



MIDCOAST REGIONAL REDEVELOPMENT AUTHORITY

Meeting Minutes

March 27, 2013

Present: John Moncure (Chair), Rita Armstrong (Treasurer), Steve Weems (Secretary), Daniel Daggett, Sally DeIGreco, John Dorrer, John Peters, John Shattuck, Lois Skillings, and Sande Updegraph

Excused: George Gervais

Staff: Steven Levesque, Jeffrey Jordan, Kathy Paradis, Marty McMahon, Dave Markovchick, and Ben Sturtevant

Location: Topsham Town Hall

Time: 4:00 pm

Welcome & Introductions. John Moncure welcomed the Board and attendees, and invited them to introduce themselves.

Host Community Comment. Rich Roedner welcomed the Board on behalf of the Town Manager and selectmen of Topsham.

Minutes of the January 23 and March 5 Board Meetings. Rita Armstrong made a motion to approve the Board minutes of the January 23, 2013 and March 5, 2013 meetings, which was seconded by Steve Weems. The vote was unanimous of the Board members present.

Executive Director's Report.

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 conveyed 1,656.81 acres of land at Brunswick Landing and 47 acres at the Topsham Commerce Park. Currently, MRRA owns 66% of the non-airport property, and 94% of the airport land. Steve said that he was meeting

with the Navy on March 28 to sign the deed for building 200 (the former terminal building). The next transfer should occur over the summer and consist of about 100 acres and a small number of buildings, including the shooting range, a building near Mölnlycke, the new tower area, CB compound and building 211 (building 211 will be transferred to the Town of Brunswick).

U.S. Customs. Steve advised the Board that staff has been working with Customs on two fronts: Foreign Trade Zone (FTZ) activation and designation of Brunswick Executive Airport as a Port of Entry. FTZ activation can only take place upon the interest of a specific business interested in moving forward with zone benefits. Mölnlycke Health Care is the most likely candidate at this point. Customs Officials have agreed to a Port of Entry presence at the Brunswick Executive Airport. Steve noted that MRRA is looking for funding to make the necessary facility improvements for a Port of Entry. Customs officials would be based in Portland and travel to Brunswick, as needed.

HUB Zone Bill. Steve advised that sponsors of the HUB Zone bill are still trying to find a larger bill in which to attach the HUB Zone language changes. Steve noted our delegation is pushing hard because this is important to businesses at Brunswick Landing.

State Update

Pending Legislation. Steve advised the Board of the following proposed legislation:

- LD 490. This is a bill to make permanent the sales tax exemption on airplanes and airplane parts that is set to expire in 2015. Steve advised that this bill was heard on March 25, and a workshop was scheduled next for the week of April 1. Steve noted that it looks like the bill will be supported by the Committee as a permanent exemption or contain a long sunset provision (15-20 years).
- LD 127. Traffic Enforcement Bill. The proposed bill would allow for the enforcement of traffic laws by town, state and county policing agencies for municipal corporations, including Brunswick Landing. The bill has been reported out with a unanimous “ought to pass” report from the Transportation Committee.
- LD 1179. Steve said that while this proposed bill doesn’t directly affect MRRA, it was submitted by Senator Gerzofsky and establishes the Brunswick Landing Job Increment Financing Fund. The proposed fund receives job tax increment payments after the calculation of payments to the Brunswick Naval Air Station Job Increment Financing Fund and other required funding attributable

to new employees employed in the former Brunswick Naval Air Station base after 2009. Transfers to the Brunswick Landing Tax Increment Financing Fund would be paid to the Town of Brunswick.

Town of Brunswick.

- Subdivision Plan. MRRA received final subdivision approval from the Brunswick Planning Board and the plans have been recorded with the Registry of Deeds. An amendment to the plans is being prepared to correct minor lot line discrepancies due to GPS versus surveyed work.
- Zoning Amendment. MRRA staff is working with the Town of Brunswick to amend the zoning ordinance to allow professional office uses within various buildings in the airport district. The current zoning only allows this use as an accessory to aviation uses. The Planning Board has held a public hearing and the Town Council will hold a public hearing on April 1.
- Development Proposals. Steve advised that MRRA has received two separate development proposals for Board consideration involving 10 lots on approximately 30 acres. These proposed purchases and subsequent developments will need to comply with MRRA design guidelines and Town of Brunswick zoning and site plan requirements.

Town of Topsham

MRRA staff is working with JHR Development on a redevelopment of the 12.58 acre parcel at the Topsham Commerce Park, commonly known as the Military Triangle, and is also working on a demolition project. JHR was the sole bidder in a competitive proposal process conducted last fall.

Lease Review

With the turnover of Building 1 to Mölnlycke Health Care and the addition of the SaviLinx contact center, Brunswick Landing now has 23 tenants. Steve reviewed a table entitled “Tenant Mix” furnished to the Board, which illustrated how these businesses and other entities fit in with MRRA’s targeted business sectors, noting that MRRA is currently leasing over 51% of the buildings it currently controls.

Committee Reports.

Nominating Committee:

Action Item: Dan Daggett made a motion that the Board table nominating a slate of officers to allow the Nominating Committee two weeks to survey the full

Board regarding the composition of the slate, as recommended by the Nominating Committee, which was seconded by Rita Armstrong. The vote was unanimous of the Board members present.

Sande Updegraph said that a special board meeting will be called to take the up the matter, which could be done by telephone as long as public notice of the meeting was made.

Executive Committee.

Committee Chair John Moncure said that the Executive Committee met on February 5, 2013. John said that matters discussed in the meeting had previously been reported in the Director's Report. John noted that the scheduled March 5 Executive Committee meeting did not occur; in its place was a Special Board meeting.

Airport Committee.

Committee Chair John Moncure said that the Airport Committee met on February 7, 2013. John stated that Aviation Services Manager, Marty MacMahon, gave an update on the following airport projects:

- Airport Electrical Improvements
- Airport Signage Improvements
- Install Wildlife Fence
- Airport Master Plan Update
- Airport Stormwater Survey
- T-Hangar Construction
- Install Security Gates

John Moncure also reported that the Airport Committee was briefed on the status of airport special events planned for this year, including:

- Race the Runways, April 6
- Experimental Aircraft Association Fly-In, June 22

John Moncure said that due to the uncertainty associated with sequestration, the Airport Committee is recommending that the Board cancel the 2013 Great State of Maine Air Show, scheduled for September 14-15.

Action Item. John Moncure made a motion that the MRRA Board cancel the Great State of Maine Air Show, 2013, due to the impacts of federal government sequestration and authorized the MRRA staff to investigate other opportunities for special events on the airport, which was seconded by Sande Updegraph. The vote was unanimous of the Board members present.

John said that Marty McMahon also briefed the Committee on MRRA efforts to form the Maine Aviation Business Association (MABA). The proposed organization is modeled after other existing organizations that successfully advocate for aviation businesses within their respective states. MRRA invited about 100 airports and aviation businesses in the state to a meeting on March 13, in which about 25 people attended who were very enthusiastic. Steve Levesque said that Maine's aviation assets are the best kept secret in Maine. Maine has amazing aviation assets that are underutilized. The MABA organization will promote the use of these aviation assets as economic drivers for the state. Steve said that a subgroup had been established to get the project off the ground by establishing a nonprofit corporation and electing officers.

John also noted that the Airport Committee discussed the efforts of the Maine Aeronautics Advisory Board (MAAB), which advises the Maine DOT Commissioner on aeronautical issues within the state. Marty McMahon serves as the Chair of MAAB.

Community Relations Committee.

Committee Chair Steve Weems said that the Committee met on February 14, 2013. He distinguished the Committee, which is comprised of four MRRA Board members, from the Community Advisory Working Group that is comprised of three MRRA board members, three appointees from Topsham, and three appointees from Brunswick. Steve noted that the initial meeting was held in November at which time Mission and Goals adopted. Since then the mission was amended from "obligated to work cooperatively with its host communities" to "committed" to working cooperatively..." to make MRRA appear friendlier to the local towns.

Steve Weems reported that Steve Levesque gave the Committee a briefing of the various opportunities that the public can provide MRRA with input, including Board meetings, websites, social media, subcommittee meetings, topical seminars, presentations, the Brunswick area Marketing Group meetings, and "roadshow" briefings to the local communities. The Committee and attendees also discussed more ways to engage the public with MRRA.

Finance Committee.

Committee Chair Rita Armstrong said that the Committee met on February 20 and March 20, 2013 and reviewed all the financial documents for January and February, which were found to be in good order and accepted. Rita welcomed new Board member John Peters to the Finance Committee. She said that John recommended, and the Finance Committee agreed, to open a specific account from which to draw pay payroll. The rationale for the account is to add another level of security by having an account with a fixed amount, which is a

payroll best practice. Signatories to the Corporate Authorization Resolution will be the Chair, Treasurer, Executive Director, and Deputy Director.

Action Item: Rita Armstrong made a motion to approve a Corporate Authorization Resolution with Bath Savings, a copy of which will be attached to the official minutes, to open a specific account from which to draw payroll, which was seconded by Lois Skillings. The vote was unanimous of the Board members present.

Rita said that at the Committee meeting, the Deputy Director presented budget forecast to June 30, 2013 across all five budgets. It is estimated that there will be a deficit of \$33,000. Rita said this was not a significant shortfall, and the Committee will discuss what steps need to be taken at its May 1 meeting. One option the Committee will consider is whether or not to contribute 10% from lease revenues to MRRA's Capital Sinking Fund.

Rita said that the Committee also authorized an amendment to the 2013 OEA budget for the development of property appraisal consulting services, financial forecasting consulting services and property condition assessments, and electrical grid analyses.

Rita said that the Committee had a good discussion regarding the draft OEA budget for FY 2014 OEA, which the Committee will revisit at its May 1 meeting.

Rita reported that the Request for Proposals for Auditing Services was mailed to five entities and advertised in the Maine Sunday Telegram.

Property Committee.

Committee Chair John Moncure said that the Property Committee met on February 14, 2013. The Committee received the Tenant Mix Status Report, which was discussed in the Executive Director's report earlier in today's meeting. Chair Moncure said the Committee also discussed the following:

- Precast Concrete. MRRA staff has been working with the Town of Topsham and Precast Concrete for a couple of years regarding land abutting the company's property at the Topsham Commerce Park, and also bordered by a seasonal wet stream, Canan Drive and the driveway to the Commissary. It is a small parcel consisting of .33 acres, which the Company will use for a setback when they expand their building. After some negotiation, an amount of \$11,000 was agreed upon, with the approval of the Property Committee.
- **Action Item:** John Moncure made a motion that the Board authorize the Executive Director to execute a purchase and sale agreement with Precast Concrete for the purchase price of \$11,000, and all other documents to complete the sale and deed transfers regarding the .33 acre parcel bordered by a seasonal wet stream, Canam Drive and the driveway to the Commissary in the Topsham Commerce Park, as

recommended by the Property Committee, which was seconded by John Shattuck. The vote was unanimous of the Board members present.

- George Schott. John Moncure said the Property Committee also discussed offers received from George Schott to purchase lots 11, 12, and 28, as well as lots associated with the Sea Bee compound, subject to certain conditions, such as “date certain” provision as the Navy requires property to be developed (buyers cannot speculate or sit on the property); common area maintenance charges, including road maintenance; adhering to MRRA’s design standards; and obtaining opinions of value.

Steve Levesque explained that if the purchaser does not fulfill the conditions of the Purchase and Sale Agreement, there will be a clawback provision in the deed.

Steve Levesque also noted that in the near future MRRA will be looking for architects and engineers to sit on a Design Standards Review Board.

Action Item: John Moncure made a motion that the Board authorize the Executive Director to negotiate the property sales on Lots 11, 12, and 28, as well as the lot associated with the Sea Bee compound, as recommended by the Property Committee, and to execute purchase and sale agreement(s) with George Schott and all other documents to complete the sale and deed transfers, and subject to the following conditions:

- MRRA’s design standards will be met;
- Sales price will be subject to obtaining opinions of value acceptable to MRRA;
- Sales will be subject to obtaining permitting within one year of closing;
- Sales will be subject to breaking ground for an eligible project within two years of closing, and having a date-certain completion date;
- Sales will be subject to signing a Road and Common Facilities Maintenance Agreement, which will spell out the shared cost of maintaining the roadways at Brunswick Landing; and
- Sales will be subject to signing a Utilities Service Agreement in which the purchaser agrees to a tenancy-in-common with regard to electrical, water, storm water, and sanitary sewer services at Brunswick Landing.

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

- Priority Group. John Moncure noted that he was recusing himself from the discussion of Priority Group (as he did at the Property Committee meeting), citing a conflict of interest. Property Committee member Steve Weems reported that the Committee also discussed offers received from Priority Group to purchase lots 5, 6, 7, 29, 30 and 31, subject to certain conditions, such as “date certain” provision as the Navy requires property to be developed (buyers cannot speculate or sit on the property); common area maintenance charges, including road maintenance; adhering to MRRA’s design standards; and obtaining opinions of value.

Steve Levesque reiterated that if the purchaser does not fulfill the conditions of the Purchase and Sale Agreement, there will be a clawback provision in the deed.

John Shattuck spoke of Jim Howard (principal of Priority Group) and his interest in developing the Cooks Corner area, noting that he does not build out a property without having secured a tenant.

Action Item: Steve Weems made a motion that the Board authorize the Executive Director to negotiate the property sales on Lots 5, 6, 7, 29, 30 and 31, as recommended by the Property Committee, and to execute purchase and sale agreement(s) with Priority Group and all other documents to complete the sale and deed transfers, and subject to the following conditions:

- MRRA’s design standards will be met;
- Sales price will be subject to obtaining opinions of value acceptable to MRRA;
- Sales will be subject to obtaining permitting within one year of closing;
- Sales will be subject to breaking ground for an eligible project within two years of closing, and having a date-certain completion date;
- Sales will be subject to signing a Road and Common Facilities Maintenance Agreement, which will spell out the shared cost of maintaining the roadways at Brunswick Landing; and
- Sales will be subject to signing a Utilities Service Agreement in which the purchaser agrees to a tenancy-in-common with regard to electrical, water, storm water, and sanitary sewer services at Brunswick Landing.

The motion was seconded by John Dorrer, and the vote was unanimous of the Board members present, except John Moncure who recused himself.

Growth Fund Loan Program.

Executive Director Steve Levesque noted that last year, the Board approved a Leasehold Improvement Revolving Loan Fund Program to benefit eligible MRRA tenants. Staff is now proposing a broader program.

To jump start this broader program, entitled Growth Fund, the initial capitalization is proposed to come from the exiting Leasehold Improvement program. Currently this fund is capitalized at \$500,000. The existing Board approved policies and procedures would be rolled into the broader new program.

The eligible uses of Growth Fund proceeds would be expanded to permit borrowing for permanent working capital and equipment. Loans would continue to be capped at \$50,000. Based on lending experience this would be revisited when MRRA has generated loan repayment experience. All other conditions of the existing program will remain in place, including the maximum term of five years.

Fund recapitalization would occur through repayment, interest, and investment earnings, future authorized capitalization from a percentage of land sales starting next fiscal year and the leveraging bank participations.

Steve said that MRRA would like to charge interest rates the same as what CEI or FAME might charge, and that Mechanic's Bank is probably looking to fulfill its Community Reinvestment Act and not looking to make money. Steve said he would come back to the Executive Committee with objectives regarding rates and other financing terms.

Action Item: John Moncure made a motion to amend the existing Leasehold Improvement Loan Program to a broader MRRA Growth Fund Loan Program, permitting eligible tenants to borrow funds from the expanded program for any legal business purpose that will enable a Brunswick Landing and Topsham Commerce Park business to improve its operations, and to authorize the Executive Director to set specific financing terms and loan application requirements, which was seconded by Lois Skillings. The vote was unanimous of the Board members present.

Public Comment. None.

Executive Session: Steve Weems made a motion to go into executive session to discuss property matters pursuant to 1 MRSA Section 405(6)(C), which was seconded by Rita Armstrong. The vote was unanimous of the Board members present. At 5:15 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. Steve Weems made a motion that the MRRA Board authorize the Executive Director to request an abatement from the Town of Brunswick Assessor for Hangar 6, which was seconded by Rita Armstrong. The vote was unanimous of the Board members present.

Adjournment: A motion was made by Steve Weems at 6:30 p.m. to adjourn from the Board meeting, which was seconded by John Shattuck. The vote was unanimous of the Board members present.

Steve Weems, Secretary

ATTENDEES OF MARCH 27, 2013 MRRA MEETING

Name	Company/Organization/Residency
Denise Clavette	Town of Brunswick
Rick Daniel	Harpswell Selectman
Rich Roedner	Town of Topsham
Andrea Quaid	Congressman Michaud's office
J.T. Leonard	Times Record
James Pineau	Congresswoman Pingree's Office
Gail Kezer	Senator King's office