



2013-01-15 / Front Page

## Town girds for tax fight

BY JT LEONARD Times Record Staff

BRUNSWICK

Hoping to stave off potential legislation that could bar municipal officials from exercising “local control” over the continuing development of Brunswick Landing, the town has hired high-profile law firm Preti Flaherty to be its lobbyist.

The hiring was announced Monday afternoon in an email from Town Manager Gary Brown. In it, Brown declares the town “is prepared to consistently assert its right to be involved in all decisions related to the former naval base.”

The release specifically cites issues of taxation. But the skirmish between Midcoast Regional Redevelopment Authority and Brunswick runs deeper than just money.

Brunswick and MRRA, which is marketing the former base to residential and commercial tenants, are embroiled in an argument over whether taxes should be collected from aviation-based businesses that set up shop on the former Navy base.

The unwitting epicenter of the dispute is Kestrel Aeroworks, an aviation design and maintenance company that currently employs about 41 workers, located in a hangar at Brunswick Executive Airport.

State law includes a property tax exemption for aviation businesses operating in any building owned by a municipality. Town officials and MRRA disagree over whether Kestrel and other aviation businesses that locate at Brunswick Landing should continue to be exempt.

MRRA already has paid more than \$116,000 to the town on Kestrel’s behalf, to account for the company’s 2012 tax levy.

A bill submitted by the Department of Economic and Community Development — LR 492 — is intended to clarify and enforce the statewide exemption.

Steve Levesque, MRRA’s executive director, said LR 492 would “level the playing field” with regard to where, and how much, aviation facilities are taxed.

“We have a difference of opinion on how it’s applied,” Levesque said. “We’re essentially asking for somebody to referee. Either the Legislature or a judge has to make a decision. MRRA certainly has not initiated any action, nor does it plan to, that would wrestle control from the town.”

Brown and members of the Brunswick Town Council have complained that, in addition to the potential for lost tax revenue, MRRA’s board of directors has left them out of the loop when making decisions about the former base’s rebirth.

“I’m not aware of any proposed action to remove local control,” Levesque said. “They have zoning authority, there’s no recommendation by MRRA to change that.”

“We have not had any discussions about initiating legal action,” Brown wrote in an email today. “Our approach to assessing the value of the lease-hold interest of Kestrel is based on legal opinions that we have received combined with our discussions with the Maine Revenue Service.”

Andrew Cashman, a Brunswick resident and attorney at Preti Flaherty, said Monday the bill would benefit Kestrel to the disadvantage of town residents.

“LR 492 is not about putting people first,” Cashman asserted in an email to the Times Record. “This is legislation to benefit one company over the people of Brunswick.

“We will work aggressively to ensure that the Town of Brunswick has a voice in its future ... After all, Brunswick Landing will account for nearly a 10th of our town’s size and our tax dollars will be used to support infrastructure and economic development (there),” he wrote.

The decision to hire the lobbying firm was made at Brown’s discretion, said Town Councilor Benet Pols said. The council plans to discuss — and likely will support — the hiring during its Jan. 22 meeting.

“The agreement is for \$50,000 and would be capped at a maximum of \$75,000, but there could be some additional fees depending on whether this bill or others like it have legs,” Pols said.

“But the tenor of the council is to support (the hiring) because right now it’s a \$120,000 annual tax bill that would get paid on behalf of this business,” Pols said.

**[Return to top](#)**