MRRA

Midcoast Regional
Redevelopment Authority

January 28, 2025

The Honorable Janet T. Mills
Governor of the State of Maine
State House Station #1
Augusta, Maine 04330

Subject: Annual Report of MRRA for the year ending December 31, 2024

Dear Governor Mills:

Pursuant to 5 MRSA §13083-S, I am writing to update you on the activities of the Midcoast Regional Redevelopment Authority (MRRA) and the remarkable transformation of the former Naval Air Station Brunswick and its Topsham Annex.

The Midcoast Regional Redevelopment Authority, a component unit of the State of Maine, is a municipal corporation created by Maine law, 5 MRSA §13083-G, and charged with the responsibility to acquire and manage property at the former Naval Air Station Brunswick (NAS Brunswick) and the Topsham Annex and to facilitate the rapid redevelopment of properties in order to recover from economic and employment loss as a result of base closure. The first meeting of the MRRA Board of Trustees was held on September 27, 2007.

As the following key performance indicators illustrate, the NAS Brunswick redevelopment effort is proceeding on the course originally envisioned by the Reuse Master Plan; at a much faster pace than originally projected. We have clearly established Brunswick Landing as *Maine's Center for Innovation* and an incredible asset for the growth of both the Mid-coast and Maine economy. Some of the key success metrics of the redevelopment effort since the base closure include:

Redevelopment Achievements

- ***One hundred thirty-two public and private entities*** now call Brunswick Landing and the Topsham Commerce Park home. Nearly 40% of these entities did not exist in Maine before.
- ***2,287 new jobs*** have been created at Brunswick Landing to date. It should also be noted that there are 120 Maine Army National Guard members and 124 Marine Corps Reservists assigned to their units at Brunswick Landing bringing the ***total employment to 2,411.***
- TechPlace, our technology business incubator, is home to ***thirty-eight early-stage technology businesses, with 95 current employees.*** Resident businesses exist in all six target business sectors: aerospace, advanced materials, information technology, cleantech, and life sciences. To date, TechPlace has graduated twenty-five businesses nearly all of which have remained in Maine. Collectively those graduates have created 450 jobs.

Brunswick Landing
Maine's Center for Innovation
TOPSHAM Commerce Park
Brunswick Executive Airport
15 Terminal Road, Suite 200 ■ Brunswick, ME 04011 ■ 207-798-6512 ■ Email: info@mrra.us ■ www.mrra.us

- ***Over $272,555,464 in new taxable property valuation*** has been added to the property tax rolls in the town of Brunswick and $7,894,000 in Topsham. **This new valuation has generated new property tax revenues for FY 2025 in Brunswick of $6,500,447 and $98,675 in Topsham.**
- Since the approval of the Public Benefit Conveyance (PBC) and the signing of the Economic Development Conveyance (EDC) Purchase and Sale Agreement in 2011, ***the Navy has transferred 1,959.38 of the 2,257.92 acres*** we are slated to receive through deed transfer or Lease in Furtherance of Conveyance. MRRA has now received 969.72 (77.25%) of the 1,255.32 acres of the non-airport property and 989.66 (98.71%) of the 1,002.6 acres of airport land. The Navy did not transfer any property in 2024 to MRRA.
- Since 2011, MRRA has ***sold fifty-six buildings*** and 658.42 acres of land to twenty-two private sector developers and several individual businesses for active redevelopment purposes. This year MRRA sold 18.95 acres (lots 11A, 64 and 65) to Priority Real Estate of Tospham, Maine.
- MRRA and our partnership with Brunswick Landing MHC USA, LLC currently lease 133,021 square feet of the 141,653 square feet available or an ***occupancy rate of 94% in nine EDC acquired buildings and two buildings MRRA built.*** There are four other EDC buildings that serve utility needs totaling 770 square feet.
- There are currently ***1,470 housing units*** occupying the former base properties, 502 of which have been constructed since 2018, providing critical housing supporting the regional workforce.
- In 2024, Brunswick Landing Ventures completed construction of 118 new apartment units near the entrance of Brunswick Landing on Admiral Fitch Avenue, known as Atlantic Point.
- In 2024, Katahdin Property Management completed the construction of a 63-unit building off Admiral Fitch Avenue that contain advanced heat pumps, electric-vehicle chargers, underground parking and solar panels. A total of 20% of the units have been reserved for affordable housing.
- GreenTech Renewables, a national solar distribution company began construction of a 100,000 square foot building at Brunswick Landing just behind the Martin's Point Healthcare building. Construction is expected to be complete in the fall of 2025.

A. Description of the Authority's Operations

The year 2024 was another busy, challenging and successful year for MRRA. MRRA continues to work hard to enhance the redevelopment of Brunswick Landing to be a catalyst for the State's economic growth. Our business development efforts continue to focus on quality job creation in our targeted industries: aviation/aerospace, clean technology, composites, information technology, biotechnology, and education.

The Midcoast Regional Redevelopment Authority reached a number of important milestones in 2024. Consistent with MRRA's adopted *2024 Strategic Business Plan for Brunswick Landing and Topsham Commerce Park*, this past year's performance on those objectives includes the following accomplishments:

- On October 7 Executive Director Kristine Logan gave her notice to the Board of Trustees. Her final day of employment was October 18, 2024. In a statement from the Board, it noted that Kristine had been "an outstanding leader, guiding MRRA through a period of tremendous

growth and transformation and is highly respected by the Board, staff and many in the community."

- The Board of Trustees elected the following officers: Chair – H. A. Nichols, Vice Chair – John Peters, Treasurer – Jonathan Crasnick and Secretary – Barry Valentine at its October 10th Annual Meeting.
- The Board hired former Executive Director Steven H. Levesque as the Interim Executive Director to lead the response to the August 19 AFFF release and coordinate the recruitment effort for a new Executive Director.
- MRRA hired Daniel Knowles to work one day a week for MRRA as a Financial Process Manager. Daniel is the CFO of the Brunswick Topsham Water District (BTWD) and has an extensive background in writing financial and data management software programs to assist MRRA in streamlining its financial management system, including utility meter reading and billing. Hired Margaret Dwinal, a recent graduate Scared Heart College of as the new Administrative Assistant at TechPlace.
- In January of 2024, the Midcoast Charitable Foundation of Maine, a 501(c)(3) subsidiary of MRRA provided $35,000 in grants to fourteen local area not for profit agencies. This brought the total grants awarded by the Charitable Foundation in its thirteen-year history to $163,702.
- Launched a completely new and updated website in 2024 moving from www.mrra.us to www.brunswicklanding.us.

In FY 2024, MRRA signed the following new leases:

- Maine Instrument Flight
- Maine Space Corporation
- Newton Dynamics
- Tri-mont Engineering

And Brunswick Landing Realty Development Corporation signed the following eight new User Agreements for space in *TechPlace* in 2024:

- Bird Dog Innovations
- Casey Warner
- Fathom Fishing, Inc.
- Ickes Group, LLC
- Merrymeeting Shellfish Company, LLC
- Ocean Innovation Eco Solutions, LLC
- Promin Aerospace
- Spruce Enterprises LLC d/b/a LAM Inflatables


Mainebiz

From the Cold War to high tech: Behind the scenes at TechPlace, Brunswick's business incubator

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TechPlace has been a valuable resource in growing Maine's economy having graduated the following twenty-five businesses since its creation:

- Altha Technology
- AO Cyber Security
- Arcadia Alliance
- Atayne
- BluShift Aerospace
- Captive Drone
- Fiddlehead Designs
- Go Babe
- Griffin LLC
- Harbor Technologies
- InSphero Manufacturing
- JMH Associates LLC
- Maritime Surveillance Associates
- Mobility Technologies
- Plant & Flask
- Running Tide
- Savoie Composite Solutions
- STARC Systems
- TanBark, LLC
- The Maine Extraction
- Thrivant Health
- VALT Enterprises, Inc.
- Village Green Ventures
- Vivid Cloud Development Services
- Wireless Sensor

Brunswick Executive Airport

- Since its inception in 2011, Brunswick Executive Airport (BXM) has played a key role in supporting the regional and state aviation needs. BXM has become an integral asset to Maine's aviation system and an important base for the future growth and development of Maine's aerospace future. In 2024, flight operations have totaled just over 25,000. The large runways, ramps, and hangars make the airport an appealing place for aviation related companies to fly, work and train, the small town feel and welcoming accommodations make it a preferred destination for private travelers. Target sectors for BXM include large aircraft maintenance, general aviation, flight training, advanced aviation mobility, new space and aerospace research and development.

- MRRA manages twenty buildings at Brunswick Executive Airport (BXM) acquired through a Public Benefit Conveyance from the Navy and two additional hangar facilities MRRA constructed (Hangar 7 and T-Hangars). A total of 793,421 square feet is available to rent. MRRA leases 489,222 square feet with an occupancy rate of 61%.

- This fiscal year the Brunswick Executive Airport was awarded $779,891 from the Federal Aviation Administration and a state match of $43,327.28 from the Maine Department of Transportation to fund the following projects:

		Federal	*MaineDOT*
AIP 049	Bi Partistain Infrastrucxture Legislation (Airport Master Paln Update)	$216,573.00	$12,031.83
AIP 050	AIP Share (Airport Master Plan Update)	$134,508.00	$7,472.67
AIP 051	Design of Customs Faciliy	$428,810.00	$23,822.78
		$779,891.00	**$43,327.28**

- The Great State of Maine airshow returned to Brunswick on August 3 and 4 bringing with it an excitement and economic impact that will carry beyond the Brunswick area with over 20,000 spectators. The increase in flight operations and fuel sales have several contributing

factors. Several flight schools located at BXM, increased corporate and private traffic, and the aircraft maintenance facilities to name a few.

- To date, MRRA, the Federal Aviation Administration, and MaineDOT have invested $14.5 million in the transition of a former military airfield into a general aviation airport and over $20.2 million in upgrading airport buildings to grow the aviation and aerospace industries in Maine including the construction of a ten-unit T-Hangar building and a 15,867 square foot box hangar.

- Brunswick Executive Airport is the home to the Maine Space Corporation and the University of Maine at Augusta's (UMA) aviation campus, which hosts crewed and un-crewed pilot flight programs, and an aviation maintenance technician program. Plans are underway to start an air traffic control school program, utilizing the Navy's former air traffic control facility.

- In 2022, the University of Maine at Augusta and MRRA partnered in a successful $400,000 Congressional Direct Spending Earmark to establish the state's first FAA certified Aircraft Maintenance Technician School housed in Hangar 6. The AMTS certificate program is a 5-semester, 55-credit-hour course that prepares students for the FAA Airframe and Powerplant Certification. The first class began in September of this year with twenty-five students.

- In 2023, MRRA received a $428,810 Congressional Direct Spend allocation to design and permit a small US Customs facility to support the needs of area businesses, colleges and visitors.

- In 2024, MRRA engaged Dubois & King to assist in the update of BXM's Airport Master Plan, which involves substantial public engagement.
- Completed the installation of six new hangar doors for Hangar 6 which were damaged during the winter storms of January 2023. Completed the installation of new fire alarm panels in TechPlace and hangar 5 and foam panel in Hangar 6.
- Completed the Customs and Border Protection Feasibility Study prepared by McFarland Johnson which was determined to be feasible as a User Fee Airport for Customs. A customs facility at Brunswick Executive Airport will assist in stimulating further economic growth by facilitating the flow of goods and services across our borders, supporting businesses, creating jobs, and boosting tourism and local economies.
- Completed the demolition of Building 9 on the corner of Admiral Fitch and Orion and the Dyers Gate, the former southern gate for NAS Brunswick.
- The Airport Master Plan Update began this fall, which is being led by the engineering firm of Dubois King.

Environmental Management and Conservation

- MRRA actively manages its properties in an environmentally sensitive manner, with a focus on sustainability and using "smart growth" principles. It works closely with the communities, the US Navy, the Maine DEP, the EPA and others to manage the environmental remediation program of the former base and is engaged in active future planning activities. 100% of the

electric power on the Brunswick Landing campus is derived from renewable sources, with several on -campus sources.

- Remediation of the former Picnic Pond stormwater retention system by dredging contaminated soils containing chemical of concern in Ponds A and B and Picnic Pond by the United States Government Navy BRAC Office was completed in June.
- In October, the Navy completed the annual Land Use Control (LUC) inspections at Brunswick Landing to assure that property owners are in compliance with the LUCs as directed by the Navy and US EPA's Finding of Suitability for Transfer (FOST) and Record of Decision.
- Over 1,200 acres of land with frontage on Harpswell Cove has been reserved for conservation and recreation purposes through a Public Benefit Conveyance to the Town of Brunswick through the Department of Interior. An additional 188 acres on the West side of the former base (adjacent to the Brunswick Commons) are being transferred to the Town of Brunswick for open space and passive recreation purposes.

Utilities and Infrastructure

- MRRA inherited a significant bundle of utility and infrastructure systems from the Navy, including: 27 miles of roadways, streetlight and stormwater systems; 17 miles of water and wastewater pipes and multiple related pump stations; and over 15 miles of electric lines, poles and transformers. Since 2012, MRRA has invested more than $9.83 million in utilities and other public infrastructure.
- On July 21, 2021, MRRA became a regulated public electric utility per order of the Maine Public Utilities Commission. Electric power provided to Brunswick Landing customers comes from 100% renewable energy sources. In Q1 2024, Viridi acquired a legacy biosolids digester plant at Brunswick Landing with the intent to transform the site into an industry-leading waste-to-RNG facility. In January of 2019, a $3 million 1.5-megawatt solar farm owned by Diversified Communications began generating electricity for the campus. The solar farm is currently generating about 12% of the energy needs of the campus. The Brunswick Landing Electric Utility purchases the balance of its energy supply under a contract for renewable energy with NextEra Energy.
- In June of 2019, MRRA transferred the entire gravity sanitary sewer system to the Brunswick Sewer District. In December of 2021 MRRA finished the reconstruction of three sanitary sewer pump stations (Theater Lift Station, Public Works Lift Station and Hangar 6 Lift Station) at a cost of $1.47 million and transferred these new facilities and over 9,505 feet of sanitary sewer gravity mains over to the Brunswick Sewer District. This year MRRA transferred the Woodland Pump Station valued at $981,251 to the Brunswick Sewer District on January 1, 2024 and the Mariner Pump Station valued at $992,144.76 on June 30, 2024. MRRA is now officially out of the sanitary sewer collection business.
- Since October 1, 2011 MRRA has operated a potable water distribution system. The water utility today serves 188 water customers. On November 4, 2024, the MainePUC issued an order that the Authority to file within 120 days a rate schedule and terms and conditions, for any water service provided by the Authority and become a regulated public water distribution service.

- MRRA has a pending $4,500,000 CDS request to upgrade Admiral Fitch Avenue and Orion Street for transfer to the Town of Brunswick. This request has been approved by the Senate Appropriations Committee and is now awaiting full congressional approval.
- Prepared and submitted a Ten-Year Climate Action Plan to the MainePUC that included specific actions for addressing the expected effects of climate change on the utility's assets needed to transmit and distribute electricity to its customers on behalf the Brunswick Landing Electric Utility District in compliance with 35-A MRSA§3146.
- In October, Crooker Construction began work on the Katahdin Project to extend water and sewer utilities to approximately fifteen acres of developable land. Starc Systems, a graduate of TechPlace, will be constructing a new 100,000 square foot manufacturing facility to manufacture innovative temporary containment wall systems that eliminate the disruption of renovation project.
- Performed quarterly inspections of our Stormwater Pollution Prevention Plan.

August 19 Aqueous film-forming foam (AFFF) Release in Hangar 4

One the morning of August 19, 2024, a fault in the fire suppression system at hangar 4 triggered an accidental release of 1,450 gallons of aqueous film-forming foam (AFFF) mixed with approximately 50,000 gallons of water. AFFF is a National Fire Protection Association approved fire suppressant used to fight flammable liquid fires. It is made by combining fluorinated surfactants with foaming agents, and when mixed with water, it creates a film that cuts off oxygen to the fire. AFFF contains PFAS (per- and polyfluoroalkyl substances), toxic chemicals known to negatively impact human health and do not easily break down in the environment, waterways, wildlife, or human bodies. PFAS are linked to negative health impacts in humans, including cancer.

Clean up began immediately under the direction of the Maine Department of Environmental Protection, the United States Environmental Protection Agency Region 1 office, the United States Coast Guard, the Brunswick Fire Department and MRRA staff under a Unified Command structure working with our environmental clean-up contactors, Clean Harbors and Republic Services. The Unified Command reviewed possible mitigation strategies and determined that it would use foam removal as the primary recovery method. Operations were laid out for cleanup of the hangar, the three affected planes, TechPlace affected industrial spaces, hangar office spaces, and discharges that entered into the sanitary sewer collection system through the oil/water separator, stormwater drains and stormwater retention ponds. Four vacuum trucks were also sent to remove foam from the surface water detention ponds affected by the spill, and any water collected during the response that was affected by PFAS was sent off to an EPA certified disposal facility.

In response to this incident MRRA worked to complete the following tasks:

- Continued to work with Navy, US EPA and Maine DEP on PFAS issues, including testing results, state and federal action protocols and potential short and long-term solutions. Held discussions with staff of Brunswick Fire Department and State Fire Marshall's office on risk assessment and long-term fire suppression solutions.
- Received confirmation from the Brunswick Fire Department that the plan of corrective actions for hangar fire suppression in hangars is complete.
- Retained Poole Fire Protection Associates of Olathe, Kansas to conduct a Route Cause Analysis regarding the AFFF release in Hangar 4. Results are expected in February.

- ❑ Engaged Poole Associates to a full Risk Assessment and of Hangars 4, 5 and 6 and to develop an interim monitoring plan for those hangars. Held kick-off meeting with company early December and stakeholders and staff and tenants. Currently working with hangar tenants to respond to a 29-page questionnaire to assist Poole Associates with its analysis. Poole is expecting to conduct a site visit and walk-through the week of January 27.
- ❑ Responded to the October 1 Request for Information Pursuant to Section 308 of the Clean Water Act from the United States Environmental Protection Agency on December 16 in a sixteen-page letter and more than six hundred pages of documentation.
- ❑ On September 30, 2024, Senators Angus King and Susan Collins and Representative Chellie Pingree sent a letter to Navy Secretary Carlos Del Toro asking for assistance in the cleanup at Brunswick Executive Airport.
- ❑ Since MRRA acquisition of the airport in 2011 and the emergence of PFAS containing chemicals as an "emerging containment" MRRA has, on multiple occasions, sought guidance from the EPA, MEDEP, FAA and US Navy on how best to address the AFFF systems in the hangars and PFAS on campus.[1]
- ❑ Engaged Sevee and Mahar Engineers, Inc. (SME) to aid MRRA staff in updating MRRA's current Stormwater Pollution Prevention Plan (SWPPP) and to develop a specific PFAS Spill Prevention, Control and Countermeasure (SPCC) plan for the hangars at the Brunswick Executive Airport to address new management protocols for AFFF releases. This protocol is expected to be the first of its kind in the State of Maine and possibly the nation. Also continued to seek guidance recommendations from USEPA, Maine DEP, the US Coast Guard, and the US Navy and others on national PFAS spill management protocols and best management procedures.
- ❑ Working with Safespill representatives of Houston, Texas on refining a project proposal and exploring funding solutions for new fire suppression technology that does not require AFFF. Safespill, is a leader in environmentally safe fire protection systems utilizing a flooring system, also known as an ignitable liquid drainage floor assembly, that extinguishes aviation related fires without the use of foam. In 2022 the National Fire Protection Association (NFPA) amended Code 409 related to Industry Standard on Aircraft Hangars to add Ignitable Liquid Drainage Floor Assemblies as an approved fire suppression technology in lieu of foam in airport hangars.
- ❑ The Navy completed the removal of the balance of AFFF from Hangar 4 on November 6, 2024.
- ❑ Actively seeking funding opportunities for AFFF replacement technologies from federal and state entities including a request to the Federal Aviation Administration for an emergency reentry request into the Military Airport Program to provide funding for the removal of AFFF at the Brunswick Executive Airport. Also sent an appropriation request to Governor Mills on

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[1] See Brunswick Executive Airport Stormwater Pollution Prevention Plan, December 2021 regarding MRRA's identification of PFAS and partnership with the Navy to install a granulated activated carbon filter system for treatment of PFAS contaminated groundwater discovered during construction activities. See MRRA letter of October 20, 2019 to Department of Navy regarding Final Sediment Study on the four stormwater retention ponds raising the concern of the emerging containment (PFOS and PFOA), See MRRA letter of September 29, 2020 to MaineDEP requesting a partnership on the development of restoration plan for the stormwater retention system and request to evaluate the contaminant of concern, PFAS. See MRRA letter of February 1, 2023 to Navy BRAC PMO Office requesting the redirection of EDC Covenant payments to the Navy by MRRA instead to PFOS/PFOA clean up issues at Brunswick Landing.

October 28 seeking assistance on removing AFFF from hangars at BEA and providing newer and safer fire suppression technology at Brunswick Executive Airport.

- ❑ Meetings have been held with Maine Congressional delegation staff providing them with information regarding the AFFF discharge and requested a letter of support for MRRA's application to reenter the FAA Military Airport Program.

- ❑ On December 26, Interim Executive Director, Steve Levesque sent a communication to Senate President Mattie Daughtry, Representative Daniel Ankeles and Representative Poppy Arford recommending that the Brunswick legislative delegation sponsor legislation to fund the recommendation coming out the State PFAS Task Force Report (January 2020)[2] for a state wide bond issues to assist Maine airports and fire departments in removing AFFF. On March 6, 2019 Governor Janet Mills created the Governor's Task Force on the Threats of PFAS Contamination to Public Health and the Environment, five years before PFAS was designated as a CERCLA contaminant. The Task Force

- ❑ As a steward of the facilities and environment at Brunswick Landing MRRA has raised its concern about the presence of PFAS/PFOA in its hangars and legacy contamination on the property. On October 22, 2019, Deputy Director Jordan wrote a letter to Paul Burgio of the Navy BRAC office about the presence of PFOS and PFOA on campus, but not included or considered in the Picnic Pond Sediment Study.

  Eleven months later, Steve Levesque wrote a letter to MaineDEP Commissioner Melanie Loyzim proposing a partnership with US EPA, MaineDEP, Maine Department of Inland Fisheries and MRRA to develop a more comprehensive stormwater management program to address wholistically environmental stewardship.

  On February 1, 2023 Kristine Logan wrote a letter to Thuane Fielding, of the Navy BRAC office requesting the redirection of Navy Covenant Agreement payments to the Navy to allow MRRA to address the critical issue of PFOS and PFOA contamination. Ceasing these payments, she wrote would provide MRRA with the necessary funds to invest in cleanup of the soil and water, mitigation efforts needed to continue projects, and to begin the process of restoring the environment and protecting public health. As a result, MRRA would be able to make a meaningful impact on the community and demonstrate its commitment to the health and well-being of community members. None of these redirectional efforts were successful.

As of December 31, 2024, the total cost of invoiced work was $681,891.74 with MRRA having paid a total of $490,843.57 with payments to Clean Harbors, Republic Services, Sunbelt Rentals, Thayer Corporation, Floor Systems and Version. There is also an additional loss revenue with the impact on Hangar 4 tenant, Precision Aviation of $99,253.36 who vacated its lease of Hangar 4, bringing the total to the $781,145.10.

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[2] Maine PFAS Task Force, *Managing PFAS in Maine,* State of Maine, January 2020. On March 6, 2019 Governor Janet Mills created the Governor's Task Force on the Threats of PFAS Contamination to Public Health and the Environment, five years before PFAS was designated as a CERCLA contaminant. The Task Force recommended funding from appropriate State accounts should be utilized, to the extent it is available, to fund sampling of drinking water systems, and to fund the investigation of PFAS contamination that threatens Maine's citizens. The Task Force also recommended a that the State introduce a bond initiative to raise money for the costs for PFAS sampling, analysis, remediation, and drinking water treatment.

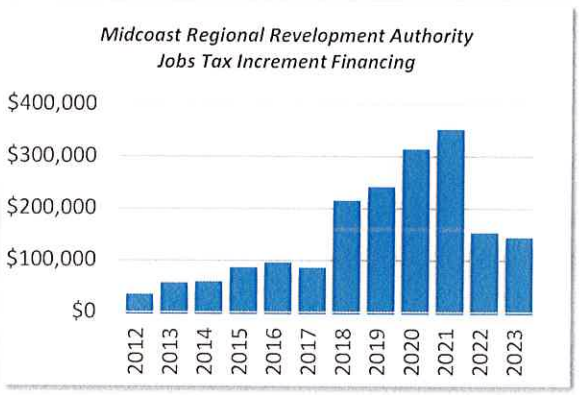
On January 8, 2025, the Maine Bureau of Risk Management provided a $250,000 insurance payment, the policy limit for environmental remediation and clean up under MRRA's insurance policy with the State of Maine.

B. *An accounting of the Authority's receipts and expenditures, assets and liabilities at the end of its fiscal year*

Please find attached an Unaudited Financial Report for the period ending December 31, 2024. Also, please find attached a copy of the audited Financial Statements for the period ending June 30, 2024. The audit was conducted by Runyon Kersteen and Ouellette. These documents were presented to the Office of the State Controller for inclusion in the State financial statements for the period ending June 30, 2024. MRRA received an unmodified (clean audit) opinion letter for a sixteenth consecutive year.

It should be noted that MRRA does not receive a direct state appropriation as part of the General Fund Budget. MRRA's funds come from revenues from property sales, leases, common area maintenance charges and utility customers.

In 2009 the Legislature amended our enabling statute and created the Brunswick Naval Air Station Job Increment Financing Fund. These funds have been an important resource in promoting the rapid and successful redevelopment of Brunswick Landing. A large portion of the funds collected from income taxes paid by employees of Brunswick Landing businesses for tax year 2022 were unexpectedly withheld from MRRA. The Maine Revenue Service and MaineDECD did not consider remote workers as eligible workers under the statute. This resulted in a substantial reduction in financial support. In 2022, the State of Maine provided $333,403.93 (tax year 2021); MRRA had projected and planned for a J-TIF revenue of $350,000 for 2023. Instead, the State made a payment of $134,311.71, due to the exclusion of remote workers hired by Brunswick Landing employers, which resulted in the elimination of a maintenance position at MRRA. This year, the appropriation dropped even further, down to $125,384.21.



Capital improvements projects are funded from a combination of aviation capital improvement funds from Maine DOT, the Federal Aviation Administration, tax increment financing revenue from the Town of Brunswick and revenues MRRA raises from property sales, leases, utility customers and common area maintenance charges.

In March 2013, the Town of Brunswick approved two tax increment financing (TIF) districts at Brunswick Landing. One district was designed to serve properties within the confines of the airport and a second district in the non-aviation area of the campus. The thirty-year TIF development program called for a revenue share of up to fifty percent of incremental tax revenue to invest up to a ceiling of $15 million for various infrastructure upgrades at Brunswick Landing. On November 4th the Brunswick Town Council approved a request of $1,629,900 in tax increment financing funding to support our annual capital improvement program, three credit enhancement agreements for aeronautical companies, and funding for a Fire Risk Assessment Study by Poole Fire Protection Company of Olathe, Kansas and a $23,206 General Fund appropriation to support the Poole Study.

C. *A listing of all property transactions pursuant to Section 13083-K*

On February 7, 2011, the Navy and MRRA signed the airport Public Benefit Conveyance (PBC) Agreement for 989.66 acres, including three large hangars, a number of aviation-related support buildings and revenue-producing facilities for the airport. Through subsequent amendments, the total expected PBC transfer is now 1,002.60 acres. The conveyance of title will come over time as properties that are determined to be suitable for reuse by the US EPA and MaineDEP through a Finding of Suitability to Transfer (FOST) and are then deeded from the Navy. Accordingly, not all the properties can be conveyed at the same time, but in phases as clean-up continues and FOSTs are issued. As of December 31, 2024, MRRA has received a total of 989.66 acres of airfield property and nineteen buildings containing 627,516 square feet. As a condition of transfer from the Federal Aviation Administration and the Navy, land and buildings within the Airport property cannot be sold. MRRA built a 10,000-square foot ten-unit T-Hangar and a 15,867 square foot box hangar. The Navy did not transfer any PBC property in 2024.

On September 14, 2011, the Navy signed a *Non-Binding Summary of the Acquisition Terms and Conditions for the Naval Air Station Brunswick, Maine by and between the United States of America and the Midcoast Regional Redevelopment Authority* (i.e., term sheet) for a total of 1,112 acres which would be transferred though an Economic Development Conveyance (EDC). Through subsequent amendments, the total expected EDC transfer is now 1,255.32 acres. MRRA has received through Quit Claim Deed or Lease in Furtherance of Conveyance 969.72 acres from the Navy. The Navy did not transfer any EDC parcels in calendar year 2024.

As part of the EDC Agreement, MRRA agreed to share annually with the Navy 25% of gross revenues from the sale or lease of EDC property after the receipt of the first $7.0 million. The revenue share remains in place until gross revenues reach $37.4 million. There is no revenue sharing in excess of $37.4 million and less than $42.4 million. The Authority is required to pay the United States Government 50.0% of gross real estate proceeds in excess of $42.4 million until September 29, 2034. Through FY 2023, MRRA has paid the United States Government $9,186,348.49. On November 6, MRRA requested the that the Navy accept a deferral on the EDC payment of $140,819.70 due to the cost of the AFFF release on August 19.

This year MRRA sold 18.95 acres (lots 11A, 64 and 65) to Priority Real Estate of Tospham, Maine.

All the remaining properties at the former NASB and Topsham Annex will be conveyed from the United States Government to MRRA once appropriate environmental clearances are obtained. It should also be noted that for properties within Brunswick Landing, if planned construction activities involve any soil displacement and/or potential contact with groundwater, the Navy, in consultation with USEPA and MaineDEP must provide approval before the Town of Brunswick will approve a construction permit. Applicants are required to complete the Brunswick Landing Construction Permission Request form available from the Navy or on the Permits and Applications page of the Town of Brunswick Planning and Development website. Completed forms are submitted to MRRA for initial review and then forwarded to the Navy for review and approval. The Navy then notifies MRRA when all permissions have been acquired. To date, fifty construction permit forms have been submitted and approved.

In 2020, the Navy installed a construction dewatering treatment system (CDWTS) to support construction activities by property owners at Brunswick Landing. Prior to treatment by the CDWTS, contractors are required to submit a treatment plan that is approved by the Navy, MEDEP, and USEPA. Since 2020 the system has treated 429,112 gallons of construction water.

Under CERCLA, if a remedial action results in CERCLA hazardous substances, pollutants or contaminants remaining at a site at levels that do not allow for unlimited use and unrestricted exposure, the site must be reviewed every five years by the Navy. Prior Five-Year Review Reports were signed in 2000, 2005, 2010, 2015, and 2020. The preparation of Sixth Five-Year Review Report was begun by the Navy in August. Per US EPA guidance, the review includes all CERCLA sites with signed RODs to ensure that implemented remedies remain protective of human health and the environment. Sites for the upcoming review will include Sites 1 & 3, Site 2, Site 7, Site 9, Site 12, Eastern Plume, Quarry Area, and the Picnic Pond Stormwater Retention System.

D. An accounting of all activities of any special utility district formed under Section 13083-L

On September 30, 2011, the Navy transferred all utilities on the base, including the electrical distribution system, the potable water distribution system, the sewer collection and pump station assets, stormwater collection system to MRRA.

Sanitary Sewer Collection System

On June 30, 2019, MRRA transferred the operation and sanitary sewer gravity collection system to the Brunswick Sewer District. With the completion of the upgrade to three sanitary sewer pump stations, MRRA transferred those facilities and over 3,900 linear feet of force mains to the Brunswick Sewer District on December 31, 2021. This year, MRRA transferred the recently completely reconstructed Woodland and Mariner's Sanitary Sewer Pump Stations to the Brunswick Sewer District completing the transfer of all sanitary sewer collection assets of MRRA to the District.

Brunswick Landing Electric Utility District

MRRA has been providing electrical distribution services at Brunswick Landing since 2011. In 2020, MRRA filed its Electrical Distribution Terms and Conditions to the Maine Public Utilities Commission to become a regulated municipal electric utility. The PUC approved our Terms and Conditions on July 21, 2021.

MRRA has been providing electrical distribution services at Brunswick Landing since 2011. In 2020, MRRA filed its Electrical Distribution Terms and Conditions to the Maine Public Utilities Commission to become a regulated municipal electric utility. The PUC approved our Terms and Conditions on July 21, 2021. With this order, the Midcoast Regional Redevelopment Authority had to move the July 1 fiscal year budget to a calendar year budget which began in January of 2023. The Brunswick Landing Electric Utility now serves 480 customers.

FirstLight is a customer of Brunswick Landing Electric Utility located at 14 Resilient Circle. On December 16, 2022, the Parties entered into an agreement by which MRRA would return a total of $1,213,067.99 in the form of cash and bill credits to FirstLight for what was believed to be an error running from June 2015 to June 2022, resulting from the application of an incorrect meter multiplier at the FirstLight Facility as reported in last year's notes to the Financial Statement and Management Discussion and Analysis Memorandum. Under that agreement, MRRA made a payment January 3, 2023, in the amount of $577,246.60 and then a monthly credit beginning January 1, 2023, in the amount of $48,103.89 per month for all of 2023 and a final payment credit of $58,576.71 in January of 2024. This would be funded by a loan from MRRA's Revolving Loan fund of $577,246.68 (seven year note at an interest rate of 4.0% with payments beginning July 1, 2023).

On December 14, 2023, MRRA notified FirstLight that it believed the assumptions forming the basis for the 2022 Settlement Agreement were incorrect, and that MRRA subsequently believed that two of the FirstLight Facility's three metered interconnections should have been billed at a meter multiplier of

600:1 rather than the 240:1 meter multiplier identified by MRRA in the 2022 Settlement Agreement. In the December 2023 Notice, MRRA indicated that it would seek to collect from FirstLight the difference between amounts billed at a meter multiplier of 240:1 for the prior twelve months as compared to what MRRA believed should have been billed at 600:1. The payment has been paid by First Light. The December 2023 Notice also indicated that MRRA was requesting full return from FirstLight of the amounts paid or otherwise credited to FirstLight under the 2022 Settlement Agreement. A Settlement Agreement was signed in November providing a supplemental monthly payment of $55,555.56 per month for eighteen months.

MRRA signed a Wholesale Transmission and Distribution Agreement with Central Maine Power Company in November which will be presented to the MainePUC in the first quarter of 2025. MRRA has also come to a tentative agreement with NextEra Energy to assume MRRA's Regional Network Service (RNS) load through its ISO-NE Settlement Account of Open Access Transmission Tariff (OATT). The Independent System Operator (ISO) New England[3] oversees the operation of New England's bulk electric power system and transmission lines, generated and transmitted by its member utilities. One of its major duties is to provide tariffs for the prices, terms, and conditions of the energy supply in New England.[2]manage determine the price, terms and conditions of Energy Supply in New England.

Brunswick Landing Water Utility

Since October 1, 2011 MRRA has operated a potable water distribution system. In 2021 MRRA became a Designated Operator of a Public Drinking Water System by the Department of Health and Human Service's Office of Drinking Water Division. On August 30, 2023, the Maine Public Utilities Commission initiated, pursuant to 35-A M.R.S. § 1303(2), a formal investigation into MRRA's water service operations at Brunswick Landing (Docket No. 2023-00209) to determine whether there were grounds for further investigation into MRRA's water operations, particularly whether MRRA was operating its water system as a "public utility," as that term is defined under 35-A M.R.S. § 102(22). The water utility serves 188 water customers. On November 4, 2024, the Commission issued an order that the Authority to file within 120 days a rate schedule and terms and conditions, for any water service provided by the Authority.

Brunswick Executive Airport

This year also marked MRRA's fifteenth year of operating a regional general aviation airport, which is becoming a great asset for the Midcoast region, with over 25,000 takeoffs and landings in 2024. Over a period of twelve years, MRRA received more than $33.4 million in grants from the Federal Aviation and MaineDOT to convert a military airfield into one of the state's largest general aviation airports. For the first ten years of operation, Brunswick Executive Airport participated in the FAA's Military Airport Program, funding the conversion of a military airfield into a civilian general aviation airport without having to compete with other airports in the competitive Airport Improvement Program capital funding. Beginning in 2020, the airport was transferred into the FAA's competitive Discretionary Grant Program.

E. A listing of any property acquired by eminent domain under Sec. 13083-N

[3] ISO-NE oversees the operation of New England's bulk electric power system and transmission lines, generated and transmitted by its member utilities. ISO-NE is responsible for reliably operating New England's 32,000 megawatt bulk electric power generation and transmission system. One of its major duties is to provide tariffs for the prices, terms, and conditions of the energy supply in New England.

No property was acquired by MRRA through its powers of eminent domain.

F. A listing of any bonds issued during the fiscal year under Sec. 13083-I

As part of the funding for the high-speed electric vehicle charging station, MRRA signed a five-year Promissory Note on February 21, 2024, with Maine Community Bank in the amount of $200,000 at 7.5% with payments that began in September. As of December 31, 2024 no principal had been drawn from the loan account. This loan was secured by a $200,000 deposit into a Certificate of Deposit at Maine Community Bank.

In 2020 MRRA had entered into three debt instruments. MRRA was approached by two tenants requesting larger rental space: Starc Systems and Vivid Cloud Development Services (formerly Here Engineering). Starc Systems was interested in moving into the southern bay of Hangar 5, leasing approximately 50,000 square feet. MRRA and Starc came to an agreement that MRRA would borrow funds to provide tenant designed build to suit renovations of hangar 5. MRRA borrowed $350,000 on a five-year note from Mechanics Savings Bank at a rate of 4.72%. A loan agreement was signed in January of 2020 with an amortization schedule that began on April 16, 2020.

MRRA worked again with Mechanic Savings Bank to assist Vivid Cloud Development Services to expand its operations in Hangar 6 to a larger office area on the first floor. MRRA signed a ten-year Promissory Note on June 3, 2020, for $325,000 at an interest rate of 3.99%.

Both lease agreements state that if the tenant leaves, the tenant will be responsible for the balance of the principal due on the loan that MRRA signed.

On October 30, 2023, the MRRA Board of Trustees authorized the acceptance of the $831,368 of grant funding from Efficiency Maine Trust to purchase and install four direct current electric vehicle fast chargers at Brunswick Landing which will be located at 11 Atlantic Avenue adjacent to Wild Oats and FlightDeck Brewing. As part of the funding for the high-speed electric vehicle charging station, MRRA signed a five-year Promissory Note on February 21, 2024, with Maine Community Bank in the amount of $200,000 at 7.5% with payments scheduled to being in September. As of December 31, 2024, no principal had been drawn from the loan account as there has been a delay in the delivery of the high-speed charging unit. This loan was secured by a $200,000 deposit into a Certificate of Deposit at Maine Community Bank. The debt service would be retired through fees collected through credit card purchases at the point of sale.

On June 18, 2020, Brunswick Landing MHC USA, LLC, a partnership which is owned 99% by the Midcoast Regional Redevelopment Authority closed on the refinancing of debt with Bangor Savings Bank on the 79,600 square foot build to suit medical devise manufacturing facility for Molnlycke Healthcare USA with Norway Savings Bank following a request for bids from six Maine banks. Brunswick Landing MHC borrowed $7,714,311.17 on a note that will mature on March 18, 2033.

G. A statement of the Authority's proposed and projected activities for the ensuing year

Please find attached a copy of MRRA's current Business Plan. A new business plan for 2025 will be presented to the Board of Trustees later this spring following the appointment of a new Executive Director.

H. *Recommendations regarding further actions that may be suitable for achieving the purposes of this article.*

Jobs Tax Increment Financing

The Midcoast Regional Redevelopment Authority would once again express our concern and seek your support regarding a recent change in the revenue-sharing arrangement under the Job Tax Increment Financing program contained withing 5 MRSA 13083-S.1. Historically, MRRA has received 25% of income taxes paid by employees of businesses located at Brunswick Landing. This arrangement has been a crucial source of revenue for our organization, enabling us to carry out important community and economic development initiatives in the region. Last year we were informed that the State of Maine has decided not to share this revenue with us for employees working from home for the businesses established at Brunswick Landing, resulting in a significant 66% reduction in our anticipated income.

We understand the need for fiscal responsibility and recognize that the state's priorities may shift over time. However, we believe it is essential to consider the broader economic impact of such decisions, especially in the context of the evolving nature of work, which increasingly involves remote and flexible arrangements.

The employees working from home continue to contribute to the economic vitality of Brunswick Landing, and their efforts have a positive impact on the community as a whole. These individuals are still an integral part of the Maine workforce, and we believe it is fair and equitable for the revenue-sharing agreement to encompass all employees, regardless of their physical work location.

We kindly request that the State of Maine reconsider its decision and reinstate the revenue-sharing arrangement for all employees, including those working from home. This adjustment is crucial for maintaining the financial stability of MRRA and ensuring that we can continue to support the economic growth and development of the Midcoast region.

Appropriation Request Removal of Aqueous Fire Fighting Foam (AFFF)

On October 28 Chair Herman Nichols sent a letter on behalf of MRRA, a quasi-state agency with a request for appropriation to assist MRRA in removing and replacing the existing Aqueous Fire Fighting Foam (AFFF) systems containing PFAS containing substances in the three large aircraft hangars at the Brunswick Executive Airport, the former Brunswick Naval Air Station. On April 19, 2024 US EPA designated two of the most widely used per- and polyfluoroalkyl substances (PFAS) — perfluorooctanoic acid (PFOA) and perfluorooctanesulfonic acid (PFOS), including their salts and structural isomers — as hazardous substances under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) presenting a risk to human health and the environment. MRRA inherited these legacy systems as part of the 2005 BRAC law. Now that PFAS has been designated a CERCLA contaminant MRRA has been seeking alternative fire suppression technologies for those large hangar facilities and has identified a technology known as ignitable liquid drainage floor assembly (manufactured by SafeSpill) which is being deployed in numerous military and non-military hangars, which doesn't involve the use of any AFFF systems, and which meets the Federal fire code specifications. The estimated cost of removal of the legacy AFFF and the new floor system is $21.9 million.

State Bond Issue to Implement State PFAS Task Force Recommendation

Third, MRRA needs financial assistance to fund the removal of PFAS materials from hangar fire suppression systems. We are requesting that you consider the recommendation of your PFAS Task

Force for a statewide bond issue to support remediation of PFAS, the recommendation was not enacted, nor funded by the Legislature. Had they been, the August 19, 2024, release and other related PFAS foam management issues throughout the state may not have occurred. As you know, this is a rapidly growing problem for Maine's communities, with solutions that far exceed their funding capabilities. In addition to Brunswick, there are several airports in Maine who have the legacy "PFAS containing" AFFF systems.

Life Science Incubator

And finally, we intend on continuing to pursue is the development of a life science incubator center at Brunswick Landing and a partnership with the State of Maine will be critical to this effort. Life sciences are among the fastest-growing industries in Maine and play an increasingly important role in Maine's economy. This diverse industry contributes over 7,400 jobs to the state's economy, demands an average annual salary of $95,000, is responsible for over $1.5 billion to the state's GRP, and represents 5% of Maine's total exports. Over the last 5 years, life science job growth has shown a 14% increase, significantly outpacing the 4% job growth of all other industries in Maine combined and the data indicates these trends will continue in the years to come.

To assist in the growth of the life science industry, Maine needs to be able to support early stage and growth companies that are innovating in this sector. Companies focused on R&D and manufacturing need access to affordable lab space, equipment, funding, mentors, education, networking, and essential resources to allow them to commercialize life science discoveries.

I. A description of the MRRA's progress toward achieving the goals set forth in Section 13083-G:

1. *Short-term goal.* Recover civilian job losses in the primary impact community resulting from the base closure; ***(Accomplished in 2015)***

2. *Intermediate goal.* Recover economic losses and total job losses in the primary impact community resulting from the base closure (estimated by the State Planning Office at $140 million).

   We have just started to review data this coming year and will evaluate how to best measure this metric against the State's impact analysis.

3. *Long-term goal.* Facilitate the maximum redevelopment of base properties (Reuse Master Plan estimated full build out potential of nearly 12,000 jobs).

Naval Air Station Brunswick employed 714 civilians at its Brunswick and Topsham sites at the time of the base closure announcement. After just 151 months from the official date of closing the base in May of 2011, there are over 2,411 individuals working at Brunswick Landing. The key to the success of the redevelopment effort is due, in large part, to the collaborative partnerships engaged in the effort, including, but certainly not limited to, you and the State of Maine, the Towns of Brunswick and Topsham, multiple federal agencies, the U.S. Navy, the businesses and real estate community who have invested into the project, and many others.

Thank you for your continued interest and support of this important economic development project for the State of Maine, which has become a critical asset to growing our economy. We look forward to collaborating with you and your administration.

Sincerely,

Herman A. Nichols
Chair
MRRA Board of Trustee

cc. Heather Johnson, Commissioner, MaineDECD
Susan Gresser, Executive Director, Legislative Council
Joint Standing Committee on Housing and Economic Development
Brunswick Legislative Delegation
Brunswick Town Council
Topsham Board of Selectman
Julie Henze, Brunswick Town Manager
Mark Waltz, Topsham Town Manager
MRRA Board of Trustees
Jamie Logan, *TechPlace* Director
Jake Levesque, Innovation and Development Director, MRRA
Woody Bartley, Utilities Director, MRRA