



To: MARRA Board of Trustees
From: Steve Levesque, Executive Director
Subj: Director's Report
Date: January 16, 2014

The purpose and intent of this report is to briefly update the MARRA Board of Trustees about current activities related to MARRA operations and the NASB closure process.

- **Property Conveyances**

Since the approval of the Public Benefit Conveyance and the signing of the Economic Development Conveyance Purchase and Sale Agreement in 2011, the Navy has transferred approximately 1,660 acres of the 2,100+ acres we are slated to receive. Since our last closing, MARRA now owns 722.19 (66%) of the 1,098 acres of the non-airport property and 936 (94%) of the 992.2 acres of airport land.

We have signed a Lease in Furtherance of Conveyance (LIFOC) for building 250 (the former AIMD facility) and Hangar 4, to accommodate sub-tenants such as SaviLinx and other businesses. Building 250 is the location of our new technology accelerator/incubator (TechPlace), which is planned to open in October. In addition, the new tower area, the CB compound and several other spot properties that are subject to the current Finding of Suitability of Transfer (FOST) are expected to be transferred next month, totaling approximately 60 acres.

Public benefit conveyances of land and buildings have been made or are in the process of conveying to Southern Maine Community College, Bowdoin College, Town of Brunswick and Family Focus. All the remaining properties at the former NASB and Topsham Annex will be conveyed once appropriate environmental clearances are obtained. It should be noted that as part of our public benefit conveyance (PBC) and economic development conveyance (EDC) agreements, we are obligated to take properties as they have been FOST'd.

- **TechPlace**

Now that the EDA grant is in place and the LIFOC secured for building 250, staff is aggressively working to gear up for the opening of the facility in October. The rough schedule of planning and improvements are as follows:

- January – March: Space Planning and development of bid specs
- May: Bid award
- May – September: Construction activity and management plan development
- October 2014: Opening and acceptance of business tenants

- **Village Green Ventures**

Staff is finalizing the lease agreement and power purchase agreement with Village Green Ventures for the Anaerobic Digester project, which will provide up to 1 MW of power to Brunswick Landing. All State and local permits have been secured and financing is in place. They plan to break ground on the project in March and be generating power no later than December.

- **HUBZone Legislation**

Staff continues to work with the staff and members of the Maine Congressional delegation to move this bill into a position for passage. The previous plan was to attach it to the Defense Authorization Act, which was unsuccessful. Our Senators are trying to identify other avenues to proceed with this bill.

Redevelopment Activity Review

- **Overview**

The Midcoast Regional Redevelopment Authority (MRRA) has had a very good year last year in effecting the redevelopment of former NAS Brunswick, which closed in May of 2011. Accomplishments for 2013 include the following major activities:

- ✓ In 2013, we signed new leases totaling 212,000 square feet of space to the following new companies:
 - Mölnlycke Health Care *
 - Savilinx *
 - Tri-Star Sheet Metal
 - ABL Electric
 - Fessenden Geo-Environmental Services/Construction Materials Testing)
 - Tempus Jets*
 - Brunswick Sewer District
 - O'Neal Janitorial
 - D&D Auto

These companies join other major business entities existing on the property prior to this year:

- Schott Management
- Oxford Networks Data Center *
- American Bureau of Shipping
- Kestrel Aircraft *

- Maine Tool & Machine
- New England Tent & Awning
- FlightLevel Aviation *
- Maine Technology Institute
- Harris Golf – Mere Creek Golf Course
- Southern Maine Community College/UMaine
- Goodwill Workforce Solutions
- Maine Department of Economic and Community Development
- US Navy Caretaker
- USMC Reserve Center
- Savi Systems LLC
- Maine Army National Guard
- Brunswick Naval Aviation Museum and Memorial Gardens
- Great Island Boat Yard

* Depicts companies that are new to the State of Maine

- ✓ In the spring of 2013, MRRA received subdivision approval for the initial phase of the Brunswick Landing property paving the way for the sale of 300 acres and 26 buildings in Brunswick, and sold its first commercial property in Topsham (the former Commissary and accompanying 5.6 acres) to accommodate further redevelopment. By the end of 2013, MRRA had over 370,000 square feet of building real estate, and there are now four private sector real estate developers engaged in redevelopment activities at Brunswick Landing. As a result, a number of these buildings are in the process of being leased to the following entities:
 - Seeds of Independence
 - Providence Service Corporation
 - Wicked Joe Coffee
 - The Maine Harvest Company
 - Wild Oats
 - Midcoast Veterans Center
- ✓ MRRA and the Town of Brunswick successfully negotiated a tax increment financing plan that will help both entities make critical investments to its infrastructure and other community needs.
- ✓ Since the closure of the base in 2011, the net positive economic impacts from the redevelopment include, but are not limited to the following:
 - There are now over 41 entities doing business at Brunswick Landing and the Topsham Commerce Park, collectively in the process of creating over 750 jobs (exceeding the short-term economic goal).
 - MRRA has awarded over \$25 million dollars in contracts for property improvements, building construction/reconstruction and airport and utility infrastructure.
 - Brunswick Landing and Topsham Commerce Park have realized over \$100 million in new private sector investment with another \$30-50 million in the planning stages.

- Over \$51 million in new tax base has been added to the tax rolls in the towns of Brunswick and Topsham, with new property tax revenues exceeding \$2 million from the former base properties.

- **Leases**

- ✓ As described above, MRRRA currently has 20 business leases, occupying over 75% of the buildings that we own or lease (not under contract or being demolished). In addition, we have several other exciting leases approved and awaiting occupancy or in various stages of negotiation.

- **Property Sales**

- ✓ In April 2013, we closed on the sale of two properties:
 - The first block of the Affordable Midcoast Housing (AMH) sale of the former Bachelor Enlisted Quarters (BEQ's), comprising 4.93 acres and eight buildings.
 - The sale to TBW, LLC for the former Personnel Support Building (24) and Building 592 on 2.86 acres.
- ✓ In June, we closed on the sale of second block of the BEQ's to AMH (8.87 acres and 12 buildings).
- ✓ In July, we closed on the sale of approximately 5.6 acres and two buildings: the former Navy Lodge and Recreation Center; as well as 1.57 acres to Precast Concrete in Topsham.
- ✓ In October we closed on the former Commissary and 5.6 acres of land in the Topsham Commerce Park
- ✓ In December we closed on the sale of building 250 (former Navy Hotel) and 14.7 acres of land.

- **Housing Sales**

- ✓ To date, Affordable Mid Coast Housing has closed on 72 housing units in the McKeen Street neighborhood, and a number of others are under contract. By our agreement with AMH, after \$1,000,000 in land sales have been realized (i.e., 20% of the purchase price), MRRRA receives 5% of the purchase price of each unit sold. Land sales now total \$1,924,116 and MRRRA has received \$231,029 to date for its agreed share.

Business Mix at Brunswick Landing

Jan. 1, 2014

<u>TARGET INDUSTRIES</u>	<u>BUILDING</u>	<u>LEASED SPACE</u>	<u>Notes</u>
AEROSPACE			
Flight Level Aviation	Hangar 6	20,777	
Kestrel Aircraft Company	Hangar 6	83,262	
Maine Coastal Flight	Hangar 6		Subtenant of FLA
Tempus Jets	Hangar 6	33,532	
TOTAL AEROSPACE		137,571	
COMPOSITES			
Kestrel/Janseneering	Hangar 6	Noted Above	
ENERGY/ENVIRONMENTAL			
ABL Electric	632	3,200	
FCS/SMT	103	1,656	
Village Green Ventures	Ground lease	4.25 acres	Lease Pending
TOTAL ENERGY		4,856	
		4.25 ACRES	
BIOTECHNOLOGY			
Molnlycke	1	79,000	Handed over 3/7/13
TOTAL BIOTECHNOLOGY		79,000	
INFORMATION SERVICES			
ABS	54	17,900	
Oxford Networks	87	52,513	
SaviLinx	250	10,000	
Savi Systems	660	2,016	
TOTAL INFORMATION SER.		82,429	

<u>TARGET INDUSTRIES</u>	<u>BUILDING</u>	<u>LEASED SPACE</u>	<u>Notes</u>
OTHER LEASES			
AMH	H5	5,000	
Brunswick Sewer District	153	7,800	
Brunswick Naval Museum	Chapel	698	
D&D Automotive	538	5,295	
Goodwill Workforce Solutions	38	750	
Great Island Boat Yard	H5	20,000	
Harris Golf	Golf Course	8,249 and 135 acres	
Maine DECD	27		Subtenant of MTI
Maine Technology Institute	27	5,705	
Maine Tool and Machine	553	16,000	
Naval Museum	Hangar 6	1,656	
New England Tent	81, 461, 252	12,884	
O'Neal Janitorial	Hangar 5	658	
SeaChange, LLC	27		Subtenant of MTI
SMMC	27		Subtenant of MTI
Tri Star	H5	44,281	
TOTAL OTHER		128,976	
		135 acres	
Total Space Utilization:		432,832	square feet
Total Acres Leased and Pending:		139.25	acres

OTHER NON-MRRA OWNED PROPERTIES

Jan. 1, 2014

<u>ENTITY</u>	<u>PROPERTY</u>	<u>Notes</u>
AMH	BEQs and Hotel	MRRA Sale
Maine Army National Guard	Armed Forces Reserve Ctr.	New Construction
Bowdoin College	200 acres	PBC
Family Focus	Bldgs. 26/21	PBC Pending
JHR Development	Commissary and 5.6 Acres	MRRA Sale
Marine Reserve Corp.	Marine Reserve Center	New Construction
Priority Group/Providence Svc.	Bldgs. 31/583	MRRA Sale
SMCC	Bldgs. 150/151/512/644/645/649 and 20 acres	PBC
TBW, LLC/Seeds of Independence	Bldgs. 24/592	MRRA Sale
Town of Brunswick	Bldg. 211 and 900 acres	PBC

MRRA



Midcoast Regional
Redevelopment Authority

BRUNSWICK LANDING EMPLOYEE UPDATE

Tenant/Owner	Number of Employees at Lease Inception	Number of Employees as of 1/15/14
ABL Electric, LLC	5	1.5
American Bureau of Shipping	22	26
Brunswick Naval Museum	12 Volunteers*	
Brunswick Sewer District		7
Brunswick, Town of	4	10 FT/23 PT
D&D Auto	1	6
FGS/CMT, Inc.	3	1 FT/3PT
Flight Level Aviation	4	1 FT/2 PT
Goodwill Workforce	1	2
Harris Golf	1	2
Kestrel Aircraft	0	27FT/6 PT
Maine Coastal Flight	1	1
Maine DECD	1	1
Maine Technology Institute	8	8 FT/2 PT
Maine Tool & Machine	5	5
Marine Reserve Center		10
Midcoast Veterans Center		
MRRA	6	12 FT/1 PT
Molnlycke Health Care	20	42
New England Tent & Awning	1	2 FT/2 PT
O'Neals Janitorial	1 FT 3PT	2 FT 2 PT
Oxford Data Center	10	17
Providence Service Corporation		92 FT/11 PT
SaviLinx, LLC	3	20
SeaChange		1
SMCC Midcoast Campus	6.5 and 18 PT adjunct faculty	7.5 FT and 18 PT adjunct faculty
Southern Midcoast Maine Chamber	2	2.5
TBW - Seeds of Independence	2	2.5
Tempus	11	18
Tri Star Sheet Metal	9	9
University of Maine	2	2
Totals	133.5	373