



MIDCOAST REGIONAL REDEVELOPMENT AUTHORITY

Meeting Minutes
May 18, 2010

Present: Arthur F. Mayo, III (Chair), John Moncure (Vice Chair), Charles J. Spies III (Treasurer), Dana Totman (Secretary), Rita Armstrong, Adam Cote, Sally W. DelGreco, Donald Hudson, Thaxter Trafton, Sandra T. Updegraph and Steve Weems

Absent: None

Staff: Steven Levesque, Jeffrey Jordan, Marty McMahan, Bob Rocheleau, Tom Brubaker, Clare Tosto and Kathy Paradis

Location: Topsham Town Hall, 100 Main St., Topsham, ME

Time: 4:00 pm

Welcome and Introductions: Chair Art Mayo welcomed the attendees and invited them to introduce themselves.

Host Community Comment: John Shattuck welcomed MRRA back to Topsham. He said that Topsham has a special relationship with MRRA, as both entities look for opportunities for the region. John was pleased to present to the MRRA Board a check from Topsham Development, Inc. for \$7,500 to help market the base property. By way of background, Chair Art Mayo explained that MRRA cannot use federal funds for marketing and thanked Topsham Development, Inc. for its generous donation.

Minutes of Previous Meeting: John Moncure made a motion to approve the Board minutes of the March 16, 2010 Board meeting, which was seconded by Charlie Spies. The vote was unanimous of the Board members present.

Executive Director's Report:

State. Executive Director Steve Levesque reported that the MRRA bill (LD 1664) was signed into law by Governor Baldacci following an extensive process. The bill enjoyed a unanimous vote from the Business, Research and Economic Development (BRED) committee, following a public hearing and several workshops. Steve was pleased that the bill achieved unanimous approval from both the senate and house, as well as unanimous approval out of the Appropriations Committee. Steve noted that Senator Gerzofsky, who was instrumental in getting the bill passed, was in attendance and thanked him for his help. Steve said a key element in getting the bill passed was the legislature awareness that the base redevelopment is a statewide issue.

Steve said that a provision of the bill provides for a NASB Job Tax Increment Financing (JTIF) program – a funding mechanism derived from a portion of state income tax withholdings for new employees at the Brunswick Landing. MRRA will share these proceeds with SMCC and the State, with MRRA receiving funding in year three.

Federal. Steve said that he had been tracking a bill in Congress (S.583) designed to help stimulate and support science parks sponsored by Senator Snowe. The bill includes base redevelopment efforts as one of the criteria for selection. He said the bill had been unanimously approved out of the Senate Committee on Commerce, Science and Transportation in mid-December, and now the Economic Development Administration wants to combine it into the American Competes Reauthorization Act. Steve said that he would keep the Board apprised of developments regarding the bill.

Draft Environmental Impact Statement (EIS). Steve recounted for the Board that the EIS process began in the fall of 2008 and now is in draft form and available for public comment until June 28. Public informational sessions and public hearings are scheduled for June 2 and June 3. The EIS is a document required by the National Environmental Policy Act (NEPA) to evaluate the environmental effects of the build-out of the Reuse Master Plan. After the comment period, the Navy will issue a Final EIS which documents the comments received on the draft EIS and includes a response to relevant comments. If everything is satisfactory, a Record of Decision (ROD) will be issued. The ROD is the formal record of the decision reached on the proposed action by the Secretary of the Navy and is published a minimum of 30 days after the notice of availability of the Final EIS. The ROD completes the EIS process.

Steve also explained the differences among what is accomplished by the EIS, the Restoration Advisory Board and the Navy regarding environmental cleanup and/or matters.

The Environmental Assessment (EA) for the Topsham Annex is smaller in scope than the NASB EIS. Instead of issuing a ROD, the Navy issues a FONSI (Finding of No Significant Impact) when the EA is completed; it includes all applicable public comment and responses.

Design Guidelines. Steve reported that on May 12 MRRA staff, in conjunction with WBRC, held its second public forum to present the draft community Design Guidelines to support the redevelopment of Brunswick Landing and the Topsham Annex consistent with the guiding principles articulated in the Reuse Master Plans. Over 40 people attended the informational and Q & A session.

Steve said that staff will be working with our consultants and the Town planners to finalize the document with the goal of presenting it to the Board for adoption at the July meeting.

Commissary. Steve said that the NASB Commissary and Exchange scheduled to close in June; however, Maine's congressional delegation and its governor are trying to maintain some presence of a commissary and exchange or a combination of the two, due to the size and proximity of active duty and retired military population in the Bath/Brunswick area. Steve said that the DOD has to make the decision because it hosts commissaries and exchanges. Typically they are on the military property to support military and retirees and do not pay rent or receive salaries as they are supported by the military. Once closed, there is the question of who will host or support a commissary/exchange (i.e., would the National Guard be willing to serve as host or could the property be leased from MRRA?)

Aviation Services Manager. Steve formally introduced Marty McMahon, the Air Services Manager, to the MRRA Board, noting that Marty was the former BRAC coordinator for NASB, has intimate knowledge of the base property, was air ops manager for NASB and in Keflavik, Iceland, and he has run two air shows at NASB. Steve said he was very pleased to have Marty on board.

Marty said he was excited to be part of the redevelopment effort. He said that in his capacity as BRAC coordinator, he had many opportunities to attend Association of Defense conferences and the like, and Brunswick and Topsham have consistently been the one to look at as an example.

Foreign Trade Zone Application

MRRA's Deputy Director, Jeffrey Jordan, gave an overview of the Foreign Trade Zone Application process, including (1) MRRA's statutory right to apply for a FTZ, (2) the location of the proposed FTZ property (393 acres on NASB, which includes aviation assets with the exception of the runway, and all areas in the business and industrial zone, (3) the proposed uses in the FTZ (including composite manufacturing and alternative energy development). Jeffrey also spoke about the importance of the FTZ and its potential to attract businesses to Brunswick Landing, which will help lessen the enormous impact of the base closure on the region and create much needed jobs. Jeffrey detailed some of the benefits to FTZ grantees, which include relief from inverted tariffs, duty exemption on re-exports, duty elimination on waste, scrap and yield loss, and weekly entry savings. In addition, Jeffrey advised that the FTZ application is a lengthy process, and can take 10 to 12 months before completion. After the application is submitted to the FTZ Board, the Board reviews it and makes comments in 20 days. MRRA has 30 days to make corrections and then it goes in Federal Register for a 45 day comment period for interested parties, after which the FTZ Board has 120-180 days to approve.

Jeffrey Jordan advised the Board that before the FTZ application can be submitted, the Board must approve a resolution authorizing its submission to the FTZ Board.

Action Item: John Moncure moved that the Board adopt the following resolution:

Whereas, on August 24, 2005, the Federal Base Realignment and Closure (BRAC) Commission voted eight to one to close Naval Air Station Brunswick and move its aircraft operations to Jacksonville, Florida; and

Whereas, the final list was approved by the President George W. Bush requiring the closure of NAS Brunswick before September 15, 2011; and

Whereas, the Maine State Planning Office has determined that closure of Maine's second largest employer at a single site will result in the loss of 6,500 jobs, a reduction in state gross product of \$390 million and loss personal income of \$370 million; and

Whereas, the Reuse Master Plan for NAS Brunswick envisions research and development, manufacturing and industrial uses designed to create business and employment growth on the 3,300 acre facility; and

Whereas, the target business clusters contained within the Reuse Master Plan include composite R&D and manufacturing; aviation and aerospace research, maintenance, repair and manufacturing; information technology; and a world-renowned business complex for integrated research and development, manufacturing, testing, company incubation and productive operation of green energy technology products and services; and

Whereas, many of the identified industry clusters will require the importation of goods and materials from other counties that require the payment of duties that add to the cost of production; and

Whereas, Maine State Legislature has authorized by law, MRRA to submit a general to apply to the Secretary of Commerce of the United States for the purpose of establishing, operating and maintaining foreign trade zones at Brunswick Naval Air Station pursuant to the federal Foreign Trade Zones Act; and

Be it therefore Resolved that the Midcoast Regional Redevelopment Authority Board of Trustees hereby endorses an application for a general grantee foreign trade zone designation for NAS Brunswick.

The motion was seconded by Steve Weems, and the vote was unanimous of the Board members present.

Committee Reports

Property Committee.

Committee Chair Dana Totman said the Committee met on April 29 and was chiefly an organizational meeting. The Committee reviewed its mission and goals and was recommending them for Board approval.

Action Item: Dana Totman made a motion that the MRRA Board approves the Mission and Goals Statement of the Property Committee, as recommended by the Property Committee, which was seconded by Sally DelGreco. The vote was unanimous of the Board members present.

Dana said the Committee also discussed meeting protocols (i.e., what to discuss in open session versus executive session), given the confidential nature of property transactions such as lease and purchase agreements that the Committee will be discussing.

In addition, Dana reported that the Committee discussed Southern Maine Community College's (SMCC) original public benefit conveyance request and subsequent modifications made to it, which modifications

the Committee is recommending for Board approval. By way of background, SMCC originally requested buildings 150, 151, 512 and 645. Building 644 (formerly the flight simulator building which Bowdoin College originally requested but later withdrew) has been added to the SMCC request in order to house its heavy duty construction equipment training program. The adjacent softball field and tennis court were also added, provided that they are maintained and made accessible to the public.

Action Item: Dana Totman made a motion that the MRRRA Board approve the recommendation of the Property Committee for an amended public benefit conveyance to SMCC as outlined in red on a map to be attached to the official minutes of this meeting; provided, that the soft ball field and tennis court will be maintained by SMCC and made accessible to the public. The vote was unanimous of the Board members present.

Finance Committee.

Committee Chair Charlie Spies said that the Committee met on May 11 to discuss MRRRA's audit report for fiscal year 2009, as well as its quarterly financial report.

- Audit Report. Deputy Director and Chief Financial Officer Jeffrey Jordan thanked the Finance Committee for reviewing the large amount of financial material given to each member and for reviewing the audit report. Jeffrey recounted the presentation made to the Finance Committee by MRRRA auditors Mike Dunn and Stefanie Rioux from MacDonald Page regarding the five components required by federal law and the rules of the Governmental Accounting Standards Board of a governmental agency, and how each related to the MRRRA audit. The five components are a Letter to the Board of Trustees, Financial Report, Management Letter, Data Collection Form, and Single Audit Act Report.

Jeffrey discussed the negative unrestricted fund balance. The Department of Defense does not allow MRRRA to create reserves so when employees accrue payroll liabilities (vacation, sick and compensatory time), or when capital equipment is depreciated, MRRRA cannot fund it. The Finance Committee recommended that the unfunded balance sheet deficit be funded by using future unrestricted income sources.

Jeffrey introduced Mike Dunn, Managing Director of McDonald Page, to the Board. Mr. Dunn advised that McDonald Page was engaged to perform an independent audit and based on the audit, an unqualified

opinion was issued of “no findings.” McDonald Page was also engaged to perform a single audit which unqualified opinion issued was also “no findings.” Mr. Dunn said they found MRRA’s internal controls to be sound, and had no suggestions or recommendations for improvement, but may have suggestions as MRRA grows.

Charlie Spies thanked Mr. Dunn, Ms. Rioux, and Jeffrey Jordan for their hard work and said that he was pleased with the outcome of the audit.

Action Item: Charlie Spies made motion that the MRRA Board accept and adopt the Financial Report and Single Audit Act Report prepared by MacDonalld Page for the year ended December 31, 2009, as recommended by the Finance Committee, which was seconded by Don Hudson. The vote was unanimous of the Board members present.

- Quarterly Report. MRRA’s quarterly report ending March 31 was summarized by Charlie Spies. Charlie reported that the Committee found the quarterly report acceptable.

Action Item: Charlie Spies made a motion that the MRRA Board accept the MRRA quarterly financial report for the period ending March 31, 2010, as recommended by the Finance Committee, which was seconded by Rita Armstrong. The vote was unanimous of the Board members present.

Airport Committee.

Committee Chair John Moncure said that the Committee met on April 12 and reviewed the redrafted Mission and Goal Statement, met MRRA’s new Aviation Services Manager, Marty McMahon, and reviewed the Airport Layout Plan and Airport Master Plan. The Committee is recommending that the Board approve the Mission and Goal Statement.

Action Item: John Moncure made a motion that the MRRA Board approves the Mission and Goals Statement of the Airport Committee, as recommended by the Airport Committee, which was seconded by Adam Cote. The vote was unanimous of the Board members present.

The Committee also received status reports on the following items: public benefit conveyance request to the FAA, the electronic system engineering plan on base, the Act to Enhance Redevelopment of Brunswick Naval Air Station, the Great State of Maine Air Show, and the Memorandum of Agreement between MRRA and Maine Department of Transportation. As to the report on Base electronic engineering plan,

Steve Levesque said he is hopeful that MRRA keep the Instrument Landing System (ILS), but it is still uncertain. Regarding the Memorandum of Agreement between MRRA and MDOT, Steve said one of the requirements of our PBC to the FAA is that we have financial capacity. There will be a five year period where MRRA will not be generating much revenue. MDOT has agreed to give MRRA a line of credit (essentially a loan) in the amount of \$300,000 a year from the proceeds it collects as a tax on rental cars, which MRRA is obligated to repay.

Environmental and Energy Committee.

Committee Chair Don Hudson said that the Committee met on April 7. He noted that this was the first meeting of the realigned Committee and it spent most of it in orientation as to the issues they will have to face. In particular, the Committee reviewed issues that relate to properties being found suitable for transfer. Also, with the assistance of MRRA's Clean Energy Technology Manager, Tom Brubaker, the Brunswick Renewable Energy Center (BREC) study was discussed. Don reported that as envisioned, BREC will:

- Combine on-site a living laboratory for test and development of green technologies with dynamic, alternatively-fueled energy production and distribution facilities for on-site use
- Make Brunswick a national center for renewable energy technology;
- Create new and sustainable "green" employment opportunities for Maine; and
- Provide for low-cost, green energy opportunities for business development.

Don read the Committee's Mission and Goals and advised the Board that the Committee recommended Board approval.

Action Item: Donald Hudson moved that the MRRA Board approve the Mission and Goals Statement of the Environmental and Energy Committee, as recommended by the Environmental and Energy Committee, which was seconded by John Moncure. The vote was unanimous of the Board members present.

Executive Committee.

Committee Chair Art Mayo said that the Committee met on April 6 and May 4 and that the topics of discussion in those meetings were previously reported by Steve Levesque in his Director's Report earlier in the Board meeting.

Presentation by Brunswick Park and Garden Group.

Tom Fusco and Esther Lacognata, of the Brunswick Park and Gardens (BP&G) group gave a presentation to the Board on the envisioned BP&G at the Brunswick Landing. They said that the BP&G group envisions a park with a wide variety of magnificent gardens that will eventually attract visitors from all over the country and world. This proposed 50 acre site (excluding parking, which will comprise 200 acres) will include gardens, all organically grown, and surrounded by trails. There will also be many gardens and projects, including gardens to raise food for pantries; gardens from around the world, a children's garden; and living memorial forest in which you can buy a tree or a bush in commemoration of a birth, death, or other celebratory event. Further, BP&G intends to cooperate and coordinate with local entities, including, local governments, SMCC Horticultural School, local grade schools and high schools; Bowdoin college botany and ecology courses, food kitchens, local businesses, local nurseries and landscapers, Maine's Office of Tourism and Maine Veterans for Peace.

Mr. Fusco and Ms. Lacognata spoke of the community and economic benefits of having a park and garden of this nature in the community, including a healthier community, a sense of place, a park can be the heart of the community, parks do not contribute to global warming, and provide sustainable development. They said that the BP&G has the support of the community – 1,900 people have signed supporting petitions. In addition, they said that the concept complements MRRA's Reuse Master Plan, will create jobs and attract millions of visitors to the region.

Lastly, Mr. Fusco said that the BP&G will not be in competition with the Boothbay Botanical Gardens. In fact, he said a second park will draw more people into Brunswick and Boothbay. Board Member Donald Hudson echoed Mr. Fusco's sentiment, stating that that in Japan the gardens work well synergistically, and don't compete with each other.

Executive Director Steve Levesque said he met with Mr. Fusco and Ms. Lacognata in the prior week and recommended that they consult with the Town and of Brunswick and the Maine Department of Environmental Protection to discuss traffic storm water, utilities, and the like.

Public Comments: The Executive Director of the Southern Midcoast Maine Chamber, Steve Wallace, spoke about the Maine Jobs Bond (Question 4) that includes \$8 million to assist in accelerating NASB redevelopment. The Bond will go before the voters on June 8. He said that the Chamber has tried to pull together a coalition of regional people

to get the word out why Question 4 is important and what it means for the region.

Steve Wallace also indicated that the Chamber would be happy to write a support letter on behalf of MRRA's FTZ application.

Executive Session: At 5:45 p.m. John Moncure made a motion to go into executive session to discuss property matters pursuant to 1 MRSA Section 405(6)(C), which was seconded by Charlie Spies. The vote was unanimous of the Board members present. At 6:30 p.m. John Moncure made a motion to adjourn and reconvene the MRRA Board meeting, which was seconded by Art Mayo. The vote was unanimous of the Board members present.

Adjournment: A motion was made by John Moncure to adjourn from the Board meeting, which was seconded by Art Mayo. The vote was unanimous of the Board members present.

Dana Totman, Secretary

ATTENDEES OF 5-18-10 MRRA MEETING

Name	Company/Organization/Residency
Andrea Quaid	Office of Congressman Michaud
Don Spann	Re/MAX Riverside`
Scott Jacquin	CCWI
Brian Whitney	Senator Snowe's Office
Catherine Ferdinand	Bowdoin College
Denise Tepler	Democratic Candidate – House #60
Esther Lacognata	Brunswick Park and Gardens
Hershel Fusco	Brunswick Park and Gardens
Scott Beatty	SMCC
Denise Clavette	Town of Brunswick
John Anthony	Harpwell Resident
Rich Roedner	Town of Topsham