

LD1182 April 4, 2025: Testimony to the Transportation Committee

Good Morning Chairman Nangle, Madam Chair Crafts, and members of the Committee.

I am Tom Marshall, Trustee and Treasurer for the Rockland Port District. I currently reside at 70 Beech Street, Rockland Maine and am seeking your support for LD 1182 to grant an increase of the District's borrowing capacity and expand the industries we can serve in the Rockland Harbor.

My presentation consists of an explanation of how we operate, what opportunities we may wish to pursue, the synergies that can exist between water and rail-based intermodal transportation, specifically two waterfront properties, and a summary of our financial condition. The handout has four pages.

In 1950, the District's mission was crafted by Capt. Richard Spear and the Maine Port Authority. Up to that time, The Vinalhaven and Rockland Steamboat Company supported commercial and residential traffic between Rockland and the Penobscot Bay islands. Realizing private capital could not support the transportation needs of a growing island population, Capt Spear made a case to the Maine State Port Authority to provide a State Ferry Service capable of carrying passengers, cars, and heavy trucks. The result was passage of LD813 by the 95th Legislature creating the Rockland Port District, a corporate body politic in 1951.

The District was empowered as a fiscal agency to acquire small waterfront properties that could be assembled into a ferry hub designed to accommodate vehicle loading and multiple ferries. As the District acquired property over a period of 8 years, it would immediately lease the land to the Port Authority. In 1959, the Maine State Ferry Service was established and Capt Spear became the first employee and manager of the Rockland Terminal.

In the earliest days of the District, Capt Spear also recognized the need Maine's fleet of windjammers to have a safe affordable port. He set aside a section of the facility with pilings and floating docks rented to the fleet at break even rates. Windjammer Wharf was and is to this day a self-sufficient enterprise. The fleet is thriving.

While the District has fiscal responsibility for the facility, the operation is under contract to the Master Lessee, Maine Maritime Traditions Group ("MMTG"). As illustrated in my first slide, the District's Financial Relationships, MMTG sublets dock long term tie ups to private schooners engaged in sailing-based tourism. On occasion MMTG will also provide temporary shelter for commercial vessels during storms and catastrophic events. The District, MMTG and all vessels have proper maritime insurance coverage to address liability exposures for the City of Rockland. All are collaborating and profitable.

The District is a financial tool for both the State and the City of Rockland to acquire property and develop it as a resource for growing the working waterfront. On my second slide, I show that there are two railway beds owned and maintained by the State running adjacent to waterfront lots that are commercially inactive. Both lots have wharves which served vessels needing deep water mooring. Both lots may come on the market when we least expect and the current \$600,000 capacity is inadequate for purchasing and repurposing. The requested capacity would enable the District to finance and develop the lots, playing a role it did in the 1950s.

The third slide provides a detail view of the properties. The property owned by the former Drago Cement has 7.1 acres of land and a 43,000SF vacant warehouse. Underground, there is a large cooling water system for transferring concrete from rail to barge. Potentially, the site could be developed for low bulk high value intermodal transportation to the islands via autonomous

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vessels. Another idea involves using the warehouse and water system to support aquaculture applications. The southern most lot is currently the site of two former grain storage silos, owned by the Passamaquoddy Blueberry Company. While the silos have no value, there is currently a derelict wharf and pier extending into deep water. This was the site that competed with Bar Harbor's wharf when the CAT ferry service to Nova Scotia was established in 1956. The railway is just a short walk from this pier.

My final slide displays the current financial condition of the District. As you can see, we are small potatoes. We anticipate revenue of \$40,000 and expenses of \$5,000. The profit goes into a reserve for dredging and facility replacement costs.

From 1953 to 1995, the District owned all of the land that the current Ferry Terminal occupies today. In 1995 the property was acquired by the State through eminent domain leaving the District with just the pilings and floating docks. In the last 70 years, the District has never used its power to levy taxes or take property by eminent domain. The District's debt is not guaranteed by the State or the City of Rockland. While the capacity gives the District the ability to borrow, lenders will demand evidence of cashflow to repay just as they would from any corporate body. We couldn't do anything without a solid business case and we would need approval from the City just as any developer would need.

The District is a creation of the Legislature to help grow the economy of Rockland and the Bay Islands. It is a tool that needs sharpening and LD1182 is a great honing stone. Thank you!

I'd be happy to answer any questions.