



MIDCOAST REGIONAL REDEVELOPMENT AUTHORITY

Meeting Minutes

January 23, 2013

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

Excused: George Gervais

Staff: Steven Levesque, Jeffrey Jordan, Kathy Paradis, Marty McMahon, Dave Markovchick, Ben Sturtevant, and Michael Russo,

Location: Brunswick Station, Town of Brunswick Council Chambers

Time: 3:00 pm

Welcome & Introductions. Board Chair John Moncure welcomed the Board and attendees, and invited them to introduce themselves. John informed the Board that Board member Dan Daggett would be detained until about 4:00 p.m., and that George Gervais was unable to attend because of illness.

Host Community Comment. Chair Moncure congratulated Suzan Wilson, the newly appointed Chair of the Brunswick Town Council, and introduced her to the Board. Suzan thanked the Board for coming to Brunswick and then shared recent highlights and happenings in Brunswick with the Board, noting that the biggest news was the addition of the Downeaster passenger train to Brunswick, which started on November 1, 2012. Suzan reported that the passenger activity is doubled what was expected and has even surpassed Freeport's train activity. She was also pleased to note that the construction has commenced on Brunswick's Police Station at the corner of Pleasant and Stanwood Streets. Suzan spoke of the importance of economic development in Brunswick, and how the Brunswick Downtown Association's outdoor art festival in August, incorporating 110 artists, benefits the Town by providing economic development and sense of community. Suzan noted that the Town

had entered into a new TIF with Mölnlycke Health Care, one of the tenants at Brunswick Landing, and is looking forward to a productive relationship with them. Also, she advised that in 2013 Bowdoin College's mascot, the polar bear, will celebrate its 100th anniversary, noting that it had been a topic recently on NBC's Today Show.

Minutes of November 28, 2012 Meeting. Rita Armstrong made a motion to approve the Board minutes of September 26, 2012 meeting, which was seconded by Steve Weems. Chair John Moncure called for comments and hearing none, the vote was unanimous of the Board members present.

Executive Director's Report.

Federal Update.

Property Conveyances. Steve Levesque advised that since the approval of the Public Benefit Conveyance and the signing of the Economic Development Conveyance Purchase and Sale Agreement in 2011, the Navy has conveyed about 1,656.81 acres of land at Brunswick Landing and 47 acres at the Topsham Commerce. Currently, MRRA owns about 80% of the property. Over next couple of months MRRA expects to see building #200 (the former terminal building) conveyed, and other properties will be conveyed as they are cleared environmentally.

Customs. Steve advised the Board that staff is working with Customs on two fronts: Foreign Trade Zone activation and designation of Brunswick Executive Airport as a Port of Entry. Deputy Director Jeffrey Jordan and Economic Development Manager Dave Markovchick met with customs officials to discuss zone activation. FTZ activation can only take place upon the interest of a specific business interested in moving forward with zone benefits. Mölnlycke Health Care is the most likely candidate at this point. Steve reported that he and Aviation Services Director Marty McMahon are working with Customs Officials on creating a Port of Entry presence at the Brunswick Executive Airport. Steve noted that with a Port of Entry designation, there are would some facility improvements that MRRA would be required to make.

HUB Zone. Steve advised that he recently had a conference call with the federal delegation staffers. He noted that Senator Susan Collins had been unable to get a bill into the Defense Reauthorization Act regarding HUB zones; however, the language has been drafted on the house side and by Senators Collins and King on the Senate side. 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.

State Update.

Bonds. Steve advised the Board that MRRA has been told that Governor LePage will release the hold on the issuance of bonds, making available capacity for MRRA to expense capital investments to the State grant. Steve reminded the Board that without this source of funding, the Molnlycke project would not have happened, as well as the utility metering of buildings, and the front gate demolition.

Pending Legislation. Steve advised the Board of the following proposed legislation:

- LD 490. A bill to make permanent the sales tax exemption on airplanes and airplane parts that is set to expire in 2015.
- LD 492. An Act to clarify the property tax exemption statute regarding aeronautic businesses.
- LD [TBD], Traffic Enforcement Bill. The proposed bill would allow for the enforcement of traffic laws by town, state and county policing agencies for municipal corporations, including Brunswick Landing.

Local Update.

Town of Brunswick. MRRA staff met with the Planning Board on January 14 regarding the approval of a final subdivision plan that is needed in order to sell or lease lots at Brunswick Landing. Steve said the Planning Board tabled the issue and asked for a more phased approach. Steve said he was hopeful that the matter could be taken up again in the first week of February. He noted that MRRA cannot sell or lease any land without subdivision approval; however, it can lease buildings with common area parking.

Topsham. MRRA staff sent out a RFP for the redevelopment of the 12.58 acre parcel commonly known as the Military Triangle. Proposals are due next week. Steve added that some interest has been shown in the property by developers.

Lease Review. Steve announced that while Lee Auto's lease expired at the end of December, Brunswick Landing has a new tenant, FGS/CMT, Inc., an engineering firm with headquarters in Bangor, in building #103. He also noted

that the Mölnlycke building is nearly completed and should be delivered next month.

Board member Sande Updegraph asked how many units of the McKeen Street Housing had been sold by Affordable Midcoast Housing to date. Steve advised that it was just over 30 units totaling just over \$800,000 in sales.

Committee Reports.

Executive Committee.

Committee Chair, John Moncure, stated that the Committee met on December 4, 2012 and January 8, 2013, noting that much of what was discussed was previously reported in the Executive Director's report.

John noted that in the January 8 meeting, the Committee learned that buildings 4/250 could not be transferred yet to MRRA because of ground water contamination issues, but MRRA will be able to lease them from the Navy. John noted that MRRA cannot sell the property in any event because it is in the airport property and FAA regulations prohibit its sale. He also noted that a zoning amendment would be discussed regarding this property later in the meeting.

John also said that the Executive Committee discussed that the proposed veterans' center was having difficulty raising funds. While MRRA has offered free rent for an office, it doesn't appear that the proposed veterans' center can afford the cost of utilities, insurance, maintenance and taxes. The representatives of the veterans' center have discussed their plight with the governor's office.

Finance Committee.

Committee Chair, Rita Armstrong, said that the finance Committee met on December 19 and January 15.

Rita stated that MRRA's Deputy Director, Jeffrey Jordan, would be presenting an updated five year financial forecast and capital improvement plan. MRRA staff and the Finance Committee decided that a number of changes warranted an update to the assumptions made in the most recent five year forecast. Jeffrey Jordan then gave the PowerPoint presentation, a copy of which is attached to these minutes.

Rita said that the Finance Committee also reviewed all the financials through the end of December (the second quarter of the fiscal year). This included a review of the MRRA Operating, Airport, OEA, Electric, Water, Stormwater and Sewer utilities, Air Show and Grant Fund budgets. It also included reviews of the MHC Project Operating Account, the MHC Project Restricted Account, the Homeless Assistance Fund, the Reserve Funds and the Balance Sheet for

December 31, the Bank Reconciliation Statement and the detailed transaction report for December. The Committee also reviewed the Subsidiary Organizations Report for Brunswick Landing Economic Development Corporation, Brunswick Landing MHC USA, LLC, Brunswick Landing Realty Corporation and Midcoast Charitable Foundation of Maine. Rita noted that these reports are submitted on a monthly basis to Coastal Enterprise Institute for reporting purposes for the New Markets Tax Credit program. Finding all the reports in order after a detailed review, Rita said that the Committee voted unanimously to approve them.

Action Item: Rita Armstrong made a motion that the MRRA Board accept the quarterly financial reports ending December 31, 2012, as recommended by the Finance Committee, which was seconded by Don Hudson. The vote was unanimous of the Board members present.

Rita noted that at the presentation of the third quarter financials in the next Board meeting, the Financing Committee will bring the projections for year end.

Rita said that the Committee also reviewed revised budget for air show for 2013. She said that MRRA staff and the Committee wants a self-sustaining or break even event. Rita invited Marty McMahon to give an overview of the current plan and the proposed 2013 air show budget.

Marty said that staff is proposing significant changes from the 2012 air show budget based on experience of now holding two air shows. Notably, the 2013 budget is more conservative. Marty said that some changes are naturally occurring based on maturity of airport and capital investments in the air show. Marty reported that Flight Level had recently attained a Government fuel contract, which will eliminate the need for MRRA to pay the differential between the Government contract rate for fuel and the market rate for the Blue Angels, a savings of roughly \$40,000.

The air show format was changed to eliminate the Friday night show. While the Friday night air show and fireworks was spectacular, it did not really draw a large enough crowd to justify the expense of it.

Marty said certain assumptions made because staff has a known number of admission sales and historical data regarding sales chalet sales. Assumptions regarding a sponsorship budget were also made that are realistic and conservative.

Marty said changes were made in the proposed budget include a decrease in the Personnel line because staff found a company that will handle the air show programs, sell them, and give MRRA portion of revenue. There is a decrease in supply budget primarily due to government fuel contract (\$40,000), a decrease in professional services because of the elimination of the Friday night show. Other budget items reduced because of the elimination of Friday night's

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show are property services (less golf carts and potties), fire services, rain insurance, and car insurance for courtesy cars (less performers). Marty also noted that the capital outlay line was reduced because MRRA has supplies left over from last year's air show.

Marty reiterated that the budget is very conservative. It does not reflect any profit to the airport during the air show (the airport collects \$0.12 on every gallon of gas pumped).

Rita said that after reviewing the proposed budget, the Finance Committee, understanding the benefits and the revised budget, voted unanimously to recommend it.

Action Item: Rita Armstrong made a motion that the MRRA Board approve the FY2013 Air Show Budget, as recommended by the Finance Committee, which was seconded by Lois Skillings. The vote was unanimous of the Board members present.

Rita advised the Board that the Committee had reviewed a CDARS (Certificate of Deposit Account Registry Service) spreadsheet with rates from 10 area financial institutions backed by the FDIC. Based on its review, Rita advised that the Finance Committee was recommending Androscoggin Bank.

Dan Daggett suggested that MRRA staff may be able to negotiate a higher rate given the amount deposited, and perhaps staggering the term.

Action Item: Rita Armstrong made a motion that the MRRA Board authorize the Executive Director to sign a CDARS Deposit Placement Agreement and Custodial Agreement on behalf of MRRA with Androscoggin Savings Bank, as recommended by the Finance Committee, which was seconded by John Dorrer. The vote was unanimous of the Board members present.

Lois Skillings thanked the Finance Committee, Deputy Director Jeffrey Jordan and Bookkeeper Mike Russo for the level of detail that is given to the Board. John Dorrer and Rita Armstrong echoed the same sentiment.

Utilities, Energy & Environmental Committee.

Committee Chair Don Hudson said that the UE&E Committee met on December 6, 2012.

Don reported that the Committee discussed the street light upgrade project, noting that 110 street lights had been converted to LED fixtures, and phase 2 lighting upgrades will include lighting for larger buildings and street lighting in the housing areas. When this project is completed, MRRA expects to reduce its electricity consumption by over 300,000 kilowatt hours per year.

The Committee also discussed the proposed anaerobic digester project with the capacity to generate 750kW of electricity and 1.5 MMBtu per hour of thermal

energy at Brunswick Landing, and MRRA's Public Works and Utility Manager, Tom Brubaker, gave a presentation on the project. The site for the proposed project is a 2 acre parcel on the south end of the parking apron of the airport.

Tom Brubaker also provided the Committee with an overview presentation on several aspects of the environmental condition of the property at Brunswick Landing and Topsham Commerce Park. The presentation provided the current status of the Navy's remediation efforts as well as the Navy's future remedial activities. Don Hudson noted that Ed Benedict, a frequent attendee of the UE&E Committee, concurred that MRRA and the Navy are on track.

Property Committee.

Committee Chair John Moncure advised that the Property committee met on January 16, 20113.

John reported that at the Committee meeting, Executive Director Steve Levesque updated the Committee on the final subdivision plan and his meeting with the Brunswick Planning Board. As previously reported in these minutes, the Planning Board tabled the issue and asked for a more phased approach, with the first phase to only include a plan that memorializes the existing and developed lots on Brunswick Landing. MRRA will be resubmitting its plan and hopefully appear before the Planning Board within the next two weeks.

Economic Development Manager David Markovchick advised the Committee that that building 103, the former kennel, has been leased to the engineering firm of FGS/CMT, Inc.

Executive Director Steve Levesque spoke about airport zone uses, stating that currently professional offices are only allowed as an ancillary use to an aviation use. Steve noted that the AIMD portion of building 250 could be used as a business incubator, and the third floor of building 250 is unlikely to ever be an aviation use; therefore, we need the zoning amendment to accommodate professional office or professional office technology uses. As to building 554, Steve said staff envisions it as a classified information facility, as was its previous use when owned by the Navy. Currently, he said, the zoning doesn't allow for that use.

Steve added that a prospective tenant would like to use building 250 as a call center. Originally, building 11 seemed suited to the tenant; however, it has been learned that there are seemingly large building maintenance issues associated with building 11; hence, the prospective tenant is looking at building 250.

Action Item: John Moncure made a motion for the MRRA Board to authorize MRRA staff to submit a zoning amendment to the Town of Brunswick regarding buildings 250 and 554, as recommended by the Property Committee, which

was seconded by John Shaddock. The vote was unanimous of the Board members present.

Community Relations Committee.

Committee Chair Steve Weems advised that the Committee had not met since the last MRRA board meeting because of scheduling difficulties. However, a standing meeting has now been established, it being the second Thursday in off Board meeting months, the next meeting being February 14 at 4 p.m. in MRRA's conference room #118A.

Business Attraction Plan.

Economic Development Manager Dave Markovchick gave a PowerPoint overview of the Business Attraction Plan (2013). He spoke in detail about the business sectors that have been determined to be viable business opportunities for Brunswick Landing and Topsham Commerce Park's development, to wit: Aviation, Composites and Advance Materials, Information Services, Education, Alternative Energy and Biotechnology. He detailed MRRA's marketing and business development approaches, MRRA plans to use a three-pronged approach: (1) Direct strategic outreach to targeted industries; (2) strategic alliances with key partner resources that market Brunswick Landing and the State of Maine; and (3) MRRA's internal resources.

In response to a question posed by Board member John Dorrer, Steve Levesque said that the business attraction budget is \$25,000, in addition to staff resources. Steve also advised that MRRA, DECD and the Maine International Trade Center have negotiated a contract with OCO Global to provide 10-15 leads of European aeronautical firms interested in locating to the United States. John Dorrer noted he would like a holistic view of lease leads and sales with target industries.

Action Item: John Moncure made a motion that the MRRA Board approve the FY13 Business Attraction Plan as presented, which was seconded by Dan Daggett. The vote was unanimous of the Board members present.

Strategic Communications Plan.

Communications Coordinator Ben Sturtevant gave a PowerPoint overview of the Strategic Communications Plan (2013). He spoke in detail about the need to maximize existing and future resources to continually and effectively communicate with key stakeholders, decision makers, thought leaders, and the general public regarding the redevelopment of the former Naval Air Station Brunswick. He detailed MRRA's target audiences (notably, the public of mid-coast region and Maine, MRRA's business partners, political leaders, business leaders, press, and target industry specific organizations/media). He highlighted MRRA's strategic communication strategy, noting that it is based on several key elements, including news and media, building a new MRRA

website, e-mail news letter, social media, interaction with MRRA business partners (tenants/owners), public presentations/briefings, regional community briefings, and the Community Advisory Working Group.

Board member Sande Updegraph asked how incoming inquiries are handled. Steve Levesque responded by stating that it is MRRA's policy to respond to inquiries within 24 hours of receiving them. Steve noted that there is a portal on the MRRA website for people to contact MRRA with questions or comments. Facebook is utilized for the public to ask questions or make comments as well.

Action Item. John Moncure made a motion that the MRRA Board approve the FY13 Communications Plan as presented, which was seconded by Don Hudson. The vote was unanimous of the Board members present.

Public Comment.

Hearing no further business, Chair John Moncure asked if anyone from the public would like to speak to the Board.

Jackie Sartoris spoke to the Board, noting (in the interest of full disclosure) that her husband, Steve Walker, is on the Brunswick Planning Board. Jackie said she is interested in high quality development in Brunswick, and supports economic development in the area.

Jackie spoke at length regarding her concerns of the 22 acres of property near north side property on Brunswick Landing, noting there is state threatened and endangered habitat on that parcel, and that the property should not be considered under the subdivision law. She feels there has been a pattern of decreased public review at the local level regarding MRRA's redevelopment. She said that she had submitted a letter to DEP regarding MRRA's site development plan. She suggested that MRRA should create a citizens advisory committee (CAC). Jackie said she will be bringing a full proposal of creating a CAC to the Town Council and in the hopes of getting it on their agenda. Jackie also noted that Ted Allen, the president of Merrymeeting Audubon, agrees with her.

In response to Jackie's comments, Board member Steve Weems said he did not agree with her, but admired her passion and willingness to be a citizen activist. He stated that the Community Relations Committee will take her comments seriously.

Public comment closed.

Executive Session: At 5:00 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 6:20 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.

Chair John Moncure said that in the interest of trying to resolve the Kestrel taxation issue at the local level, it is recommended that the Executive Director request an abatement from the Town of Brunswick Assessor.

Action Item. Don Hudson made a motion that the MRRA Board authorize the Executive Director to request an abatement from the Town of Brunswick Assessor, which was seconded by Steve Weems. The vote was unanimous of the Board members present.

Adjournment: A motion was made by Don Hudson at 6:30 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