



MIDCOAST REGIONAL REDEVELOPMENT AUTHORITY

Meeting Minutes

May 17, 2011

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

Staff: Steven Levesque, Jeffrey Jordan, Marty McMahon, Bob Rocheleau, Tom Brubaker, Victoria Boundy, Melissa LaCasse, Dave Markovchick, Clare Tosto, Kathy Paradis, and Heather Precopio

Location: Brunswick Town Council Chambers, Maine Street Station

Time: 4:00 pm

Welcome & Introductions. Chair Art Mayo welcomed the Board and attendees and invited them to introduce themselves. Art also welcomed George Gervais, the acting Commissioner of the Department of Economic and Community Development (DECD) to the Board. Chair Mayo announced that Steve Weems would be leaving for four months and going to Alaska and British Columbia on a fly-in backpacking trip.

Host Community Comment: Joanne King welcomed the Board to Maine Street Station. She said that when she welcomed the Board to Maine Street Station last November, she mentioned a sense of optimism in Brunswick. Today, she said she was happy to report a total of 184 new jobs (I thought that it was 84) are projected for downtown Brunswick including the Inn at Maine Street Station, the medical building, the rail facility and Cool as a Moose. Joanne said she was very excited to have the DownEaster train coming to Brunswick, and renewed the Town's commitment to work with MRRA to contribute to the economic vitality of the region.

Minutes of March 15, 2011: John Moncure made a motion to approve the Board minutes of March 15, 2011, which was seconded by Don Hudson. The vote was unanimous of the Board members present.

Executive Director's Report.

Federal Update.

- Property Conveyances and Lease/License Requests. Steve advised the Board that MRRA has already received about 714 acres of the airport property and that the next major transfers to MRRA will include those remaining areas within the airport PBC, and other NASB and Topsham Annex properties covered by the economic development conveyance (EDC) application. MRRA hopes to start seeing the first of these conveyances this fall. Additional PBCs are scheduled for the Town of Brunswick (1,200+/- acres and the Field House), Bowdoin College (175+/- acres), SMCC (14 acres and six buildings), Family Focus (two buildings) and SAD 75 (12 acres). MRRA has been informed that the Navy has assigned the 66 acre East Brunswick Transmitter site to the Department of Interior for conveyance to the Town of Brunswick and that a portion of the Southern Maine Community College (SMCC) parcel, including two buildings, has been assigned to the Department of Education for conveyance early this summer.

The Navy has been extremely accommodating with MRRA's redevelopment timeframes through the issuance of interim leases and property licenses, and moving ahead with the airport and SMCC's PBCs. The net result is that we will have business and education activities occurring on the base prior to full base closure, which is extremely unusual in the BRAC world. This has enabled MRRA to commit to long-term leases with Maine Tool & Machine (Bldg. 553), Kestrel Aircraft Company and FlightLevel Aviation (Hangar 6), New England Tent & Awning (Bldg. 81) and Resilient Communications (Bldgs. 554 and 87). We have several other license requests pending to accommodate American Bureau of Shipping (Bldg. 54), Lee Auto (Bldg. 29), a new fuel farm for FlightLevel Aviation, and new cabling to accommodate Resilient's broadband needs.

Steve reminded everyone that the Navy is not handing keys over to MRRA at the disestablishment ceremony. It just means that the Navy mission is over. Steve also advised that the security gate will not be staffed by the Navy, but MRRA will maintain the gate to secure properties.

- EDA Grant. Steve advised the Board that MRRA has received a non-binding commitment letter from the Economic Development Administration (EDA), allocating \$1.7 million to MRRA to support building retrofit and project

costs in support of economic development activities at Brunswick Landing. Steve said that he believes a firm commitment will be made once Congress approves EDA's budget. Once allocated, these funds will help match funds approved through last year's State bond issue.

- Commissary. Steve advised that MRRA has been working with delegation staff on the commissary issue. He said the Commissary will stay open until September, but after September it is uncertain whether it will remain open; however, the delegation is working on it and the Secretary of Defense will make a final disposition.

State Update.

- Steve advised that MRRA staff is monitoring several bills in the State Legislature. LD 946 and 1046 dealt with exempting the sales and use tax on new aircraft brought into Maine by non-residents and aircraft parts and components. These two bills were merged by the Taxation Committee and unanimously voted out "ought to pass." If passed, it will be a major boon to Maine's economic aviation industry and its 68 airports. Steve credited DECD Commissioner George Gervais for all his hard work.
- Steve stated that LD 991 deals with establishing a State New Markets Tax Credit (NMTC) program that mirrors and complements the federal program. MRRA staff has been working with Coastal Enterprises, Inc. As an eligible NMTC census tract and potential allocatee, MRRA is very interested in the program. This bill has also been unanimously reported out "ought to pass."
- Steve said MRRA is also tracking LD 1153, which deals with bonded indebtedness and associated approvals. Depending on how this bill proceeds, it could have a dramatic impact on MRRA's ability to issue revenue bonds.

NASB Disestablishment Ceremony. Steve reported that MRRA staff is working with Captain Fitzgerald and his team on planning the base disestablishment ceremony May 31 at 1:30 pm in the parking lot area of Building 250, with a reception to follow at 3:45 pm, to which the public is invited. MRRA has agreed to fund the food at the reception. As the Chair of MRRA, Art Mayo has been asked to participate in the Ceremony.

Brunswick International Fly-In. Steve updated the Board on Brunswick Executive Airport's first annual Brunswick International Fly-in, which is scheduled for June 4 at BXM. He said that it is proving to be a significant day-long event with several significant partners, including, the Aircraft Owners

& Pilots Association and the Experimental Aircraft Association. He said that the fly-in is a good way to showcase the region and the airport. He thanked the airport team, especially Melissa LaCasse for all her efforts in organizing and planning for this event.

Community Forum. In order to continue our outreach to the community, Steve said MRRA will be hosting a Community Forum the evening of June 22 at the Brunswick High School. The purpose of this Forum is to reacquaint the public with our reuse plans and provide an update on the redevelopment progress to date. The event will be timely, as it will follow the disestablishment of the NASB and there will be curiosity about what comes next.

Homeless Trust Fund. Steve said that during the development of the Master Reuse Plans for the Brunswick and Topsham properties, the respective redevelopment authorities were required to accommodate the needs of the area's homeless as part of the reuse efforts. To meet that requirement, the LRAs conducted an extensive process to identify needs and select a homeless provider, which ended up being Tedford Housing, who will provide services and subsidies to area families and individuals. What ended up being negotiated was a unique approach to establish a trust fund that would be capitalized as developable properties are conveyed (\$560.00 per acre). This approach, which was approved by the Department of Housing and Urban Development (HUD), has served as a model for other BRAC bases.

Steve said that he was very pleased to announce the first installment of \$23,151.00 being made to the Trust Fund (to be managed by MRRA), representing the developable properties that have been conveyed on the airport property and at SMCC.

Executive Committee.

Committee Chair Art Mayo said that the Committee met on April 5 and May 3, 2011. He advised that in addition to what had already been covered in the Executive Director's report, the Town of Brunswick had decided not to take the firing range property; however, the Town has yet to decide on the field house.

The Board discussed the Mölnlycke project, noting that MRRA had received nine construction bid proposals for the project, three of which were interviewed. After the interviews, the Executive Committee recommended the firm of Pizzagalli Construction Co.

Action Item: Art Mayo made a motion for the MRRA Board to authorize the Executive Director to engage the firm of Pizzagalli Construction Co. for construction services for the Mölnlycke project, as recommended by the Executive Committee, which was seconded by John Moncure. The vote was unanimous of the Board members present.

The Board then discussed the Resolution for submitting an application to the Community Development Financial Institutions Fund for a New Markets Tax Credit allocation. Board member Steve Weems asked Steve Levesque to explain the significance of the proposed motion to approve the Resolution to the Board. Steve Levesque said that MRRA is planning on submitting an application to be an allocatee for the federal new markets tax credits program. The other allocatee in Maine is CEI Capital Management. The Resolution is necessary to establish the required structure to manage new market allocations. Steve Weems said it's one of the most significant community development finance program in the nation. If MRRA could be an allocatee for the base property, it would be very good.

Action Item: Art Mayo made a motion that the MRRA Board approve the Community Development Entity Resolution, as recommended by the Executive Board, which was seconded by Steve Weems. The vote was unanimous of the Board members present.

Airport Committee.

Committee Chair John Moncure said that the Committee met on May 4, 2011. Airport Services Manager, Marty McMahon, gave the Committee a briefing on status of the Great State of Maine Air Show and Aviation Expo, noting that \$20,000 in ticket sales has been made. The Committee also received updates on the applications received from local non-profits to participate in the air show, e.g., group volunteer applications and charitable grant applications. The Committee went into executive session to discuss property issues and then adjourned.

Finance Committee.

Committee Chair Rita Armstrong said the Committee met on April 12 and May 10, 2011.

- Financial Report Ending March 30, 2011: The Committee reviewed the first quarter's financial statements at the April meeting, and found them to be in good order.

Action Item: Rita Armstrong made a motion that the MRRA Board accept the financial reports for the period ending March 30, 2011, as recommended by the Finance Committee, which was seconded by Don Hudson. The vote was unanimous of the Board members present.

- Financial Statement and Single Audit Report: Rita stated that at the Committee's May meeting, Stephanie Foster of McDonald Page (MRRA's auditors) reviewed the audit with the Committee and gave a clean opinion. Rita then introduced Mike Dunn, Director with McDonald Page, who made a presentation of the findings. Mr. Dunn stated that an audit was performed

on the financial statements and a clean opinion was issued. Also, an audit on the federal expenditures received by MRRA (grants) was performed and found to be in compliance with the Single Audit Act. The auditors also looked at MRRA's internal controls and they had no suggestions for improvements. Mr. Dunn said this was very good considering that MRRA is changing from being grant-based to property management-based more and more.

Rita thanked the auditors and also thanked Deputy Director Jeffrey Jordan for making the audit a smooth process and having everything in such good order.

Action Item: Rita Armstrong made a motion that the MRRA Board accept and approve the draft Financial Statement and Single Audit Report as presented by MacDonald Page Associates and recommended for approval by the Finance Committee for the period ending December 31, 2010, which was seconded by Steven Weems. The vote was unanimous of the Board members present.

- Grants Fund Budget: Rita advised the Board that the grant fund budget is a way to track funds from the state and the anticipated EDA Funds. (MRRA has received a nonbinding commitment letter for the EDA funds).

Action Item: Rita Armstrong made a motion that the MRRA Board approve the proposed Grants Fund Budget as presented with revenues totaling \$5,450,000 and expenditures totaling \$5,450,000, as recommended by the Finance Committee effective January 1, 2011, which was seconded by John Moncure. The vote was unanimous of the Board members present.

- OEA Budget 2011-2012. Rita said that preliminary approval of the 2011-2012 budget has been given to MRRA by the Office of Economic Adjustment (OEA), and if there are changes they will be brought to the Board in July. She advised that MRRA would be closing out the prior budget and starting with a new budget in July. OEA has recommended changing to a fiscal year for grants (e.g., July 1 to June 30), instead of a calendar year. Rita advised that in addition to staff and office expenses, the budget includes \$205,000 in consulting dollars.

Action Item: Rita Armstrong made a motion that the MRRA Board approve the proposed OEA budget for MRRA for fiscal year beginning July 1, 2011, which is attached and made part of this motion as presented and recommended by the Finance Committee, which was seconded by Don Hudson. The vote was unanimous of the Committee members present.

- **Banking Resolution:** Committee Chair Armstrong said that MRRA's financial institution, Bath Savings, had asked for signatures on a banking resolution, so that her name would be added to it.

Action Item: John Moncure made a motion that the MRRA Board approve the Resolution from Bath Savings Institution authorizing MRRA Treasurer Rita Armstrong the authority to sign checks on behalf of the Authority, which was seconded by Dana Totman. The vote was unanimous of the Board members present. By amended action of the Board (see attached amendment of minutes), the Board authorized the Executive Director to execute any and all documents with Bath Savings Institution necessary to increase MRRA's line of Credit by \$100,000 and also execute any and all documents with Bath Savings Institution necessary to institute a line of credit of up to \$500,000 for the purpose of providing the cash flow needs for capital projects funded with grant dollars from the Federal or State government.

Property Committee.

Committee Chair Dana Totman said that the Committee met on May 3, 2011. He said that the Property Committee received updates and reviewed existing leases. He summarized four leases that MRRA will be entering into:

- American Bureau of Shipping – Building #54
- Lee Auto Group – Building #29
- Maine Technology Institute – Building #27
- Jaiden Landscaping – Building #590.

Dana said that the Property Committee recommended that the Executive Director enter into lease negotiations with these companies. Since each lease is less than 20,000 square feet, the Board does not need to take action.

Board member Sande Updegraph reminded everyone that staff has been very careful while negotiating leases to ensure that prospective companies have exhausted finding suitable space in the town in which it resides.

Bowdoin College Presentation: Katy Longley, Bowdoin College's Senior Vice President of Finance and Administration gave a PowerPoint presentation. Chair Art Mayo reminded everyone that Katy was a member of MRRA's predecessor, the Brunswick Local Redevelopment Authority.

Katy said that Bowdoin's public benefit conveyance will come from the Department of Education (DOE) for property on the west side of base. As of December 2010, DOE approved three parcels of land for transfer. Katy said the

DOE deed will have covenants that the property be used for education use for 30 years, the property cannot be transferred, and development must start within three years.

Katy stated that a portion of the PBC parcel or about 107 acres of the Bowdoin PBC is in jeopardy because the FAA wants to use the property as a buffer to reuse the radar site which it owns on the property. The radar site has nothing to do with the Brunswick Executive Airport; rather, it's about Portland air traffic control using the radar to improve its information in the Midcoast region. However, the FAA doesn't want the expense of maintaining the land. At this point, the FAA wants to keep it as a clear zone and does not want it developed. Katy said this will have a big impact on Bowdoin's parcel 3, and part of the Town Commons which belongs to the Town. Katy said the college is trying to work out deed language with the FAA. Art asked Katy if there is an appeal process or is the FAA's decision final. Katy indicated that there is no appeal process – it's whatever is in the deed, unless the FAA has a provision for extinguishing the easement within a number of years.

Other Business:

Steve Levesque briefed the Board on the status of leases. Eight leases have been signed, plus as a result of this meeting, four more need to be drafted. The job count as of May 1 is 624 projected jobs with 44 already having been hired. Kestrel and Resilient have hired additional employees since May 1.

Steve Weems spoke about the New Markets Tax Credit program, noting that he goes back to 2003 with the program. He said the program has always enjoyed bi-partisan support in congress, and Maine's delegation is very helpful, but Senator Snowe stands out among all her colleagues in congress as most knowledgeable and the go-to person regarding the program. He asked Senator Snowe's staffer, Brian Whitney, to give her his personal thanks.

Steve Levesque introduced MRRA's new Administrative Assistant, Heather Precopio, to the Board and said he was happy to have her working at MRRA.

Public Comment: Jeff Grinvalsky, the Business Representative of New England Regional Council of Carpenters, spoke to the Board about the economic impact of the base closure and how the base redevelopment will be the driving force for economic development for the region. He stressed the importance of ensuring that the jobs created have good wages and benefits, and urged the Board to take care in looking at businesses and developments to ensure that they provide jobs that have health care and livable wages so the community can thrive.

Executive Session: At 5:16 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 Rita Armstrong. The vote was unanimous of the Board members present.

The Board reconvened into public session at 6:00 p.m. and reported the following actions:

Action Item: John Moncure, Chair of the Airport Committee, made a motion to authorize MRRA staff to negotiate and execute a lease with Integrated Marine Systems, Inc. pursuant to the presentation of David Markovchick and consistent with the further direction of Airport Committee, which was seconded by Rita Armstrong. The vote was unanimous of the Board members present.

Action Item: Dana Totman, Chair of the Property Committee, made a motion to enter into a lease agreement with Mölnlycke Health Care consistent with the terms and condition presented by MRRA staff, which was seconded by Steve Weems. The vote was unanimous of the Board members present.

Adjournment: A motion was made by John Moncure at 6:10 p.m. to adjourn from the Board meeting, which was seconded by Art Mayo. The vote was unanimous of the Board members present.

Dated: _____, 2011

John Moncure, Secretary

AMENDMENT TO MAY 17, 2011 MRRA BOARD MINUTES

On June 10, 2011, the Executive Director Steven Levesque initiated a special meeting. Board members attending were Arthur Mayo, Rita Armstrong, Sande Updegraph, Dana Totman, Adam Cote and John Moncure, the following amendment was adopted to the Banking Resolution Action Item taken on May 17:

John Moncure made a motion that the Board of Directors approve the attached Resolution from Bath Savings Institution authorizing MRRA Treasurer Rita Armstrong the authority to sign checks on behalf of the Authority, and be it further moved that the Board hereby authorize the Executive Director to execute any and all documents with Bath Savings Institution necessary to increase MRRA's line of Credit by \$100,000 and also execute any and all documents with Bath Savings Institution necessary to institute a line of credit of up to \$500,000 for the purpose of providing the cash flow needs for capital projects funded with grant dollars from the Federal or State government, which was seconded by Dana Totman. The vote was unanimous of the Board.

Dated: _____, 2011

John Moncure, Secretary