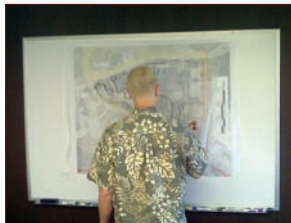




Section 6: The Topsham Annex Reuse Master Plan



The Topsham Annex Reuse Master Plan establishes the town’s vision for redevelopment of the area, designates land use preferences for specific portions of the property, and makes recommendations for disposition strategies. The plan was developed to capitalize on the existing infrastructure and facilities at the Annex, while not precluding the future replacement of some (or all) of those facilities with new construction consistent with Reuse Master Plan.

As described in the previous section, the configuration of the surplus land at the Annex consists of two primary areas—the Military Triangle and the Housing Area. The Military Triangle consists of approximately 14 acres, with several one and two story offices, maintenance, and service-related buildings, along with surface parking. The Housing Area consists of approximately 60 acres of land, with three subareas, including the undeveloped property on the western side; existing residential housing north of Can Am Drive on the eastern side; and, existing residential housing south of Can Am Drive, also on the eastern side. Given this distinct arrangement of the existing uses, the preferred land use plan is similarly divided into four distinct areas.

Description of the Reuse Master Plan

The Reuse Master Plan for the Topsham Annex consists of four specific land uses, each found in one of the four subareas described above:

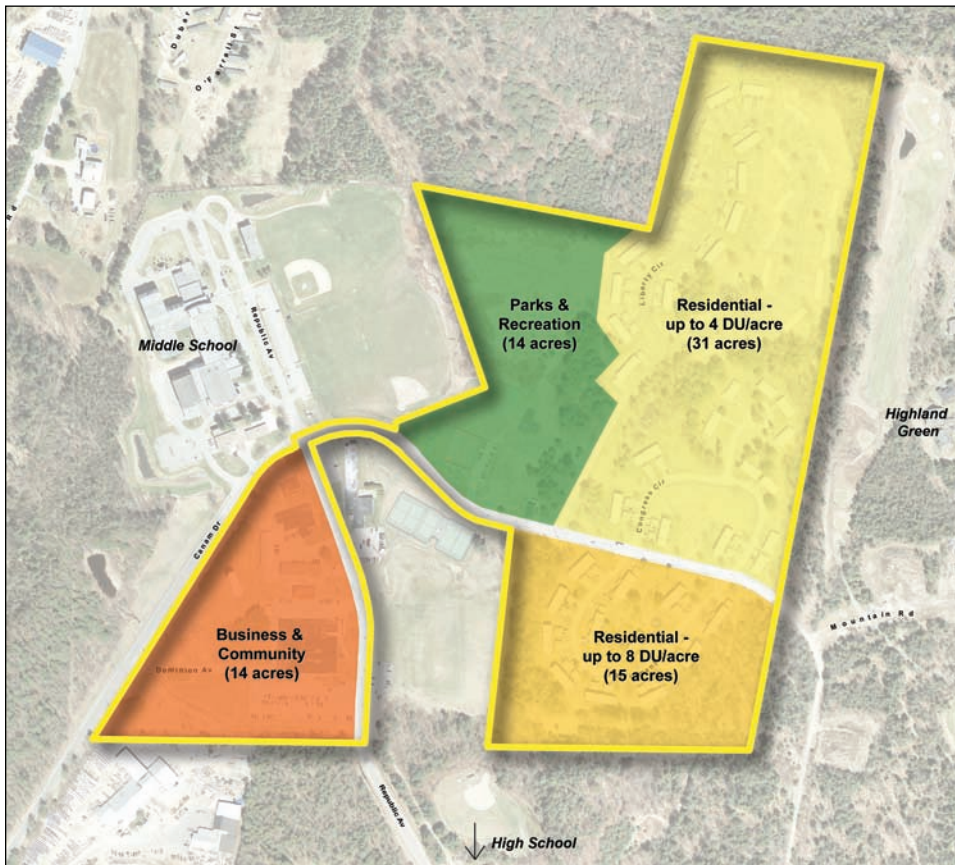
- ▶ Business & Community
- ▶ Parks & Recreation
- ▶ Medium Density Residential (up to four dwelling units / acre)
- ▶ Higher Density Residential (up to eight dwelling units / acre)

The location of these preferred land uses that constitute the Topsham Annex Reuse Master Plan is shown below in **Exhibit 56: Topsham Annex Reuse Master Plan Map**, and also at the end of this report in large format. The sections below describe the location and nature of these preferred uses.



**TOPSHAM ANNEX REUSE MASTER PLAN
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Exhibit 56: Topsham Annex Reuse Master Plan Map



Source: Matrix Design Group

Business & Community

The Business & Community use has been designated for the 14-acre Military Triangle and is envisioned to include a mix of office, commercial, retail, light industrial, and other similar uses that are consistent with adjacent residential and educational uses. Several of the existing facilities in the Military Triangle lend themselves to civilian commercial uses. As military facilities, they are currently being used for office, training, retail, storage, and similar functions that have adaptability to similar private-sector uses. A small portion of the Military Triangle currently undeveloped is available for new construction of Business & Community uses, in addition to the potential for one or more of the existing facilities to be razed at some point in the future, creating additional development sites for new commercial construction. The Business & Community use would also allow non-commercial community and civic uses, such as governmental, cultural, human services, and parks / open space functions as a complement to commercial functions.



Parks & Recreation

The Parks and Recreation uses envisioned for the Topsham Annex will be located to the east of SAD 75's existing ball fields and tennis courts on undeveloped land considered part of the GMH Housing Area. This land covers approximately 13 acres and could include formal park space, natural open areas, indoor and outdoor recreation facilities, sports facilities, fields, courts, and other related recreational uses.

Medium-Density Residential

The northern part of the existing GMH Housing Area (the area north of Can Am Drive) has been identified as future medium-density residential uses. The density allowed in this area would include up to four residential units per acre.

Higher-Density Residential

The southern part of the existing GMH Housing Area (the area south of Can Am Drive) has been identified as future higher-density residential uses. This preferred density would accommodate housing up to eight units per acre.

Both Medium-Density and Higher-Density Residential land use designations would allow for continued use of the area by GMH for market-rate housing, and/or for demolition and redevelopment by other private interests at an economically-viable density.

Reuse Master Plan Potential Impacts

This section provides an overview of the potential impacts associated with the Topsham Annex Reuse Master Plan. Consideration is given to the potential costs for redevelopment of the property, as well as the anticipated fiscal impacts of the property. Issues associated with the infrastructure to support the redevelopment are also summarized. In addition, an overview of the housing plan for the property is provided, including the potential preliminary costs for redevelopment. This section also evaluates the financial feasibility of the plan, in terms of expected costs for redevelopment and the potential for local municipal revenues. It should be noted that the analysis of redevelopment costs related to demolition and/or renovation of existing family housing units is provided only for discussion purposes.

Implementation Entity

While the planning for the redevelopment of the Topsham Annex was completed by the Topsham Local Redevelopment Authority (TLRA), the implementation of the Reuse Master Plan will be led by the Midcoast Regional Redevelopment Authority (MRRA). The MRRA is a state-created entity, created in 2005. According to its enabling legislation, "The authority is governed by a board of trustees composed of 11 voting members appointed by the governor and subject to review by the joint standing committee of the



TOPSHAM ANNEX REUSE MASTER PLAN TOWN OF TOPSHAM, MAINE

legislature having jurisdiction over economic development matters and to confirmation by the Senate.” According to a published report, the MRRRA was established in September of 2007, and will be chaired by former state legislator Arthur Mayo.

In terms of the Topsham Annex, the MRRRA will have responsibility for implementing the Reuse Master Plan. As discussed below, the TLRA Board identified a number of NOI proposals it supported, and it is anticipated that the appropriate entities will file the necessary documents to complete those recommended property transfers. It is also anticipated that all remaining portions of the Topsham Annex will be sold by the Navy to end users and/or developers through a Public Sale.

It is considered important for the Town of Topsham to review its zoning ordinance, to ensure that the existing zoning on the Annex property is consistent with the concepts outlined in the Reuse Master Plan, such that the Reuse Master Plan can realistically be implemented. This is considered a vital step in moving the Reuse Master Plan forward – although the property was exempt from local zoning under federal control, new buyers will be subject to local zoning.

In terms of timing for property transfers, it is anticipated that the Topsham Annex property could be available well before the remainder of the Naval Air Station Brunswick. The Base Closure law requires that all BRAC properties be closed not later than 2011, six years after the closures were approved in 2005. However, the military has the option of closing sites when missions are transferred to receiving bases before 2011. The functions currently located at the Topsham Annex, since they are not mission critical, could be relocated well before 2011.

Socioeconomic Impacts

The redevelopment of the Annex property is expected to result in a number of positive benefits for the community. Included among these benefits are new employment opportunities for the community, an increased tax base, expanded housing opportunities, and increased population.

Employment Opportunities

The redevelopment of the Topsham Annex is expected to result in a number of employment opportunities. This section provides an overview of the expected construction employment that could be generated on-site, as well as permanent employment opportunities that could be supported in the existing facilities, which are expected to be reused.



Construction Employment

In order to estimate the potential construction employment that could be generated from the redevelopment of the Topsham Annex properties, the redevelopment budgets outlined above are used.

It has been the consultants’ experience on prior projects that approximately 40 percent of the costs associated with redevelopment projects are related to construction labor, with the remainder being associated with materials, overhead, general conditions and profit. As shown in the table below, the allocation of 40 percent of construction costs to labor indicates a range of \$7.16 million to \$16.24 million.

Exhibit 57: Estimated Construction Employment

	Low Estimate	High Estimate
Commercial and Business Zone	\$3,700,000	\$3,700,000
Medium Density Residential	\$12,000,000	\$22,800,000
High Density Residential	\$2,200,000	\$14,100,000
Subtotal	\$17,900,000	\$40,600,000
40% Allocation to Labor	\$7,160,000	\$16,240,000
Average Construction Wage	\$31,356	\$31,356
Person-Years of Employment	228	518

Source: JDA

According to the Maine Department of Labor, the average construction wage in Sagadahoc County was \$603 per week, or \$31,356 annually. Using this average wage indicates that the redevelopment activities at the Topsham Annex could generate between 228 and 518 person-years of construction employment.

Permanent Employment

The redevelopment of facilities at the Topsham Annex is also expected to result in permanent employment opportunities, as existing buildings are redeveloped for private- and public-sector use. Given that specific users for the Topsham Annex properties have not been identified, it is difficult to project the number of permanent employees which could work on-site. However, given the style and previous uses of the buildings, some estimates can be prepared.

Published data can be used to estimate the number of employees that each facility can support. For example, manufacturing uses typically require 600 to 1,100 square feet per employee, while warehouse and distribution uses can require 900 to 1,500 square feet per employee.



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The table below provides a summary of the projected employment in each of the facilities which is expected to be reused, based on published averages. Office uses are included at an average of 250 to 400 square feet per employee, while shop / garage uses are included in the range of 400 to 600 square feet per employee. The commissary, the largest facility on the site, has been included at an average of 500 to 750 square feet per employee, though no specific use for this facility has been identified.

Exhibit 58: Projected Employment at Topsham Annex

Facility	SF	SF Per Employee		Supportable Employees	
		Low	High	Low	High
Former Headquarters	13,240	250	400	33	53
Commissary	33,700	500	750	45	67
Auto Maintenance	5,282	400	600	9	13
Warehouse	4,320	750	1,000	4	6
Marine Reserve	9,200	250	400	23	37
Fire Station	4,284	400	600	7	11
Total/Average	70,026	375	577	121	187

Source: JDA

In total, it is anticipated that the redevelopment of the Topsham Annex could support between 121 and 187 permanent jobs in the existing facilities. Any new facilities, or expansions of existing facilities, would increase these estimates.

Tax Base

As summarized earlier, the redevelopment of the Topsham Annex could require \$18 to \$40 million in investment. Overall, the business and commercial properties are expected to require an investment of \$3.7 million, or approximately \$53 per square foot. In terms of the tax base these facilities will generate, it is estimated that the average valuation will be in the range of \$70 to \$100 per square foot, or \$4.9 million to \$7.0 million in total tax base.

The residential facilities are expected to have a broader range of values, depending on the “target market” for the units. Though there was significant discussion during the reuse planning process regarding the need for affordable housing, the likelihood of this product being built without a community-based organization taking the lead is somewhat low. The Navy will likely auction the property, which means that acquisition by a profit-motivated developer of housing is more likely.

As discussed earlier in this chapter, the primary issue for the housing stock revolves around the extent to which existing buildings and foundations will be reused. This is likely to affect the potential value of the units, both in terms of the regional real estate market and in terms of their assessed valuation.



The Table below provides a summary of the projected value of residential units at the Topsham Annex. As shown below, assuming values ranging from as low as \$125,000 to as high as \$250,000 for various unit types, the total tax base is estimated to be in the range of \$28.1 million to \$46.7 million.

Exhibit 59: Projected Residential Tax Base

Facility	Units	Value per Unit		Overall Tax Base	
		Low	High	Low	High
Single Family Homes	9	\$150,000	\$250,000	\$1,350,000	\$2,250,000
Medium Density Townhomes	126	\$125,000	\$200,000	\$15,750,000	\$25,200,000
High Density Townhomes	110	\$100,000	\$175,000	\$11,000,000	\$19,250,000
Total / Average	245	\$114,694	\$190,612	\$28,100,000	\$46,700,000

Source: JDA

Adding these estimates to the non-residential estimates developed above indicates a range of total tax base of between \$33.0 million and \$53.7 million.

Population

The redevelopment of the Topsham Annex will also result in an increased population base for the community. As discussed earlier in the Reuse Master Plan, the current estimated population of the community is 10,236, and there are 3,942 households in the community. This translates to an average household size of 2.6 persons per household. Assuming that the 245 units of housing anticipated for the site are reflective of the broader community, the town’s population would increase by 636.

The specific product type and style could affect the estimated population of the units. For example, age-restricted products rarely generate more than 2.0 persons per household. In contrast, a four-bedroom unit could generate an average household size of more than 4.0 persons per household. However, given the uncertainty associated with the style and type of development which will be created on-site, the town wide average is considered a reasonable proxy.

Financial Investment and Construction Activity

The Topsham Annex Reuse Master Plan envisions renovation and reuse of the existing non-residential structures on the property, a strategy that will require an investment of funds by new owners in order to make existing buildings both habitable and marketable. It is possible, however, that future owners of the site could demolish some (or all) of the existing structures in favor of new construction. Given the availability of existing development sites in the area with access to existing infrastructure, that approach is considered to be a low probability outcome, unless portions of the redevelopment project are subsidized by outside funding. This section, therefore, provides an overview of the projected costs associated with redevelopment of the property.



Non-Residential Areas

The redevelopment of the Military Triangle parcel, which includes the office / industrial and mixed-use commercial land use categories, is expected to require a somewhat low level of investment. The majority of existing buildings are expected to be reused, with only minimal structural demolition. A budget of \$50,000 has been included for demolition of small structures, fences, and some site features.

Demolition of larger structures is expected to be more costly. In particular, demolition of internal features within the Commissary, in order to prepare the building for redevelopment, are estimated to cost \$168,500. The only other building expected to incur significant demolition costs is Building 336, the former auto storage facility. Due to the poor condition of this facility, and its location between two larger existing buildings, it is anticipated that this facility will be completely demolished. The estimated cost for demolition of the auto storage facility is just over \$22,000.

Beyond demolition, it is anticipated that most buildings will require some form of upgrades / renovations in order to make them usable and marketable. Most of the facilities suffer from some form of physical, functional and/or economic obsolescence. For warehouse and shop-type buildings (337 and 338), a budget of \$15 per square foot of building area has been established. This is intended to include minor modifications to wiring, updating of bathroom areas, and cosmetic improvements. No allowance for structural changes is included in this estimate. Costs associated with bringing the facilities up to current building and life safety codes are also excluded from this estimate. The budget for the office facilities is similar in its intent – the anticipated budget is intended to support primarily cosmetic upgrades, including painting and carpeting, as well as some limited upgrades to building systems on an as-needed basis. No allowance for structural changes is included in this estimate. Costs associated with bringing the facilities up to current building and life safety codes are also excluded from this estimate. A budget of \$30 per square foot has been included for office-type facilities (Buildings 333 and 339).

Exhibit 60: Redevelopment of Existing Buildings in Military Triangle

Number	Name	Square Footage	Demolition	Renovation	Total
333	Former Headquarters	13,240		397,200	397,200
335	Commissary	33,700	168,500	2,696,000	2,864,500
336	Former Auto Storage	2,986	22,395		22,395
337	Auto Maintenance	5,282		79,230	79,230
338	Warehouse	4,320		64,800	64,800
339	Marine Reserve	9,200		276,000	276,000
363	Fire Station	4,284		-	-
Total		73,012	190,895	3,513,230	3,704,125

Source: JDA



The most significant renovation budget has been included for the existing Commissary (Building 335). A budget of \$5 per square foot (net of salvage) has been assumed for removal of existing interior items which are inconsistent with the redevelopment of the building. In addition, a conceptual budget estimate of \$80 per square foot has been included for renovation of the existing space.

Residential Areas

The Reuse Master Plan for the Topsham Annex includes two distinct housing areas. The larger of the two housing areas, north of Can Am Drive, is proposed for medium-density residential uses, consistent with the existing level of density on the site. Some of the housing units in this area have been demolished or partially demolished, and some of the units are currently occupied. This gives rise to the question of whether it is reasonable to rebuild new structures on the foundations of the unoccupied structures, or whether it is prudent to simply demolish all of the structures in this area and develop new products on-site. An analysis of these issues, included as part of the appendix, was prepared to assist the TLRA and the Town of Topsham in its early consideration of potential disposition strategies for these parcels. Since the areas are encumbered by the existing 50-year Navy / GMH privatized housing agreement, limited acquisition and/or implementation options exist for the town, except those available through land use and zoning controls.

Roadways

As part of the redevelopment of the Topsham Annex, it is anticipated that the on-site roadways will be upgraded, either through a pavement overlay or through a complete reconstruction of roadways. Information supplied by Wright Pierce indicates an estimated cost of \$200,000 per mile for pavement overlay, and \$400,000 per mile for reconstruction. The estimated length of roadway segments is 7,450 feet, or 1.4 miles. The estimated cost for overlaying the roadways is \$280,000, while the estimated cost for reconstruction is \$560,000.

Exhibit 61: Roadway Segment Lengths

Roadway	Length
Congress	1,000
Liberty	2,650
Parliament	1,050
Portion of Tower Road	1,000
Portion of Canam	1,750
Total	7,450

Source: JDA



Infrastructure and Transportation Issues

Infrastructure Systems Overview

An analysis of the infrastructure that serves the Topsham Annex of the Brunswick Naval Air Station was performed to determine system needs and opportunities to support the Reuse Master Plan for the Topsham Annex. The Reuse Master Plan consists of a Business & Community zone of approximately 14 acres; a Residential Zone of 15 acres with a proposed density of up to eight dwelling units per acre; a Residential Zone of approximately 31 acres with a proposed density of up to four dwelling units per acre, and 14 acres of Parks and Recreation space. The various elements of the infrastructure system reviewed included transportation, water, wastewater collection, stormwater, electric and telecommunications, and natural gas. Each infrastructure system was evaluated based on the available information, current condition, and its capability and capacity to serve the Reuse Master Plan. Each system is discussed in more detail below.

Transportation

Presently, the most direct access to the Topsham Annex property is via U.S. Highway 201 (Main Street) to State Route 196 (the Coastal Connector) which provides direct connections to both Interstate Route 295 to the west and U.S. Route 1 to the east. Can Am Drive connects U.S. Highway 201 with the Topsham Annex. Can Am Drive also provides direct access from U.S. Highway 201 to Mt. Ararat Middle School and indirect access via Republic Avenue to Mount Ararat High School. Future growth within the Annex and along Route 201 will require upgrades to several of the existing intersections located near the Annex. The 2005 Transportation Plan indicated that the intersections with U.S. Highway 201 and Eagles Way, Can Am Drive, and with State Route 196 would be operating at level of service (LOS) F under the 2009 peak hour conditions. As development within the Annex progresses, traffic mitigation measures will likely need to be implemented.

The proposed development plan presented provides for a more intense development of the residential areas than exists today. Current development exists at four dwelling units per acre. The proposed plan contemplates development of 31 acres at up to four dwelling units / acre with development of another 15 acre area up to eight dwelling units / acre. The average dwelling units per acre under the proposed plan is approximately 5.3 units / acre. The proposed number of dwelling units in the residential area equates to approximately 244 units which is 37 percent higher than the historic 177 units that existed prior to the demolition of units over the past couple of years by GMH.

The traffic volume impact on the Route 201 and Can Am Drive intersection could be increased by a corresponding 37 percent. Based on full occupancy, the existing units would contribute about 119 trips during the morning peak hour, which has been determined to be the critical period of time for considering congestion on the adjacent



street system due to the presence of the Middle and High Schools. The proposed level of residential development would correspond to approximately 163 trips during the morning peak hour.

Existing non-residential development within the Military Triangle includes the Commissary and office / administration facilities. Assuming full occupancy of the existing facilities, morning peak hour traffic generation associated with these elements is estimated at 24 vehicles for the retail and warehouse facilities plus 37 vehicles for the office / administration facilities.

Proposed development of the 14-acre Military Triangle parcel is targeted to include a potential mix of business, office, and light industrial uses. Based on an assumed floor area ratio of 0.3, the morning peak hour traffic generated has been projected at 33 for the light industrial development and 231 for the business / office component.

Note that the Town of Topsham has indicated that development resulting in increases in trip generation in excess of that associated with current development will likely require developer contribution to the cost of off-site measures to mitigate congestion. In order to determine whether a traffic signal is warranted after the redevelopment of the Annex, a traffic study should be conducted. The traffic study should include consideration of traffic associated with the Middle and High Schools.

Water

Water is supplied to the Topsham Annex through its connection to the Brunswick Topsham Water District (BTWD) system located in U.S. Highway 201. Much of the water infrastructure within the Annex was constructed in the 1940s and 1950s. Currently, the BTWD has excess capacity to serve the Brunswick Topsham area, however, this capacity is allocated on a “first come first served” basis. In 1998, the BTWD conducted an evaluation of the water system serving the Annex and the schools in the area. The BTWD concluded that the existing system was substandard and generally would require complete replacement of the water distribution system for the BTWD to consider taking ownership of the water infrastructure. Some of the required improvements to the water distribution system identified as part of that evaluation included:

- ▶ Water mains constructed of inferior materials and would need to be located in future right-of-way corridors.
- ▶ Hydrants are not District standard and would require replacement.
- ▶ Shut-off valves are inferior quality and would need to be relocated to the edge of proposed right-of-way.
- ▶ The tank is lacking sufficient space for proper maintenance.



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Replacement of the water distribution system would need to follow BTWD standards including:

- ▶ Utilization of District standard materials.
- ▶ Maintain vertical and horizontal separation to adjacent sewer mains of at least 10-feet horizontal and 18-inches vertical.
- ▶ Provision of individual water services, meters, and backflow preventers.
- ▶ Provision of easements where water infrastructure is located outside of proposed right-of-way.
- ▶ Demonstration of compliance with the the *State of Maine Cross Connection Rules*.

Transfer of the Navy assets to the BTWD must be completed in compliance with *Chapter 65 - Property Taken for Public Use and Assessment of Damages*, of the Maine Public Utility Commission rules. This chapter requires that water mains be located within public right-of-way, or have established easements in place for District operators. This chapter also provides districts the power of eminent domain to take property for operation of their water system.

Wastewater Collection System

The existing wastewater collection system consists primarily of clay pipe with pipe joints every three feet, which is typically susceptible to infiltration (groundwater entering the pipe). In the 1970s, the force main from the Navy's pump station was connected to the collection system on Main Street (Rte 201) owned by the Topsham Sewer District. Some limited improvements have been made to the wastewater collection system within the Annex, however it still is a major source of inflow and infiltration to the sewer system. According to Topsham Sewer District records, wet weather flows from the Topsham Annex can be as much as three to four times flows during dry periods. Other problems have been noted with the existing system including misaligned or non-uniform grades between structures which results in build up of materials and blockage of flow.

Due to its condition, much of the existing wastewater collection system would need to be replaced prior to transferring ownership to the Topsham Sewer District. With a new wastewater collection system constructed to District standards, the flows from the Topsham Annex should be reduced from typical wet weather flows now being experienced at the facility. Actual build out plans would need to be reviewed with the District to determine if additional off-site improvements to the wastewater collection system would be warranted.



Flows from Business and Community uses can vary significantly depending on the use. Typical business flows are approximately 500 gallons per day per acre. Light industrial uses with process waters tend to produce much higher wastewater generation rates. Significant increases in flows from the facility may trigger various off site improvements as noted previously in this report.

Stormwater

Modifications to the existing stormwater system are dependent on the extent of redevelopment and project phasing. It appears that the Annex is covered under the BNAS National Pollution Discharge Elimination System permit as issued by the Environmental Protection Agency. Future development on the Annex property would need to be completed in accordance with Maine Department of Environmental Protection Stormwater Management regulations. The stormwater management plans developed for the improvements would consider quality and quantity issues associated with the new impervious areas. Installation of new stormwater infrastructure will likely be needed as new roadways and housing units are constructed as part of the Reuse Master Plan.

Electric and Telecommunications

As noted previously, the existing electric distribution system provides satisfactory service to the developed portion of the Annex. Central Maine Power Company (CMP) provides power to the site and it is metered as power distribution enters the site from Route 201. CMP will likely require upgrades to the metering system rather than relying on the current single meter tracking electrical use on the entire Annex complex. In addition, depending on the development scheme, the existing overhead distribution system would need to be relocated to coincide with the proposed roadway right-of-way. The development scheme may also desire underground power distribution to improve overall property aesthetics. Verizon and Time Warner Cable operate the telephone and cable networks within the Annex complex. Where these lines are pole mounted, much of this infrastructure would need to be replaced as noted above for the power distribution network.

Natural Gas

Maine Natural Gas supplies gas service to the Topsham Annex. Much of this infrastructure was installed in 2001-2002 so it is in excellent operating condition. The development scheme could affect the natural gas system if it requires relocation of existing gas mains. As with the electrical service a master gas meter exists at the entrance to the Annex. This main meter would likely need to be replaced with smaller individual meters under the Reuse Master Plan.



Implementation and Property Disposition

Property Transfer Considerations

There are a number of property transfer mechanisms that could be used to convey portions of the Annex site to new owners. The TLRA does not envision the acquisition of any Annex parcels as part of any redevelopment strategy. Instead, it expects that (1) properties identified and approved by the Board through the NOI process will be transferred via the appropriate public benefit conveyance authority; and, (2) that the remaining land and buildings will be sold directly by the Navy via public sale, consistent with the vision set forth in the Reuse Master Plan, and subject to any subsequent zoning or other development restrictions put in place by the Town of Topsham.

Public Benefit Conveyances

Notice of Interest Applications

As a result of the outreach process outlined in Section 2 for solicitation of interest from local and state entities and designated homeless providers, applications were received for consideration by the TLRA. By the deadline for Notices of Interest to be submitted to the TLRA, nine NOIs from interested parties had been received, as outlined below and identified on the Map that follows:

#1: The Town of Topsham requested the Commissary building / parking lot for reuse as a community / indoor recreation facility under a Recreation PBC.

#2: The Town of Topsham requested 2.6 acres of land in the southwest corner of the Military Triangle for office / industrial use, under an Economic Development Conveyance.

#3: The Town of Topsham requested the fire station and associated parking for use by the Fire and Police departments for storage, training, and ancillary uses, under a Public Safety PBC.

#4: The Town of Topsham requested the land in the Housing Area to place the town in a stronger position when control of the GMH privatized housing is assumed by another entity in the future. The type of PBC was not specified.

#5: The SAD 75 requested the parking area associated with the Commissary to provide additional parking for the adjacent Mount Ararat High School via an Educational PBC.

#6: The SAD 75 requested approximately 15 acres of vacant land adjacent to the Housing Area for the expansion of the ball fields associated with the adjacent Mount Ararat Middle School via an Educational PBC.

#7: The Topsham Sewer District requested 2.6 acres of land (including two small structures) in the southwest corner of the Military Triangle for use as the administrative offices of the district and for the construction of future maintenance / storage facilities.



#8: Tedford Housing requested part of the Marine Barracks for use as a counseling center for homeless teens under a Homeless Assistance submission.

#9: Tedford Housing requested land (location unspecified) for the construction of six dwelling units for use by those made homeless due to domestic abuse, under a Homeless Assistance submission.

After receipt of the NOIs, the TLRA heard presentations from each of the requesting agencies at a public meeting on June 20, 2007, and followed up with each agency with specific questions. Answers to these questions were provided to a subcommittee of the TLRA at a public meeting held on July 25.

Exhibit 62: NOI Requests



Source: Matrix Design Group

Notice of Interest Recommendations

During its September 2007 Meeting, the TLRA Board of Directors reviewed and discussed all of the submitted Notices of Interest, with the following recommendations made:



NOI Requests Not Recommended for Approval:

#1: The Town of Topsham requested the Commissary Building (#335) and associated parking for reuse as a future community center, with the possibility of additional uses in the form of indoor recreation. The TLRA reviewed the anticipated redevelopment costs, and determined that the town had not proposed a likely financing scenario to pay for the redevelopment. Therefore, while the reuse proposal was compatible with the Reuse Master Plan, the lack of a sound financing plan was seen as problematic.

#3: The Town of Topsham requested the existing fire station at the corner of Can Am Drive and Republic Drive for use as an ancillary fire department facility. The intended uses would include storage related to emergency management and fire operations, off-site training, and associated uses.

The proposed uses are compatible with the Homeland Security Department regulations for a PBC, and also compatible with the Reuse Master Plan. But while costs of operation are anticipated to be relatively minor, and not a significant impediment, the TLRA expressed concern over the willingness of the town to accept a second fire facility after having just recently constructed its facility at the new town Hall. In addition, the TLRA determined that the location of the fire station at the junction of three roads interior to the Annex was too valuable to devote to a storage facility.

#4: The town determined that it is in the public interest to assure that the Reuse Master Plan is implemented as proposed. Consequently, the town requested the 60 acres of land lying underneath the GMH leasehold in an effort to ensure the property redevelops as proposed.

The TLRA determined that the request does not fit any of the PBC criteria established by the federal government. Although the TLRA disapproved the request for that reason, the Board supported the town's efforts to acquire the property directly from the US Navy via a negotiated sale.

#5: SAD 75 requested the parking lot adjacent to and part of the existing Commissary (Building 335) to accommodate its growing need for surface parking. The TLRA expressed concern over the negative impact on redevelopment of the Commissary if its associated parking spaces were eliminated. A structure the size of the Commissary, reused in its entirety at four parking spaces per 1,000 square feet would require approximately 160 parking spaces under ideal conditions. Currently, there are 130-135 spaces provided for use by the Commissary. The Reuse Master Plan recommends that this area be redeveloped into business and community uses. By permanently dedicating this parking to the schools, redeveloping these types of uses would be very difficult, if not impossible.



NOI Requests Recommended for Approval:

#2: The Town of Topsham requested approximately 2.6 acres of land along the southern boundary of the Annex, adjacent to Can Am Drive for future economic development and job creation purposes.

The TLRA determined that use of the requested parcel would be consistent with the Reuse Master Plan and suitable for economic development and job creation purposes; however, due to the pending request of the Topsham Sewer District for a portion of that same area (described above), the town's Notice of Interest for an Economic Development Conveyance was modified and reduced to approximately 2.2 acres. Should the Sewer District's request to the Department of Health and Human Services be denied, the District's request for land overlapping this EDC request would be included in the town's EDC.

#6: SAD 75 requested approximately 15 acres of open space located between the existing GMH housing area and the existing District playing fields to support recreational needs of the adjacent Middle and High Schools.

The TLRA determined that SAD 75's request was consistent with the intent of the Reuse Master Plan and that the District demonstrated the ability to develop the property into usable athletic and recreational fields; and, that the District's request complied with the federal criteria for an educational PBC transfer. Consequently, the TLRA approved an educational Public Benefit Conveyance, sponsored by the U.S. Department of Education.

#7: The Topsham Sewer District requested two buildings at the entrance to the Annex, along Can Am Drive to be used to meet administrative and maintenance needs, along with 22,000 square feet of land for future expansion. While the TLRA determined that the request conformed to the proposed land uses for that part of the Annex, the amount of land sought by the District for future expansion is part of the same acreage proposed by the Town of Topsham for economic development (as described below). Legal Counsel for the TLRA advised that the proposed use was not a typical PBC granted by the Department of Health and Human Services, but that it may be possible to make a successful case to HHS. Understanding this, the TLRA voted to approve the Sewer District's request for the two structures, but modified the land request to approximately 20,000 square feet. Should the Sewer District's request be granted by HHS, this area would be removed from the town's EDC request for economic development and job creation, described below.

#8 and #9: Tedford Housing (TH), a qualified non-profit organization providing homeless services in the Midcoast region identified two specific needs: (1) a need in the community for services to homeless teens, including both shelter beds as well as counseling services; and (2) a need in the community for up to six units of housing for victims of domestic abuse. Tedford's NOI requested a building and land to meet the identified needs.



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After numerous discussions with TH about both proposals, TH withdrew the emergency shelter portion of the request due to the inherent difficulties of operating, managing, and financing such a facility for such a small population (four or five beds), and instead concentrated on the development of a counseling facility. As a result, TH requested space to operate a counseling center as a portion of a municipal or school based facility, preferably in the marine barracks building. However, based on the fact that neither the town nor the School District is pursuing acquisition of the barracks, and the recommendation of the TLRA to disapprove the town's request for the Commissary, Tedford Housing's request could not be considered.

TH also amended its proposal for land on the Annex to build housing for victims of domestic abuse, instead deciding to seek financial assistance to allow placement of victims of domestic abuse in existing housing units in the Topsham / Brunswick area.

Homeless Assistance Provisions: Consistent with the program put forth by the Brunswick LRA, the Topsham LRA has also indicated support for a funding mechanism - a trust fund that would provide financial resources for Tedford Housing's identified needs within the designated vicinity of the Topsham Annex, an area that includes the towns of Topsham, Bowdoin, and Bowdoinham. The trust fund amount of \$86,605 would be financed through a fee per acre contribution, raised from the sale of property by the Navy at the Topsham Annex. The trust fund would be accessible by TH on an as needed basis to support both housing and related services for homeless persons, specifically, counseling services for homeless teens and at-risk youth, as well as rent assistance for victims of domestic abuse. 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. Funds would be spent by TH based on the terms set forth in the Legally Binding Agreement. A draft of the Legally Binding Agreement related to the terms and conditions required to meet homeless assistance needs is provided in Appendix E.

Other Public Conveyance Mechanisms

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 MRRRA for the purpose of job creation. This type of conveyances may be at a discounted price or at fair market value. It is anticipated that the conveyance of the 2.2-acre Military Triangle parcel requested by the town (2.6 acres if the Sewer District's request is not approved) would be considered for this type of property transfer, given the job creation opportunities and the potential to provide for significant economic development within the region from such an activity.



Negotiated Sale

An option that might be considered for the parcels encumbered by the GMH housing is the conveyance via a negotiated sale with the Navy. Negotiated sales must be to a public entity for a public purpose. MRRRA, the Implementation LRA qualifies as a public entity and the public purpose would be to ensure that a portion of the housing units become “workforce” housing, as called for in the Reuse Master Plan. Negotiated sale authority requires the payment of fair market value. Given the encumbrance of the GMH lease on these parcels, the fair market value for the GMH housing parcels should be minimal.

Public Sale

As stated earlier, the TLRA Board has not requested any of the remaining parcels at the Topsham Annex. As such, 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>.

As discussed elsewhere in the Reuse Master Plan, the fact that the land underlying the existing housing units is encumbered by the Navy / GMH privatization agreement could make the transfer of the property to another entity problematic. At the present time, the terms of the lease do not require direct payment to the landowner, meaning that a new landowner would not be able to generate revenue from the property. In addition, when the property is transferred, it will become subject to taxation. This may have the effect of limiting competition for the property, as the property would have direct annual costs associated with it, without a commensurate ability to generate revenue. 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 to dispose of the housing areas.

Since public sale of the remaining land and facilities at the Topsham Annex will be subject to existing zoning on the site (and any other subsequent conditions the town might want to establish), it is recommended that the community review its zoning for the parcels that comprise the Topsham Annex, and consider zoning changes which are consistent with the Reuse Master Plan and the community’s vision for redevelopment.

The Navy / Northeast Partners, LLC (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



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housing units and common areas (and the associated cash flows 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 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 in both the Topsham Annex and the Brunswick Naval Air Station (BNAS) in 2004. Northeast Partners LLC includes GMH, the military housing division of GMH Communities Trust, which manages the properties for the partnership.

This housing privatization program is relatively new within the Navy. Furthermore, no prior BRAC round involved privatized housing. As such, the Topsham Annex and 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 to the Town of Topsham, 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. In fact, GMH began demolition of a portion of the housing units at the Topsham Annex prior to the BRAC announcement, in anticipation of replacing those units.

Today, GMH has an existing asset (the housing units at the Topsham Annex) with a limited life. The Navy is required by the BRAC law to complete the closure of the Brunswick Naval Air Station and the Topsham Annex before 2011. Closure could occur sooner, particularly for the Topsham Annex, as residents and functions presently at the Annex could be relocated to the main base as squadrons depart and facilities become available. In practice, it is likely that the housing at the Topsham Annex will be available for redevelopment prior to the closure of BNAS, possibly during 2008 when the first squadrons are relocated to Florida. Given that the Annex is in a remote location from the main base, it is also likely that GMH will relocate Navy personnel to BNAS housing at



that time in order to reduce operating costs and maximize returns. At that point, GMH could opt to market the vacated Topsham Annex 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 at either the Annex or BNAS 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. Further, the cash flow potential for the properties, in terms of revenues from the Navy is limited, indicating that the value of the property will decline steadily through 2011 unless market tenants can be attracted to the properties.

Unfortunately, the separation of the housing units from the underlying land presents an additional layer of complexity in terms of redeveloping the Topsham Annex. The terms of the land lease (which do not require an annual lease payment but could be taxed) devalue the land. The limited cash flows for the housing units from Navy personnel, and the limited life of that cash flow, also negatively affect the value of the housing. Further, GMH's partial demolition of the site also affects the value of the property. In order to redevelop the property, it is considered critical for the land and buildings to be joined together. Unfortunately, the Property and Administrative Services Act of 1949, which regulates the Federal property disposal process, discourages the Navy from selling the land directly to GMH (or any other private sector buyer) in a sole source negotiation. GMH could acquire the land directly through an auction sale, and in fact would be the most likely buyer of the land, given their leasehold interest. However, based on GMH's public statements that the firm would like to divest itself of the housing in Brunswick and Topsham, it is not clear whether GMH would actually seek to acquire the underlying land at the Topsham Annex.



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