

MRRA



Midcoast Regional
Redevelopment Authority

To: MRRA Board of Trustees
From: Steve Levesque, Executive Director
Subj: Director's Report
Date: May 15, 2013

The purpose and intent of this report is to briefly update the MRRA Board of Trustees about current activities related to MRRA operations and the NASB closure process.

Federal Update

- **Property Conveyances**

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 transferred approximately 1,660 acres of the 2,100+ acres we are slated to receive. MRRA has now received Building #200, the former terminal building. Since our last closing, MRRA now owns 722.19 (66%) of the 1,098 acres of the non-airport property and 936 (94%) of the 992.2 acres of airport land.

We have received a lease for building 250, the former AIMD facility, to accommodate business sub-tenants such as SaviLinx and other businesses. This building is also proposed to house our technology accelerator/incubator (TechPlace). At this point in time, the Navy will only be able to give us a long-term lease on the property, which is essentially a moot point, because we can only lease the property per FAA regulations.

In addition, the new tower area, the CB compound and several other spot properties that are subject to the current Finding of Suitability of Transfer (FOST), are expected to be transferred this fall.

The remaining properties at the former NASB and Topsham Annex will be conveyed once appropriate environmental clearances are obtained. It should be noted that as part of our public benefit conveyance (PBC) and economic development conveyance (EDC) agreements, we are obligated to take properties they have been FOST'd.

SMCC already has received a PBC of six buildings and 20 acres. The Department of Interior has conveyed the 66-acre East Brunswick Transmitter site to the Town of Brunswick through a PBC. Additional PBCs are in process for the Town of Brunswick (900+/- acres and one

building), Bowdoin College (200+/- acres), and Family Focus (two buildings). The Navy has already transferred some of these properties to the other sponsoring federal agencies.

- **HUBZone Legislation**

Staff continues to work with the staff and members of the Maine Congressional delegation to move this bill into a position for passage. The current plan is to attach it to the Defense Authorization Act, which will be considered in June.

- **Make it in America Challenge – TechPlace**

Staff is working with our local and State-wide economic development and workforce partners to submit our application to the Federal Government in response to this Challenge program to accelerate innovation and strengthen regional assets to increase manufacturing capabilities and capacity in the US. This program is in direct alignment with the goals and objectives of MRRA and our TechPlace initiative.

This is a significant partnership involving: the Town of Brunswick, the Maine Department of Economic and Community Development, Coastal Counties Workforce Inc., the Maine Manufacturing Extension Partnership, Southern Maine Community College, the University of Maine, the Maine Technology Institute, Mölnlycke Health Care, Kestrel Aircraft and MRRA. Both the Brunswick Development Corporation and DECD have made financial commitments with MRRA to provide the 50% match of the EDA portion. The application is due May 31.

State Update

- **Pending Legislation Tracking**

- LD 490. A bill to make permanent the sales tax exemption on airplanes and airplane parts that is set to expire in 2015 had public hearings and work sessions. Was voted out unanimous “ought to pass” from the Transportation Committee.
- LD 127, Traffic Enforcement Bill. The bill 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 been reported out “ought to pass” from the Transportation Committee.
- LD 1476, Board Representation Bill. This bill, which would allow for direct appointments to the MRRA Board from the Towns of Brunswick and Topsham, had its hearing on May 13 and the work session is scheduled for the 17th.

Town of Topsham

- **Topsham Commerce Park**

MRRA staff is working with JHR Development on a redevelopment of the 12.71 acre parcel at the Topsham Commerce Park.

Real Estate Update

- **Property Sales**

In April, we closed on the sale of two properties:

- The first block of the Affordable Midcoast Housing (AMH) sale of the former Bachelor Enlisted Quarters, comprising 4.93 acres and eight buildings for a price of \$1,040,096.
- The sale to TBW, LLC for the former Personnel Support Building (24) and Building 592 on 2.86 acres for \$510,000.

We are expecting to close on the second block of the AMH sale (8.87 acres and 12 buildings) and the Priority Group sale (3.25 acres and 2 buildings) by June 30.

- **Housing Sales.**

To date, Affordable Mid Coast Housing has closed on 38 housing units in the McKeen Street neighborhood, and a number of others are under contract. By our agreement with AMH, after \$1,000,000 in land sales have been realized (i.e., 20% of the purchase price), MRRA receives 5% of the purchase price of each unit sold. Land sales now total \$1,026,230 and MRRA will be receiving its first payout check.

- **Lease Review**

With the turnover of Building 1 to Mölnlycke Health Care, the addition of the SaviLinx contact center and the new addition of ABL Electric, Brunswick Landing now has 24 various tenants. The attached "Tenant Mix" table illustrates how these businesses, and other entities, fit in with MRRA's targeted sectors. It should be noted that we are currently leasing over 51% of the buildings we currently control.

**TENANT MIX
STATUS REPORT
As of May 15, 2013**

<u>TARGET INDUSTRIES</u>	<u>BUILDING</u>	<u>LEASED OR SOLD SPACE</u>	<u>Notes</u>
AEROSPACE			
Kestrel Aircraft Company	Hangar 6	83,262	
Flight Level Aviation	Hangar 6	20,777	
Maine Coastal Flight	Hangar 6		Subtenant of FLA
IMS Basic	Hanger 5	21,704	
TOTAL AEROSPACE		125,743	
COMPOSITES			
Kestrel/Janseneering SMCC	Hangar 6 CERL	Noted Above	Research Lab.
ENERGY/ENVIRONMENTAL			
ABL Electric	632	3,200	
TBW, LLC/Energy Research	592	2,000	Sold
FCS/SMT	103	1,656	
Village Green Ventures	Ground lease	4.25 acres	Lease Pending
TOTAL ENERGY		6,856	
		4.25 ACRES	
BIOTECHNOLOGY			
Molnlycke	1	79,000	Handed over 3/7/13
TOTAL BIOTECHNOLOGY		79,000	
INFORMATION SERVICES			
Oxford Networks	87	52,513	
ABS	54	17,900	
MTI	27	4,773	
Savi Systems	250/660	12,016	
Fairpoint	43	2,313	
TOTAL INFORMATION SER.		89,515	
EDUCATION			
SMCC			
Priority Group/Autism School	31	15,054	Sale Pending
Priority Group/Autism School	583	19,380	Sale Pending
TBW, LLC/Seeds of Change	24	10,600	Sold
TOTAL EDUCATION		45,034	

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OTHER			
AMH	Hotel/BEQs	195,784	Partial Sale
Maine Tool and Machine	553	16,000	
New England Tent	81, 461, 252	12,884	
Harris Golf	Golf Course	8,249	and 135 acres
Goodwill Workforce Solutions	38	750	
Naval Museum	Hangar 6	1,656	
TOTAL OTHER		235,323	
		135.00acres	
Total Leased or Sold Space		581,471	square feet
Total Acres Leased and Pending		139.25	acres



BRUNSWICK LANDING EMPLOYEE UPDATE

Tenant/Owner	Number of Employees at Lease Inception	Number of Employees as of 5/15/13	Projected Cumulative Employees on 12/30/14
ABL Electric, LLC	5	5	7
American Bureau of Shipping	22	29	50
Brunswick Naval Museum	12 Volunteers*		
FGS/CMT, Inc.	3	2	5
FairPoint	0	0	0
Flight Level Aviation	4	4.5	8
Goodwill Workforce	1	3	3
Harris Golf	1	11	8
Integrated Marine Systems	0	6	30 - 40
Kestrel Aircraft	0	40	30- 50
Maine Technology Institute	8	8	10
Maine Tool & Machine	5	7	15
MRRA	6	14 FT and 5 P-T	12 + 5 PT
Molnlycke Health Care	20	26	50-100
New England Tent & Awning	1	6	12
Oxford Data Center	10	17	25 - 30
SaviLinx, LLC	3	3	80-100
SMCC Midcoast Campus	6.5 and 18 PT adjunct faculty	7.5 FT and 18 PT adjunct faculty	10 FT and 30-35 PT adjunct faculty
Totals	103.5	199.5	424 (Average)
	*not included in total		