

MERC: How it got here

By Randy Seaver
Editor

In the early 1990s, the city of Biddeford adopted a new motto. The slogan “A proud city rising where the water falls” was designed to highlight both the city’s history and its geographical significance. A logo attached to the motto features the Saco River’s cascading falls and a skyline peppered with architectural icons, including smokestacks and a church steeple.

But the 244-foot concrete tower that dominates the city’s skyline today is hardly something that the people in Biddeford are “proud” of.

Inescapable in both its magnitude and centerpiece location, that stack — which looms over the river’s banks — is a painful reminder that downtown Biddeford is also home to a troubled and controversial trash incinerator.

Many say that the presence of the Maine Energy Recovery Company in the heart of downtown Biddeford has — at the very least — hindered revitalization efforts in both Biddeford and Saco, MERC’s host communities.

Indeed, MERC’s downtown presence is hard to miss. Whether its odor complaints or the increasing frequency of trash trucks rattling along Lincoln Street, Biddeford especially has been forced to contend with the long-term effects of what has often been described as a questionable decision at best, prompting the Maine Sunday Telegram to describe the city as “Trashtown, USA” in an April 2000 feature story about the waste-to-energy plant.

Today, even company officials concede that the plant should not have been sited in the center of Biddeford and Saco’s downtown area.

Then how and why did it get there?

To answer those questions, one has to travel back in time to the early 1980s, when both cities were facing increasing pressure about their contaminated landfills. Some people have suggested a range of conspiracy theories, saying there was collusion between former city officials and company representatives.

Others say city officials moved too quickly on the proposal and did not do enough to seek public input. And still others blame the media for being asleep at the proverbial wheel, which fostered an atmosphere of apathy.

There is no evidence available to suggest a conspiracy, and it is much more likely that a long series of miscalculations by both city and company officials led to the decision to place MERC where it stands today.

A problem to solve

In 1982, the cities of Biddeford and Saco began advertising for a company to step in and handle the cities’ trash through incineration. Landfills were problematic and facing increased scrutiny from both state and federal officials. Four potential sites were initially considered after suggestions were offered by TEAC Associates, the cities’ paid consultants.

The four sites included Saco’s industrial park, located off North Street, Biddeford’s industrial park on Rte. 111, Saco Island (where the former NKL Tanning was located and is today a set of residential and business condominiums) and a Lincoln Street lot, near Elm Street in Biddeford where the plant sits today.

The site selection factors also contained a list of engineering and performance requirements.

- Inexpensive cooling would require that the plant be built near a large source of water. A plan to sell excess steam would mean that it would also need to be located close to large businesses that would likely want to purchase large amounts of steam.
- The plant also had to be near a Central Maine Power Company substation so that MERC’s other byproduct — electricity — could be transferred easily.
- Most importantly, however, the land had to be available.

In the early 1980s, many people had all but given up on downtown Biddeford. The expansion of the Maine Mall in South Portland had shifted the retail trade, leaving downtown with a only a handful of small shops, city services and a complex of declining manufacturing operations. There were also plenty of “For Lease or Sale” signs.

Early in the site selection process, Biddeford and Saco were com-

peting for the location, with both cities setting sights on the eventual property tax benefits.

As the process wore on, engineers concluded that potential steam customers (Southern Maine Medical Center in Biddeford and Saco Defense in Saco) near the two industrial parks would likely not need as much steam as the incinerator would produce.

Other factors, including the location of existing rail lines, the character of Biddeford’s downtown manufacturing culture and an available source of cheap steam for nearby aging mills that were facing increased global competition, all seemed to point to downtown Biddeford.

But Saco City Councilor Eric Cote, who was then his city’s mayor, later told reporters that he never felt obligated to any particular site, saying that neither city council ever voted to approve one site over another.

The consultants, reportedly, had the backing of both city councils and the six-member site selection committee, which included both mayors, economic development directors and city councilors.

In March 1983, Kuhr Technologies Incorporated (KTI) was picked to build the plant. KTI hired General Electric to design and build what was then considered a “cutting-edge” facility that could turn trash into electricity.

A complicated tax sharing formula was agreed upon that would give Biddeford the larger share of the company’s property taxes to offset increased costs, such as public works and fire services.

Furthermore, the plant and its financial backers, including the Bank of Tokyo, relied upon Biddeford’s bond rating capacity. Saco, which had just gone through a tax cap and a default on prior bond obligations, was not considered financially stable enough by the company and its lenders.

Within 30 days of selecting a site for the plant, NKL Tanning went out of business and its building was later transformed into residential and commercial condominiums. The host communities later agreed to increase the size of the plant and its capacity (from 100 to 700 tons per day) in order to benefit from what were then the lowest tipping fees on record, roughly \$4 per ton of waste handled.

Several months later, in the summer of 1984, Plato Truman, a perennial political candidate and activist, began circulating a petition that called for a citywide referendum on the plant’s location. Truman owned a food wholesaling company that was located near the proposed incinerator.

Although Truman collected more than 800 signatures, nothing happened when he presented them to former Biddeford Mayor Robert Farley during a city council meeting.

Farley reportedly tossed the signatures into a trash can. In subsequent interviews with reporters from both the Journal Tribune and the Courier, Farley said the petition signatures were essentially worthless because the city had already signed contracts with the company.

KTI had reportedly invested millions of dollars in site preparation work and Farley expressed concerns about possible lawsuits if the city tried to pull out of the deal.

Company officials from both KTI and General Electric assured city officials that the new plant would be a “state-of-the-art” facility that would not produce odor or noise.

In December 1984, the Biddeford Planning Board rejected MERC’s proposed 244-foot ventilation stack because it exceeded height restrictions. Within days, the Biddeford City Council voted to override that decision.

Immediate problems

The Maine Energy plant first fired up its boilers during a shakedown cruise of sorts in April 1987, according to Saco Mayor Mark Johnston. Five months later, in September, the company began accepting trash from its member communities.

In less than 30 days, however, something went dramatically wrong, and large plumes of ash sporadically spewed forth from the giant stack that was emblazoned with large black letters, MERC.

That ash prompted Joanne Twomey, a former Biddeford city councilor and current state representative into action.

Twomey began collecting ash samples and demanded that those samples be analyzed by state environmental officials. Her requests fell upon deaf ears at Biddeford City Hall. But two years before he was elected as Saco’s mayor, Johnston joined forces with Twomey and the

two convinced the Saco City Council to pay for the analysis, which eventually brought a large fine against the company.

"The cities never got a dime of that money," Johnston said. "But it was significant because it was the first proof we had that something was wrong over there."

In previous interviews with the Courier, Twomey said she never thought twice about opposing the plant's operations and location.

"There were many, many people opposed to MERC," she said. "But you have to remember that it wasn't popular to speak out back then, people looked at us like we were crazy. But that's not mother's milk they're making in there."

Richard Rhames, another well-known political activist in Biddeford, said in previous interviews that his opposition to the plant started later because he was burned out from opposing the city's plan to expand its airport in the mid-1980s.

Rhames said he joined forces with MERC critics in the latter part of the 1980s, once the plant was operating and the Maine Peoples Alliance had organized a chapter in Biddeford to focus on the plant and its potentially harmful emissions.

"Back then, my son was a student at St. Mary's, and I would drive across the bridge on Elm Street and see plumes of black smoke coming out of that stack," Rhames said in a 2002 interview. "Today, the smoke is white, but it still has the same stuff in it."

Rhames said he and others organized around health concerns related to the facility. "There was virtually no interest in the problems with MERC from the political class back then," Rhames said. "It was very frustrating in those days. We were labeled as emotional and hysterical people. The company and business community used the entire lexicon of vernacular in dismissing our concerns. They said the plant was state-of-the-art."

Financial woes

But if environmental concerns didn't catch political leaders' attention back then, financial problems certainly did. KTI fired General Electric and faulted the company with its plant design problems.

In 1989, Johnston was first elected as Saco's mayor. Within days of taking office, Johnston convinced his city council to take legal action against KTI. The city filed suit because the company was automatically increasing the city's tipping fees. Johnston says he was also worried about health problems, even after the ash spills stopped happening.

An out-of-court settlement resulted in General Electric willing to

pay the two cities \$1.6 million; KTI agreed to pay \$4 million, Johnston said.

Saco immediately began seeking waste disposal alternatives, including facilities in Presque Isle, Bethlehem, N.H. and Regional Waste Systems in Portland, another trash incinerator.

The result, Johnston said, was painful and not economically viable. Any other option would cost the city a minimum of \$100 per ton for disposal. At about the same time, KTI officials approached Johnston and Biddeford Mayor Bonita (Belanger) Pothier.

'Dealing with the devil'

The company was facing financial woes and was seeking bankruptcy protection, Johnston said. Furthermore, KTI hired a Washington, D.C.-based attorney to determine if it could get out of its then three-year contract with its member communities.

"It was not an easy negotiation," Johnston said. "But we had no real alternatives back then. I held my nose and made a deal with the devil. A lot of people accuse me of being the father of MERC, but there was no wiggle room. We soon learned they were not bluffing."

In 1990, Johnston and Pothier entered into negotiations with KTI. The result was a 17-year extension of the existing three-year contract and an agreement for the cities to pay a significantly increased set of tipping fees.

In exchange, KTI offered the two cities a clause that would entitle them to a 20 percent share of the company if it were ever sold. Furthermore, the company was obligated to report any changes in its financial status and agreed to make investments in its operation to minimize noise and odor complaints.

For the next five years, Johnston said, the cities and the company enjoyed a "honeymoon." The company even agreed to Johnston's request to remove its acronym from the stack.

"Most communities have a water tower that reads 'welcome to so and so,'" Johnston said. "In my city, we had a stack that read MERC. It costs them a lot to sand-blast it off. I thought that was a good gesture and something they should do to acknowledge us and our concerns."

But in June 1997, Ted Hill, then KTI's president, called the mayors of Biddeford and Saco, James Grattelo and Mark Johnston, in for a meeting.

The honeymoon was over, and some bigger battles were brewing on the horizon.