



MIDCOAST REGIONAL REDEVELOPMENT AUTHORITY

Meeting Minutes of Board Meeting

July 24, 2013

Present: John Peters (Chair), Rita Armstrong (Treasurer), Steve Weems (Secretary), Sally DelGreco, George Gervais, John Peters, John Shattuck, and Sande Updegraph

Excused: Lois Skillings, Daniel Daggett and John Dorrer

Staff: Steven Levesque, Jeffrey Jordan, Tom Brubaker, and Kathy Paradis,

Location: Town of Brunswick, Brunswick Station

Time: 4:00 p.m.

Welcome & Introductions. Board Chair John Peters welcomed the Board, and invited everyone to introduce themselves.

Host Community Comment: Brunswick Town Councilor John Richardson welcomed the Board and gave a brief update on Brunswick activities, including the new Police Department scheduled for completion in August, the designation of Brunswick as a Maine Downtown Location by the Maine Development Foundation, and CEI's relocation to the former municipal office and gym with 55 jobs. Mr. Richardson said that Brunswick's budget has had about \$1M of cuts imposed by the State, and yet the Town has been able to plug them. He said he is pleased with the TIF discussions and is looking forward to working with MRRA to improve the infrastructure and job opportunities at Brunswick Landing. John noted that the Town Council is invested in local education, which will exponentially assist with the redevelopment effort. MRRA Chair John Peters congratulated the Town on a job well done regarding its budget. He thanked Mr. Richardson for his work on the TIF and said he hopes it is embraced by the Town.

Minutes of May 22, June 11 and July 9, 2013. John Peters noted two corrections on the May 22 minutes: On page 3, in the paragraph entitled “Housing Sales” replace the word “payoffs” with “5% of each unit’s purchase price,” and on page 5, fourth paragraph, change the word “compensation” for “compensate.” Steve Weems made a motion to approve the minutes of May 22 with the noted revisions, and also the minutes of June 11 and July 9, 2013, which was seconded by Sally DelGreco. The vote was unanimous of the Board members present.

Executive Director’s Report.

Federal Updates.

- Property Conveyances. Steve advised that many of the buildings in the next property conveyance to MRRA from the Navy are planned to be demolished by MRRA. Also planned to be conveyed is the former Fire Station and new tower facility, as well as the former indoor small arms shooting range, which will also likely be demolished. Steve noted that the Town of Brunswick is now in possession of the former field house (building 211). The Navy conveyed the field house to the Department of Interior who assigned it to the Town. Steve advised that MRRA has a license for the parking lot from the Navy and is sublicensing it to the Town.
- Steve said the staff is still working with federal delegation on the HubZone legislation, noting that if enacted the HubZone area would be expanded to include the census tract on a closed military base, and it would be extended from five to ten years. The Small Business Administration is in agreement with the changes and is trying to roll it into the Defense Authorization Act.
- Make It In America Challenge - TechPlace. Staff has submitted an application and is waiting for results from U.S. Department of Commerce’s Economic Development Administration, the National Institute of Standards and Technology Manufacturing Extension Partnership, and the U.S. Department of Labor’s Employment and Training Administration. Steve said that this is a significant partnership that includes 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. MRRA hopes to hear in September on the application.

State Updates.

- Bonds. The legislature is still discussing the bond package.

Town of Topsham.

- JHR Development. Steve advised that MRRA staff is still working on the redevelopment of the 12.7 acre parcel at Topsham Commerce Park with JHR Development.
- Precast Concrete. The 1.57 acre parcel will be deeded to abutter, Precast Concrete, on July 25, which will give Precast additional acreage for business expansion.

Real Estate Updates.

- **Property Sales**

Steve advised the Board of the following sales:

In April, MRRA closed on the sale of two properties: (1) The sale to Affordable Midcoast Housing (AMH) of the former Bachelor Enlisted Quarters (BEQ's), comprising 4.93 acres and eight buildings for a price of \$1,040,096, and (2) the sale to TBW, LLC for the former Personnel Support Building (Building 24) and the former Veterinary Clinic (Building 592) on 2.86 acres for \$510,000. Building 24 will house the Seeds of Independence project, and Building 592 may become a restaurant.

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

In July, a closing is expected for the sale of 3 acres and two buildings (the former Navy Lodge and Recreation Center) to The Priority Group for \$1,100,000.

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

- **Housing Sales**

Steve said that Affordable Mid Coast Housing is going really well. It has closed on 51 housing units in the McKeen Street neighborhood, and a number of others are under contract. He recapped for the Board MRRA's 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 \$1,358,880 and MRRA has received \$84,474 to date for its agreed share.

Natural Resources Management Plan

Steve advised that MRRA is updating the Navy's Natural Resource Management Plan for its land holdings on the former base, which was written in 2002. It is being updated with the new information and recommendations contained in the Reuse Master Plan and the Environmental Impact Statement, as well as best practices for storm water management. MRRA staff has met with Town and Bowdoin College staff about coordinating our efforts, and has held several meetings with state and federal agencies to consult with them and to coordinate this effort with the airfield wildlife hazard management plan.

With respect to the airport wildlife hazard management plan, we have contracted with the USDA to conduct necessary surveys and make recommendations with respect to the management of wildlife at the airport that will minimize the risk to human safety during airport operations, while protecting significant habitats, such as the grasshopper sparrow. The USDA is completing their initial work and drafting appropriate recommendations, which will in turn feed into the overall Natural Resource Management Plan.

Steve stated that these two efforts are being coordinated, and just as the Navy did, MRRA has the responsibility of managing our natural resources on its properties and balancing airport operations with the protection of significant wildlife habitats that occur on our property. As set out in its guiding principles and in the reuse master plan, MRRA is committed to sound stewardship of these resources.

Redevelopment Activity Review. As part of MRRA's mapping for strategic planning, Steve reviewed a Business Matrix of tenants, businesses and other entities at Brunswick Landing that fit in with MRRA's targeted sectors. He noted that MRRA has 18 tenants. MRRA is leasing 51% of the buildings it currently controls.

Association of Defense Communities' Redevelopment Forum - September 25-27 in Portland and Brunswick. The NAS Brunswick story will be a major feature of this forum. Accordingly, we will be incorporating MRRA's Board September meeting into the program agenda.

Annual Open House. MRRA's Open House and Update will be held on July 30, at 5:30 p.m. in the community meeting room in building 27 (home to Maine Technology Institute) and begin with a briefing on redevelopment activities, followed by a windshield tour of Brunswick Landing, and a cookout. The public is invited to attend.

Other. Steve said he is just concluding the annual community briefing visits, and only has Freeport, Bath and Brunswick left to brief.

Committee Reports.

Executive Committee. Committee Chair John Peters noted that the Committee met on June 11 and July 9 and that most Board members had attended both meetings. He also said that much of what was discussed at the meetings had been covered previously in Steve Levesque's Directors report. John reported that the Ad Hoc Retreat Committee met on July 23 to discuss an agenda for an all day (9:30 a.m. to 4:00 p.m.), facilitated, retreat on Friday, September 13, to be held in Harpswell.

Finance Committee. Committee Chair Rita Armstrong reported that the Finance Committee met twice since the last MRRA Board meeting, once on June 19 and then on July 17. At both meetings, the Committee reviewed and accepted the financial statements for May and June. Rita said action is being sought by the Board on the financials as presented, which show the revenue and expenditures posted to the beginning of July. The final financials for 2013 will be presented at the September Board meeting, after all accruals for actual revenues and expenditures are posted and the financials have been audited. Rita informed the Board that across all accounts, MRRA staff is projecting that MRRA will be over the 2013 budget by about \$761,000. As stated in past Board meetings, Rita reminded the Board that budgeting for 2013 utilized best estimates for building maintenance and utilities, and they have been higher than what was budgeted. Rita pointed out that budgeting is dynamic, especially for MRRA, noting that 95 buildings were transferred just prior to or in fiscal year 2013 for which there was no expense history. Rita said that since this does not pose a cash flow issue, the Committee agreed that it would close the financials for 2013 showing the variance against the budget rather than move funds from reserves to cover the variance.

Action Item: Rita Armstrong made a motion that the MRRA Board approve the quarterly financial reports ending June 30, 2013, as recommended by the Finance Committee, which was seconded by John Moncure. The vote was unanimous of the Board members present.

Sande Updegraph commented that she noticed in Finance Committee notes that Deputy Director Jeffrey Jordan agreed to provide a big picture overview at the September meeting. She also thanked Jeffrey and the Committee for their hard work. Rita Armstrong also thanked Deputy Director Jeffrey Jordan for his work.

Property Committee.

Steve Weems gave the Committee report of July 18 since Committee Chair John Moncure was unable to personally attend. Steve Weems said that Steve Levesque gave an update on leases and sales, and discussed three leasing opportunities: The first lease opportunity is for an established company called Living Nutz, which produces certified organic raw nuts sold throughout the U.S. Living Nutz is interested in expanding its business and leasing building 51 at 119 Orion Street. They are also interested in purchasing the building as soon as the underlying land is transferred to MRRA from the Navy. Steve Weems said Committee unanimously approved moving forward and completing lease negotiations by staff.

The second lease opportunity is a proposed land lease between MRRA and the Brunswick School Department for a new facility to maintain and store school buses. The facility would be built by the School Department and it would lease the underlying land via a long term lease from MRRA. Steve Weems said the Property Committee will ask for approval at the September MRRA Board meeting.

The third lease opportunity is from New England Tent and Awning, an existing tenant at Brunswick Landing. They require additional cold storage space and are interested in leasing the former recycling building located at 180 Orion Street. The Committee unanimously agreed for staff to move forward and complete lease negotiations.

Utilities, Energy and Environmental Committee.

Committee Chair Steve Weems said the Committee met twice: on June 25 and via conference call on July 17. At the June 25 meeting, MRRA's Utility Manager, Tom Brubaker, gave a presentation on options for the renewal of MRRA's electricity purchase contract. MRRA is currently purchasing electricity from Constellation NewEnergy as a member of Maine PowerOptions. This power purchase agreement is a Flexible Index Solution with Hedging (75% of the total requirement at a fixed rate and 25% purchased on the market at Index Price). The purchase agreement also includes buying 100% of MRRA's requirement as renewably generated electricity (Green-e Energy Certified Renewable Energy Certificates from Wind Power). The current contract runs through the August 2013 billing cycle. Steve said that after looking at the current options, the UE&E Committee is proposing the following four-prong approach to the Executive Committee with the recommendation that it authorize the Executive Director to enter into a 12-month purchase agreement with Constellation New Energy (via Maine PowerOptions):

1. Flexible Index with Hedging (75% Fixed/25% Indexed) for on-peak electricity requirements;

2. Fixed Price purchase of the off-peak electricity requirements;
3. Purchase of 100% renewably generated electricity; and
4. A 12-month agreement to lock in the non-energy rates.

Steve Weems advised that the Committee also received briefings on the following matters in its June 25 meeting:

1. The Committee received an update from Tom Brubaker, MRRA's Utility Manager, and Dave Weyburn of Village Green Ventures on the proposed anaerobic digester project at Brunswick Landing.
2. The Committee received a briefing on the status of the street light upgrade project, which is nearly completed at a major energy savings.
3. The Committee received a briefing on the Inflow and Infiltration (I&I) at Brunswick Landing. Steve Weems said that MRRA pays for wastewater discharge to the Brunswick Sewer District based on a flow meter, not based on water consumption (like most businesses); therefore, MRRA ends up with a substantial bill from the Sewer District, noting that it's a \$200,000 problem for MRRA's budget. Steve said that MRRA hired Wright-Pierce Engineers to investigate the I&I situation at Brunswick Landing, and they developed a phased approach to address the issues discovered. Ray Labbe & Sons Construction completed the first phase of repairs in April, and MRRA is currently waiting for a more complete analysis from Wright Pierce before continuing repairs. Steve Levesque advised that MRRA cannot charge its tenants for the cost for repairing the system; however, MRRA's long term goal is to turn this utility over to sewer district.
4. The Committee also received an update on the Natural Resources Management Plan, which Steve Weems advised that Steve Levesque previously provided in his Executive Director's Report.

Steve Weems said that the Power Purchase Agreement with Village Green Ventures was discussed at the July 17 UE&E Committee. He said MRRA's Utility Manager, Tom Brubaker, provided the Committee members with a brief overview of the proposed operation of the Village Green Brunswick Landing anaerobic digester facility. The current proposal is for this facility to generate electricity from biogas created in the digester. It is proposed that MRRA purchase this electricity from Village Green Brunswick Landing via a Power Purchase Agreement.

The proposed project will generate a large portion of the current electrical requirement at Brunswick Landing thereby reducing or eliminating electricity delivered over CMP's distribution grid to the campus.

This project is consistent with MRRA's mission and redevelopment plan for a renewable energy center at the Brunswick Landing campus and will be the first on-site generation of electricity. It has desirable organic materials recycling features (beneficial use by-products) to create additional sustainable value beyond the value of generating green energy on site.

Steve Weems gave the Board a detailed briefing on the terms of the VGV/VGBL's proposed Power Purchase Agreement, including 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%.

The Committee approved a motion for the next Executive Committee meeting 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.

Personnel Policy Amendments.

Executive Director Steve Levesque advised the Board that some amendments needed to be made to the Personnel Policy to clarify fulltime versus permanent employees, compensatory time for exempt employees, MRRA's increased cafeteria plan annual contribution, and the responsibilities and duties of the Executive Director.

John Peters suggested that instead using the words "permanent employee(s)," the words "regular employees" be used in the Personnel Policy amendments.

Action Item: Steve Weems made a motion for the MRRA Board to adopt the amendments to the Personnel Policy as indicated on the redlined copy attached to the official minutes, except that the words "permanent employee(s)" will be replaced with "regular employee(s)," which was seconded by Sally DelGreco. The vote was unanimous of the Board members present.

Grants Budget Amendment – FY2014 – FAA Grant.

Steve Levesque asked the Board to approve grants regarding the Military Airport Program for FY2014 which total about \$1.8M, with matching funds of about \$90,000 from the State of Maine and MRRA. The grant money will pay for the following airport improvements:

- Airfield Bituminous Pavement Maintenance – Phase 1
- Repair Hangar 5 Roof
- Terminal Building Renovations

- Snow Removal Equipment Building Renovations and Expansion (Design Only)
- Drainage Repairs (Design Only)

Action Item: Steve Weems made a motion to authorize the acceptance of the FAA Military Airport Program grant for FY 2014 and to authorize appropriation of such funds, which was seconded by Sally Delgreco. The vote was unanimous of the Board members present.

Other Business.

Chair John Peters asked when the back gate will be reopened. Steve Levesque advised that a Traffic Enforcement Bill was passed that will allow for the enforcement of traffic laws at Brunswick Landing, but it does not take effect until 90 days after passage. He said that staff will bring the Board recommendations at the September Board meeting regarding speed limits, after which the back gate can be opened. Steve noted that the this entrance will be closed in the winter due to the cost of snow plowing. Steve said that at this point, the Purington Gate will remain closed because the Navy still owns that property; however, if the Navy agreed MRRA could open it.

Public Comment. None.

Executive Session: Sally DelGreco made a motion to go into executive session to discuss property matters pursuant to 1 MRSA Section 405(6)(C), which was seconded by John Moncure. The vote was unanimous of the Board members present. At 6:15 p.m. Rita Armstrong made a motion to adjourn from the Executive Session, which was seconded by Steve Weems. The vote was unanimous of the Board members present.

Action Item. John Moncure made a motion that the Board authorize the Executive Director to execute a purchase and sale agreement with Schott Management for the purchase price of \$5,100,000, and all other documents to complete the sale and deed transfers regarding the sale of 14 Resilient Circle (formerly building 87), which was seconded by Rita Armstrong. The vote was unanimous of the Board members present.

Adjournment: A motion was made by Sally DelGreco at 6:20 p.m. to adjourn from the Board meeting, which was seconded by Steve Weems. The vote was unanimous of the Board members present.

Lois Skillings, Secretary