



MIDCOAST REGIONAL REDEVELOPMENT AUTHORITY

Meeting Minutes

September 26, 2012

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

Excused: John Moncure, John Dorrer and Lois Skillings

Staff: Steven Levesque, Jeffrey Jordan, Michael Russo, and Kathy Paradis

Location: Topsham Town Hall Meeting Room

Time: 4:00 pm

Welcome & Introductions. Vice Chair Don Hudson noted that Chair John Moncure had been excused from the meeting. Don welcomed the Board and attendees, and invited them to introduce themselves.

Host Community Comment. Cornell Knight welcomed the Board to the Town of Topsham and thanked everyone for attending. He said he was pleased that MRRA holds its Board rotates its Board meetings in within the region. He was also pleased by the Navy's conveyance of property to MRRA last week that included the Topsham triangle property, noting that the Economic Director is ready to start working with MRRA staff to market the property. Cornell noted that there has been some other economic development within the Town, notably the new facility for the Nissan dealership is up and running; the Planning Board recently approved a location in the Topsham mall for Panera Bread; and the Androscoggin Riverwalk addition in Topsham (e.g., beginning at the parking lot of the Topsham Swinging Bridge Park and meeting up with the sidewalk of Summer Street in Topsham Lower Village) is nearly completed.

Minutes of July 25, 2012 Meeting. Steve Weems made a motion to approve the Board minutes of July 25, 2012, which was seconded by Dan Daggett. Vice

Chair Hudson called for comments and hearing none, the vote was unanimous of the Board members present,

Executive Director's Report.

Federal Update.

- **Property Conveyances**

Steve advised that MRRA now own more property than the Navy does. With the conveyance last week from the Navy of an additional 101 acres, MRRA now owns approximately 1,700 acres. Last week's conveyance included the Topsham Annex triangle property, the remainder of the bachelor enlisted quarters, and other properties on the main base. Steve said that MRRA staff and Topsham staff will work together to market the Topsham properties.

- **FAA Properties/PBC Changes/Land Swap**

Steve advised that the Federal Aviation Administration has decided not to take possession of several properties on the west side of the base, the new air traffic control tower (Bldg. 231), the transmitter site and the radar site. MRRA staff would like to add the tower facility to its Airport PBC, as it has some reuse potential, and Bowdoin College is requesting the other two facilities be added to their PBC properties, which surround the other FAA assets. Steve provided the Board with a map of the properties and Bowdoin's letter requesting the transmitter and radar sits as part of its PBC from the Department of Education.

In order to make the building 231 (the new tower) accessible, MRRA contacted the Town about making a like trade of 4.76 acres of land adjacent to building 231 for land to the south adjacent to the Town's recreation properties. While the Council has yet to formally accept it, Steve advised that the Town staff seems to concur with the transaction.

- **Foreign Trade Zone**

Steve was excited to report that MRRA has been notified that a portion of Brunswick Landing has been designated as a Foreign Trade Zone (FTZ), which will give companies who conduct business in the zone a number of significant benefits and be a great asset for the community and region. Steve said that this is another major economic development tool for Maine and the Midcoast region. Steve said that the designation was atypical in that there is a FTZ in close proximity (the Lewiston/Auburn area); however, because of their different uses, the two FTZ will complement each other. Steve said that the next step will be to develop a plan to implement the FTZ program and adding the designation to our marketing materials.

Steve acknowledged the efforts of Jeffrey Jordan who prepared the application and his work with the other state and federal partners in developing support for the application and thanked the Federal Delegation for their support of this very important initiative.

State Update

- **Board of Trustee Appointments**

Steve said that MRRA was advised by the Governor's Office that the Governor will not reappointment replacements to the Board of Trustees for the seats occupied by John Moncure and Don Hudson at this time.

Local Updates

Town of Brunswick Update

- **Tax Increment Financing**

Steve advised that the Town of Brunswick has terminated the process associated with the proposed tax increment financing districts and associated development programs at Brunswick Landing. A letter from Town Manager Gary Brown to that effect was included in the Board packet.

Steve noted that the total estimated cost of the redevelopment effort is approximately \$170 million. It was hoped that \$12 million of that need would be derived from a Town approved TIF program. Accordingly, MRRA is identifying other sources of revenues or adjustments in our planned expenditures to offset this loss.

- **Zoning Amendments and Subdivision Plan**

Steve updated the Board that MRRA staff has been working with the Town staff and Planning Board on the proposed amendments to the Town's Zoning Ordinance to be consistent with the Reuse Plan Amendments made by the Board in previous actions. On a concurrent basis, we are also working with them on the approval of a subdivision plan that memorializes the existing and proposed lots on Brunswick Landing. There was a Planning Board meeting last night in which matters were discussed.

- **Perimeter Trail Plan**

Steve reported that MRRA staff has been working with the Town staff and a community wide stakeholders group to develop a recreation, trails and open space management plan for the properties to be acquired by the Town. The plan also identifies a perimeter trail system on the former base property that was envisioned as part of the reuse plan, which will utilize some MRRA owned existing roads and trail systems. An initial public meeting was held on the concept plan on September 18 and more details will be forthcoming in the coming months.

Steve commended Town staff, especially Denise Clavette, for facilitating this very collaborative and valuable process and he also acknowledged the participation of Bob Rocheleau for his involvement with the stakeholders group.

Town of Topsham

- **Triangle Development**

Steve advised that MRRA staff has been working with Town staff to establish a process going forward to realize the rapid redevelopment of the 12.58 acre parcel commonly known as the Military Triangle. Now that MRRA has ownership of the property, we will continue to work with Town staff to identify qualified developers to redevelop the Topsham Commerce Park in accordance with the Topsham Annex Reuse Master Plan. To that end, MRRA staff is working with the Town in drafting a request for qualifications/proposals.

MRRA Annual Meeting

The MRRA Annual Meeting and dinner will be held on November 28 at the Hilton Garden Inn Freeport.

Brian Whitney

Steve noted that this would be the last Board meeting with Brian Whitney as a congressional staffer for the outgoing Senator Snowe (Senator Snowe has decided not to run for office again). However, Steve was very happy to report that Brian has taken a job working for Commissioner George Gervais of Maine's Department of Economic and Community Development, as the director of the Business and Innovation Division, and as such, will continue to work with MRRA.

Surplus Property

Steve advised that the on-line auction of Navy surplus equipment consisting of vehicles, generators, and the like, netted about \$275,000 after commissions.

Great State of Maine Air Show

Steve said an estimated 40,000 spectators (inside and outside the fence) watched the air show. He said that the three day air show contributed about \$300,000 to local businesses, and that about \$40,000 will go to local charities. Steve advised that the Board will be asked later in the meeting to transfer funds from the sale of surplus property to the air show budget to cover a shortfall. Steve commented that the air show generates a good deal of goodwill, which is significant for the community and region.

Scorecard

Steve stated that part of MRRA's vision as to what would be in the reuse plan included expediting the transfer of properties, a college campus, an executive airport, a resolution and disposition of the affordable housing issue, generation

of local taxes and job creation. To gauge MRRA's achievements, Steve created a Redevelopment Scorecard, which he shared with the Board and attendees:

NAS Brunswick Closed May of 2011:

- ✓ MRRA has received over 1,700 acres of property conveyances to date (80% of total).
- ✓ MRRA established fully operational regional airport.
- ✓ SMCC established a vibrant & growing community college campus (with UMaine partnership).
- ✓ 19 businesses call Brunswick Landing home (264,000 square feet under lease).
 - Creating over 150 current jobs
 - Over 500 projected new jobs
- ✓ 79,000 square feet new manufacturing facility under construction (Mölnlycke Health Care).
- ✓ Over \$75 million in planned private investments.
- ✓ Over 100 current construction jobs on site.
- ✓ MRRA sold 240 acres of land to AMH to enable the sale of housing to young families (20 to date).
- ✓ Received designation as a Foreign Trade Zone.
- ✓ MRRA paid \$5.4 million in State and local contracts in 2011-12 (exclusive of Mölnlycke -\$14.2 million).
- ✓ MRRA will pay over \$440,000 in property taxes to the Town of Brunswick on behalf of businesses at Brunswick Landing this fiscal year.

It was agreed that these were notable achievements, especially in light of the fact that MRRA has only had property for a year and a half

Executive Committee.

Don Hudson gave the report in John Moncure's absence and noted that the Committee met on August 14 and September 11. Don noted that the meeting discussions were previously reported by Steven Levesque in his Executive Director's report.

Airport Committee.

Sande Updegraph gave the report in John Moncure's absence and noted that the Committee met on August 29. The Committee heard reports on the status of the Airport Capital Improvements Program projects and the status of special events at the airport (i.e., Great State of Maine Air Show, Race the Runways,

Boat Show and Fly In). Sande also reported that the Committee made a motion after meeting in executive session to extend a term sheet to Armstrong AeroMod for the lease of approximately 16,580 square feet in Hangar 6 for retrofit and installation of civilian communication and entertainment equipment on commercial aircraft.

Finance Committee.

Committee Chair Rita Armstrong stated that the Committee met on September 19 (workshop) and 21. The Committee discussed/reviewed the following:

- The FY 2012 financials, which have been closed and are currently being audited.
- The July and August financials.
- The Committee will be presenting an in-depth report on a revised five year financial forecast of MRRA at its annual meeting on November 28.
- The Committee will also be bringing forward a draft audit of the Financial Statements for the period ending June 30, 2012 at the Annual Meeting.
- The OEA grant agreement with a budget totaling \$1,485,800 (a from the \$1,536,300 budget previously approved by the Board), and a recommendation to approve the revised grant.
- The air show budget has a shortfall and recommending to the Board that funds be taken from the surplus property fund to cover the deficit.

Action Item: Rita Armstrong made a motion that the MRRA Board appropriate up to \$92,000 from the sale of surplus property to the FY2013 Air Show budget, as recommended by the Finance Committee, which was seconded by Steve Weems. The vote was unanimous of the Board members present.

Action Item: Rita Armstrong made a motion that the MRRA Board approve a grant from the Office of Economic Adjustment in the amount of \$1,337,220 and appropriate \$1,485,800 for the FY2013 OEA Budget, as recommended by the Finance Committee, which was seconded Sande Updegraph. The vote was unanimous of the Board members present.

Property Committee.

Steve Weems gave the report in John Moncure's absence and noted that the Committee held a workshop on September 20 and met earlier in the day prior to the Board meeting. Steve Weems noted that the Property Committee also:

- Authorized the Executive Director to enter into a lease for building 86 with Eastman Industries, Inc. Steve noted that MRRA and Maine's DECD worked on this extensively. (Leased space will be under 20,000 so the Property Committee was able to approve.)

- Agreed to endorse to the full board for its consideration two changes in Prospect Management Protocol. Presently, the Prospect Management Protocol calls for leases or sales agreements for buildings containing up to 20,000 square feet to go to the respective Property and Airport Committees. The Airport, Executive and Property Committees have discussed transferring the responsibility for review of all properties up to 20,000 square feet to the Property Committee. Lease or sales agreements for over 20,000 square feet go to Board for approval after Property Committee has reviewed it. The Committee is also recommending that the Executive Director be authorized to enter into short term leases (less than 18 months) for rental space under the 20,000 square feet.
- Discussed a property matter in Committee executive session, which will be discussed in Board executive session.

Bowdoin College PBC Request.

The Federal Aviation Administration has decided not to take possession of several properties on the west side of the base, the new air traffic control tower (Bldg. 231), the transmitter site and the radar site. Steve advised that Bowdoin College is requesting the transmitter site and radar site via a public benefit conveyance (PBC). However, before the Navy can transfer the property to the Department of Education, MRRA has to approve the transfer. These two parcels are in the middle of other Bowdoin PBC parcels.

Action Item: Don Hudson made a motion that the MRRA Board approve a public benefit conveyance (PBC) for Bowdoin College to receive the transmitter site and radar site (depicted on the map attached to the official minutes of this meeting), as recommended by the Executive Committee, which was seconded by Rita Armstrong. The vote was unanimous of the Board members present.

MRRA Airport PBC Addition.

Regarding building 231 (the new airport tower), Steve said that it is a good building with reuse opportunities, noting that it was the last building the Navy built before leaving, making it a ideal building to receive via public benefit conveyance.

Action Item: Don Hudson made a motion that the MRRA Board approve adding building 231 (tower on the west side of the property) to the FAA Public Benefit Conveyance to MRRA, and amending the NASB Reuse Master Plan to include building 231, as recommended by the Executive Committee, which was seconded by Steve Weems. The vote was unanimous of the Board members present.

Property Exchange between MRRA/Town.

Steve noted that in order to get access to building 231, MRRA contacted the Town about making a like trade of 4.76 acres of land adjacent to building 231 for land to the south adjacent to their recreation properties. While the Council has yet to formally accept it, Town staff seems to concur with the transaction. Brunswick Town Manager, Gary Brown, who was attending the meeting said the swap made sense for both entities.

Action Item: Don Hudson made a motion that the MRRA Board approve conveying property containing 4.76 acres on the southwest side of the property to the Town of Brunswick in exchange for the Town of Brunswick conveying 4.76 acres on the northwest side of the property to MRRA (depicted on the map attached to the official minutes of this meeting), which was seconded by Rita Armstrong. The vote was unanimous of the Board members present.

Prospect Management Protocol.

Steve Levesque noted that Steve Weems had already discussed the issue earlier in the meeting and noted that MRRA staff, as well as the Executive, Airport and Property Committees, is recommended the changes.

Action Item: Don Hudson made a motion that the MRRA Board approve the modifications to the Prospect Management Protocol, as recommended by the Executive, Property and Airport Committees, which was seconded by Dan Daggett. The vote was unanimous of the Board members present.

Business Attraction Plan.

Steve said that in the original Business Attraction Plan it was thought that a hotel facility and convention was a good idea; however, after staff tried marketing the property, we have discussed that there is not much interest. This is due to the fact that there are no meeting, dining, attractions, ocean view and the like. Last year staff sent out a Request for Proposals to have someone run it, and no creditable proposals were received. In addition, local hotel operators thought another hotel would add to an already stressed situation. This spring staff commissioned a feasibility study by PKF (a hotel management and economic firm from Boston) to analyze the facility. Steve said we were hopeful of a better report than we received. PFK were not at bullish on the likelihood of the hotel succeeding, citing projected vacancy rates of 50%. PFK determined there wasn't enough demand, especially with other hotels coming on line in Portland; plus, the hotel owner would have to make significant investments in the property. Consequently, MRRA has abandoned it as one of our target industries and replaced it with biotechnology. MRRA has one biotechnology company (Mölnlycke) and has been talking to other companies,

and even supply chain companies. Since the Business Attraction Plan is an MRRA-internal working document, it doesn't require Board approval, and is a strategic change unrelated to the hotel property.

Other Business. None.

Public Comment. None.

Executive Session: At 5:10 p.m. Rita Armstrong made a motion to go into executive session to discuss property matters pursuant to 1 MRSA Section 405(6)(C), which was seconded by Sally Delgreco. 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, which was seconded by Steve Weems. The vote was unanimous of the Board members present.

Action Item. Don Hudson made a motion that the MRRA Board authorize the Executive Director to execute a Purchase and Sale Agreement and associated closing documents with Affordable Mid Coast Housing regarding the former Navy hotel and the bachelor enlisted quarters, which was seconded by Steve Weems. The vote was unanimous of the Board members present.

Action Item. Don Hudson made a motion that the MRRA Board authorize the Executive Director to enter into an six month Option to Lease for building #25 (the fitness center) with the Bath Area YMCA, which was seconded by Dan Daggett. The vote was unanimous of the Board members present.

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 SEPTEMBER 26, 2012 MRRA MEETING

Name	Company/Organization/Residency
Bill Whitten	Cumberland County
Brian Whitney	Senator Snowe's Office
Catherine Ferdinand	Bowdoin College
Rich Roedner	Town of Topsham
Gary Brown	Brunswick Town Manager
Alec Porteous	Senator Collins' Office
Cornell Knight	Town of Topsham
Tom Bethea	
Don Spann	Re/Max Riverside
Denise Clavette	Town of Brunswick