



To: MRRRA Board of Trustees
From: Steve Levesque, Executive Director
Subj: Director's Report
Date: September 18, 2013

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

Federal Update

- **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. MRRRA has now received Building #200, the former terminal building. Since our last closing, MRRRA 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 received a lease for building 250, the former AIMD facility, to accommodate sub-tenants such as SaviLinx and other businesses. This building is also proposed to house our technology accelerator/incubator (TechPlace). We are also working to secure a lease for the remainder of the complex, including Hangar 4. At this point in time, the Navy will only be able to give us a long-term Lease in Furtherance of Conveyance (LIFO) on the property, which is essentially a moot point because we can only lease out the properties per FAA regulations. 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 this fall, totaling approximately 60 acres.

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.

SMCC already has received a PBC of six buildings and 20 acres. The Department of Interior has conveyed the 66-acre East Brunswick Transmitter site to the Town of Brunswick through a PBC. Additional PBCs are in process for the Town of Brunswick (900+/- acres and one

building), Bowdoin College (200+/- acres), and Family Focus (two buildings). The Navy has already transferred some of these properties to the other sponsoring federal agencies and it is our understanding that the Town now has possession of the former Field House (building 211).

- **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 current plan is to attach it to the Defense Authorization Act.

- **Make It In America Challenge – TechPlace**

Staff worked with our local and State-wide economic development and workforce partners to submit our application to the Federal Government in response to this Challenge program to accelerate innovation and strengthen regional assets to increase manufacturing capabilities and capacity in the US. This program is in direct alignment with the goals and objectives of MRRA and our TechPlace initiative.

This is a significant partnership involving: the Town of Brunswick, the Maine Department of Economic and Community Development, Coastal Counties Workforce Inc., the Maine Manufacturing Extension Partnership, Southern Maine Community College, the University of Maine, the Maine Technology Institute, Mölnlycke Health Care, Kestrel Aircraft and MRRA. Both the Brunswick Development Corporation and DECD have made financial commitments with MRRA to provide the 50% match of the EDA portion. We are anxiously awaiting good news very soon.

Redevelopment Activity Review

- **Overview**

2013 has been a very busy year for property transactions for MRRA. Brunswick Landing now has 26 various entities doing business here, with over 340 jobs. The attached “Business Mix” tables illustrate how these tenants, businesses, and other entities comprise the redevelopment effort.

- **Leases**

MRRA currently has 19 business leases, occupying over 436,107 square feet or 75% of the buildings that we own or lease (not under contract or being demolished). In addition, we have three other leases approved and awaiting occupancy in the very near future, with several others in various stages of negotiation.

- **Property Sales**

In April, 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 for a price of \$1,040,096.
- The sale to TBW, LLC for the former Personnel Support Building (24) and Building 592 on 2.86 acres for \$510,000.

In June, we closed on the sale of second block of the BEQ's to AMH (8.87 acres and 12 buildings) for \$1,561,644.

In July, we closed on the sale of approximately 5.6 acres and two buildings: the former Navy Lodge and Recreation Center for \$1,100,000; as well as 1.57 acres to Precast Concrete in Topsham.

The net result of these sales combined with previous land sales is the conveyance of over 260 acres and twenty-four (24) commercial buildings to the **private sector** for further redevelopment.

We are expecting the closing of additional property sales this fall at the Topsham Commerce Park (JHR Development) and Brunswick Landing (AMH/Schott and Priority Real Estate Group), which includes three major buildings and over 40 acres of land.

- **Housing Sales**

To date, Affordable Mid Coast Housing has closed on 60 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), MRRA receives 5% of the purchase price of each unit sold. Land sales now total \$1,598,800 and MRRA has received \$144,474 to date for its agreed share.

Business Mix at Brunswick Landing

Sept. 2013

<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		33,532	
COMPOSITES			
Kestrel/Janseneering	Hangar 6	Noted Above	
ENERGY/ENVIRONMENTAL			
ABL Electric	632	3,200	
FCS/SMT	103	1,656	
TBW, LLC/Energy Research	592	2,000	Sold
Village Green Ventures	Ground lease	4.25 acres	Lease Pending
TOTAL ENERGY		6,856	
		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.		64,529	

<u>TARGET INDUSTRIES</u>	<u>BUILDING</u>	<u>LEASED SPACE</u>	<u>Notes</u>
OTHER LEASES			
AMH	Hotel	248 Rooms/115,000	Sale Pending
AMH	H5	5,000	
Goodwill Workforce Solutions	38	750	
Harris Golf	Golf Course	8249 and 135 acres	
Maine DECD	27		Subtenant of MTI
Maine Technology Institute	27	4,773	
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	
Tri Star Sheet Metal Company	Hangar 5	44,281	
TOTAL OTHER		209,251	
		135 acres	
Total Space Utilization:		436,107	square feet
Total Acres Leased and Pending:		139.25	acres

OTHER NON-MRRA OWNED PROPERTIES

Sept. 2013

<u>ENTITY</u>	<u>PROPERTY</u>	<u>Notes</u>
AMH	BEQs	MRRA Sale
Bowdoin College	200 acres	PBC
Family Focus	Bldgs. 26/21	PBC Pending
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

MARRA



Midcoast Regional
Redevelopment Authority

BRUNSWICK LANDING EMPLOYEE UPDATE

Tenant/Owner	Number of Employees at Lease Inception	Number of Employees as of 9/18/13	Projected Cumulative Employees on 12/30/14
ABL Electric, LLC	5	2	7
American Bureau of Shipping	22	29	50
Brunswick Naval Museum	12 Volunteers*		
Brunswick, Town of			
FGS/CMT, Inc.	3	1 FT/2 PT	5
Flight Level Aviation	4	3 FT/1 PT	8
Goodwill Workforce	1	2	3
Harris Golf	1	7FT/5 PT	8
Kestrel Aircraft	0	38FT/1 PT	30- 50
Maine Coastal Flight	1	1	
Maine DECD	1	1	
Maine Technology Institute	8	8.5 FT	10
Maine Tool & Machine	5	6	15
MARRA	6	12 FT/1 PT	12 + 5 PT
Midcoast Veterans Center			
Molnycke Health Care	20	39	50-100
New England Tent & Awning	1	4 FT/8 PT	12
O'Neals Janitorial	1 FT 3PT	1 FT 3 PT	4
Oxford Data Center	10	17	25 - 30
Providence Service Corporation		96 FT/6 PT	100
SaviLinx, LLC	3	15 FT/7 PT	80-100
SMCC Midcoast Campus	6.5 and 18 PT adjunct faculty	7.5 FT and 18 PT adjunct faculty	10 FT and 30-35 PT adjunct faculty
TBW - Seeds of Independence	2	2	6
Tempus	11	11	50
Tri Star Sheet Metal	9	9	
University of Maine	2	2	
Totals	129.5	340.5	651(Average)
	*not included in total		