

MAINE STATE LEGISLATURE

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Kingfish Maine

Ex-Officio

Betsy Fitzgerald
Secretary
Washington County
Commissioners

Representative Will Tuell
Washington County Legislative
Delegation



January 20, 2022

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

Ms. Susanne Gresser
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, Ms. Gresser, 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 2020-2021 Annual
Report to the Legislature on behalf of the Washington County Development
Authority (WCDA).

SCEC is a nonprofit organization that works to create jobs and prosperity in
Washington County; we are also the economic development arm of Washington
County government. 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.

The former U.S. Navy Base in Cutler is comprised of roughly 20 acres and
five commercial buildings comprising 75,000 square feet. The Authority is
working to bring these facilities back into productive use. In 2021, the WCDA
procured by competitive bid the services of Roof Systems of Maine to repair and
improve drainage from the warehouse roof. The Authority was also awarded a
grant of \$500,000 from the U.S. EPA Brownfields Program to clean up
contamination at the former recreation building.

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

Sincerely,

A handwritten signature in black ink that reads "Charles J. Rudelitch".

Charles J. Rudelitch, Esq.
Executive Director
Enclosure: 2020-2021 Annual Report

Washington County Development Authority

ANNUAL REPORT October 1, 220 – September 30, 2021

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, 2021.

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 (Macbiasport), Renee Gray (Addison), Julie Jordan (Jonesport), Ron McAlpine (Crawford), Lewis Pinkham (Milbridge), and Lani Reynolds (Northfield). 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). For the reporting period Heron Weston has not participated in the Authority, nor has he given a resignation. 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 seven Trustees.

Operations and Activities

The WCDA Trustees scheduled 11 regular meetings from October 2020 to September 2021. 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 PCBs in the building. An EPA Clean Up Grant in the amount of \$500,000 has been awarded to the authority and work will start on the Recreation Building in 2022. The Authority is now waiting to hear whether an additional EPA grant for cleanup of the Administration Building will be 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 continues to lease space to Look's Gourmet Food Company, Inc and Crafted Downeast, LLC. The Authority contracted by competitive bid with Roof Systems of Maine and to repair the Warehouse roof and improve the drainage at the Warehouse. The work was completed in October 2021 at a total cost of \$23,065.50.

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 as resources are slowly becoming available for certain areas of the base, however, there continues to be a lack of resources for the base as a whole. The Authority received an EPA Grant of \$500,000 for the clean-up of hazardous materials and degradation of the Recreation Building. Work on the Recreational Building will commence in 2022. Also, the Authority anticipates a retrofit of the abutting building to the Warehouse into large freezers for a Warehouse tenant. 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.

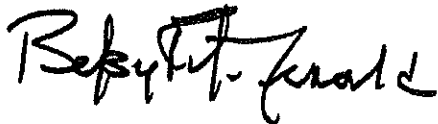
Recommendations

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

Attachments:

Financial reports: WCDA Annual Income Statement

Respectfully submitted:

A handwritten signature in black ink that reads "Betsy Fitzgerald". The signature is written in a cursive, flowing style.

Betsy Fitzgerald, Chair

Washington County Development Authority

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
	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
	12/8/2020	\$112.35	
McGuire Seasonal Services	12/8/2020	\$1,000.00	
Balance 12/31/2020			\$97,925.49
Beginning Balance 2021			\$97,925.49
		Expenses	Income
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
	1/20/2021		\$115.17
		Expenses	Income
Look's January rent	2/5/2020		\$4,400.00
Jessiman's rent (for Feb)			\$125.00
McGuire Seasonal Services	2/5/2021	\$1,000.00	
Crafted Downeast LLC	2/8/2021		\$800.00
Versant Power	2/16/2021	\$128.31	
Look's March rent	3/4/2021		\$4,400.00
Jessiman's February rent	2/26/2021		\$125.00
Crafted Downeast LLC	2/26/2021		\$800.00
McGuire Seasonal Services	4/8/2021	\$1,000.00	
		Expenses	Income
Look's April rent	4/5/2021		\$4,400.00
Jessiman rent for April	3/25/2021		\$125.00

Crafted Downeast LLC	4/1/2021		\$800.00
McGuire Seasonal Services	3/8/2021	\$1,000.00	
Versant Power	3/16/2021	\$128.31	
McGuire Seasonal Services	4/8/2021	\$1,000.00	
Versant Power	4/12/2021	\$128.31	
SCEC	4/15/2021	\$760.00	
Jessiman rent for May	4/26/2021		\$125.00
Crafted Downeast LLC	4/30/2021		\$800.00
		Expenses	Income
Jessiman rent for June	5/24/2021		\$125.00
Crafted Downeast LLC	5/26/2021		\$800.00
McGuire Seasonal Services	5/24/2021	\$466.66	
Look' May rent	5/54/2021		\$4,400.00
Look's June rent	5/26/2021		\$4,400.00
Versant Power	6/10/2021	\$128.31	
McGuire Seasonal Services	6/10/2021	\$466.66	
Crafted Downeast LLC	6/24/2021		\$800.00
Jessiman July rent	6/24/2021		\$125.00
Look's July rent	6/30/2021		\$4,400.00
		Expenses	Income
Versant Power	7/15/2021	\$127.99	
MMG Insurance	7/30/2021	\$554.00	
Jessiman August rent	7/30/2021		\$125.00
Crafted Downeast LLC	7/30/2021		\$800.00
Look's August rent	7/30/2021		\$4,400.00
		Expenses	Income
MaineToday Media	8/9/2021	\$195.80	
McGuire Seasonal Services	8/9/2021	\$466.66	
Betsy Fitzgerald	8/18/2021	\$453.00	
Postmaster	8/26/2021	\$55.00	
		Expenses	Income
	8/31/2021		\$4,400.00
Jessiman September rent	8/31/2021		\$125.00
Crafted Downeast LLC	9/7/2021		\$900.00
McGuire Seasonal Services	9/15/2021	\$466.66	
Versant Power	9/15/2021	\$126.93	
Roof Systems of Maine	9/27/2021	\$17,845.00	
Schoodic Ins. Services	9/27/2021	\$905.37	
Look's October rent	9/30/2021		\$4,400.00
Jessiman October rent	9/30/2021		\$125.00
Crafted Downeast LLC	9/30/2021		\$900.00
Versant Power	10/13/2021	\$123.96	
McGuire Seasonal Services	10/13/2021	\$466.66	

Roof Systems of Maine	10/18/2021	\$5,220.50	
		Expenses	Income
Versant Power	11/10/2021	\$123.13	
McGuire Seasonal Services	11/12/2021	\$1,000.00	
Jessiman Nov.rent	11/10/2021		\$125.00
Crafted Downeast LLC	11/18/2021		\$1,800.00
Look'sDecember rent	12/2/2021		\$4,400.00
Jessiman December rent	11/30/2021		\$125.00
McGuire Seasonal Services	12/6/2021	\$1,000.00	
Jessiman rent	12/27/2021		\$125.00
Look's January rent	12/31/2021		\$4,400.00
Balance	10/29/2021		\$118,036.60