waning days of 2007, financial and human resource systems were established in anticipation of the transition of the two local redevelopment authorities to a single regional organization with a total staff of six individuals that began work on January 2, 2008.

In November, the Board adopted a work plan for 2008, which I have attached. Major activities include:

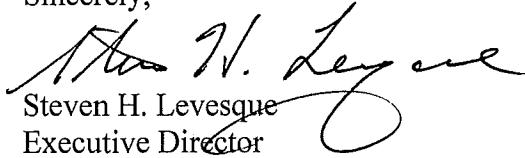
- Obtaining FAA funding to develop an Airport Master Plan for BNAS in concert with the Maine Department of Transportation.
- Initiating an infrastructure master plan for both sites.
- Developing a comprehensive property disposal plan and strategies for both sites.
- Working with the Towns of Brunswick and Topsham to adopt zoning ordinances to implement the reuse master plans.
- Working with the Navy, EPA and DEP on developing an environmental remediation strategy.
- Developing a marketing strategy.

Finally, we will continue to provide the necessary and appropriate public outreach to governmental agencies, the business community, the not for profit sector and the general public about the transition of BNAS as sailors and their families begin to leave the region later this year. The impact of the base closure will be felt in more than just the midcoast region. The State Planning Office recently reported that gross state product estimates for 2012 will be reduced by \$370 million and job growth estimates will be reduced by nearly 6,500. State revenues alone could be impacted as much as \$20 million annually by 2012.

As with other base closings, there will be a period of significant transition for the region and the state as BNAS winds down its mission in the midcoast region. I am confident, however, that strong plans have been put in place to build on the strength of a number of employment clusters that will help us with the successful transition and redevelopment of the base. A successful strategy will require, however, patience and commitment to uphold the original vision and plans for reuse.

If we could provide any further information, please contact us. Thank you.

Sincerely,



Steven H. Levesque
Executive Director
MRRA

cc. David Boulter, Executive Director, Legislative Council
Senator Lynn Bromley, Chair, BRED
Representative Nancy Smith, Chair, BRED
Joint Standing Committee on Business Research and Economic Development
Lance Boucher, Governor's Office
Leighton Cooney, Governor's Office
Donald Gerrish, Brunswick Town Manager
James Ashe, Topsham Town Manager
Arthur Mayo, III Chair, MRRA
Board of Trustees, MRRA
Jeffrey Jordan, Deputy Director, MRRA



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Midcoast Regional Redevelopment Authority 2008 Work Plan

Plan Implementation

- Work with the towns of Brunswick and Topsham to see through the adoption of the proposed zoning ordinances implementing the Reuse Master Plans.
- Solicit funding in concert with the Maine Department of Transportation from the Federal Aviation Administration to develop an Airport Master Plan.
- Work with the towns of Brunswick and Topsham to develop a plan and strategies for the provisions of municipal services on the base upon transfer as well as a long term plan for investment in public infrastructure.
- Work with and monitor the work of the Maine Department of Transportation in developing a transportation improvement plan for Bath Road, access to and from the base and US Route 1 in Brunswick, and improvements to the intersection of Route 201 and 196. Monitor planning and funding requests for other MDOT improvements, including Mill Street, Pleasant Street, and the Topsham by-pass.
- Continue working with BNAS officials on base transition issues as squadrons begin to leave the area.
- Continue to educate the public and civic and business leaders about the anticipated impact of base closure and opportunities to implement the Reuse Master Plans.

Conveyance Management

- Follow through with the Federal Department of Housing and Urban Development to ensure acceptance of the homeless public benefit conveyances and legally binding commitments proposals for Brunswick and Topsham.

- Work with the Navy, federal sponsoring agencies, and the organizations receiving public benefit conveyance property transfers at the Brunswick and Topsham Annex sites.
- Work with the Navy on other conveyance issues including, but not limited to, an economic development conveyance; and if approved, an airport public benefit conveyance through the Federal Aviation Administration at Brunswick.
- Work with the Navy on issues regarding the disposition of land and long term lease with Northeast Housing LLC in Brunswick and Topsham.

Environmental Studies and Remediation

- Work with and provide input to the Navy on the development of an Environmental Impact Statement/ Environmental Assessment on the base reuse plan for BNAS and the Topsham annex.
- Work with the Navy, the Maine Department of Environmental Protection and the US Environmental Protection Agency, Region I Office, on environmental remediation strategy, phasing and implementation to support the Reuse Master Plans.
- Continue to attend meetings of the Restoration Advisory Board (RAB) as they provide information and feedback to the Navy on environmental cleanup activities and planning on the base.

Fund Raising and Development

- Secure funding from other federal, state and local sources to implement the Reuse Master Plans.

Economic Development and Marketing

- Initiate the development of a marketing plan and strategy for the Brunswick base property and Topsham Annex.
- Begin a marketing effort for base redevelopment in support of plan implementation.

- Work with Town of Brunswick, Town of Topsham and the State of Maine on strengthening economic development tools and strategies to support base redevelopment.
- Develop (if the BLRA is successful in its application for a cluster grant from the Maine Technology Institute) a study and plan to create a northeastern center of excellence for an integrated R&D, manufacturing, testing, business incubation and productive operation of green energy technology products and services.
- Continue to participate in the Governor's Advisory Committee on issues of transportation, education and training and economic development to support the Midcoast region as a result of the closing of BNAS.
- Continue to build relationships and contacts in the identified business clusters that will support redevelopment of the base.

Expected Deliverables

- Through a grant to the Town of Topsham, the Topsham Planning Director will coordinate the drafting of a proposed zoning ordinance to implement the TLRA Reuse Master Plan.
Expected completion date: September 2, 2008
- Through a grant to the Town of Brunswick, the Planning Board and Town Council will consider and act upon the proposed zoning ordinance submitted by the BLRA.
Expected completion date: July 3, 2008
- In concert with the Maine Department of Transportation, submit a grant request to the Federal Aviation Administration for the development of an Airport Master Plan.
Expected completion date: July 3, 2008
- If necessary, cure any deficiencies identified by the Department of Housing and Urban Development (HUD) on the homeless conveyance application and legally binding agreement within ninety days of HUD's Notice of Determination.

Expected completion date: By law, HUD has sixty days to review the homeless application (March 1, 2008). If HUD finds the application deficient, MRRRA has ninety days to cure (June 1, 2008).

- Identify appropriate buildings and land in Brunswick and Topsham that would support job creation and economic development and submit an economic development conveyance request to the Navy.

Expected completion date: December 31, 2008

- Develop a marketing, communications and public relations strategic plan. (Assumes grant approval by OEA by December 31, 2007.)

Expected completion date: September 2, 2008

- Develop a building and code compliance survey for fourteen key buildings at BNAS. (Assumes grant approval by OEA by December 31, 2007)

Expected completion date: October 10, 2008

Impact of the Closure of Brunswick Naval Air Station

- The State Planning Office reported that closing the base lowers the forecast for statewide employment growth by 6,000 to 6,500 jobs at peak impact.¹
- Military and civilian staff reductions will occur over several years. Downsizing is expected to begin almost immediately in 2007, with the final squadrons pulling out during fiscal year 2011.
- The most heavily impacted private sector industries include retail, construction, food services and drinking places, professional services and administrative support services
- The closure of BNAS will reduce total gross state product (GSP) by approximately \$370 to \$390 million reducing the GSP forecast by one percent. Gross State Product will continue to grow, just at a slightly slower pace.²
- At its peak in 2015, the base-induced reductions in personal income range from \$330 to \$370 million. Personal income in the State will continue to grow, just at a slightly slower pace.³
- Closing BNAS will likely result in 6,800 to 7,400 fewer Maine residents than estimated under the baseline forecast. Statewide population will continue to grow, just at a slightly slower pace.⁴
- The Brunswick LMA will have approximately 5,500 fewer jobs. This is equivalent to roughly 84% of the anticipated reduction state employment growth.
- Federal expenditures to support local government and schools will be reduced by \$1.77 million in 2011.⁵
- Twenty-nine of the top 41 employing BNAS occupations pay higher wages than comparable state averages.

¹ Henry Renski and Catherine Reilly, *Understanding the Impact: Closing Naval Air Station Brunswick*, Maine State Planning Office, January 2007, p. 3.

² Renski and Reilly, p. 23.

³ Renski and Reilly, p. 23-24.

⁴ Renski and Reilly, p. 34

⁵ Renski and Reilly, p. 50.

- According to state employment outlook projections 36 of the 41 top employing occupations at BNAS have positive employment forecasts through 2012.
- Between Topsham and Brunswick there are up to 750 units of family housing and 512 units of housing for single persons, with an additional 1,600 units that are currently occupied by military and their families in the private marketplace.
- The net effect of a possible 2,000 housing units coming onto the market at once would be an increase in regional vacancy rates to a level over 10%.