



MIDCOAST REGIONAL REDEVELOPMENT AUTHORITY

Meeting Minutes

September 20, 2011

Present: Dana Totman (Acting Chair), John Moncure (Secretary), Rita Armstrong (Treasurer), Adam Cote, Sally DelGreco, George Gervais, and Sandra T. Updegraph

Absent: Steve Weems and Donald Hudson

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

Location: Town of Topsham Meeting Room

Time: 4:00 pm

Welcome & Introductions. Acting Chair Dana Totman welcomed the Board and attendees and invited them to introduce themselves.

Host Community Comment: Economic Development Director John Shattuck welcomed the Board to Topsham. He was happy to report that Reny's had opened a store in Topsham, and that Lee Toyota had expanded its operations. He thanked the Board and MRRA staff for their support. He was also pleased to that MRRA would be receiving an economic development conveyance from the Navy in the near future.

Minutes of July 26, 2011: John Moncure made a motion to approve the Board minutes of July 26, 2011, which was seconded by Adam Cote. The vote was unanimous of the Board members present.

Executive Director's Report.

- Federal Update.
Executive Director Steve Levesque reported 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 has been wrapping-up negotiations with the Navy regarding the EDC terms and should be seeing the first of these conveyances later this fall.

Additional PBCs are scheduled for the Town of Brunswick (1,200+/- acres and two buildings), Bowdoin College (175+/- acres), SMCC (14 acres and six buildings), Family Focus (two buildings) and SAD 75 (12 acres). We have 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 SMCC parcel, including two buildings, has been deeded to SMCC. Steve also reported that (1) the Town of Brunswick decided not to take the PBC for the shooting range, (2) the utilities service conveyance should be forthcoming this fall, and (3) common area maintenance agreements are being drafted for PBC recipients at Brunswick Landing.

- EDA Grant

Steve said he was happy to report that he signed a grant award from the Economic Development Administration (EDA) for \$1.7 million to support building retrofit and project costs in support of economic development activities at Brunswick Landing.

- FAA/Military Airports Program

Steve said he was pleased to report that he signed grant awards from the Federal Aviation Administration (FAA) for \$4.8 million for improvements to Brunswick Executive Airport (BXM). BXM was selected by the FAA to participate in the Military Airport Program, which is specifically designed for military airports turning to civilian use. The program will provide BXM with critical funds to support capital improvements at the airport over the next five years. BXM was the only general aviation airport in the country selected in the current funding round.

Steve praised the significant work of MRRA's Aviation Services Manager, Marty McMahon, and MRRA's consultants, Hoyle Tanner Associates, in pulling together the required materials, and acknowledged the support of Maine DOT and the New England Region of the FAA.

- State Update

Steve said that Governor LePage appointed four new members to the Board of Trustees: Lois Skillings, John Dorrer, Dan Daggett and John Shattuck, who will go through confirmation hearings this week, and a confirmation session of the Senate is scheduled for September 27. With the exception of John Dorrer who was out of the country, all appointees were in attendance at the meeting and introductions were made to the Board and public.

- Annual Meeting
Steve noted that MRRA's annual meeting and dinner will once again be held at the Hilton Garden Inn in Freeport on Thursday, November 17. Steve said that MRRA did attempt to have the meeting at the Inn at Brunswick Station but learned that it could not accommodate the number of attendees.
- MEREDA Bus Tour and Social
MRRA will be hosting a social and bus tour of Brunswick Landing and Topsham Commerce Park for the Maine Real Estate Developers Association (MEREDA) on October 5 from 4:30pm to 7:30pm and all Board members were invited to attend. Steve said this is a terrific opportunity to showcase our properties to Maine's real estate development community. Acting Chair Dana Totman agreed, noting that there are already 55 people signed up on this tour.
- Great State of Maine Air Show and Business Aviation Expo
Steve invited MRRA's Aviation Services Manager Marty McMahon to give an update on the air show. Marty thanked everyone who participated in the air show for doing a good job and said it was very rewarding and successful despite Hurricane Irene's arrival on Sunday. Marty said that feedback from attendees was overwhelmingly positive, and the performers and sponsors had positive things to say too. The show had 600 volunteers consisting of individuals and non-profit groups. The show could not have happened without the long hours of hard work they put into bringing the show to fruition. Marty also praised the air show performers for doing a good job in training volunteers. Marty noted that most of the volunteers asked when we were going to have another show! Marty acknowledged that the biggest support came for U.S. Navy Sea Cadets and also the Maine and NH Civil Air Patrol.

Marty said the cancellation of Sunday's performances due to Hurricane Irene was unfortunate, but was the right decision in the end. Sunday, of course, effected the entire weekend. Based on phone calls received, 100 general aviation planes were expected at the air show, but none arrived. MRRA staff had time to get the word out to the public about exchanging tickets Sunday's tickets for Saturday, or applying for a refund. However, Marty reported that financially, the show will end up in the black despite low attendance and storm because of the weather insurance MRRA obtained for Sunday.

Marty also publicly thanked the air show sponsors, including: Bill Dodge, Kestrel Aircraft Company and Wells Fargo.

Marty said he thought the aviation expo was good and the folks that participated were pleased with it. However, he will recommend that it gets tied in with the International Fly-In because he believes it is a better match than with the air show.

Board member Adam Cote thanked Marty and MRRA staff for their hard work, which sentiment was echoed by other board members. Adam asked about the funds made available from the air show for local charities. Marty said he thought there were sufficient funds. In addition, nonprofit groups will get money in the amount of about \$20,000 through the Midcoast Charitable Foundation of Maine.

Executive Director Steve Levesque said that he had the opportunity to observe Marty over the last year to pull the air show together. He said Marty was incredible and thanked him for making the air show a great success and in motivating the people around him. Steve also thanked the volunteers and MRRA staff, particularly Melissa LaCasse.

- Employment Update.
Steve advised the Board that the Brunswick Landing tenants have added almost 100 jobs to date.

Committee Reports.

Executive Committee.

Chair Dana Totman reported that the Committee met on August 2 and September 13.

Executive Committee Update. Dana noted that much of the August meeting was air show related, and Steve has already covered most of the discussions in the Director's Report.

Interim Board Chair: Dana said that there are some housekeeping items that he wanted to cover: Dana said that he is Acting Chair until September 27 when his term will come to an end, and because the next board meeting is not until November 17, he recommends an interim chair from September 27 to November 17 be appointed.

Action Item: Rita Armstrong made a motion that John Moncure fill the role of interim Board Chair to serve from the confirmation date of the new MRRA Board members until the approval of a new chair, as recommended by the Executive Committee, which was seconded by Adam Cote. The vote was unanimous of those attending, with the exception of John Moncure who abstained.

Board Officer Nominating Committee. Dana then also asked for the creation of a nominating committee to come up with a slate of officers for the November 17 board meeting. After some discussion, it was decided that the nominating committee would consist of Don Hudson as Chair, along with Sande Updegraph and John Moncure.

Finance Committee:

Committee Chair Rita Armstrong said that the Committee met on August 9 and September 15, noting that on September 15 it became a committee consisting of two members. Rita said the Committee will reorganize after new Board members are confirmed.

Rita was pleased that the air show was well managed and wanted to go on record as thanking Aviation Services Manager Marty McMahon for managing the show so well.

Rita stated that the finances look to be in good order.

Action Item: Rita Armstrong made a motion that the Board of Trustees accept the recommendation of the Finance Committee to authorize the transfer of \$40,723 from the 2011 Brunswick Executive Airport wage account to the salary account for the purpose of providing an expenditure from that account to provide a local match to the OEA 2010-2011 budget to provide for the required local match as the State of Maine was not able to deliver on the anticipated CDBG match dollars for 2011, which was seconded by John Moncure. The vote was unanimous of the Board members present.

Rita said that the Finance Committee had discussed reviewing all expenditures and wanted to ensure that the Board and staff are doing everything they need to do.

Action Item: Rita Armstrong made a motion that the MRRA Board approve the attached amendments to the Accounting Policies and Procedures Manual (amended to include a Code of Ethics), as recommended by the Finance Committee, which was seconded by Sande Updegraph. Board member John Moncure said that this Code of Ethics might be incorporated into the confidentially/conflict of interest forms for the Board to sign. The vote was unanimous of the Board members present.

Rita said that because the budget was previously approved for expenditures, it is necessary for the Board to accept and appropriate the \$5,091,425 Military Airport Program (MAP) grant.

Action Item: Rita Armstrong made a motion that the MRRA Board of Trustees approve an amendment to the Grants Fund Budget accepting and authorizing the appropriation of \$5,091,425 for capital improvements to the Brunswick Executive Airport, as recommended by the Finance Committee, which was seconded by Sande Updegraph. The vote was unanimous of the Board members present.

Rita said that the Committee discussed approaching McDonald Page for Scope of Work and submittal of proposal since this year's audit was the last of a three

year agreement with McDonald Page.

Action Item: Rita Armstrong made a motion that the MRRA Board of Trustees accept the recommendation of the Finance Committee to solicit a written proposal from the auditing firm of MacDonalld Page to conduct the audit for the eighteen month period ending June 30, 2012, which was seconded by John Moncure. Steve Levesque noted that the recommendation is in line with MRRA's procurement policies because MRRA previously went out to bid for these services. The vote was unanimous of the Board members present.

Other Business.

Executive Director Steve Levesque announced that MRRA hired Sean Bachelder as its new maintenance person. Steve said that Sean was a super volunteer for the air show and MRRA's Aviation Services Manager recommended hiring him.

Steve Levesque presented plaques, one to Adam Cote in recognition of his dedicated service to the redevelopment of Naval Air Station Brunswick serving on the Board of Trustees for the Brunswick Local Redevelopment Authority and Midcoast Regional Redevelopment Authority from March 2009 to September 2011; and one to Dana Totman in recognition of his dedicated service to the redevelopment of Naval Air Station Brunswick serving on the Board of Trustees for the Brunswick Local Redevelopment Authority and Midcoast Regional Redevelopment Authority from November 2005 to September 2011.

Departing board member Adam Cote took the opportunity to say a few words about his experience in being a part of the redevelopment of Naval Air Station Brunswick. He said that it was a fantastic experience being a member of this Board, noting that he is not from a community in the vicinity of the base, but rather from Sanford. He said the reason he is on the Board is because of his interest in the base and the redevelopment opportunities it presents. He said he lunched with former Governor Baldacci and remarked to him how excited he was about the prime acreage on the east coast of Maine. A month later he got a call from the Governor's office asking if he'd like to be on the Board. Adam noted the quality of folks working on the effort, noting that a lot of work goes on behind the scenes that people may not be aware of, and he was honored to be a part of the effort. For the new appointees to the Board, Adam told them that they are going to be part of a great board. Adam thanked everyone and said he was happy to be a part of it. Acting Chair Dana Totman responded on behalf of the Board, saying that Adam's participation on the Board was much appreciated and noteworthy.

Departing board member Dana Totman reminisced that his first meeting was in the fall of 2005 with about 15 individuals at the Captain Daniel Stone Inn. At that meeting, the Brunswick Local Redevelopment Authority (BLRA) was created with the realization that the BLRA had no staff or money, and they had to figure out how to redevelop the base that was still operational. Dana said

that in January 2006, Katy Longley and Marty Wilk were interviewing candidates for the Executive Director position of the BLRA. When they interviewed Steve Levesque they ended the search and not long thereafter Steve started. In the summer of 2007, the BLRA completed the master reuse plan and identified the right balance of business development, education and recreational resources to represent the interests of the community. Dana said he was most proud to have been a part of the planning process.

Dana recalled that MRRA was formed in 2007, and first elected Art Mayo as Chair and John Moncure as Vice Chair, and also hired Steve Levesque as Executive Director. Since 2007, the redevelopment of the former naval air station has gone beyond his wildest dreams with tenants occupying buildings before the base even closed. Dana admitted that even though the redevelopment is very exciting, there is always the heartache of not having the Navy present in Brunswick. Dana acknowledged past board member Charlie Spies and said when it comes to underwriting businesses, there is none better than Charlie. Dana said that he couldn't be more proud working with the BLRA and MRRA board members and with the incredibly supportive MRRA staff. He wished everyone well in the future.

Public Comment:

Deb Braun commented that a couple of MRRA's staff did not return her calls regarding using a Brunswick Landing building for a dog show. Also Mark Phillips stated that he called and visited the office and left messages but did not receive a return call. Steve Levesque apologized on behalf of MRRA and said that someone would be calling back.

Executive Session: At 5:00 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 Dana Totman. The vote was unanimous of the Board members present. At 5:30 p.m. John Moncure made a motion to adjourn and reconvene the MRRA Board meeting, which was seconded by Art Mayo. The vote was unanimous of the Board members present.

Acting Chair Dana Totman stated that three action items were made in executive session, as follows:

Action Item: John Moncure made a motion that the attached Resolution regarding the NMTC/Mölnlycke transaction be approved, a copy of which shall be attached to the official minutes of this meeting and incorporated herein as though fully set forth, as recommended by the Executive Committee, which was seconded by Dana Totman. The vote was unanimous of the Board members present.

Action Item: John Moncure made a motion that the MRRA Board authorize the Executive Director to execute the Purchase and Sale Agreement with the Navy for the economic development conveyance (EDC) acquisition, which was seconded by Adam Cote. The vote was unanimous of the Board members present.

Action Item: John Moncure made a motion that the MRRA Board authorize the Executive Director to negotiate a Purchase and Sale Agreement with George Schott for the sale and acquisition of Navy housing assets.

Adjournment: A motion was made by John Moncure to adjourn from the Board meeting, which was seconded by Dana Totman. The vote was unanimous of the Board members present.

John Moncure, Secretary

ATTENDEES OF 9-20-11 MRRA MEETING	
Name	Company/Organization/Residency
Dan Daggett	Consolidated Solutions
Rich Roedner	Town of Topsham
Catherine Ferdinand	Bowdoin
Mike Braun	Navy CSO
Kristine Schuman	DECD
Brian Whitney	Senator Snowe's Office
Bob Furey	Hoyle Tanner
Denise Clavette	Town of Brunswick
Stan Gerzofsky	State Senator
John Shattuck	Town of Topsham

MIDCOAST REGIONAL REDEVELOPMENT AUTHORITY

PROPOSED VOTES REGARDING MOLNLYCKE TRANSACTION
FOR CONSIDERATION AT TRUSTEES' MEETING

September 20, 2011

RESOLVED: That Midcoast Regional Redevelopment Authority ("MRRA") be and it hereby is authorized (1) to enter into a lease as landlord of property consisting of the site of former BNAS Building 294 consisting of approximately 13.2 acres (having frontage on Fitch Avenue, Seahawk Avenue and Orion Street) with Brunswick Landing MHC USA, LLC ("BLMHC") (the "Development Site") as Tenant, (2) to enter into a sublease as landlord of the Development Site to BLMHC in the event that MRRA receives from the U.S. Navy a Lease in Furtherance of Conveyance in advance of receiving a deed to the Development Site, (3) to provide in such lease or sublease, and/or in other documents delivered to Molnlycke Manufacturing US, LLC, or an affiliate thereof, an option to purchase the Development Site, an option to lease certain additional land located west of the Development Site consisting of approximately five (5) acres and a right of first refusal and/or right of first offer to purchase certain additional land east of the Development Site consisting of approximately three (3) acres and sometimes referred to as Lot No. 102, such lease, sublease and/or other documents to be in such form and on such terms as approved by MRRA's Executive Director and he is hereby authorized to execute and deliver the same.

FURTHER

RESOLVED: That MRRA be and it hereby is authorized (1) to enter into a limited guaranty of debt in the approximate amount of \$10.3 million to Bangor Savings Bank secured by MRRA's interest in the Development Site, certain cash (and the investments and reinvestments thereof) to be deposited in a pledge account upon receipt by MRRA from BLMHC, and MRRA's interest in BLMHC (2) to enter into a guaranty of certain new markets tax credit ("NMTC") benefits to Wells Fargo Community Investment Holdings, LLC or an affiliate thereof, each such guaranty and/or other documents in connection therewith to be in such form and on such terms as approved by MRRA's Executive Director and he is hereby authorized to execute and deliver the same.

FURTHER

RESOLVED: That Midcoast Regional Redevelopment Authority ("MRRA") be and it hereby is authorized to enter into and otherwise participate in a financing and NMTC transaction involving BLMHC, Molnlycke Manufacturing US, LLC, Bangor Savings Bank, Wells Fargo Community Investment Holdings, LLC, CEI Capital Management, LLC, CCM Community Development XXII LLC, WF Rynel Investment Fund, LLC and/or affiliates of the foregoing in connection with the acquisition, development and financing of the Development Site, and to enter into such documents in connection therewith in such form and on such terms as approved by MRRA's Executive Director and he is hereby authorized to execute and deliver the same.

FURTHER

RESOLVED: That MRRA, a shareholder of Brunswick Landing Realty Development Corporation (“BLRDC”), which is a member of BLMHC, hereby authorizes and consents to any actions of BLRDC which the Directors of BLRDC determine necessary or appropriate to effectuate the above-described transactions, including without limitation the pledge by BLRDC of BLRDC’s interest in BLMHC to secure a limited guaranty of the above-described debt to Bangor Savings Bank.

FURTHER

RESOLVED: That MRRA, a member of BLMHC, hereby authorizes and consents to any actions of BLMHC which the Managers of BLMHC determine necessary or appropriate to effectuate the above-described transactions, including without limitation the granting of a leasehold mortgage in BLMHC’s interest in the Development Site and security interests in the building to be constructed by BLMHC thereon and security interests in all of BLMHC’s assets to secure certain loans in the approximate amount of \$14.3 million from CCM Community Development XXII LLC to BLMHC.

FURTHER

RESOLVED: That MRRA hereby approves and ratifies any and all actions taken or accomplished prior to the date these resolutions were adopted that would have been authorized by these resolutions but for the fact that they occurred prior to the date hereof.

FURTHER

RESOLVED: That MRRA’s Executive Director be and he hereby is authorized and directed to enter into such other documents and to perform such other acts and things as he may determine necessary or advisable with respect to carrying out the intent of the foregoing votes, such determination being conclusively evidenced by his signature on any such documents or the performance of such other act or thing.