



## MIDCOAST REGIONAL REDEVELOPMENT AUTHORITY

### Meeting Minutes

May 15, 2012

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

**Excused:** Daniel Daggett

**Staff:** Steven Levesque, Jeffrey Jordan, Marty McMahon, and Kathy Paradis

**Location:** Bath City Hall Council Chambers

**Time:** 4:00 pm

**Welcome & Introductions.** Chair Moncure welcomed the Board and attendees and invited them to introduce themselves. Chair Moncure noted that Board member George Gervais was detained and arriving later in the meeting.

**Host Community Comment.** Andrew Deci, Director of Planning & Development, welcomed the Board to the City of Bath and thanked everyone for attending. He talked about the exciting things happening in Bath, including working with the town of West Bath on the expansion of the Wing Farm Business Park, working on pedestrian and biking paths, and working with community organizations to address rehabilitating a waterfront historic structure and the use of it for economic development purposes.

**Minutes of March 20, 2012.** Steve Weems made a motion to approve the Board minutes of March 20, 2012, which was seconded by Don Hudson. Chair John Moncure called for comments and hearing none, the vote was unanimous of the Board members present, with the exception of Sande Updegraph who abstained since she was not present at the meeting.

## **Executive Director's Report.**

### Federal Update.

- Brunswick Landing Property Conveyances. Steve said since the approval of the Public Benefit Conveyance (PBC) and the signing of the Economic Development Conveyance (EDC) Purchase and Sale Agreement, the Navy has conveyed about 1,300 acres to MRRA. In March, MRRA received deeds for an additional 331 acres (219 acres of airport PBC land, and 112 acres of EDC land), and later this month, MRRA should receive additional deeds for about 206 acres of EDC land. This deed was expected sooner, but was delayed while the Department of Environmental Protection and the Navy worked out deed language. The next transfer should take place in September and then one in 2013.
- Topsham Commerce Park Property Conveyances. Steve advised the Board the property transfers for Topsham are about a year away, once the appropriate environmental clearances are obtained.

### Local Update.

- Town of Brunswick TIFs. Steve updated the Board that the Town of Brunswick is moving forward with the Tax Increment Financing plans. A meeting between MRRA and the Town is scheduled for May 21.
- Gates. Steve advised that the back gate entrance to Brunswick Landing would be opened on June 1. He also noted that it may be closed again in the winter due to the cost of snow removal for that stretch of road. He was happy to report that the front gate entrance had been spruced up with the elimination of the jersey barriers, and that the inside fencing of the double fencing would be removed by the Department of Corrections (DOC). In return, MRRA will donate the fencing to DOC. Also, the large cement gatehouse at the entrance will be demolished this summer as part of a larger demolition project that is being put out to bid. Steve noted that the back gatehouse demolition would have to wait until that property is conveyed to MRRA.
- Security. Steve said that security service at Brunswick Landing would cease in June, but there will be video surveillance located in strategic locations and continued patrols by the Brunswick Police Department.

Upcoming Events. Steve noted that the Second Brunswick Annual International Fly-In is just nine days away (June 2 & 3). MRRA's airport staff is also working hard on the Great State of Maine Air Show (August 24-26) featuring the U.S. Air Force Thunderbirds. And on June 5, MRRA will be

holding its annual forum to brief the public on MRRA's redevelopment efforts on Tuesday, June 5, at 6:00 pm in building #27.

Sande Updegraph took the opportunity to thank Steve for helping People Plus with their annual picnic on July 19.

### **Committee Reports.**

Executive Committee. Executive Committee Chair John Moncure reported that since the last Board meeting, the Executive Committee met twice (April 10 and May 1, 2012).

Chair Moncure summarized the April 10 Committee meeting by stating:

- Executive Director Steve Levesque updated the Committee regarding property transfers as discussed earlier in his report.
- Steve informed the Committee that he had met with the Radiological Affairs Support Office (RASO) regarding assessments they will be conducting on buildings #200, #250 and hangar 4.
- Steve gave an update on the proposed TIFs at the Committee meeting.
- The Committee was updated on the Finance Committee's progress regarding the 2013 budget.
- Steve advised that he gave briefings on MRRA's work to Phippsburg and Harpswell, as well as Thornton Oaks Retirement Community.
- The Committee discussed the interest in having special events in hangar 5; however, the cost of bringing Hangar 5 up to code to hold special events is about \$750,000 and the cost cannot be justified as an interim use.
- Steve advised the Committee that there were over 1,500 participants in the Race the Raceways, and that the Boat Show was well attended.
- The Committee went into Executive Session to discuss the acquisition or disposition of real property matters.

Chair Moncure summarized the May 1 Committee meeting by stating:

- Executive Director Steve Levesque updated the Committee on property transfers and FOSTS (Finding of Suitability to Transfer).
- Steve explained that MRRA cannot rent hotel rooms to SUPSHIP because BRAC law prevents the Navy from re-leasing the space.
- The Committee was advised that a Request for Proposals was being drafted for the 14 acres of commercial land at Topsham Commerce Park. (By way of update, Steve reiterated to the Board that MRRA has learned that the transfer of the Topsham property is a year away.)
- The Committee was advised of the gate openings and security issues previously discussed in the Director's Report.
- The Committee discussed the challenges MRRA faces with tenants who feel frustrated by the time it takes to get leases/licenses from the Navy

for Navy owned property. It was decided that going forward, MRRA will only market property that it owns.

- Steve updated the Committee on the so-called “science building,” which is a collaborative venture among Fraunhofer Center for Sustainable Energy Systems (associated with the Massachusetts Institute of Technology), Dow Corning, Dryvit, Mathews Brothers and MRRA for the installation of a new high efficiency vacuum insulated panels (siding) on the building.
- The Committee went into Executive Session to discuss the acquisition or disposition of real property matters.

Finance Committee. Committee Chair Rita Armstrong advised that the Committee had met twice since the last Board meeting, on April 11 and May 9, 2012.

Rita said that at the April meeting, the Committee reviewed the March financials. She thanked Jeffrey Jordan for the in depth work he does for the Committee. Of note, Rita said that on February 29, the 2011 books were actually closed. She also noted that the OEA budget for legal expenses were high, in large part due to the closing of EDC property transfers, new markets tax credit legal issues, utility issues and the Mölnlycke Health Care transaction. As a result, on March 30 a \$50,000 grant amendment was submitted to increase the legal services line item.

**Action Item:** Rita Armstrong made a motion that the MRRA Board approve the March 2012 financials, as recommended by the Finance Committee, which was seconded by Steve Weems. Chair John Moncure called for comments, and hearing none, the vote was unanimously approved by the Board members present.

Finance Committee Chair Rita Armstrong also informed the Board that at the April meeting, the Committee performed two quarterly reviews: one was for the traveling and contingency expense report, which was found to be in order and accepted and presented, and the other was for the subcomponent units (Brunswick Landing MHC USA, LLC, MRRA Mölnlycke Health Care Operating and restricted Checking Account, and Midcoast Charitable Foundation of Maine, which was also accepted as presented.

Rita noted that at the April meeting, the Committee also reviewed a proposed amendment to the Utilities Budget for FY2012. Rita explained that the amendment was proposed because of a small mathematical error contained in the electricity and water budgets.

**Action Item:** Rita Armstrong made a motion that the MRRA Board adopt the proposed FY2012 Utility Budget Amendments by appropriating the following

funds from the Affordable Midcoast Housing real estate closing proceeds, as recommended by the Finance Committee, which was seconded by Sande Updegraph. Chair John Moncure called for comments, and hearing none, the vote was unanimous of the Board members present.

At its May 9 meeting, Rita said the Committee started its review of the audited financial statements, but decided to postpone any action. Rita said that the original plan was to bring it to the Board at this meeting (May 15) for approval, but the Committee decided to wait because it wanted to review the audit in concert with the five year projections and the Committee wanted to honor the time that it takes to create the documents and take the appropriate time to review them. Rita suggested calling a June board meeting to discuss the five year projections, the FY13 proposed budget, and the final audit.

Rita also advised that Mike Dunn and Stefanie Foster of MacDonald Page presented the draft audit of the Financial Statements for the period ending December 31, 2011 at the May 9 Committee meeting. The documents are still considered working documents, as they are still going through a peer review process at MacDonald Page.

Airport Committee. Airport Committee Chair John Moncure reported that since the last Board meeting, the Airport Committee met once on April 13, 2012. John Moncure said it was a productive and fruitful meeting with MRRA's Aviation Services Manager Marty McMahon and Economic Development Manager Dave Markovchick in attendance.

John said that the Committee initially went into Executive Session pursuant to 1 MRSA Section 405.6(C). As a result of the Executive Session, a motion was made and seconded to allow MRRA staff to extend a term sheet to Great Island Boat Yard for a lease of building #153 on the airport. John noted that the Airport Committee was able to make this action because the subject space is less than 20,000 square feet.

John said that Marty McMahon also briefed the Committee on the "Race the Runways" event, which was a huge success with about 1,500 runners participating. Marty also briefed the Committee on upcoming events (the Maine Boating Expo on April 13-15, the Second Annual Brunswick International Fly-In on June 2-3, and the Great State of Maine Air Show on August 24-26).

Committee Chair John Moncure asked MRRA's Aviation Services Manager, Marty McMahon, to brief the Board on the new FAA funding formula for the Airport Improvement Program (AIP). Marty noted that previously the FAA funded 95% of the MAP grant capital improvements, the State match was 2.5%, and the local match was 2.5%. A decision to reduce the FAA funding to 90% has forced communities to scramble for more money. Under the new formula,

the State is required to pay 2.5% and the local community 7.5%. Marty said that MRRA has received some good news from Stacy Haskell at the Maine Department of Transportation that it has agreed to pay 5%, leaving MRRA with only 5% to pay as opposed to 7.5%. John Moncure noted that assuming the State will continue paying 5% over the next two years, MRRA will save \$500,000.

John said that Marty also briefed the Committee on the status of the Airport Capital Improvements Program for this year, including a notice of award for airport snow removal equipment to H.P. Fairfield. The Committee also heard about RFPs going out for the following services: repainting airfield markings, completing airfield electrical improvements, installing wildlife fencing and gates, and completing airfield demolition projects. John said that as part of the RFP process, MRRA is required to select the highest qualified low bidder. John referenced letters from MRRA's airport consultants (Hoyle Tanner). To ensure MRRA's compliance with regulations, Hoyle Tanner made recommendations after analyzing each of the bids received.

#### **Action Items:**

- John Moncure made a motion that the MRRA Board authorize the Executive Director to sign a contract with Axtell, Inc to repaint airfield markings upon receipt of concurrence from the Federal Aviation Administration and Maine Department of Transportation, as recommended by the Airport Committee, which was seconded by Lois Skillings. Chair Moncure asked for questions or comments from the Board. Sande Updegraph asked why a certificate of Nonsegregated Facilities was required in the bid documents. Chair Moncure responded that it was a federal requirement. Hearing no further comments, the vote was unanimous of the Board members present.
- John Moncure made a motion that the MRRA Board authorize the Executive Director to sign a contract with Moulison North Corporation to complete airfield electrical improvements upon receipt of concurrence from the Federal Aviation Administration and Maine Department of Transportation, as recommended by the Airport Committee, which was seconded by Sande Updegraph. Chair Moncure asked for questions or comments from the Board and hearing none, the vote was unanimous of the Board members present.
- John Moncure made a motion that the MRRA Board authorize the Executive Director to sign a contract with Abel Fence LLC to install wildlife fence and gates upon receipt of concurrence from the Federal Aviation Administration and Maine Department of Transportation, as recommended by the Airport Committee, which was seconded by Steve Weems. John Moncure asked a Hoyle Tanner representative what the height requirements of the wildlife

fence were, and learned that they are eight feet high per Maine's Department of Inland Fisheries and Wildlife. Hearing no other questions or comments, the vote was unanimous of the Board members present.

- John Moncure made a motion that the MRRA Board authorize the Executive Director to sign a contract with Hagar Enterprises, Inc. to complete airfield demolition upon receipt of concurrence from the Federal Aviation Administration and Maine Department of Transportation, as recommended by the Airport Committee. John Moncure asked if the arrestor was the same as on an aircraft carrier. Aviation Services Marty McMahon indicated that it was. Hearing no other questions or comments, the vote was unanimous of the Board members present.

Property Committee. Steve Weems gave the Property Committee report, stating that the Committee met on April 26, 2012 and discussed the following:

- The Car Harbor project, which is a gated, high end, car condo complex. The Property Committee has embraced the concept because of the suitability of the property where it is to be located. Steve Weems advised that a term sheet had been sent to the principals, but we have not heard back from the principals.
- David Markovchick, MRRA's Economic Development Manager, talked to the Committee about developing the Navy Lodge into small office for individual or starter businesses that only require minimal facilities. The concept could come online later this year. At full build out, the Navy Lodge would have about 26 office spaces.
- Issues between Tenants or prospective tenants and MRRA in negotiating for property prior to MRRA having a fee ownership interest in such property. Steve said sometimes getting licenses/leases up front isn't always a blessing because of the uncertainties of commitments. Now that MRRA has substantial space under its control, it plans not to actively market property that it does not control.
- MRRA Property Manager Bob Rocheleau reported on the recent tour of the Boulos real estate brokers, noting that it was quite an eye opener for most of the brokers.
- Executive Director Steve Levesque gave the Committee an update on property leases (34% of the property that MRRA controls have been leased).

- Dave Markovchick reported on PKF Consulting Company, which has been retained by MRRA to update the marketing assumptions regarding the Gateway Inn (250 room hotel) which had previously been performed by Economic Research Associates (2005).
- The Committee went into Executive Session and approved a term sheet for Gelato Fiasco.

**Reuse Master Plan Map Amendment – Public Hearing.** Executive Director Steve Levesque advised the Board that the amendment is much like the amendment presented in the March Board meeting. The effect of the 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.

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:** Don Hudson made a motion that the MRRA Board adopt the amendment(s) to the NASB Reuse Master Plan as fully described by the MRRA Executive Director and as contained in the materials present at 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 Steve Weems, and the vote was unanimous of the Board members present.

**Adopt Resolution Establishing an Interest Bearing Savings Account for Residential Security Deposits.** Executive Director Steve Levesque advised that as part of land sale with Affordable Midcoast Housing, MRRA acquired seven housing units. MRRA will likely demolish five of the seven units. State law requires that the funds be segregated into an interest bearing savings account for managing rental deposits.

**Action Item:** Don Hudson made motion that the MRRA Board of Trustees adopt the attached Corporate Authorization Resolution establishing an interest bearing savings account at Bath Savings for residential security deposits, and that a copy of such Resolution shall be attached to the official minutes of this meeting, which was seconded by Rita Armstrong. Chair Moncure called for questions or comments. The vote was unanimous of the Board members

present, with the exception of Don Hudson and Lois Skillings who abstained because they are on the Bath Savings Board of Directors.

**Other Business:** No other business.

**Public Comment:** None.

**Executive Session:** At 4:55 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.

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Steve Weems, Secretary

<b>ATTENDEES OF MAY 15, 2012 MRRA MEETING</b>	
<b>Name</b>	<b>Company/Organization/Residency</b>
Kristine Schuman	Maine DECD
Suzanne Sheppard	Hoyle Tanner & Associates
Woodrow Wilson	Hoyle Tanner & Associates
Brian Whitney	Senator Snowe's Office
Catherine Ferdinand	Bowdoin College
Rich Roedner	Town of Topsham
Jim Pineau	Congresswoman Pingree's Office
Alec Porteous	Senator Collins' Office
Sandra Mulliken	CMP
Don Spann	RE/Max Riverside
Denise Clavette	Town of Brunswick