



Section 7: Plan Implementation Considerations

As the Midcoast Regional Redevelopment Authority (MRRRA) focuses on implementation of the Reuse Master Plan for redevelopment of the Brunswick Naval Air Station, more detailed planning, market and economic studies, environmental investigations, building evaluations, and other activities will need to be programmed. The following section provides a discussion of a variety of issues that will aid MRRRA in making decisions related to future economic development, transportation and infrastructure, environmental cleanup, and property transfer.

Economic and Development Impacts

The following development impact estimates (in current dollars) represent the jobs, wages and taxes that could be generated, assuming full build-out of the BNAS site according to the Reuse Master Plan. ERA includes all new development as well as the reuse of select existing buildings for education tenants. ERA does not include construction labor or short-term employment generated by residential development. Regarding the development of commercial space, ERA assumes:

- ▶ A floor-to-area ratio (FAR) of 0.25
- ▶ Usable square feet equal to 85% of gross square feet

When possible, ERA uses the jobs and wages projected by tenants themselves. Other assumptions include:

- ▶ 250 square feet per office per R&D employee
- ▶ 500 square feet of space per retail employee
- ▶ 1,000 square feet of space per warehousing / manufacturing employee

ERA applies reasonable distributions of types of uses and commercial space for each land-use district within the Reuse Master Plan and utilizes Maine Department of Labor industry data to estimate total wages and a combination of US Census and Maine Department of Revenue data to estimate income taxes. A more detailed description of the methodology used to calculate income taxes can be found on the Maine Department of Revenue website (www.maine.gov/revenue). To estimate commercial property taxes, ERA uses per square foot construction cost quotes from builders active in the local market to come to total construction costs, which are used as a proxy of market value. According to the Town of Brunswick Tax Assessor, assessed value is 60% of market value and tax liability is \$22.00 for every \$1,000.00 of assessed value. To estimate residential property taxes, ERA assumes a median housing unit value of \$220,000 and calculates



the total market value of on-site housing units based on residential densities by land-use district. ERA assumes that no property tax is generated by airport operations or education tenants.

Current operations at BNAS generate:

- ▶ Total employment of 4,863
- ▶ Total annual wages of roughly \$115,000,000
- ▶ An average annual wage of roughly \$24,000

The following tables summarize development impacts (in current dollars) including total employment potential, annual wages, income and property taxes at BNAS by land-use district, assuming full build-out of the entire site in 20 years or more. The Reuse Master Plan could generate by the end of the redevelopment period:

- ▶ Total employment of 13,800 workers
- ▶ Total annual wages of \$732,390,000
- ▶ An average annual wage of roughly \$53,000
- ▶ Total annual income taxes of \$40,849,000
- ▶ Total annual commercial and residential property taxes of \$19,011,000. This potential property tax revenue could be a source of tax increment financing (TIF) to assist in funding reinvestment in public infrastructure and other base redevelopment activities. Property valuation that is not sheltered in a TIF district would be subject to the impact of the state’s school funding formula, county tax assessment and state municipal sharing formula.

Exhibit 77: BNAS Employment

| Uses | Percent Use | Employment Potential |
|--|--------------------|-----------------------------|
| Airport Operations and Aviation Related Businesses | 23% | 3,200 |
| Education | 7% | 1,000 |
| Professional Office | 32% | 4,400 |
| Community Mixed Use | 16% | 2,200 |
| Business and Technology Industries | 19% | 2,600 |
| Resort / Conference Center / Golf | 3% | 400 |
| Total | 100% | 13,800 |

Note: Numbers rounded to the nearest one hundredth

Source: US Census, Edwards & Kelcey, Bowdoin College, SMCC and ERA



Exhibit 78: Total Wages

| Uses | Average Annual Wage | Total Annual Wages |
|--|---------------------|----------------------|
| Airport Operations and Aviation Related Businesses | \$94,000 | \$295,800,000 |
| Education | \$50,000 | \$49,400,000 |
| Professional Office | \$43,000 | \$191,030,000 |
| Community Mixed Use | \$33,000 | \$71,520,000 |
| Business and Technology Industries | \$46,000 | \$119,200,000 |
| Resort / Conference Center / Golf | \$15,000 | \$54,400,000 |
| Total | \$53,000 | \$732,390,000 |

Note: Average annual wages rounded to the nearest one thousand and total annual wages to the nearest ten thousand

Exhibit 79: State Income Tax

| Uses | Joint Filers Taxes | Separate Filers Taxes | Total Income Tax |
|--|---------------------|-----------------------|---------------------|
| Airport Operations and Aviation Related Businesses | \$10,168,000 | \$9,895,000 | \$20,063,000 |
| Education | \$1,206,000 | \$1,425,000 | \$2,631,000 |
| Professional Office | \$4,041,000 | \$5,189,000 | \$9,230,000 |
| Community Mixed Use | \$1,153,000 | \$1,695,000 | \$2,848,000 |
| Business and Technology Industries | \$2,662,000 | \$3,335,000 | \$5,997,000 |
| Resort / Conference Center / Golf | \$25,000 | \$55,000 | \$80,000 |
| Total | \$19,255,000 | \$21,594,000 | \$40,849,000 |

Note: Numbers rounded to nearest ten thousand

Source: Maine Department of Revenue, US Census and ERA

Exhibit 80: Local Property Tax

| Uses | Market Value | Assessed Value | Tax Liability |
|------------------------------------|------------------------|----------------------|---------------------|
| Aviation Related Businesses | \$260,489,000 | \$156,293,000 | \$3,438,000 |
| Residential (Moderate Density) | \$387,200,000 | \$232,320,000 | \$5,111,000 |
| Residential (Lower Density) | \$35,200,000 | \$21,120,000 | \$465,000 |
| Professional Office | \$196,020,000 | \$117,612,000 | \$2,587,000 |
| Community Mixed Use | \$366,785,000 | \$220,071,000 | \$4,842,000 |
| Business and Technology Industries | \$144,534,000 | \$86,720,000 | \$1,908,000 |
| Resort / Conference Center / Golf | \$50,000,000 | \$30,000,000 | \$660,000 |
| Total | \$1,440,228,000 | \$864,136,000 | \$19,011,000 |

Note: Numbers rounded to nearest ten thousand

Source: Maine Department of Revenue, Town of Brunswick Tax Assessor, US Census & ERA



Transportation and Infrastructure Impact Considerations

As a part of the planning effort, preliminary “order of magnitude” estimates were developed relative to the degree of public sector capital investment that will be necessary for implementation of the 20-year redevelopment plan. The majority of the costs relate to rehabilitation of existing facilities and construction of new transportation and utility infrastructure. Primary cost components include:

- ▶ Arterial, collector and local streets
- ▶ Water and sewer systems
- ▶ Storm drainage
- ▶ Electrical transmission and distribution
- ▶ Telecommunications

The total projection for these costs (through build out) is estimated at approximately \$240 million, which includes a contingency allowance of 25 percent and approximately 18 percent for “soft costs,” such as engineering, permitting, and related items.



Based on recent analysis using ITE trip generation figures and proposed types and areas of land use, it appears likely that build out would be accompanied by increases in traffic generation associated with the facility during both AM and PM peak hours to at least twice their current levels. Clearly this has the potential to severely exacerbate congestion and delays at those intersections (such as Cook’s Corner) that are presently



experiencing lower levels of service. While some of the impacts may be mitigated through creation of additional points of access to the adjacent street system, the Plan has identified certain off-site improvements, such as a direct connection from the facility to Route 1, as necessary to accommodate these increased traffic volumes and the widening of Bath Road.

The time frames necessary for implementation of utility and transportation infrastructure improvements will be dictated to a large extent by the rate at which new businesses and residents occupy the facility; phasing may also be driven by the logistics of transfer of ownership and operations responsibility of any utility systems. The need for capacity-related improvements to the transportation network in the vicinity of the base will be dictated primarily by the rate at which existing facilities are reused, and new facilities are constructed.

Due to the extremely long lead-time associated with major transportation improvements (driven in large part by the funding process), it is essential that this element be given a high priority. Given the time requirements associated with completion of an Environmental Assessment (EA) or Environmental Impact Statement (EIS), as required under the National Environmental Policy Act, it is quite conceivable that, even by starting the process now, the existing Cook's Corner intersection / interchange may be at an unacceptable level of service by the time the construction of a new connection to Route 1 is completed.

While several options remain relative to the logistics associated with future operation of existing utility systems on the base, it is clear that extensive rehabilitation of the existing systems and construction of new system components will be required. While, ideally, the market will allow the reuse of facilities which can receive improved utility service based on limited "up front" capital investment first, it is likely that significant infrastructure improvements will be necessary, particularly in the areas of water and sewer system rehabilitation, streets and roadways and communications infrastructure. At this stage of the planning effort, it is assumed that the capital investment in utility and transportation infrastructure will be spread over a 20 year period with weighting on the initial five years.

Environmental Considerations

There are numerous environmental issues that must be considered prior to, and during, implementation of the plan. Environmentally-impacted sites on the property are at various stages of investigation, remediation, and closure; some potential areas of environmental concern have not been assessed at all. A number of known environmentally-impacted areas have not been adequately investigated to determine the nature and extent of contamination. Environmental investigation and site characterization for known and potential environmentally-impacted sites are critical



elements to redevelopment because the extent of contamination must be defined prior to being able to adequately estimate costs for remediation to be protective of human health and the environment for the land use(s) described in the plan, and to adequately estimate and consider long term obligations (e.g. long-term monitoring or land use controls). The environmental strategy for proceeding with cleanup and redevelopment in accordance with the Reuse Master Plan should include filling identified data gaps while coordinating further site investigation, remediation, and closure of contaminated sites consistent with the redevelopment schedule and priorities. For details on the known and potential environmental issues, how they relate to the land uses described in this Reuse Master Plan, and the status of the Navy’s investigation and planned cleanup, please refer to **Appendix G**.

Environmental Investigation

Because BNAS was included on the National Priority List (NPL) in 1987, EPA is the lead environmental regulatory agency, with input from Maine Department of Environmental Protection (MeDEP). Since BNAS is a Superfund site listed on the NPL, it is regulated under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). The CERCLA process can be time consuming, and therefore it is imperative that the Navy move through the process as quickly and expeditiously as possible to gain as much information and advance as far through the process as possible before transfer.



The goal of environmental investigation and remediation is the cleanup and delisting of the property from the NPL. Under CERCLA law, it is possible to delist portions of property from the NPL if the property is clean and suitable for intended reuse.



However, if long term obligations persist (such as long term groundwater monitoring), the property cannot be delisted until all cleanup goals are achieved. It is therefore imperative that the LRA work closely with the Navy and EPA to identify portions of property that are appropriate for delisting, so that property can be sold and developed without the stigma of being a Superfund site and still protect public health and safety and the environment.

Contaminated sites at BNAS are in various stages of the CERCLA process, and some potential areas of concern have not been assessed at all. For sites that have not been assessed at all, it is difficult to consider environmental constraints in the reuse process, and therefore, the Reuse Master Plan must be initially developed independently of potential environmental issues while still considering the known environmental issues. There are a number of known environmentally impacted areas at BNAS that have not been adequately investigated to determine nature and extent of contamination. Areas not sufficiently investigated for a determination of environmental impacts and if necessary, remediation include (see **Exhibit 40: Environmental IRP Sites Map**):

- ▶ Installation Restoration Program (IRP) Sites 1/3 – Orion Street Landfill North and Hazardous Waste Burial Area (evaluation of remedial action effectiveness including assessment of the slurry wall)
- ▶ IRP Site 2 – Orion Street Landfill South (evaluation of remedial action effectiveness and investigation of area North of Site 2)
- ▶ IRP Site 4 – Acid / Caustic Disposal Pit (investigation needed beneath Building 548)
- ▶ IRP Site 7 – Old Acid / Caustic Pit
- ▶ IRP Site 9 – Neptune Drive Disposal Area
- ▶ IRP Site 11 – Fire Training Area (present groundwater treatment system reinjection gallery)
- ▶ IRP Site 12 – Explosive Ordnance Disposal (EOD) Area
- ▶ IRP Site 13 – Defense Reutilization and Marketing Office (DRMO) Area (investigation needed beneath paved parking area)
- ▶ IRP Site 17 – Former Pesticide Storage Shop
- ▶ Petroleum, Oil, and Lubricant (POL) Site 2 – Navy Exchange Service Station
- ▶ Eastern Plume, including a groundwater model
- ▶ Potential environmental areas of concern including:
 - Base-wide groundwater impacts
 - Potential methane gas generation from glycol use near the runways
 - Existing fuel farm
 - Weapons area compound
 - Base-wide radiological survey to assess for potential contamination from possible nuclear weapon storage



- Former residential Underground Storage Tank (UST) locations with petroleum-contaminated soil from heating oil
- Picnic Ponds contamination
- Military Munitions Response Program (MMRP) Sites including: the Southwest Old Quarry, IRP Site 12 – EOD Area, and other potential MMRP sites including bunkers, ranges, etc.

In addition to the above investigations, a minimum of a Phase I Environmental Site Assessment (ESA) is recommended to identify potential environmental conditions on the base and to satisfy the All Appropriate Inquiry Rule to qualify for the innocent landowner defense, the bona fide prospective purchaser defense, or the contiguous landowner defense to liability under CERCLA and for the purpose of identifying potential development and liability considerations associated with the purchase and development of the base including identification of contaminants that exceed EPA or MEDEP standards.

Environmental Phasing

During the development of the Reuse Master Plan, certain areas have been identified as priorities in redevelopment phasing for the BLRA. The priority areas include property that may be transferred to the MRRRA prior to 2011 base closure, areas that will be developed to include special activity centers or economic centers, and areas that will require significant cleanup time or areas that have not yet been investigated and may require a long lead time for investigation and remediation. At this planning stage, the following priorities related to environmental investigation and cleanup have been identified, along with the reasoning associated with the priorities:

- ▶ Currently, groundwater use base-wide is prohibited by the EPA unless groundwater modeling is performed. A base-wide groundwater model must be developed utilizing data from existing monitoring wells, as well as from additional wells in areas of potential concern to evaluate base-wide hydrology, contaminant plume nature and extent, and effects of groundwater extraction and re-injection on contaminant migration. This model would be useful in understanding the hydrogeology of the contaminated groundwater from the various IRP sites (or other sites not yet identified) and their relation to the Eastern Plume, and in minimizing the future land use controls (LUCs) that may be necessary to protect human health and the environment and/or minimizing the long-term restrictions on groundwater use. In addition, parcel delisting from the NPL will not be possible without completion of this groundwater model and close coordination with EPA.
- ▶ Property at, and adjacent to, the new “front door” slated for development as a high-end business park must be investigated so that potential remediation can be estimated and integrated into the development pro forma and schedule. The



following sites are included in the “front door” area: Site 7 – Old Acid / Caustic Pit, Site 17 – Former Pesticide Shop, and Site POL1 – Old Navy Fuel Farm. Since the Navy’s existing fuel farm is also located in this area, it is possible the fuel farm may be closed and relocated to a property adjacent to the airfield. Therefore, it is recommended a soil and groundwater contamination study be performed on the area. To date, potential impacts to soil and groundwater in the area surrounding the existing fuel farm have not been assessed and will be required for site closure and redevelopment.

- ▶ Under the MMRP, the Navy intends to evaluate the following munitions sites: the explosive ordnance disposal (EOD) site (also known as IRP Site 12), the former munitions bunker (west area), the machine gun boresight range, the skeet range, and the quarry on the western perimeter of the base. However, a much larger area was or is currently used for munitions storage, including, but not limited to: the munitions compound (adjacent to Sites 1 and 3), and the magazine storage bunkers in the Weapons Complex near Site 12. These areas have not been identified by the Navy either under the installation IRP or MMRP program for assessment. The potential for Munitions and Explosives of Concern and Munitions Constituents must be assessed prior to base redevelopment.
- ▶ Anecdotal information suggests that the Navy stored and loaded nuclear weapons onto P3 and C130 aircraft at the base. The transportation and storage of nuclear and/or radioactive material could have resulted in radiological contamination on portions of the base. To help alleviate community, MRRRA, and regulatory agency concerns, it is recommended that a base-wide radiological survey be performed.
- ▶ A survey and evaluation of the potential glycol contamination on the airfield and adjacent to former glycol underground storage tanks is also recommended. This soil gas survey would evaluate the potential for presence of explosive levels of methane gas. Historical use of glycol as a deicing fluid for aircraft may have resulted in glycol contamination in soil and groundwater. As glycol degrades, methane gas can be generated as a byproduct and is explosive at concentrations between five and fifteen percent. The methane gas can migrate along utility corridors, which can be very dangerous during base redevelopment as utilities are replaced or relocated.
- ▶ Potential investigation at areas identified as possible areas of environmental concern in the Phase I Environmental Impact Statement should be conducted prior to property transfer, including areas identified as potential Recognized Environmental Conditions or actual Recognized Environmental Conditions (i.e. areas identified during a Phase I site reconnaissance as areas that are or potentially are impacted by on-site or off-site environmental activities). A



Phase I/II ESA is required to qualify for the innocent landowner defense prior to property transfer, and to establish “baseline” environmental conditions before new ownership.

Following investigation and the determination of the nature and extent of contamination at impacted sites, the environmental cleanup process will remedy selection and implementation to provide properties for transfer with as few LUCs as possible. Schedules for cleanup of individual sites will be driven by redevelopment phasing and priorities.

Environmental cleanup of the 3,200-acre BNAS property is an issue of significant concern, not only because of potential impacts on quality of life and phasing of redevelopment, but also the significant costs associated with cleanup activities. It will be in the best interest of the redevelopment of BNAS, therefore, that financing mechanisms be flexible in the event that a privatized approach to cleanup is utilized in order to hasten redevelopment. At the same time, discussions and negotiations with the Navy need to establish an expedited timeframe for any necessary environmental remediation if alternative methods for cleanup do not materialize.

Property Transfer Considerations

After the final property disposition strategies have been agreed upon by the LRA and the Navy, a parcel by parcel implementation occurs until all the property has been conveyed. As part of this process, the DOD, MRRRA and the State of Maine reach consensus on responsibility for completing remaining environmental restoration activities for each parcel, and environmental cleanup or remediation is implemented by either the DOD or the property recipient. If the property recipient accepts responsibility for environmental restoration activities, a covenant deferral request and a Finding of Suitability for Early Transfer (FOSET) is signed by the Governor, and other legal and regulatory documents identifying the responsible party, the terms of the transfer, and scope of work for environmental restoration must be prepared and finalized.

There are a number of property transfer mechanisms that could be used to convey all or portions of the BNAS property to new owners. The BLRA envisions that: (1) properties identified and approved by the Board through the Notice of Interest (NOI) process will be transferred via the appropriate public benefit conveyance authority; (2) the MRRRA could seek to acquire portions of the property via an Economic Development Conveyance; and/or (3) the MRRRA could negotiate with the Navy to acquire select parcels within the property via the Negotiated Sale transfer mechanism. It is also assumed that the Navy will make select parcels available to the highest bidder via Public Sales. Such transfers would require consistency with this Reuse Master Plan, and be subject to zoning and other land use controls and restrictions that might be placed



on the property by the Town of Brunswick and/or the MRRRA. The following sections provide additional information related to potential property transfer mechanisms and recommendations made by the BLRA Board of Directors for implementation of the plan.

Public Benefit Conveyances

A Public Benefit Conveyance (PBC) is “the transfer of surplus military property for a specified public purpose at up to a 100 percent discount” (Department of Defense Base Redevelopment and Realignment Manual, 2006). Surplus military property may be conveyed to public agencies and not-for-profit organizations to provide public goods and services. PBC categories include: parks and recreation, historic monuments, airports, health, education, correctional facilities, highways, self-help housing, wildlife conservation and emergency management. For each of these public purposes, there is a sponsoring federal agency with regulations that determine applicant eligibility and need. Through the State and Local Screening process, the BLRA Board reviewed proposed uses to see how well they fit with the overall guiding principles and direction of the Master Reuse Plan.

Notice of Interest Applications

On or before May 14, 2007, fourteen NOIs were received from state, local and non-profit entities representing approximately 1,960 acres of land and eighteen buildings, comprising about 390,000 square feet. All entities that submitted an NOI were asked to make a brief presentation to the BLRA Board at the May 16, 2007 monthly board meeting.

The submitted NOIs were forwarded to the BLRA’s State and Local Screening Committee for evaluation and recommendation to the BLRA Board. The Committee then held in-depth interviews and work sessions with each of the interested entities on May 17, 18, 24 and 31; June 25 and 29; and, July 6, 2007. The purpose of these sessions was to allow Committee members to gain a thorough understanding of each entity’s specific proposal and determine how they fit into the base reuse master plan.

Recommendations

Based upon the NOI evaluations, interviews and work sessions, the State and Local Screening Committee recommended approval for the following (each item is numbered to correspond with its location on **Exhibit 81: Recommended PBC Location Map**):

#1 - Brunswick-Topsham Water District: Approximately twenty-six (26) acres of land located on the north side of Bath Road for aquifer protection purposes.

#2 - Bowdoin College: Six (6) acres of land in the extreme northwest corner of the BNAS property for educational support uses.

#3a - Bowdoin College: One hundred seventy (170) acres, plus or minus five (5) acres, of developable land located (where feasible) for educational uses along the westerly section of the base between the airport and Harpswell Road.



#3b - Bowdoin College: If sufficient developable acreage is not found within the area identified as #3a, developable acreage within #3b will be made available until the 170 acre target acreage has been met. Any land in #3a or #3b not developable or not required to meet Bowdoin's target acreage will be included as part of the Town of Brunswick's conservation area (see Town of Brunswick below).

#4 - Bowdoin College: Building 644 for educational uses related to technology support in cooperation with Southern Maine Community College and the Midcoast Regional Redevelopment Authority for a server farm / IT center.

#5a, #5b and #6 - Town of Brunswick: Approximately 1,100 acres of land located in the northwestern and southern parts of the base (labeled as #5a and #6) plus land that is not developable or not required for Bowdoin College in #3a and #3b, for conservation purposes. Area #5b is also included in the town's 1,100 acre conservation area but would be made available to Bowdoin if the college's target of 170 acres of developable land cannot be met in areas #3a or #3b.

#7 - Town of Brunswick: Building 102 and approximately one (1) adjacent acre for public safety indoor small arms range uses.

#8 - Town of Brunswick: Building 211 (former Neptune Hall) and approximately eighteen (18) adjacent acres for recreation purposes.

#9a - Town of Brunswick: Fifteen (15) acres located at the far eastern edge of the base for future active recreation uses (part of 65-acre conveyance with #9b).

#9b - Town of Brunswick: Fifty (50) acres of land located north of existing golf course for future active recreation uses (part of 65-acre conveyance with #9a).

#10 - Town of Brunswick: Approximately sixty-six (66) acres at the East Brunswick transmitter site for conservation purposes.

#11 - Maine State Museum: Building 585, approximately six (6) acres of adjacent land (Memorial Gardens), the two large static display aircraft and miscellaneous base-related historical artifacts for development of a naval air museum.

#12 - Southern Maine Community College: An approximately eleven (11) acre parcel of land containing Buildings 150, 151, 512 and 645 and parking areas for the establishment of a college campus in conjunction with University of Southern Maine.

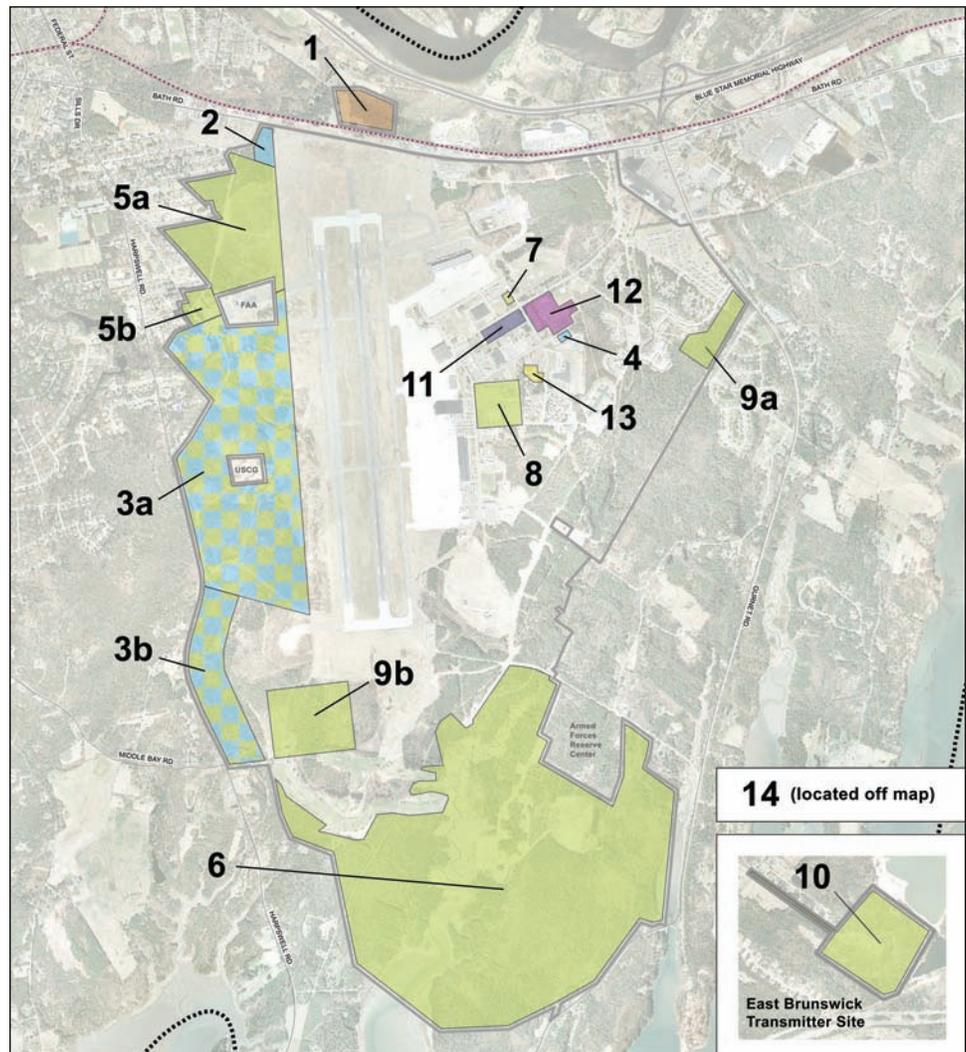
#13 - Family Focus: Buildings 21 and 26 for general child care facilities of up to 100 children that support base redevelopment efforts.

#14 - Town of Phippsburg: Small 0.25-acre parcel (a former observation site located near Popham beach) for municipal purposes.

Additionally, the Town of Brunswick had also submitted a request for a five-acre parcel for a new police station. The Board approved the request and agreed to work with the Town to find a suitable location. However, the town withdrew its request on October 26, 2007.



Exhibit 81: Recommended PBC Location Map



Source: Matrix Design Group

Based upon the NOI evaluations, interviews and work sessions, the State and Local Screening Committee recommended not approving the following:

► **Coastal Economic Development**

Buildings 21 and 26 for Head Start program: This applicant requested the same buildings as Family Focus for a Head Start program. The Committee felt that the Family Focus proposal for a general child care facility open to families of all income levels would provide greater value for the redevelopment of the base.



▶ **Coastal Humane Society**

10-20 acres for animal facility: The Committee did not feel this proposal was a good fit with the land uses contemplated in the reuse plan.

▶ **Maine State Housing Authority**

Approximately 22 acres (known as the former 28 pad mobile home park) and Buildings 730 and 731 of the Bachelor Enlisted Quarters for the purposes of providing self-help housing opportunities for low income homeownership.

Based upon the upcoming availability of housing in the region as a result of the base closure, a unique opportunity is presenting itself to help insure home ownership opportunities for the same demographic group as well as other affordable housing opportunities. Accordingly, the Committee believes that the LRA should work with the Maine State Housing Authority and future housing developers to establish an affordable housing fund and ensure the long term availability of affordable units.

▶ **Town of Brunswick**

- School Department's request for workshop (Building 19) and vehicle maintenance garage (Building 590)
- Recreation Department's request for Auto Hobby Shop, Recreation Mall, and miscellaneous athletic fields and courts
- Conservation Commission's request for 171 acres on the eastern side of base property

No action was recommended to the following requests because they were not eligible to receive a public benefit conveyance:

- ▶ Maine Veterans Authority: Navy Exchange and Navy Lodge - Veterans Service Center
- ▶ Sea Cadet Corps: Sea Cadet Building (Building 226)

Airport PBC

In addition, as a partial basis of the Reuse Master Plan, the BLRA commissioned an Aviation Feasibility Study, as referenced and summarized earlier in this report. It is the intent of the MRRRA to prepare an Airport Master Plan as part of its Year 1 Work Plan, and subsequently apply for an Aviation Public Benefit Conveyance consistent with the intent of this Reuse Master Plan. The full Aviation Feasibility Study Report can be found in **Appendix E**.

Additional documents relating to Notices of Interest from state / local entities, as well as all information related to the homeless screening process can be found in **Appendix F**.



Homeless Assistance Provisions

As part of the planning process, the BLRA contracted with Planning Decisions (a local planning firm and member of the Matrix Design Group Planning Team) to work with area homeless service providers and state organizations to identify the unmet needs of the homeless in the vicinity of BNAS. The “vicinity of the base” has been defined as the towns of Brunswick, Harpswell, Freeport, and Durham and all of the communities in Sagadahoc County (Arrowsic, Bath, Bowdoin, Bowdoinham, Georgetown, Phippsburg, Richmond, Topsham, West Bath, and Woolwich). It should be noted that within this general area, the Topsham LRA is considered responsible for the homeless demand from Topsham, Bowdoin, and Bowdoinham.

Using information provided from both area homeless service providers and Maine State Housing Authority, a report entitled *Report on the Homeless in Midcoast Maine* was created to assist the BLRA in understanding the scope of homeless needs in the area of BNAS. The report estimated that the unmet homeless gap in the vicinity of the base is a range of four to 14 supportive housing units and access to supportive services. The reason for a supportive housing unit range is based on “existing” lengths of stay, and not “ideal” lengths of stay.

Three Notice of Interest applications were received from area homeless service providers in response to the BLRA’s February 9, 2006 request to 164 area homeless service providers. On June 20, 2007, the BLRA Board authorized the Homeless and Housing Committee and staff to negotiate a Legally Binding Agreement (LBA) with Tedford Housing of Brunswick, Maine. Tedford Housing is the primary provider of shelter and services to the homeless in midcoast Maine and is located in Brunswick.

Based upon the NOI evaluations and interviews, recent homeless studies, and recommendations from the Homeless and Housing Committee, the BLRA selected Tedford Housing’s NOI proposal because its proposed activities most closely addressed the needs of the homeless in the vicinity of base. In order to best address this issue, the BLRA agreed to establish a homeless services trust fund to be capitalized by future base property sales / transfers or development exactions to support both housing and related services for homeless persons. Providing service funding also allows the homeless to integrate throughout the community and lessen the impact on the municipal services in one area by spreading the demand over a wider area. Under the proposed Legally Binding Agreement, Tedford Housing would provide \$600,000 of support services over a period of five years to homeless persons and families within the vicinity of the base for the following activities:

- ▶ Housing vouchers for homeless families
- ▶ The lease or purchase of permanent supportive housing units for up to eight homeless families



- ▶ Half of the wage and benefit costs of a case manager providing services to homeless families
- ▶ The wage and benefit costs of a housing attendant providing services to homeless families

Economic Development Conveyances

If approved by the Navy, transfer of select properties within the base via an economic development conveyance could be granted to the MRRA for the purpose of job creation. This type of conveyance may be at a discounted price or at fair market value.

Negotiated Sales

A Negotiated Sale option might be considered for the parcels not acquired via PBC or other type of conveyance from the Navy. Negotiated sales must be to a recognized redevelopment authority for a specified public purpose. Negotiated sale authority requires the payment of fair market value.

Public Sales

For those areas not considered for acquisition by the MRRA, the implementation LRA, the Navy is likely to dispose of the property via public sale. The Navy has disposed of numerous properties via online Internet auction sales over the past five years. In addition, the Navy has ongoing auctions for portions of several closed bases, including portions of the Orlando Naval Training Center and the Roosevelt Roads Naval Station in Puerto Rico. Information on the Navy's property sales can be seen at <http://www.braclandsales.com>.

Navy / Northeast Partners (GMH) Privatized Housing Issue

In an effort to accelerate the upgrading of existing housing and the creation of new housing, the Navy implemented a nationwide housing privatization program in the 1990s. In essence, this program resulted in the transfer of physical assets such as housing units and common areas (and the associated cash flow from sailors), to private companies in exchange for a commitment to construct and/or upgrade units; however, ownership of the land under the housing units remained with the Navy. The Navy's expectation was that all existing housing units would ultimately be demolished and new units constructed for Navy personnel. Under this program, Northeast Partners, LLC acquired the ownership interest in all family housing units on the base. Northeast Partners LLC includes GMH, the military housing division of GMH Communities Trust, which manages the properties for the partnership, and the Navy.

This housing privatization program is relatively new within the Navy. Furthermore, no prior BRAC round involved privatized housing. As such, BNAS properties represent a unique and new experience for BRAC in general, and for GMH and the Navy in particular.



Specifically, while the Navy has the ability to dispose of the land under procedures commonly used as part of BRAC, the improvements on that land are currently under the control of GMH. The issue is further complicated by the fact that the Navy's land is subject to a 50-year lease to GMH, of which approximately 47 years remain. The GMH lease envisioned that the property would be redeveloped at no cost to the Navy, for the primary benefit of Navy personnel. As such, the land lease does not require a lease payment to the Navy. This means that the Navy's land is encumbered by a lease without a source of revenue. Once the land passes from the control of the Federal government, any private sector user will be responsible for the payment of property taxes, meaning that the land could have expenses (taxes) without an ability to generate revenues (due to the GMH lease) throughout the remaining term of the lease.

The housing owned by GMH is also affected by the BRAC decision. As originally envisioned, GMH would have the ability to demolish the existing housing units and construct new units based on the strength of the cash flows associated with a 50-year income stream from Navy personnel. Today, GMH has an existing asset (the family housing units), with a limited life. The Navy is required by the BRAC law to complete the closure of the Brunswick Naval Air Station before 2011. Closure could occur sooner as functions and squadrons depart and facilities become available, possibly during 2008 when the first squadrons are relocated to Florida. At that point, GMH could opt to market the vacated housing units for rent to non-Navy personnel.



Since the BRAC announcement, GMH has indicated publicly that they do not want to continue to own and operate housing units after closure of the base. Given the expectation that the regional housing market will decline with the departure of Navy



personnel from the region, the GMH housing faces limited upside potential. The fact that the existing housing is leased by GMH makes that company the most likely buyer for the property. However, requirements of the Property and Administrative Services Act of 1949 discourage direct negotiations with a single private-sector buyer. As such, the Navy is expected to utilize the public sale process described above to dispose of the housing areas as well as other select parcels, in accordance with the Reuse Master Plan.

Economic Feasibility and Public Benefit Analysis

Economic Feasibility

The Reuse Master Plan supports the industries targeted in ERA’s January, 2007 report. In that report, ERA identified composites, information technology, biomedical, radio frequency identification, Open Source software and alternative energy as technology-based industries that should be targeted tenants for a Maine Center of Innovation. The business and technology district(s), outlined in the Reuse Master Plan, would serve as the location for the Center. ERA also worked with Edwards and Kelcey in reviewing the potential for on-site airport operations. The Aviation Feasibility Study confirmed the potential for general and corporate aviation, government agencies, maintenance, repair and overhaul and research and development activities. Consequently, the Reuse Master Plan designates 500 acres for airport operations and 230 acres for aviation-related businesses. In addition, ERA underlined the demand for a resort and conference center, linked to a golf course, as well as supportive retail, second homes, retirement homes, education and aviation. The Reuse Master Plan takes all of this into account and designates an appropriate mix of land-use districts allowing for space to grow and expand over time.

Public Benefit Analysis

There are several benefits likely to result from the proposed PBCs at BNAS. ERA considered the following PBCs as likely to occur and generate significant benefits. The buildings and land to be occupied by Bowdoin College and Southern Maine Community College will result in:

- ▶ Access to advanced technology training and education
- ▶ Potential synergies with relevant firms and industries
- ▶ Pipeline of entry-level workers for targeted industries

Over 1,000 acres of open space and conservation land along with select community recreational facilities will be transferred to the Town of Brunswick. The land and the existing buildings have the potential to provide:



- ▶ Walking, biking and cross country skiing trails
- ▶ Access to green space for residential homeowners
- ▶ A marsh and bay water trail for recreational boaters
- ▶ Access for canoes and kayaks to promote low-impact exploration of the coastal habitat
- ▶ Commercial shellfish opportunities for local shellfish harvesters
- ▶ Facilities for gym use, and health and wellness programming
- ▶ Future athletic field space
- ▶ Recreational programming for area youths
- ▶ An attractive amenity to commercial residential and resort development
- ▶ A higher quality of life

Management Considerations

The Midcoast Regional Redevelopment Authority (MRRA) is a public municipal corporation chartered by the state legislature with the responsibility to implement the Reuse Master Plans for the BNAS facilities in Brunswick and Topsham. Members of the Authority have been appointed by the Governor and confirmed by the Legislature. At this time, the proposed staffing model will include an executive director, a deputy director, a planning and environmental manager, a property manager, grants and communications coordinator and an executive administrative assistant. The estimated MRRA budget for 2008 is \$858,911.

Exhibit 82: MRRA Estimated 2008 Budget

| Category | Cost |
|-----------------|------------------|
| Personnel | \$440,805 |
| Fringe Benefits | \$138,090 |
| Travel | \$30,493 |
| Supplies | \$4,188 |
| Contractual | \$87,100 |
| Other | \$158,235 |
| Total | \$858,911 |

Source: Midcoast Regional Redevelopment Authority

The following outline establishes how economic development at BNAS can best be accomplished by successful management and marketing activities and by leveraging the assets of various regional, state and federal resources. The action plan is loosely



based upon the phasing strategy outlined for facility development although should be considered only a basic guide for future planning bearing in mind that an element of flexibility should be maintained as the project progresses.

First Steps

Management

The following items should be addressed by the authority in the earliest stages of implementation prior to closure:

- ▶ Continue the working relationship with the Navy to ensure rapid successful reuse of the base.
- ▶ Solicit funding from the FAA for the development of an airport master plan.
- ▶ Work with the Maine Department of Transportation to develop a transportation improvement plan related to the redevelopment of BNAS in Brunswick and Topsham.
- ▶ Work with the Navy and sponsoring federal agencies on property transfer and conveyance issues.
- ▶ Work with the Navy on environmental studies including the Environmental Impact Statement for BNAS Brunswick and Environmental Assessment in Topsham and clean up activities.
- ▶ Work with the Navy in regards to aviation training and maintenance efforts as the Navy begins to significantly expand the privatization of its maintenance and repair for aviation assets.
- ▶ Establish economic development goals and benchmarks for measuring success.
- ▶ Conduct a feasibility study and develop a business plan for renewable energy generation and distribution.
- ▶ Develop an infrastructure management plan.
- ▶ Begin to plan for and secure financing for Phase 1 of redevelopment.
- ▶ Develop a real estate development strategy and business plan.
- ▶ Create an inventory and analysis of existing structures to ensure readiness of occupancy.

Marketing

The managerial body should begin working with the Navy in marketing BNAS by establishing a comprehensive strategy that incorporates benchmarks for measuring the strategy's success. These benchmarks can then be used as a means of reformulating the strategy to achieve the pre-determined goals. The following strategies and regional institutions should be regarded as instrumental to the marketing success of BNAS:



- ▶ Develop a comprehensive marketing plan that identifies a series of target companies and identify successful strategies to approach those companies and key location determinates for each industry cluster.
- ▶ Develop a website.
- ▶ Establish a dedicated staff person to manage business development and outreach efforts.
- ▶ Enter into an agreement with Bowdoin College, the Maine Community College System, the University of Maine System, Embry Riddle University and others to integrate higher education, continuing education, training, and research and development activities on the base.

Federal Incentives

The following state and federal incentives available to BNAS businesses should be aggressively marketed to prospective tenants:

Small Business Innovation Research Program (SBIR): SBIR is a program administered by the US Small Business Administration (SBA) and intended to encourage small business innovation and pursuits in R&D by providing incentive to profit from its commercialization. Through this program, funding allows small businesses to compete at the same level as large business, thereby helping small businesses to compete for federal research and development awards. In order to qualify for the SBIR program, a small business must meet the following criteria:

- ▶ American-owned and independently operated
- ▶ For-profit
- ▶ Principal researcher employed by business
- ▶ Maximum company size of 500 employees

Qualifying small businesses compete for an SBIR award based upon their degree of innovation, technical merit and future market potential. If successful, SBIR businesses begin a three-phase program:

- ▶ **Phase 1:** Awards of up to \$100,000 for approximately 6 months to help support exploration of an idea of technology.
- ▶ **Phase 2:** Awards of up to \$750,000 for as many as two years building upon the results of Phase 1 and pursuing R&D and commercialization.
- ▶ **Phase 3:** This is when innovation is intended to move to the marketplace. No SBIR funding is provided during this phase.



Small Business Technology Transfer (STTR) Program

Administered by the SBA, STTR is a program that aims to expand funding opportunities to small business and not-for-profit research institutions through joint venture opportunities in the areas of federal innovation research and development. Small businesses must meet the following criteria to be qualified to participate in this program:

- ▶ American-owned and independently-operated
- ▶ For-profit
- ▶ Principal researcher need not be employed by small business
- ▶ Maximum company size of 500 employees

Although there is no size limit for the not-for-profit research institution, it must be located in the US, and meet one of the following three definitions:

- ▶ Not-for-profit college or university
- ▶ Domestic not-for-profit research organization
- ▶ Federally funded R&D center (FFRDC)

Small businesses/nonprofit research institutions that receive an STTR award then begin a three-phase program:

- ▶ **Phase 1:** Awards of up to \$100,000 for approximately 6 months to help support exploration of an idea of technology.
- ▶ **Phase 2:** Awards of up to \$750,000 for as many as two years to build upon the results of Phase 1 and pursue R&D and commercialization potential.
- ▶ **Phase 3:** This is when innovation is intended to move to the marketplace. No SBIR funding is provided during this phase.

Small Business Administration HUB Zone Status: The HUB Zone Program stimulates economic development and creates jobs in urban and rural communities by providing federal contracting preferences to small businesses. These preferences go to small businesses that obtain HUB Zone (Historically Underutilized Business Zone) certification in part by employing staff who live in a HUB Zone. The company must also maintain a “principal office” in one of these specially designated areas. The program resulted from provisions contained in the Small Business Reauthorization Act of 1997. Congress determined that former military bases closed because of BRAC qualify for HUB Zone status for a five-year period from the date of formal closure.

To qualify for the program, a business (except tribally-owned concerns) must meet the following criteria:



- ▶ It must be a small business by SBA standards.
- ▶ It must be owned and controlled by at least 51% US Citizens, or a Community Development Corporation, or an agricultural cooperative or an Indian tribe.
- ▶ Its principal office must be located with a 'Historically Underutilized Business Zone,' which includes lands considered Indian Country and military facilities closed by the Base Realignment and Closure Act.
- ▶ At least 35% of its employees must reside in a HUB Zone.

Existing businesses that choose to move to qualified areas are eligible. To fulfill the requirement that 35% of a HUB Zone firm's employees reside in the HUB Zone, an employee must live in a primary residence within that area for at least 180 days or be currently a registered voter in that area. There are four types of HUB Zone contract opportunities:

Competitive: Contracts set-aside for HUB Zone competition when the contracting officer has a reasonable expectation that at least two qualified HUB Zone small business concerns (SBCs) will submit offers and that the contract will be awarded at a fair market price.

Sole-Source: HUB Zone contracts can be awarded if the contracting officer determines that:

- ▶ Only one qualified HUB Zone SBC is responsible to perform the contract
- ▶ Two or more qualified HUB Zone SBCs are not likely to submit offers and the anticipated award price of the proposed contract, including options, will not exceed \$5 million for a requirement within the North American Industry Classification System (NAICS) code for manufacturing; or, \$3 million for a requirement within all other NAICS codes

Full and Open: Full and open competitive contracts can be awarded with price evaluation preferences. The offer of the HUB Zone small business must not be 10 percent higher than the offer of a non-small business.

Subcontracting: All subcontracting plans for large business federal contractors must include a HUB Zone subcontracting goal.

Free Trade Zone or Sub Zone Status: The US Foreign Trade Zones (FTZ) (also known as a free trade zone) program was created by the Foreign Trade Zones Act of 1934. The Foreign Trade Zones Act was created to "expedite and encourage foreign commerce" in the United States through the designation of geographical areas adjacent to customs ports of entry. In an FTZ, commercial merchandise receives the same customs treatment it would if it were outside the commerce of the United States. Therefore, goods entering



FTZs are not subject to customs tariffs until the goods leave the zone and formally enter US Customs territory. Merchandise that is shipped to foreign countries from FTZs is exempt from duty payments. This provision is especially useful to firms that import components in order to manufacture finished products for export.

Merchandise of every description may be held in the Zone without being subject to Customs duties and other ad valorem taxes. This allows firms to minimize their costs while their products are waiting to be shipped. In addition, quota restrictions are, in some cases, waived for items entering an FTZ. This tariff and tax relief is designed to lower the costs of US-based operations engaged in international trade and thereby create and retain the employment and capital investment opportunities that result from those operations.

The FTZ program has grown profoundly over the last 30 years. In 1970 there were eight Foreign Trade Zone projects (with a total of three subzones) in the United States. Today there are over 230 Foreign Trade Zone projects (with nearly 400 Subzones) in the United States.

Designation of a FTZ by the Federal Trade Zone Board within the Department of Commerce must first be authorized by state enabling legislation. The Maine Legislature passed enabling legislation in 2005 for MRRA to submit an application for Foreign Trade Zone status.

State Incentives

Management at BNAS should be kept aware of state-level programs that could benefit existing and prospective tenants. The following programs could be of significance to the economic development of BNAS during these early stages:

Military Redevelopment Zone (PTDZ)

Up to 1,000 acres at BNAS may be designated as a military redevelopment zone within seven years of the military facility's closure and may receive the benefits of Pine Tree Development Zone designation (PTDZ). According to Maine's Department of Community and Economic Development, depending on the level of new qualified business activity conducted in a PTDZ, starting with the statutory requirement for hiring a minimum of one net new qualified employee, the tax burden of qualified businesses may be reduced through the following exemptions, reimbursements, and credits:

- ▶ Corporate Income Tax Credit (100%, Years 1-5; 50%, Years 6-10): the tax credit benefit derives from net new PTDZ payroll and property as a percentage of all Maine payroll and property.
- ▶ Insurance Premiums Tax Credit (100%, Years 1-5; 50%, Years 6-10): the tax credit benefit derives from net new PTDZ payroll and property as a percentage of all Maine payroll and property.



- ▶ Income Tax Reimbursement (80%, Years 1-10): the tax reimbursement benefit derives from income taxes withheld for net new jobs created, i.e. those qualified employees hired above the “old” employment baseline that existed in Maine prior to the expansion may be eligible for Employment Tax Increment Financing.
- ▶ Sales and Use Tax (100% Personal Property Exemption, Years 1-10): the tax exemption benefit, effective the later of July 1, 2005 or date of certification, derives from the qualified business paying no tax on all new tangible personal property purchases for its qualified business activity.
- ▶ Sales and Use Tax (100% Real Property Reimbursement, Years 1-10): the tax reimbursement benefit, effective the later of July 1, 2005 or date of certification, derives from paying no tax on all new tangible property purchases that are to be physically incorporated in, and become a permanent part of, real property of a qualified business and used in its qualified business activity.
- ▶ Property Tax Reimbursement (up to 100% and 30 years): the tax reimbursement benefit derives from local incremental taxes on new real and personal property investments that may be returned to a business as Municipal Tax Increment Financing if approved by the host municipality; and access to reduced electricity rates as requested by Central Maine Power, Bangor Hydro Company and Maine Public Service and approved by the Public Utilities Commission.

North Star Alliance (NSAI)

According to the Maine State Government, NSAI is a revolutionary industry-led collaborative, synthesizing business, R&D, education, workforce, and economic development resources to re-skill a workforce and launch a new regional economy in coastal Maine. The strategy focuses on building capacity and addressing gaps in Workforce Development, Research and Development, Outreach and Market Development, and Capitalization and Infrastructure Development.

- ▶ The targeted industry sectors of Maine’s North Star Alliance include a vast range of enterprises that make up or support the marine trades and those that utilize advanced composite materials, including boat building, marine / waterfront infrastructure, marine service and repair, building products, sporting goods, and ballistic armor. These industries represent the majority of the economic base of Maine’s midcoast region.
- ▶ Maine’s North Star Alliance Initiative will serve the eight counties that comprise Maine’s coastal region (York, Cumberland, Sagadahoc, Lincoln, Knox, Hancock, Waldo, and Washington) as well as the additional four counties most affected by the impending closure of the Brunswick Naval Air Station: Androscoggin, Kennebec, Penobscot, and Piscataquis. This region also encompasses the four local areas authorized under the Workforce Investment Act and comprises 12



of Maine's 16 counties. The Initiative will address needs identified by targeted industries located within this region that are critical to their growth and expansion.

Funding

Phase 1 of development and redevelopment at BNAS involves new construction and redevelopment as well as infrastructure upgrades and extensions. To finance initial upgrades at BNAS, ERA recommends a financing strategy that combines State General Fund / Capital Outlay financing with the following sources:

Bonds

Special purpose districts are authorized by the enabling statute that created the Midcoast Regional Redevelopment Authority to issue and sell notes, bonds, certificates of indebtedness and other obligations to achieve its public or corporate purpose.

Earmarks

Based upon comparable military base economic development projects, BNAS could potentially receive funding through a Department of Commerce Economic Development Assistance bill, an amendment to a Defense Department appropriations bill, or Department of Housing and Urban Development appropriations or reauthorization bill. As a highly competitive process with limited funding, involvement by the Navy may improve chances for funding approval.

Small Cities Community Development Block Grant and Section 108 Loan Guarantee

The primary objective of the Community Development Block Grant (CDBG) program is to develop viable communities by expanding economic opportunities, principally for those of low to moderate income. According to officials at the US Department of Housing and Urban Development, CDBG funds could be applied towards the following upgrades at BNAS:

- ▶ Construction or reconstruction of streets, water and sewer facilities
- ▶ Demolition of existing structures
- ▶ Rehabilitation of existing structures
- ▶ Planning activities
- ▶ Assistance to private and non-profit entities to carry out economic development activities

The Section 108 Loan Guarantee is a provision of the CDBG program and provides financing to local governments for economic development including large scale physical development projects. Under the Section 108 Loan Guarantee, loans can be made up to \$300 million for as much as 20 years. This federal loan program may be best suited for the following redevelopment activities:



- ▶ Long-term phased funding of the business park
- ▶ Short-term existing structure rehabilitation and modernization
- ▶ Major infrastructure work including road improvements and utility upgrades

Economic Adjustment Assistance Program

Administered through the Economic Development Administration, this grant program is intended to be part of a long-term strategy to promote a region's success in achieving a rising standard of living through the development of emerging industry clusters or the attraction of new regional economic drivers. Typically, applicants for this competitive grant are considered most seriously when a one to one funding match is provided by the state or local government. Appropriate projects for funding consideration under this program could include:

- ▶ Building rehabilitation
- ▶ Utility upgrades
- ▶ Road improvements

USDA Rural Development Community Programs

The United States Department of Agriculture (USDA) Rural Development Community Programs can make and guarantee loans to develop essential community facilities in rural areas and towns of up to 20,000 in population. Loans and guarantees are available to public entities such as municipalities, counties, and special-purpose districts, as well as to non-profit corporations and tribal governments.

Applications must have the legal authority to borrow and repay loans, to pledge security for loans and to construct, operate, and maintain the facilities. They must also be financially sound and able to organize and manage the facility effectively.

Repayment of the loan must be based on tax assessments, revenues, fees, or other sources of money sufficient for operation and maintenance, reserves, and debt retirement. Feasibility studies are normally required when loans are for start-up facilities or existing facilities when the project will significantly change the borrower's financial operations. The feasibility study should be prepared by an independent consultant with recognized expertise in the type of facility being financed.

Community Programs can guarantee loans made and serviced by lenders such as banks, savings and loans, mortgage companies which are part of bank holding companies, banks of the Farm Credit System, or insurance companies regulated by the National Association of Insurance Commissioners. Community Programs can also make direct loans to applicants who are unable to obtain commercial credit. Eligible community facilities include:



- ▶ Airport hangars
- ▶ Airports
- ▶ Bridges
- ▶ Sidewalks
- ▶ Street Improvements
- ▶ Infrastructure for Industrial Parks
- ▶ Railroads
- ▶ Low Head Hydro-Electric Facilities
- ▶ Natural Gas Distribution Systems

The amount of grant assistance for project costs depends upon the median household income and the population in the community where the project is located and the availability of grant funds. In most instances, projects that receive grant assistance have a high priority and are highly leveraged with other loan and grant awards. Grant assistance may be available for up to 75% of project costs. Grant funding limitations are based on population and income, economic feasibility, and availability of funds. Projects will be selected based on a priority point system. Projects that will receive priority are those that:

- ▶ Serve small communities – with the highest priority going to projects located in a community with a population of 5,000 or less
- ▶ Serve low-income communities – with the highest priority going to projects serving communities with median household incomes below the higher of the poverty line or 60% of the State non-metropolitan median household income
- ▶ Provide public safety, or public and community services

Grant funds cannot be used to:

- ▶ Pay any annual recurring costs, including purchases or rentals that are generally considered to be operating and maintenance expenses
- ▶ Construct or repair electric generating plants, electric transmission lines, or gas distribution lines to provide services for commercial sale
- ▶ Pay costs to construct facilities to be used for commercial rental where the applicant has no control over tenants and services offered
- ▶ Construct facilities primarily for the purpose of housing State, Federal or quasi-Federal agencies
- ▶ Finance recreational facilities or community antenna television services or facilities



Second Steps

Management

The Authority should continue to work closely with State officials and the Navy to maintain an effective line of communication that will allow development to occur smoothly at BNAS. Management should actively be monitoring conditions at the site regarding space demand and inquiries, and adjusting their marketing strategies accordingly. Establishing a realistic target for future absorption at the facility will help to inform near-term economic development goals for Phase 2 of construction:

- ▶ Develop realistic near-term economic development goals and milestones in conjunction with the Navy.
- ▶ Coordinate development plans for Phase 2 based upon refined goals.
- ▶ Help to develop funding sources through federal, state, local and private sector agencies to finance Phase 2 of development.
- ▶ Coordinate infrastructure development and operations to ensure business opportunities exist at BNAS.
- ▶ Seek outside expertise to improve development capacity.
- ▶ Negotiate deals with new tenants in existing/new business park areas.
- ▶ Monitor prospective tenant inquiries and refine future absorption expectations.
- ▶ Assess facility performance according to benchmarked economic development objectives.
- ▶ Seek outside expertise to financially assess the possibility of land ownership at the business park.
- ▶ Consider prospects for an incubator.
- ▶ Assess how existing tenant operations and business development can be enhanced through industrial outreach.

Marketing

The MRRA should continue to work closely with state officials and the Navy to maintain an effective line of communication that will ensure rapid and successful reuse of BNAS. Management should actively be monitoring conditions at the site regarding space demand and inquiries, and adjusting their marketing strategies accordingly. Establishing a realistic target for future absorption at the facility will help to inform near-term economic development goals for Phase 2 of construction:

- ▶ Develop realistic near-term economic development goals and milestones in conjunction with the Navy.
- ▶ Coordinate development plans for Phase 2 based upon refined goals.



- ▶ Help to develop funding sources through federal, state, local and private sector agencies to finance Phase 2 of development.
- ▶ Coordinate infrastructure development and operations to ensure business opportunities exist at BNAS.
- ▶ Seek outside expertise and/or partners to improve development capacity
- ▶ Negotiate deals with new tenants in existing / new business park areas.
- ▶ Monitor prospective tenant inquiries and refine future absorption expectations.
- ▶ Assess facility performance according to benchmarked economic development objectives.
- ▶ Assess the financial feasibility of land ownership at the business park.
- ▶ Identify business incubator opportunities and partners.
- ▶ Maintain an aggressive business development outreach program.

Funding

In conjunction with Economic Adjustment Assistance financing, State General Funds, bonds and CDBG dollars, ERA recommends a Phase 2 financing strategy that explores the possibility of economic development conveyances and subsequent land sales. As demand for space at BNAS evolves, land sales may become a more feasible means of developing cash flow. Moreover, the MRRRA could apply for an EDA Public Works Program grant (as described below):

Public Works Program

Administered through the Economic Development Administration (EDA), this grant is intended to enhance regional competitiveness and promote economic development in regions of underinvestment to attract industry, generate jobs and stimulate economic growth. A grant intended primarily for construction, this money may be invested at BNAS towards the following:

- ▶ Phased industrial park construction
- ▶ Facility road improvements
- ▶ Public works improvements
- ▶ Existing facility upgrades

According to EDA officials, Public Works Program grant awards are typically in the range of \$1.2 million although usually require a one to one funding match from a state or local government.



Third Steps

Management

The Authority should be maintaining regular contact with state officials and the Navy to coordinate Phase 3 of the development strategy. The management team should continue to refine their marketing and management strategies to ensure business development meets the benchmarked economic development goals and objectives. The following actions are recommended to the managing body to further economic development at BNAS:

- ▶ Analyze the performance of site management assessing whether marketing and outreach strategies are meeting benchmarked economic development goals.
- ▶ Refine development plans for Phase 3 based upon anticipated absorption and development benchmarks.
- ▶ Refine the real estate development strategy and business plan.
- ▶ Pursue funding through federal, state, local and private sector agencies to finance Phase 3 of development.
- ▶ Coordinate infrastructure development and operations to ensure business development and rapid and successful reuse of BNAS.
- ▶ Evaluate how the incubator can support existing BNAS businesses, generate new business development and integrate research and development activities with nearby college and university partners.
- ▶ Develop a business incubator management strategy and define its near-term objectives.
- ▶ Work with the Maine Department of Economic and Community Development's Office of Innovation and Maine Technology Institute to secure funding for a technology business incubator.

Marketing

A central piece to the overall site development of BNAS will be the Business and Technology District(s). ERA sees these districts as critical to the successful redevelopment of BNAS. To reflect previous market findings and serve in the redevelopment of the base, the development of these districts should collectively represent a Maine Center for Innovation housing established tenants specialized in technology-based industries as defined in ERA's market report. The Center should also seek to play the role of a business incubator. Incubator development will require a separate marketing and outreach strategy, although it should complement overall business development strategies at BNAS. To effectively develop an incubator that meets the needs of area entrepreneurs and achieves long-term success, the follow steps should be taken:



- ▶ Develop a list of target business activities for the incubator
- ▶ Develop a business incubator marketing strategy
- ▶ Join state and national small business trade associations

Incubator management is critical to the success of these facilities and should combine expertise in industrial outreach, business development, tenant management and leasing.

Funding

Phase 3 of development at BNAS involves further investments in infrastructure, land assembly and real estate development. ERA recommends a financing strategy that combines state and federal funding sources, in conjunction with facility revenue. As density increases at BNAS, net operating income will increase and become a viable source of cash for these facility investments. Land sales will also become a more realistic source of revenue as demand at the facility increases.



Reuse Master Plan Consultant Team

Matrix Design Group - Denver, Colorado

- ▶ Dan Schnepf, Disposition / Implementation Strategies
- ▶ Tim Dreese, Project Manager / Land Planning
- ▶ Ken Schroepfel, Assistant Project Manager / Land Planning
- ▶ Austin Patten, Land Planning
- ▶ Jeff Clonts, GIS Mapping

Matrix Environmental Services - Denver, Colorado

- ▶ Michelle Beekman, Environmental / Redevelopment Strategies
- ▶ Wesley Dickinson, Environmental Assessment

Wright-Pierce Engineers - Topsham, Maine

- ▶ Jon Edgerton, Transportation and Infrastructure Assessment
- ▶ Doug Rice, Transportation and Infrastructure Assessment
- ▶ Travis Pryor, Transportation and Infrastructure Assessment

WBRC Architects & Engineers - Bangor, Maine

- ▶ Rob Frank, Facilities Assessment
- ▶ Paul Brody, Visioning Graphics
- ▶ Peter Delullis, Visioning Graphics
- ▶ Mark Stillman, Visioning Graphics

Planning Decisions - Hallowell, Maine

- ▶ Frank O'Hara, Public Engagement Facilitation
- ▶ Antje Kablitz, Public Engagement Facilitation

Eaton Peabody Consulting Group - Augusta, Maine

- ▶ Greg Mitchell, Facilities Reuse Assessment

Economics Research Associates - Chicago, Illinois

- ▶ Cheryl Baxter, Market and Economic Analysis
- ▶ Will Renner, Market and Economic Analysis