



MIDCOAST REGIONAL REDEVELOPMENT AUTHORITY

Meeting Minutes of Special Board Meeting

March 5, 2013

Present: John Moncure (Chair), Rita Armstrong (Treasurer), Steve Weems (Secretary), Daniel Daggett, Sally DelGreco, John Dorrer, George Gervais, John Peters, John Shattuck, Lois Skillings, and Sande Updegraph

Staff: Steven Levesque, Jeffrey Jordan, Michael Russo, and Kathy Paradis, Tom Brubaker, Dave Markovchick, Bob Rocheleau

Location: MRRA offices, 2 Pegasus, Suite 1, Unit 200, Brunswick, ME

Time: 7:30 a.m.

Welcome & Introductions. Board Chair John Moncure welcomed the Board, and recognized new Board member John Peters. Chair Moncure also thanked outgoing Board member Don Hudson by presenting him with a plaque for his dedication and hard work on behalf of MRRA. Don thanked the Chair, and said that he will follow MRRA's successes and actively participate in the MRRA's Brunswick Renewable Energy Center advisory group. Chair Moncure then invited the attendees at the meeting to introduce themselves.

Executive Director Steve Levesque said that this Special Board Meeting was called to take action on a number of items that had been pending the Town of Brunswick's approval of MRRA's subdivision plan.

Village Green Ventures. Steve noted that a term sheet had been previously approved by the Board for Village Green Ventures (a startup company proposing to use proven anaerobic gas digester technology for a cogeneration facility plant at Brunswick Landing). The revised term sheet increases the acreage from 2 acres to 4.25 acres of leased land within the airport property.

Action Item: Rita Armstrong made a motion that the MRRA Board approve a revised term sheet to Village Green Ventures to increase the lease area to 4.25 acres upon which to construct their proposed anaerobic digester, which was seconded by Sande Updegraph. The vote was unanimous of the Board members.

Priority Group. John Moncure advised the Board that he would recuse himself from this discussion, citing a possible conflict of interest. Steve advised the Board that MRRA staff has been working with Priority Group for many months. Steve advised that the Priority Group wishes to purchase the former Navy lodge (building #31) and the former Recreation Mall (building #583). Steve said that the purchase price of \$1.1M was determined from an “as is” appraisal, which was conducted by Washington Appraisal Group. The buildings will be used as a private school serving children with autism spectrum disorders and other developmental disabilities. Jim Howard of the Priority Group thanked the Board.

Action Item: Dan Daggett made a motion that the MRRA Board approve the proposed sale to Priority Group at the fair market value of \$1,100,000, subject to final subdivision plan approval, and authorize the Executive Director to execute a purchase and sale agreement and all necessary documents to complete the sale and deed recording, which was seconded by Rita Armstrong. The vote was unanimous, with the exception of John Moncure who abstained.

TBW, LLC. Steve Levesque stated that MRRA received an offer from TBW, LLC to purchase a lot with two buildings (buildings 24 and 592) at the corner of Pegasus and Burbank Avenue. Steve advised that an “as-is” appraisal came in on Friday, March 1, for \$510,000, which is consistent with the other comparables received. TBW, LLC intends to develop building 24 into a student/adolescent at-risk service, counseling and coaching center for the nonprofit corporation known as Seeds of Independence. Tom Wright, a principal from TBW, LLC elaborated, stating that the Seeds of Independence works with trouble and at-risk teens in the Brunswick, Mt. Ararat, and Freeport school systems, and is a model program that works with juvenile justice system.

Action Item: Rita Armstrong made a motion, that the Board approve a proposed sale to TBW, LLC at the fair market value of \$510,000, subject to the recording of the approved subdivision plan, and authorize the Executive Director to execute a purchase and sale agreement and all necessary documents to complete the sale and deed recording, which was seconded by Lois Skillings. The vote was unanimous of the Board members.

Midcoast Veterans Council. Steve Levesque advised the Board that staff has been working with the Midcoast Veterans Council to try and find them home at Brunswick Landing. Originally, the chapel building was proposed, but it proved to be cost prohibitive to bring it up to code. Therefore, one of the small ranch homes on Forrestal Drive was selected. Steve said that MRRA will sell them the building and hold the mortgage. In the event the Veterans Council has to sell it, they would have to sell it back to us. Steve noted that this may

be an interim home for the Veterans Group as they would eventually like the former thrift store. The Veteran's Group will pay for common area maintenance charges and ownership costs. Board member John Peters asked if there is imputed income interest, to which Steve Levesque replied 1.8%, which the Veterans Council has to pay.

Action Item: Rita Armstrong made a motion that the Board approve the proposed sale regarding 60 Forrestal Avenue to Mid-Coast Veteran's Council, Inc. for \$100,000 with MRRA holding the mortgage, subject to the recording of the approved subdivision plan, and authorize the Executive Director to execute a purchase and sale agreement and all necessary documents to complete the sale and deed transfers, which was seconded by Steve Weems. The vote was unanimous of the Board members.

Maine Rural Development Loan Program (MRDA). George Gervais advised the Board that he would recuse himself from this discussion, citing a possible conflict of interest. Steve Levesque advised the Board that MRRA wished to receive a MRDA loan of up to \$250,000 to capitalize the investments made to support the call center company that is proposing to occupy building 250. The terms of the loan are up to \$250,000 at 4.25%, 20 year amortization with a five year call. The collateral is building #27 (we cannot put up airport property for collateral). There is a year of interest only payments and then the loan will pick up for remaining four years. Steve noted that there would be a similar loan agreement with the prospective tenant interested in building 250. Steve asked the Board to accept the terms so MRRA can work out an agreement with the prospective tenant.

Action Item: Rita Armstrong made a motion that the Board accept the terms and conditions for the Maine Rural Development Authority loan regarding building 250, and to authorize the Executive Director to enter into contracts for the loan, which was seconded by Steve Weems. The vote was unanimous, with the exception of George Gervais who abstained.

Property Transfers. Steve advised the Board that the Navy issued MRRA a lease for building 250, as well as a Finding of Suitability to Lease (FOSL), which allows MRRA to move forward in leasing the property. Steve reminded the Board that property in the airport can only be leased, not sold. He further stated that building 250 has groundwater issues and the Navy cannot actually transfer property to us, so it issued a Lease in Furtherance of Conveyance (LFOC).

The Navy will be issuing a Finding of Suitability of Transfer (FOST) for the terminal building (building 200) in the next couple of weeks. He said another FOST was being completed this week, which will pave the way for the Seabee compound and a couple of other properties internally this summer. He noted that MRRA has the majority of transfers already, and is now receiving small

parcels of the 500 acres left. Because of sequestration, the Navy will be having furloughs and their budgets will be cut, so delays are expected in the property transfers over the next couple of years.

Steve advised the Board that he was on a panel last week at an Association of Defense Communities meeting in Washington, D.C. He said that the military services need to do a better job at maintaining the buildings prior to transfer. He said that trying to get additional money out of the services right now is probably impossible, but it may reduce the amount of sale prices. MRRA is having another analysis performed of what it will cost to bring the buildings up to code. Currently, MRRA is analyzing what it will cost to bring building 250 up to code and looking for state and federal money. Steve said that while the majority of the property has been transferred by the Navy to MRRA, we have another 300,000 square feet of property coming.

Federal Pending Legislation.

HUB Zone Legislation. Steve advised that legislation has been submitted on the House and Senate side. He said that the legislation is problematic in that it is a stand-alone bill, and it needs to be attached to a larger piece of legislation. In addition, the Chair of the Small Business Committee has to be convinced that it is a good idea. The most practical legislation to attach it to is the Defense Reauthorization Act. MRRA has the support of ADC, and is working with the House defense military caucus. Unfortunately, the sequestration issue has front and center right now.

By way of background, Steve noted that the HUB zone was established for historically underutilized businesses, usually in impoverished census tracts. Under the law, closed BRAC'd bases and Indian reservations are included within the designated HUB zones. Currently, to qualify as a HUB zone business there is a requirement that 35% of the business's employees have to live within the HUB Zone, which works well in most instances, but not on a closed military base. The proposed bill would expand for HUB zone area on a closed military base to up to 50,000 people in the surrounding communities. Steve noted that being a HUB zone business means getting preferential treatment on government contracts.

Technology Accelerators. MRRA is interested in applying for a "Make It in America" grant, which was announced in the President's State of the Union address. Staff has been working with Maine Technology Institute, Maine MEP, SMCC and the University of Maine on a proposed technology accelerator/incubator center in building 250 (TechPlace). The delegation is very excited about this project. We also think that the building is a challenge to make it energy efficient – waste heat from anaerobic digester and other methods. Board member John Dorrer suggested talking with Karen Mills, who

is stepping down as Director of the Small Business Administration, when she returns to Maine as a local resource.

State Legislation: LD127 will allow for the enforcement of traffic laws by town, state and county policing agencies at Brunswick Landing and Loring Commerce Center. The bill has received an “ought to pass” from the Transportation Committee.

Other Business.

Steve Weems asked Steve Levesque for an update on MRRA’s subdivision review and approval with the Town of Brunswick. Steve said MRRA has a 43-lot (220 acres) subdivision approved, so MRRA can now sell (or lease) those lots. MRRA’s original subdivision proposal was for 400 acres (44 lots). MRRA removed some of the areas that were determined to complicate development because of wildlife and habitat issues.

Steve Levesque noted that last night’s Town Council meeting, the Town tabled the TIF boundaries until March 18 pending discussions with MRRA. Town Councilors Tucker and Richardson will be meeting with MRRA representatives before the March 18 meeting.

March 27 Board Retreat. Steve suggested the retreat start at noon, and noted that the Board meeting later in the day is scheduled at the Topsham Town Hall. A nominating committee was selected consisting of Dan Daggett, Sande Updegraph, and Rita Armstrong. John Dorrer suggested that Frank O’Hara be retained as a facilitator at the retreat.

Public Comment: None

Executive Session: At 8:27 a.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 Steve Weems. The vote was unanimous of the Board members present. At 9:20 a.m. Rita Armstrong made a motion to adjourn from the Executive Session, which was seconded by Steve Weems. The vote was unanimous of the Board members present.

Adjournment: A motion was made by Steve Weems at 9:25 a.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 MARCH 5, 2013 MRRA MEETING

Name	Company/Organization/Residency
Denise Clavette	Town of Brunswick
C.J. Dirago	Priority Group
James Howard	Priority Group
John Briley	Naval Museum
J.T. Leonard	Times Record
Don Hudson	MRRA (retired)
Tom Wright	Seeds of Independence
Denise Clavette	Town of Brunswick
Kristine Schuman	DECD