

**EXECUTIVE
COMMITTEE**



Executive Committee Meeting Notes for Wednesday, September 4 , 2013

Committee Members: Chair John Peters, Vice Chair Sally DelGreco, and Treasurer Rita Armstrong, and John Moncure

Excused: Lois Skillings, Secretary

MRRRA Staff: Steve Levesque and Tom Brubaker

Others Attending: Board Member Daniel Daggett, Kristine Schuman from DECD and Denise Clavette from the Town of Brunswick

Location: MRRRA Conference Room 118A, 2 Pegasus St., Brunswick

Chair John Peters called the meeting to order at 7:35 a.m.

Property Sales/Lease Updates.

Executive Director Steve Levesque handed out a list of pending projects and gave the Committee an update on property sales/lease updates. He noted that nine anticipated leases are in the pipeline. In addition to building leases, seven T-Hangar spaces, out of a total of ten, have been leased out.

Steve said the lease with Tempus for approximately 34,000 square feet in Hangar 6 will be announced at a press conference later in the day. The Committee was pleased that the Town exempted the leased property from real estate taxes. Steve said that the lease with Tempus has several options for expansion, including the remainder of the east wing of Hangar 6 when FlightLevel relocates to the terminal building and hangar 4.

Regarding property sales, there are six pending closings. The Purchase and Sale Agreement for Building 750 has been signed. Term sheets for other properties (Building 11 and 6 lots to Priority Group, and two lots to Schott) are either signed or in the works. Steve said by the end of the year he anticipates nearly \$12M in sales. He said the Board may want to

consider paying off the \$3M note with the Navy with part of the proceeds. Steve said that if all properties noted above are closed, 90% of the buildings MRRA owns will be occupied.

Board Retreat. Steve advised that the Governor may nominate new Board members in September, noting that terms will expire for Board members Rita Armstrong, Sally Delgreco and John Shattuck in September. If the Governor does not, the nominations will be made January 2014. Because of the uncertainty, the Committee agreed that the Board retreat should be put on hold.

Other Business.

- MRRA consultants, Wright-Pierce, advised that the amount of money for sewer repair work will be less than anticipated.
- MRRA did not make the cut on the recent bond issue, but is hopeful it will make the cut if there is another bond issue in the spring.
- The announcement on MRRA's grant application regarding Building 250 is expected in mid-September.
- The next Finding of Suitability for Transfer (FOST) is expected in October. Once it is received, MRRA can begin its demolition project. Contractor McGee Construction has said that it will hold its price for the work.
- The back gate to Brunswick Landing can be opened once the speed limits are set; however, the gate will be closed in the winter do to the cost of snow removal.
- It is anticipated that speed limits at Brunswick Landing will be set at 35 mph on Admiral Fitch Avenue and Orion Street. The rest of the property will be posted at 25 mph.
- The Town of Brunswick has appointed a TIF Committee consisting of Town Councilors Ben Tucker, Sarah Brayman and John Perreault.
- A nomination committee for Board officers will be determined after the September Board meeting and prior to the annual meeting in November.

Executive Session. At 8:25 a.m., Rita Armstrong made a motion to adjourn the meeting and go into executive session pursuant to 1 MRSA Sec. 405(6)(C) - (property disposition issues), which was seconded by Sally DelGreco. The vote was unanimous of the Committee members present.

Adjournment. The Committee came out of executive session and adjourned the meeting at 9:15 a.m.



Executive Committee Meeting Notes for Tuesday, August 6, 2013

Committee Members: Chair John Peters, Vice Chair Sally DelGreco, Treasurer Rita Armstrong, and Secretary Lois Skillings

MRRA Staff: Steve Levesque and Tom Brubaker

Others Attending: Board Members Daniel Daggett, John Moncure, Steve Weems and Sande Updegraph and Kristine Schuman from DECD and Denise Clavette from the Town of Brunswick

Location: MRRA Conference Room 118A, 2 Pegasus St., Brunswick

Chair John Peters called the meeting to order at 7:30 a.m.

1. **Property Sales/Lease Updates.** Executive Director Steve Levesque gave the Committee an update on property sales and leases. MRRA is scheduled to close with George Schott on the sale of Building 87, home to Oxford Networks. A closing is scheduled for the six lots at the entrance of Brunswick Landing to Priority Group (Jim Howard) this fall. Steve also noted that Hangar 5 is almost fully leased.
2. **Contract Awards**
 - a. **Air Terminal Renovation:** Steve Levesque advised the Committee that four bids had been received for the Terminal Building Renovations project from Blane Casey Building Contractors, Inc., Ganneston Construction Corporation, T. Buck Construction, Inc., and H. E. Callahan Construction Co. The bids were reviewed by Hoyle, Tanner & Associates and MRRA's Aviation Services Manager Marty McMahan. Blane Casey Building Contractors, Inc. was the low bidder for the Base Bid and the Base Bid plus Add Alternate. Steve noted that the elevator option will be determined by the FAA. The Committee voted unanimously to approve a contract with Blane Casey Building Contractors, Inc. to renovate the air terminal (building 200), subject to FAA grant approval.
 - b. **Electric Rates:** MRRA Utility Manager, Tom Brubaker, advised the Committee about Maine PowerOptions, which is an energy-purchasing consortium that serves as an

aggregator for Maine's local governmental and non-profit organizations. Their group-purchasing programs are designed to increase the buying power of eligible participant organizations for the purchase of fuel oil and electricity. The result is lower energy costs for Maine's non-profit organizations, higher education institutions, health care organizations, water, sewer, and school districts, and municipalities. Maine PowerOptions is a program co-sponsored by the Maine Health and Higher Educational Facilities Authority and the Maine Municipal Bond Bank. Constellation NewEnergy is the current provider of choice for Maine PowerOptions.

After extensive discussion among the attendees, the Committee, approved an option for pricing at 75% fixed, and 25% on index for peak hours; and fixed for off peak. The Committee unanimously voted to authorize the Executive Director to enter into a 12 month purchase agreement with Constellation NewEnergy (via Maine PowerOptions) for Flexible Index with Hedging (75% Fixed/25% Hedged) for on-peak electricity requirements with Fixed Price purchase of the off-peak electricity requirements and with the purchase of 100% renewably generated electricity starting at the end of the August 2013 billing cycle. The Committee authorized the Executive Director to enter into a 12 month agreement to lock in the non-energy rates.

- c. Power Purchase Agreements: Tom Brubaker advised that as discussed in the Utilities, Environment and Energy Committee's meeting of July 17, and again at the July 24 MRRA Board meeting, a Power Purchase Agreement would allow MRRA to purchase electricity generated in the future from biogas produced by Village Green Brunswick Landing's (VGBL's) anaerobic digester up to 9,000 megawatt-hours per year.

The purchase price for the electricity from the anaerobic digester facility will "meet or beat" the market rate cost of electricity that MRRA would otherwise pay for electricity at the Brunswick Landing master electrical meter. MRRA shall pay VGBL the Market Rate for electricity VGBL delivers to the Brunswick Landing electrical grid and which Brunswick Landing (including but not limited to MRRA, other Brunswick Landing tenants, and campus infrastructure) consumes.

For the purpose of the proposed PPA, Market Rate is defined as the three-month look-back average of the "all-in" cost to MRRA for electricity supplied to Brunswick Landing's master electrical meter by the local transmission and distribution (T&D) utility (the average of MRRA's actual "blended" electricity costs for the previous three months). "All-in" is defined as the sum over a unit of time of the cost of electrical energy supply, the cost of T&D for the local T&D utility to supply electricity to the master electrical meter, and any other administrative fees the local utility and/or any energy broker may charge for supplying electricity divided by the total number of kilowatt-hours (kWh) consumed during that unit of time. The Market Rate shall be calculated quarterly (from the effective date of the PPA).

The proposed PPA establishes a "floor price" of \$0.085/kWh. The floor price is used to determine when MRRA would receive a "rebate" or discount. The proposed discount

rate is 5%. In any month where the Market Price (MRRRA's "all in" cost of electricity) is \$0.085/kWh or less, MRRRA pays VGBL the Market Price and gets no rebate (i.e. if the Market price is \$0.07/kWh, MRRRA pays VGBL \$0.07/kWh). In this scenario, VGBL meets Market Price. In any month where the Market Price is between 0% and 5% greater than \$0.085/kWh, MRRRA would pay VGBL the Market Price and would get a rebate that graduates from 0% to 5% of Market Price (i.e. if the Market Price is \$0.08755/kWh, 3% greater than \$0.085, MRRRA would get a 3% rebate on the Market Price). In this scenario, VGBL beats Market Price by that percentage (between 0% and 5%). In any month where the Market Price is 5% or more above \$0.085/kWh, MRRRA pays VGBL the Market Price and receives a rebate equal to 5% of Market Price. In this scenario, VGBL beats Market Price by 5%.

In the months where MRRRA receives a rebate, those funds will be used by MRRRA as an Infrastructure Investment Fund for the purpose of maintenance, repair, and improvement/upgrades to the electrical distribution system.

The Executive Committee unanimously voted to authorize the Executive Director to enter into a power purchase agreement with Village Green Ventures/Village Green Brunswick Landing for a term of up to 10 years.

- d. Emergency Pump Repairs: Steve advised the Committee of an emergency repair. The four high pressure water pumps that service the hangars, need to have three functioning for life safety codes. They are tested weekly. One of the pumps went down, so emergency repairs were made, which cost approximately \$26,000.

3. Real Estate Marketing

- CBRE | The Boulos Company will be marketing the Navy Exchange building, building 86 (former maintenance shop), and building 554
- Don Spann will be marketing the ABS building, bottom floor; the police station; several smaller buildings

4. Other Business: None

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