



MIDCOAST REGIONAL REDEVELOPMENT AUTHORITY

Meeting Minutes

July 25, 2012

Present: John Moncure (Chair), Donald Hudson (Vice Chair), Rita Armstrong (Treasurer), Steve Weems (Secretary), Sally DelGreco, George Gervais, John Shattuck, Lois Skillings and Sande Updegraph

Excused: John Dorrer and Daniel Daggett

Staff: Steven Levesque, Jeffrey Jordan, Bob Rocheleau, Heather Precopio and Kathy Paradis

Location: Town Council Chambers, Maine Street Station

Time: 4:00 pm

Welcome & Introductions. Chair Moncure noted that the Board meeting date has changed to the 4th Wednesday of every other month. John welcomed the Board and attendees and invited them to introduce themselves.

Host Community Comment. Councilor Sarah Brayman welcomed the Board to the Town of Brunswick and thanked everyone for attending. She said that in the past seven months since she's been on the Brunswick Town Council she has met several board members and is pleased to hear about all the exciting activities at Brunswick Landing, including the removal of the fence and gatehouse at its entrance. She noted that at the last Council meeting, the President of Southern Maine Community College gave an update regarding its midcoast campus at Brunswick Landing. As for the Town of Brunswick, she said that it has also been very busy. She cited that the Town Council recently approved bonding for a new police station at the corner of Pleasant and Stanwood Streets (groundbreaking expected in early fall), the expansion to Brunswick of Amtrak passenger service is expected to be completed in November, the Brunswick Art Festival is set for August 18, the Five River Arts Alliance's Family Arts and Science Festival on September 9, and the recent

completion of the Cook's Corner paving project (completed ahead of schedule). Councilor Brayman said she is looking forward to the impending public benefit conveyance of the recreation areas on the former base.

Minutes of June 19, 2012. Don Hudson made a motion to approve the Board minutes of June 19, 2012, which was seconded by Sally DelGreco. The vote was unanimous of the Board members present.

Executive Director's Report.

Federal Update.

Executive Director Steve Levesque said that as of last month approximately 1,500 acres of property at Brunswick Landing and 46 acres at Topsham Commerce Park were transferred to MRRA of the approximately 2,000 acres MRRA is slated to receive.

Steve said he was pleased to report that on June 27 the Navy transferred 211.34 acres of non-airport property at Brunswick Landing. With this transfer, MRRA now owns 619.26 (56%) of the 1,098 acres of the non-airport property and 934.62 acres of airport land. Steve noted that he had included a matrix of the property conveyed by the Navy in the Board packet that includes conveyance date, parcel name, acres, building numbers and Navy FOST (Finding of Suitability to Transfer) date. The next transfer is scheduled for September, which is expected to be approximately 104 acres and includes additional properties at Brunswick Landing and Topsham Commerce Park. In addition, Steve said he hopes to receive a clean bill of health on several key buildings in the airport and subsequent transfer in the fall.

State Update.

Bonds. Steve said he was advised by the Governor's Office that the Governor will not authorize additional sales of the bonds that were approved by the voters in 2010 until 2014. Of the \$8 million authorized for MRRA and SMCC, approximately \$5 million has been sold to date.

To date, MRRA has pulled down approximately \$2.2 million of its \$3.25 million allocation to fund various property improvements that have already leveraged over \$80 million in private and federal investments.

Board member Sande Updegraph asked if the remaining funds would be used to match the \$1.7 million grant we received from the Economic Development Administration (EDA). Steve advised that MRRA staff is working with the State to secure as much of the remaining bond funds as possible; however, we are not quite ready for the \$1.7 EDA funding

(the match is one for one) and will explore other options to meet the EDA match.

Town of Brunswick Update.

Tax Increment Financing. MRRA staff and several MRRA Board members have been working with the Town of Brunswick staff and several members of the Town Council to structure two Tax Increment Financing (TIF) agreements for Brunswick Landing and Brunswick Executive Airport.

Steve advised that the Brunswick Town Council approved the boundaries of the TIF districts and submitted them to Department of Economic and Community Development (DECD) for review. Following several discussions, we believe that we have arrived at a deal in concept on the development program, which is being considered by the full Council. If the Council is satisfied with the program, they will hold another public hearing and submit the proposed TIF Development Program to the DECD for review and approval.

Hangar 5 Assemblies/Events. Steve said staff was advised by the Town of Brunswick Fire Department that it will not be able to hold assemblies in Hangar 5, even on a temporary basis, unless that building is brought up to full code compliance. The cost of bringing the building into full compliance as a full-time assembly space is estimated to be \$750,000 to \$1 million and is not justifiable for temporary uses. In light of this decision, MRRA will no longer accept inquires for special events in this hangar. To date, we have turned away at least 12 major events for the hangar and it's not likely that MRRA will be able to hold the Brunswick International Fly-In and Expo next year.

New Board Meeting Dates. In order to meet the new requirements for Board packets and timely review of financials, the Board meetings have been moved to the fourth week of every other month. The time will still be at 4:00 pm.

Back Gate Use. MRRA has signed an easement with the Navy that gives it permission to utilize a portion of the roadway near the back gate mainly for pedestrian and bicycle traffic; however, it can occasionally open the back gate for special circumstances or events. Once MRRA develops a traffic management program, it hopes to open the gate to all vehicular traffic as well.

ADC Summer Conference. Steve Levesque reported that John Moncure, Jeffrey Jordan, and he will be attending the Association of Defense Communities Conference the first week of August. In addition to one-on-one meetings with the Navy at the Under Secretary level, they will meet with MRRA's federal

funding partner, the Office of Economic Adjustment (OEA), and begin the planning process for next year's conference, which will be hosted by MRRA and held in Portland.

John Moncure said the ADC conference is a very valuable exercise – a chance to get one-on-one face time with OEA to talk about our redevelopment issues.

Upcoming Meetings/Events. The Great State of Maine Air Show will be held on August 24-26.

Front Gatehouse. Steve was very pleased to report that the demolition of the front gate guardhouse had commenced. Besides removing the gatehouse, the work includes repairing and realigning Admiral Fitch Avenue and installing a speed table. Inside fencing at the entrance of the base is also being removed. Steve said he had hoped to donate the fencing to the Department of Corrections, but they declined the offer so it will be sold for scrap. In addition, the guardrails at the entrance of the base were donated to the Town of Brunswick in exchange for removing them.

Committee Reports.

Executive Committee. Committee Chair John Moncure said that the July 10 meeting had a full agenda. Much of the agenda related to utility matters because the Utilities, Energy and Environmental Committee could not meet due to scheduling conflicts. John said that Executive Director Steve Levesque briefed the Committee on federal, state and local updates (as previously reported in this meeting).

Regarding electric utility matters, John said it was clear that MRRA would not receive the same sub-transmission rates as the Navy enjoyed. After review and discussions the Executive Committee authorized the Executive Director to accept and enter the following contracts:

1. Electricity Purchase. Maine PowerOptions (currently purchasing from Constellation New Energy), offered MRRA four options for the purchase of electricity-from fixed price to market-indexed, which were reviewed by the Committee. The Committee decided to go with the purchase of the flexible index with hedging for 12 months option.
2. Transmission and Distribution (T&D) Rates. The Committee decided upon CMP's Option 1, in which MRRA would pay \$0.010 per kWh consumed plus a fixed monthly fee of \$8,060 (to be applied retroactively). The \$0.010 rate is very good, given the fact that the residential rate is \$0.012.

3. Green Power Purchase. The Committee decided upon NewMix Wind Renewable Energy Certificates (RECs) wherein participants purchase Green-e Energy Certified RECs from wind generating facilities located within the continental United States. Brunswick Landing tenants may opt to participate as well. Steve Levesque added that this is a real marketing tool for MRRA and good for Brunswick Landing; at \$0.08 per kWh delivered, it will provide savings for MRRA and Brunswick Landing's tenants.

John said that due to the number of contracts, and because the Board only meets every other month, the Committee also discussed giving the Executive Committee authority to sign contracts as necessary. It was agreed that the Finance Committee would recommend to the Board that MRRA's purchasing policy be amended to include this authority.

John said that the Committee concluded the July 10 meeting with a discussion about how the Leasehold Improvement Revolving Loan Fund Program is to be administered. The Committee agreed to recommend to the Board that the Executive Director be given authority to issue loans up to \$25,000. On loans exceeding the \$25,000 threshold, the Executive Committee will have the authority to approve the loan. It was noted that the program is funded by the sales proceeds from Affordable Mid Coast Housing. A maximum loan in the revolving loan fund is capped at \$50,000 in the aggregate.

- **Action Item:** Don Hudson made a motion that the MRRA Board authorize the Executive Director to approve loans from the MRRA Revolving Loan Program for Tenant Leasehold Improvements Fund to tenants of Brunswick Landing or Topsham Commerce Park for loans up to \$25,000. Loans exceeding the \$25,000, up to a maximum aggregate \$50,000 cap, must have approval of the Executive Committee. The motion was seconded by Rita Armstrong, and the vote was unanimous of the Board members present.

John Moncure reported that in addition to the items reported from the July 10 Executive Committee meeting, the Committee met on June 5 and discussed how Brunswick Landing will meet the subdivision law requirements, noting that MRRA staff is working with the Town of Brunswick on the matter.

The Committee also heard that Steve was conducting visits to the editors of local newspapers to update them on MRRA's efforts to develop Brunswick Landing.

Airport Committee. Committee Chair John Moncure said the July 19 meeting was called to approve a contractor for the installation of airport signs and gates. John said the Committee reviewed MRRA's airport consultant's (Hoyle Tanner) evaluation of the Request for Proposals responses and agreed with

their recommendation of Enterprise Electric. John noted that Hoyle Tanner prepared an excellent evaluation report.

- **Action Item:** John Moncure made a motion that the MRRA Board authorize the Executive Director to enter into a contract with Enterprise Electric to install signs and gates at the Brunswick Executive Airport, as recommended by the Airport Committee and subject to final concurrence from the Federal Aviation Administration, which was seconded by Steve Weems. The vote was unanimous of the Board members present.

Chair Moncure noted that the Committee also met on June 27, in which Marty McMahon, MRRA's Aviation Services Manager, briefed the Committee on the construction T-hangars, the runway approach lighting system and airport signage improvements. Marty also recapped the Second Annual Brunswick International Fly-In and Expo event, which was unfortunately rained out.

Finance Committee. Finance Committee Chair Rita Armstrong said that the Committee met on July 18. Rita noted that the financials looked to be in good shape.

Rita advised that the Office of Economic Adjustment (OEA) Grant Review Committee approved MRRA's proposed budget amendment (#002). The Finance Committee agreed to recommend the proposed budget amendment for the FY2012 OEA Grant Budget to the Board.

- **Action Item.** Rita Armstrong made a motion that the MRRA Board approve the amendment (#002) to the FY2012 OEA budget regarding legal services, as recommended by the Finance Committee, which was seconded by Rita Armstrong. The vote was unanimous of the Board members present.

Rita advised that the Committee reviewed and is recommending approval of the end of the quarter (June 30, 2012) financials, which were included in the Board packet.

- **Action Item.** Rita Armstrong made a motion that the MRRA Board approve the quarterly financials ending June 30, 2012, as recommended by the Finance Committee, which was seconded by Don Hudson. The vote was unanimous of the Board members present.

The Finance Committee also reviewed a proposed amendment to MRRA's Purchasing Policy. Rita said the amendment to allow the Executive Committee to approve contracts is being recommended to accommodate timely action on awarding contracts. Steve Levesque explained in the previous policy contracts over \$50,000 went to the Board but at that time the Board met every month (now the Board meets every other month). Given the fact that all Board

members receive the Executive Committee agenda and can attend any meeting, it makes sense to have the Executive Committee approve contracts to expedite the projects, especially airport contracts.

- **Action Item.** Rita Armstrong made a motion that the MRRA Board adopt the amendment to the MRRA Purchasing Policy effective July 25, 2012, as recommended by the Finance Committee, which was seconded by Sande Updegraph. The vote was unanimous of the Board members present.

Rita advised the Board that the Finance Committee is also recommending an amendment to the Accounting and Procedures policy to comply with MRRA’s auditors’ recommendations and to incorporate MRRA’s new staff duties.

- **Action Item.** Rita Armstrong made a motion that the MRRA Board adopt an amendment to the MRRA Accounting and Procedures Manual effective July 25, 2012, as recommended by the Finance Committee, which was seconded by Lois Skillings. The vote was unanimous of the Board members present.

Rita said that the Committee is also recommending that the Board of Trustees adopt the following budget appropriation and FAA Military Airport Program (MAP) grant acceptance:

<i>Year</i>	<i>Description</i>	<i>Total Project</i>	<i>State Share</i>
2012	Solicit Bids & Construct T-Hangars and Demolish Hangar	\$900,000	\$45,000
2012	Bid & Construct Wildlife Fence in Wetlands	\$550,000	\$27,500
2012	Bid & Construct Security Gates	\$150,000	\$7,500
2012	Design, Bid, & Install Airport Signage	<u>\$450,000</u>	<u>\$22,500</u>
Total		\$2,050,000	\$102,500

- **Action Item.** Rita Armstrong made a motion that the MRRA Board approve the amendment to the FY2012 Airport Budget regarding the FAA Military Airport Program grant, as recommended by the Finance Committee, which was seconded by Don Hudson. The vote was unanimous of the Board members present.

Don Hudson wanted to let everyone know that MRRA has been tremendously lucky to be working with MRRA’s Deputy Director Jeffrey Jordan. Working with the Finance Committee is demanding as they look at virtually every transaction are endeavor to miss nothing, and Jeffrey is remarkable in his

effort to assist the Committee. John Moncure echoed Don's sentiments, stating that the finance reports and amazingly thorough. Rita followed up that the Finance Committee packet is very thick and detailed. She especially wants to encourage people to read the notes as they have a good level of detail and will keep you tuned in as to what is going on in the Finance Committee meetings.

Steve Weems asked if something could be put on the Agenda to bring forth an overall briefing of the scope of MRRA's financial activities and five year projections for the general public. Rita reminded Steve that this was accomplished at the special meeting in June. However, since that meeting was not televised, she suggested perhaps the meeting could be held regarding the fiscal year close out and five year projections in September. Because of all of the property conveyances MRRA has received over the last year, Don Hudson also thought such an agenda item would be good.

Reuse Master Plan Map Amendment – Public Hearing. Executive Director Steve Levesque advised the Board that the amendment is much like the amendments presented in the March and May Board meetings. The effect of this amendment is to re-apportion a section of the Community Mixed Use District (land bordered by Admiral Fitch Ave., Burbank Ave., Orion St., and Pelican Ave.) to the Business and Technology Industries district designation, which flows better from a land use perspective and gives more flexibility for marketing the property.

Chair John Moncure asked the Board for comments or questions. Hearing none, he opened the matter of the amendment up for public hearing, and hearing no comments from the public, closed the hearing.

Action Item: Lois Skillings made a motion that the MRRA Board adopt the amendment to the NASB Reuse Master Plan, which was seconded by George Gervais. The vote was unanimous of those present.

After some discussion, the Board amended the above Action Item to the following:

Amended Action Item: John Moncure made a motion that the MRRA Board adopt the amendment to the NASB Reuse Master Plan as described by the MRRA Executive Director, and as outlined on the Proposed Land Use Program Map attached to the official minutes of the Board meeting, to incorporate the following changes:

Change a portion of the area originally designated Community Mixed Use District to Business and Technology Industries District and to incorporate this in MRRA's application to the Brunswick Town Planning Board for a zoning change amendment.

The motion was seconded by Lois Skillings, and the vote was unanimous of the Board members present.

Real Estate Update. MRRA's Property Manager, Bob Rocheleau, gave an overview of the midcoast real estate market pertaining to office, industrial and retail, and in particular where Brunswick Landing stands with the current market values. Steve said the report is particularly important because it gauges where MRRA should be as to real estate market rates, noting that MRRA doesn't want to undercharge. Bob cited the following predictions for 2012: vacancies remain flat or decrease slightly; net absorption continues to be positive; sales remain flat; still a tenant's/buyer's market; and the mood is more and more optimistic.

Other Business. Board member Sande Updegraph asked if Steve if he had ever met with the Tri Town Weekly newspaper as part of his annual meetings with editors of newspapers. Sande noted that it is the only newspaper that she knows of that is mailed weekly to homes in Freeport, Pownal and Durham. She said she would forward Steve the contact information.

Public Comment. None.

Executive Session: At 5:10 p.m. Don Hudson 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 6:00 p.m. Don Hudson made a motion to adjourn from the Executive Session and resume the Board meeting.

Adjournment: A motion was made by Don Hudson at 6:05 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 JULY 25, 2012 MRRA MEETING

Name	Company/Organization/Residency
Kristine Schuman	Maine DECD
Suzanne Sheppard	Hoyle Tanner & Associates
Bob Furey	Hoyle Tanner & Associates
Rich Roedner	Town of Topsham
Gary Brown	Brunswick Town Manager
Alec Porteous	Senator Collins' Office
Sarah Brayman	Brunswick Town Councilor
Denise Clavette	Town of Brunswick