

# MAINE STATE LEGISLATURE

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RH Foster, Inc

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Cooperative

Dee Sabattus  
United South and Eastern Tribes

Renee Gray  
Town of Lubec

Susan Mingo  
Washington County Community  
College

**Ex-Officio**

Betsy Fitzgerald  
**Secretary**  
Washington County  
Commissioners



January 24, 2023

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 2021-2022 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 prosperity 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.

The WCDA continued its incremental work to restore the form the former Cutler Naval Base to productive use.

As indicated in the enclosed report, the WCDA procured GR Roofing LLC to replace the roof on the Base's Chapel Shop and Workshop. Seavee & Mahar Engineering were procured to take samples for hazardous materials for the DEP and EPA. WCDA did not make any significant contributions or changes to policies and procedures in the past year.

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

Sincerely,



Charles J. Rudelitch, Esq.  
Executive Director  
Enclosure: 2021-2022 Annual Report



# Washington County Development Authority

ANNUAL REPORT October 1, 2021 – September 30, 2022

## 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 120<sup>th</sup> 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), Heron Weston (Eastport), 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). The WCDA set monthly meetings on the third Monday of every month at 1:00 pm. During this period, all meetings were held virtually using the Zoom platform.

The Authority can have up to 13 voting members. At this point, there are 7 Trustees. The Authority would like to increase board membership, and will work with Sunrise County Economic Council to provide a list of potential Trustees to the Governor.

### **Operations and Activities**

The WCDA Trustees scheduled ten (10) regular meetings from October 2021 to September 2022. 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 and book keeping services.

The Authority used support from the Washington County Council of Governments Brownfields Program to evaluate the potential hazardous materials and degradation to the buildings under previous ownership. An environmental engineer's report has identified lead paint and PCBs in the recreation and administration buildings.

An EPA Clean Up Grant was awarded to the Authority in 2021. The EPA required more testing on the Recreation Building in 2022. The Authority accepted a bid from Seavee and Mahar Engineering to conduct the required tests. More hazardous materials were found than were expected through the tests. The Authority is now working on possible cleanup processes with the EPA, and the US Navy has been successfully contacted and will be assisting for the funding to help with the cleanup of the Rec Building. Work should begin spring of 2023.

The Authority is seeking additional funding for cleanup of the Administration Building, and the building remains secured until repairs can be made.

The Authority accepted the roofing bid from GR Roofing LLC to replace the roof of the Chapel shop and Workshop. The work was finished in a timely manner during this calendar year, 2022.

New doors are also needed on the Warehouse and the Chapel. The Authority has put this project out to bid and has found the cost to be a barrier, \$10,000 is the lowest bid that has been received. The Authority continues to look for a reasonable bid and additional funding.

During the year, the Authority had continued to manage the commercial buildings at the de-commissioned Cutler Base. The WCDA continues to lease space for several small Maine businesses and all of the space that can be leased on the Base at this time is full. The whole Public Works building has been rented and the Authority is also continuing to receive inquiries about when additional space will be finished.

### **Receipts and Expenditures**

See attached Financial Statement

## **Property Transactions:**

The WCDA did not sell or buy real estate this year.

## **Proposed and Projected Activities**

The Authority intends to continue its work to redevelop the former Cutler Navy Base as resources become 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 was planned commence in 2022. However, additional testing that the EPA needed pushed this date out until the spring of 2023.

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.

The Authority will apply to the Brownsfields Program again in the upcoming year and plans to continue attempts to raise funds to pay for needed cleanup and renovation to some of its property.

The Authority continues seeking new tenants to fill upcoming vacant commercial space as the base receives additional repairs and continue contact with perspective businesses.

## **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**  
Statement of Revenues and Expenditures - Detail  
From 10/1/2021 Through 9/30/2022

	Current Period Actual
Operating Revenue	
Investment Income	
Other Income	26.85
	71,700.00
Total Operating Revenue	71,726.85
Total Revenue	71,726.85
Expenditures	
Program Expenses	
Professional Fees	72,546.38
Occupancy	1,622.34
Maintenance & Repairs	2,012.48
Miscellaneous	9,266.62
	1,959.37
Total Expenditures	87,407.19
Net Revenue Over Expenditures	(15,680.34)

**Washington County Development Authority**

Balance Sheet

As of 9/30/2022

	<u>Current Year</u>	<u>Prior Year</u>	<u>Current Year % Change</u>
<b>Assets</b>			
Current Assets			
Cash & Cash Equivalents			
Checking Account	<u>173,614.24</u>	<u>0.00</u>	<u>100.00</u>
Total Cash & Cash Equivalents	<u>173,614.24</u>	<u>0.00</u>	<u>100.00</u>
Total Current Assets	<u>173,614.24</u>	<u>0.00</u>	<u>100.00</u>
Total Assets	<u>173,614.24</u>	<u>0.00</u>	<u>100.00</u>
<b>Liabilities</b>			
Short-term Liabilities			
Accounts Payable			
Accounts Payable	<u>1,014.82</u>	<u>0.00</u>	<u>100.00</u>
Total Accounts Payable	<u>1,014.82</u>	<u>0.00</u>	<u>100.00</u>
Total Short-term Liabilities	<u>1,014.82</u>	<u>0.00</u>	<u>100.00</u>
Total Liabilities	<u>1,014.82</u>	<u>0.00</u>	<u>100.00</u>
<b>Net Assets</b>			
Beginning Net Assets			
Net Assets	188,279.76	0.00	100.00
Current YTD Net Income			
Total Current YTD Net Income	<u>(15,680.34)</u>	<u>0.00</u>	<u>(100.00)</u>
Total Net Assets	<u>172,599.42</u>	<u>0.00</u>	<u>100.00</u>
<b>Total Liabilities and Net Assets</b>	<u>173,614.24</u>	<u>0.00</u>	<u>100.00</u>