

Daniel J. Ankeles

7 Beech Drive
Brunswick, ME 04011

<u>Dan.Ankeles@legislature.maine.gov</u>
Cell Phone: (207) 756-3793

HOUSE OF REPRESENTATIVES

2 STATE HOUSE STATION AUGUSTA, MAINE 04333-0002 (207) 287-1400 TTY: MAINE RELAY 711

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Testimony of Rep. Dan Ankeles presenting

LD 1819, An Act Regarding the Brunswick Naval Air Station Job Increment Financing Fund

Before the Joint Standing Committee on Housing and Economic Development

Senator Curry, Representative Gere and fellow members of the Housing and Economic Development Committee, thank you for the opportunity to share testimony with you. I am Representative Dan Ankeles, and I serve House District 100, a central portion of Brunswick that includes the former Brunswick Naval Air Station. It's my pleasure to join you once again to present LD 1819, An Act Regarding the Brunswick Naval Air Station Job Increment Financing Fund.

In preparing this bill, I worked closely with the current and two previous executive directors of the Midcoast Regional Redevelopment Authority (MRRA). And with us today should be a representative from MRRA to provide testimony in support of this legislation.

Last week I came before you with a set of important reforms to MRRA. Like those reforms and the spill response bills that received favorable votes in ENR, LD 1819 is part of our delegation's broader effort to recover from the August 19 large-scale discharge of the toxic firefighting foam known as aqueous film-forming foam (AFFF).

But it's more than that. It's also an effort to make sure that MRRA can be an effective manager of a former airbase that has become the fastest growing commercial and residential part of Brunswick. MRRA has a crucial economic and workforce development mission that it must carry out in order to protect the remarkable but also fragile regional prosperity — emphasis on regional — that it has helped to forge.

But MRRA and the broader community can't complete this mission if we have failing roads and drinking and stormwater systems that have reached the end of their useful life. Unfortunately for all of us, when it comes to things that aren't considered environmental hazards, the Navy is under no obligation to repair or replace any of the above. They leave it to us as is, and then it's up to us to make use of it.

The Job Increment Financing Fund, which we all call the JTIF back home, is a complex instrument that provides MRRA with an essential stream of revenue that goes toward capital improvements and other non-operational expenditures. It comes from taxes employees of any

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former airbase employer already pay. In layman's terms, this is money MRRA gets each year for each job it has created on Brunswick Landing.

In 2020 when the pandemic arrived, many jobs became remote, and remote jobs don't count toward MRRA's job creation goals under current law. When I brought this bill to the Legislative Council back in the spring of 2024, MRRA had already lost more than \$215,000 dollars in JTIF revenue, which is a huge amount for an organization of that size, and it's surely more by now. Perhaps the most important component of LD 1819 is that, going forward, remote jobs for Brunswick Landing employers would count as long as the job holder is living somewhere in Maine.

Another major part of the bill: under current law, MRRA splits its JTIF revenue with the state and Southern Maine Community College. I'm oversimplifying here, because there are different ways current law and this bill treat Pine Tree Zone and non-Pine Tree Zone employers, but essentially the bill takes the portion of the JTIF money going to the state and sends it instead to MRRA.

Other things the bill does that are not as important but still helpful: it extends the life of the JTIF program by 20 years, and raises the jobs threshold for an automatic legislative review of the JTIF program from 5,000 jobs created to 8,000. It also clarifies that a road under MRRA's jurisdiction that isn't a privately-owned way is defined as a public way. This last piece makes it easier to seek funding sources.

You'll likely hear some heartburn and maybe even some differing messages from both DAFS and DECD, as they support and oppose different components of the bill. Here's what I'd say: if you strip both the remote work provision and the reallocation of funds provision, the bill loses its purpose. Without at least one of those provisions, we are not helping MRRA advance its mission. And even worse, we are cutting off the possibility of a stronger revenue stream being used to leverage a line of credit that could pay for the soon-to-be-required purging of the PFAS residue in the fire suppression systems in two of the MRRA-owned hangars.

Please take the long view. At the end of the day, if we have further infrastructure failure, it will overwhelm MRRA and Brunswick's ability to maintain a baseline of usability for stormwater and drinking water, even more than it already has. That cost will ultimately come back on the state, and it won't be pretty. The Administration's and the Legislature's most affordable option for Maine taxpayers is to use an increase in JTIF revenue to help us muddle through. That sounds blunt, but we're the ones on the ground who have tried to game this out.

If all of the doors in this bill are truly shut to us this session, perhaps the committee would consider preserving this legislative vehicle over the summer to give us a chance to give MRRA's new executive director and the new DECD Commissioner the opportunity to find a path forward together. This is not at all my preferred option for a lot of reasons, but especially because time is of the essence. However, I also feel like I wouldn't be doing my job if I didn't remind you of this option.

Thank you for the opportunity to address you in support of this essential bill. I am happy to answer questions, though I would say MRRA knows the specifics of its own budget better than I do.