



MIDCOAST REGIONAL REDEVELOPMENT AUTHORITY

Meeting Minutes of Board Meeting
May 28, 2014

Present: John Peters (Chair), Rita Armstrong (Treasurer), Lois Skillings, (Secretary), John Moncure, Daniel Daggett, George Gervais, John Dorrer, Sande Updegraph, John Bouchard, and Carl Flora

Excused: Steve Weems

Staff: Steven Levesque and Jeffrey Jordan

Location: Town of Topsham, 100 Main Street, Topsham, Maine

Time: 4:00 p.m.

Welcome & Introductions.

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

Host Community Comment: Don Russell the Chairman of the Topsham Board of Selectmen welcomed the MRRA Board of Trustees to Topsham. Don recognized the work of JR Development and MRRA on the redevelopment of former Commissary building and the demolition of a number of buildings that has improved the overall appearance of the Topsham Commerce Park.

Mr. Russell reported that at a recent town of Topsham meeting, the residents authorized the submission of a CDBG Grant to the State to support investments by Maine Harvest and Wicked Joes Coffee within the Commissary. The Town passed its budget for FY 2015 at the Town Meeting as well. He reported that this past year the town's taxable property grew by over \$9.0 million. He also reported that last month, the town received 15 new building permits with an estimated value of over \$1.0 million.

Minutes of March 26, 2014.

Lois Skillings moved to accept the minutes of the March 26, 2014. The motion was seconded by John Moncure. John Peters noted that he will provide the Secretary Pro Tem with his

copy of the minutes with a few typographical errors noted. The motion passed – In Favor - 6; Opposed – 0. There were five abstentions - John Bouchard, Sande Updegraph, Lois Skillings, George Gervais and Carl Flora. Each were not in attendance at that meeting.

Executive Director’s Report.

Property Conveyances

Executive Director Steve Levesque reported that 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 MRRA is slated to receive. Since its last closing on March 5, 2014, in which MRRA received 22 acres of EDC property, MRRA has now been conveyed 744.56 (68%) of the 1,098 acres of the non-airport property and 971 (98%) of the 992.2 acres of airport land. In addition, the new air traffic control tower is expected to be transferred in the next few weeks.

He reported that Public Benefit Conveyances of land and buildings have been made or are in the process of being conveyed 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.

TechPlace

Now that the EDA grant is in place and the LIFOC secured for building 250, Steve said staff is aggressively working to gear up for the opening of the facility in October. Steve provided a PowerPoint to the Board with an overview of the project. The rough schedule of the project is as follows:

- ❑ January – March: Space Planning and development of bid specs (out to bid)
- ❑ June: Bid award
- ❑ July – September: Construction activity and management plan development
- ❑ October 2014: Opening and acceptance of business tenants

HUB Zone Legislation

Steve advised that MRRA staff continues to work with the staff and members of the Maine Congressional delegation to move this bill into a position for passage. Our congressional members are trying to identify avenues to proceed in Congress with this critically important piece of legislation. It appears that there has been a breakthrough and it will be in the current Senate National Defense Authorization Act bill.

Redevelopment Activity Review. Steve updated the Board on the following:

- General Overview:
 - ❑ Lease and sale activity continues to be very brisk. Since the last Board meeting, MRRRA has added several new tenants and have several more in lease negotiation. On the sale side, MRRRA currently has 55,000 sq. ft. under contract, as well as an additional 90,000 sq. ft. of building space and approximately 30 acres in under final consideration.
 - ❑ Taking into account the latest Navy conveyances and the property MRRRA has sold; MRRRA currently owns approximately 1,440 acres of land and 1,014,203 sq. ft. of building space. To date, MRRRA has sold over 300 acres of land and 27 buildings (i.e., nearly 600,000 sq. ft.). The properties that MRRRA has sold are all undergoing further redevelopment.
- Housing Sales
 - ❑ To date, Affordable Mid Coast Housing has closed on 91 housing units in the McKeen Street neighborhood, and a number of others are under contract. By MRRRA's 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 \$2,424,566 and MRRRA has received \$356,031 to date for its agreed share.
- Demolition
 - ❑ MRRRA's contractor McGee Construction has nearly completed the demolition of over 20 structures in Topsham and Brunswick that are not suitable for redevelopment. Having these blighted structures razed improved the marketability of the property and will pave the way for new development opportunities. This project is partially funded through MRRRA's EDA grant.

Steve Levesque then recognized the contribution of outgoing Board member, Sally DelGreco, and presented a plaque to her. Chair John Peters publicly recognized and thanked both outgoing Board members, Sally DelGreco and John Shattuck, and noted that John Shattuck was unable to attend the meeting and will receive a plaque at a later Board meeting.

Committee Reports

Executive Committee.

Chair John Peters said that since the last Board meeting, the Committee met on May 6. Besides what was already covered in the Executive Director's Report, the Executive Committee took the following actions:

- ❑ Authorized the Executive Director to sign a lease with Frosty's Donuts.
- ❑ Awarded a contract for the demolition of the fuel farm that the Navy used for fuel storage.
- ❑ Discussed the two bids and the staff review of the bids regarding the Great State of Maine Air Show 2015 RFP for a private company to produce and manage the Air Show, and awarded the bid to Umbrella Entertainment.
- ❑ Discussed the roof replacement of building 200 and the bids received in response to MRRRA's RFP, and authorized the contract with Blane Casey Construction be modified for the replacement of the roof on building 200.

Finance Committee.

Finance Committee Chair Rita Armstrong said the Finance Committee met three times since MRRRA'S last board meeting: on April 16, May 12 and May 15.

At the April Committee meeting the Committee reviewed the financial reports for the third quarter, ending March 31, and finding these to be in good order, unanimously voted to recommend the board accept these.

Action Item: Rita Armstrong made a motion that the MRRRA Board approve the quarterly financial reports ending March 2014, as recommended by the Finance Committee, which was seconded by Dan Daggett. The vote was unanimous of the Board members present.

Rita said the majority of the Committee's time at the three meetings was spent on the proposed 2015 budget. She noted that the proposed budget was reviewed at a very detailed level by the finance committee and was done within the context of an updated five year financial forecast.

As in the past, this budget projects revenues conservatively and expenditures liberally. The 2015 proposed budget projects \$3,713,600 in revenues and \$4,013,600 in expenditures, with the \$300,000 negative variance all in the airport budget. Important highlights include:

- ❑ Lease revenue in this budget is based on current, actual leases in place now.
- ❑ The Tax Incremental Financing revenue is based on actual revenues collected by the town of Brunswick in fiscal year 2014 which are to be allocated in 2015.

- ❑ This budget includes MRRA's first debt service of \$283,100 to the Navy on the \$3million EDC note and sets aside money in reserve to fund the balloon payment due in 2022.
- ❑ This is MRRA's first year of significantly reduced funding from OEA and a shift in those expenditures to the MRRA budget.
- ❑ The MRRA budget assists in the setup and establishment of TechPlace, which is scheduled to open on October 1.
- ❑ \$140,000 is being transferred from the MRR Capital Reserve Fund for anticipated building repairs.
- ❑ There is an appropriation of \$150,000 to support electric system repairs and upgrades and \$397,600 to support sewer infrastructure upgrades to remove inflow and infiltration from MRRA's sewer collection system.
- ❑ This year the MRRA budget draws upon \$1,685,800 from a board-approved method of annuitizing sale revenue over time to assist in funding operations, maintenance and care of Brunswick Landing's buildings and public infrastructure. The current balance of funds dedicated to this totals \$2,951,263. This will be supplemented by an additional \$5,484,300 from a portion of the current purchase and sale agreements on the property that will close in FY 2015 totaling over \$11 million.

Action Item: Rita Armstrong made a motion that the MRRA Board adopt the FY2015 MRRA Budget, as recommended by the Finance Committee, which was seconded by Lois Skillings. The vote was unanimous of the Board members present.

Redevelopment Committee.

Committee Chair John Moncure reported that the Committee hears about property and real estate updates, issues relating to the Brunswick Executive Airport and the utilities owned by MRRA.

John said that the Committee met twice since the last Board meeting: on April 23 and May 14. In addition to what Steve Levesque already provided in his Executive Report, John reported that at the May 14 meeting, Aviation Services Manager, Marty McMahon updated the Committee on the following airport projects: repairs to three hangars, construction of a new snow removal equipment storage facility, and stormwater drainage. Marty also explained how the FAA Military Airport Program works, noting that the MRRA has used about \$16 million so far. FY 2015 will be the last year of fund so MRRA will need to replay for grants in FY 2016. Tom Brubaker and Steve Levesque talked about the CMP rate case regarding the stand by charge that is being proposed by CMP for those who generate electricity behind the meter.

The Committee also discussed the CMP rate case. John Peters explained the process of how CMP request the revenue requirement and then how that revenue is assessed among the various rate classes.

Natural Resource Management Plan.

Steve recapped that the Natural Resource Management Plan was originally presented to the Board at its March 26, 2014 meeting but was tabled to allow for timely discussion with the Brunswick Area Citizens for Safe Environment (BACSE) committee. Concerns brought forward by BACSE in a meeting with MRRA on May 7 were addressed in the NRMP revision, including the removal of specific IRP site information.

Action Item: Lois Armstrong made a motion that the MRRA Board approve the Natural Resources Management Plan, as presented, which was seconded by John Moncure. The vote was unanimous of the Board members present.

Other Business. None.

Public Comment. None.

Executive Session:

A motion was made at 5:15 p.m. by John Moncure and seconded by Rita Armstrong to go into Executive Session pursuant to MRSA Sec. 405(6)(C). The vote was unanimous of the Board members present.

A motion was made by John Moncure, seconded by Lois Skillings to adjourn out of Executive Session back into the public meeting. The vote was unanimous of the Board members present.

New Business:

Rita Armstrong moved that the Board authorize the Executive Director to make a payment in the amount of \$3,000,000 to the Treasurer of the United States to retire the entire principal owed on a note from Navy as part of the Economic Development Conveyance Agreement and to adjust the recently adopted FY 2015 MRRA budget accordingly removing \$466,500 from a combination of expenditures (debt service) and transfers to reserves for the balloon payment in 2024. The motion was seconded by Dan Daggett This action also reduced the need to draw \$466,500 from the Sale of Property Annuitization Reserve and has saved over \$975,000 in interest costs and bank fees associated with a letter of credit. The vote was unanimous of the Board members present.

Action Item: John Moncure made a motion that the MRRA Board authorize the Executive Director to execute a Purchase and Sale Agreement and associated closing documents with Affordable Mid Coast Housing for the sale of Lots 28, 33, 34, 45 & the 8.44 acre parcel at Brunswick Landing, which was seconded by Lois Skillings. The vote was unanimous of the Board members present.

Adjournment:

A motion was made by John Moncure at 6:00 p.m. to adjourn from the Board meeting, which was seconded by Dan Daggett. The vote was unanimous of the Board members present.

Lois Skillings, Secretary