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Ardis Brown
Town of Danforth

Ex-Officio

Betsy Fitzgerald
Secretary
Washington County
Commissioners

Representative Will Tuell
Washington County
Legislative Delegation



January 27, 2021

Honorable Janet T. Mills
Governor
1 State House Station
Augusta, ME 04333-0001

Mr. Grant T. Pennoyer
Executive Director of the Maine Legislature
115 State House Station
Augusta, ME 04333-0115

Honorable Chip Curry
Honorable Tiffany Roberts
Joint Committee on Innovation, Development, Economic Advancement and Business
c/o Legislative Information Office
100 State House Station
Augusta, ME 04333

Dear Governor Mills, Mr. Pennoyer, Senator Curry and Representative Roberts:

Pursuant to MRSA Title 5, Chapter 383, Article 2-A, Section 13083-F, the Sunrise County Economic Council (SCEC) is pleased to submit the 2019-2020 Annual Report to the Legislature on behalf of the Washington County Development Authority (WCDA).

SCEC is a private, nonprofit, federally recognized economic development organization which works to create jobs and wealth in Washington County. We provide staff support for the WCDA and are partnering with the Authority in its effort to redevelop the former U.S. Navy base in Cutler.

As indicated in the enclosed report, the WCDA did not make any significant procurements, contributions or changes to policies and procedures in the past year. In March 2015, the Authority was given the commercial side of the former base by Cutler North, LLC, a private developer that had failed in its redevelopment effort. The WCDA now owns roughly 20 acres and five commercial buildings comprising 75,000 square feet, half of which is currently occupied. The Authority is working to bring the remaining facilities back into productive use.

Please contact me with any questions or concerns. Thank you.

Sincerely,



Charles J. Rudelitch, Esq.
Executive Director
Enclosure: 2019-2020 Annual Report

Washington County Development Authority

ANNUAL REPORT October 1, 2019 – September 30, 2020

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 September 30, 2020.

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: Elizabeth "Betsy" Fitzgerald (Machiasport), Renee Gray (Addison), Julie Jordan (Jonesport), Ron McAlpine (Crawford), Lewis Pinkham (Milbridge), Lani Reynolds (Northfield), and Heron Weston (Eastport). The DECD Appointee seat is currently vacant.

For this time period, the following officers were elected: Betsy Fitzgerald (Chair), Lewis Pinkham (Vice Chair), and Lani Reynolds (Treasurer). In June 2019, Josh Bragg resigned from the Board. For this reporting period, the WCDA set monthly meetings on the third Monday of every month at 1:00 pm at Sunrise County Economic Council and now holds its meetings virtually hosted by SCEC.

The Authority can have up to 13 voting members. At this point, there are Trustees. We had invited additional members to join the Board, but the nominees were tabled until the new gubernatorial administration is in place.

Operations and Activities

The WCDA Trustees scheduled nine (9) regular meetings from October 2019 to September 2020. Major items of discussion during the course of the report period included the following subjects:

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

The Authority continues to use support from the Washington County Council of Governments Brownfields Program to evaluate the structures hazardous materials and degradation to the buildings under previous ownership. The Authority has been contacted by several individuals/entities interested in utilizing the Recreation Building for various purposes. An environmental engineer's report has identified lead paint and some PCB's in the building. An EPA grant has been submitted and the Board is waiting to hear whether the grant for cleanup has been awarded. The building has been secured until repairs can be made. In addition, the Authority is still awaiting work from the U.S. Navy regarding cleanup of hazardous materials at the Rec Building.

During the year, the Authority had continued to manage the commercial buildings at the de-commissioned Cutler Base. The WCDA is no longer leasing the remodeled garage to a local mechanic as he tragically passed away. Space for Bold Coast LLC to set up their lasers in order to produce personalized items such as glasses and beer taps has been improved with new plumbing and septic. Another tenant, the Carpenter's Workshop, began renting the former Chapel/PX Area and the salt storage building September 1st, 2019 and continues to build clientele. The Authority has improved lighting, installed heating, and has re-sited parts of the buildings. LED lighting has been installed around buildings, roadways and parking lots and some road repairs have been completed. Currently the Authority is waiting for roofing bids to be returned

Receipts and Expenditures

See attached Financial Statement

Property Transactions:

The WCDA obtained no new property this year.

Proposed and Projected Activities

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

With continued support from the Washington County Council of Governments' Brownfield Program, the Authority plans to attempt to raise funds to pay for needed clean up and renovation to some of its property.

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

Recommendations

1. The Authority has no requests or recommendations from the Legislature at this time.

Attachments:

Financial reports: WCDA Annual Income Statement

Respectfully submitted:

Betsy Fitzgerald, Chair

WASHINGTON COUNTY DEVELOPMENT AUTHORITY

	1/1/2020	\$61,986.85	
		Debits	Credits
Crafted Downeast LLC	1/4/2020		\$700.00
Look's January rent	1/2/2020		\$4,400.00
McGuire Seasonal Services	1/8/2020	\$1,000.00	
SCEC	1/13/2020	\$220.00	
Emera Maine	1/15/2020	\$132.36	
Interest	1/31/2020		\$2.79
Look's February rent	2/3/2020		\$4,400.00
McGuire Seasonal Services	2/6/2020	\$1,000.00	
SCEC	2/6/2020	\$107.40	
Jessiman rent	2/10/2020		\$250.00
Emera Maine	2/14/2020	\$128.21	
Bold Coast EcoPark LLC	2/27/2020	\$3,616.59	
Look's March rent	3/2/2020		\$4,400.00
Jessiman rent	3/2/2020		\$125.00
SCEC	3/6/2020	\$120.00	
Crafted Downeast LLC	3/10/2020		\$700.00
Jessiman rent	3/10/2020		\$125.00
Emera Maine	3/12/2020	\$128.21	
Bold Coast Plumbing/Heat	3/26/2020	\$3,200.00	
Bold Coast EcoPark LLC	4/1/2020	\$4,151.42	
Look's April rent	4/1/2020		\$4,400.00
McGuire Seasonal Services	4/7/2020	\$1,000.00	
Emera Maine	4/13/2020	\$128.21	
Look's May rent	5/1/2020		\$4,400.00
Jessiman rent	5/1/2020		\$125.00
Crafted Downeast LLC	5/4/2020		\$200.00
Emera Maine	5/11/2020	\$128.21	
Crafted Downeast LLC	6/2/2020		\$200.00
Look's June rent	6/2/2020		\$4,400.00
Jessiman rent (for June)	5/27/2020		\$125.00
Emera Maine	6/9/2020	\$128.21	
McGuire Seasonal Services	6/17/2020	\$466.66	
SCEC	6/22/2020	\$280.00	
Sealander Architects	6/22/2020	\$375.00	
Look's July rent	7/1/2020		\$4,400.00
Jessiman rent (for July)	7/1/2020		\$125.00
McGuire Seasonal Services	7/13/2020	\$466.66	
Emera Maine	7/14/2020	\$128.71	
Look's August rent	7/31/2020		\$4,400.00
Jessiman rent (for August)	7/31/2020		\$125.00
MMG Insurance	8/3/2020	\$554.00	
Crafted Downeast LLC	8/7/2020		\$200.00
Versant Power	8/12/2020	\$130.58	
Look's September Rent	9/4/2020		\$4,400.00
Crafted Downeast LLC	9/4/2020		\$700.00

WASHINGTON COUNTY DEVELOPMENT AUTHORITY

Jessiman rent (for September)	9/4/2020		\$125.00
Versant Power	9/9/2020	\$128.71	
McGuire Seasonal Services	9/9/2020	\$466.66	
McGuire Seasonal Services	10/6/2020	\$466.66	
Jessiman rent (for October)	10/6/2020		\$125.00
Crafted Downeast LLC	10/13/2020		\$1,700.00
MVNO	10/14/2020		\$176.40
Versant Power	10/14/2020	\$112.35	
Schoodic Ins. Services	10/23/2020	\$1,036.18	
Look's Oct-Nov rent	10/23/2020		\$8,800.00
		Expenses	Income
Jessiman rent (for Nov)	11/2/2020		\$125.00
Crafted Downeast LLC	11/2/2020		\$1,200.00
Hanscom's Construction	11/2/2020	\$2,004.55	
Versant Power	11/10/2020	\$112.35	
McGuire Seasonal Services	11/10/2020	\$466.66	
SCEC	11/24/2020	\$240.00	
Look's December rent	11/30/2020		\$4,400.00
Crafted Downeast LLC	12/1/2020		\$1,200.00
Jessiman's rent (for Dec)	12/1/2020		\$125.00
Versant Power	12/8/2020	\$112.35	
McGuire Seasonal Services	12/8/2020	\$1,000.00	
McGuire Seasonal Services	1/11/2021	\$1,000.00	
Crafted Downeast LLC	1/11/2021		\$1,200.00
Jessiman's rent (for Jan)	1/11/2021		\$125.00
Crafted Downeast LLC (new)	1/11/2021		\$500.00
Balance 11/30/2020			\$98,162.98