



MIDCOAST REGIONAL REDEVELOPMENT AUTHORITY

Meeting Minutes of MRRA Board Meeting

January 25, 2017

Present: John Peters (Chair), Rita Armstrong (Vice Chair), Steve Weems (Treasurer), Lois Skillings (Secretary) John Moncure, John Kilbourne, and George Gervais

Excused: Carl Flora, John Bouchard and Sharon Eggleston

Staff: Steven Levesque, Jeffrey Jordan, Kathy Paradis and Tom Brubaker

Location: Brunswick Town Hall

Time: 4:00 p.m.

Welcome & Introductions. Board Chair John Peters welcomed the Board and invited the attendees at the meeting to introduce themselves.

Host Community Comment. Linda Smith welcomed the Board to Brunswick Town Hall and gave a short update on the following activities:

- The Staff Review Committee had started reviewing the proposal for Lots 5, 5A and 6 at Brunswick Landing.
- The Planning Board is doing the last of its series of public forums on the zoning ordinance. The Planning Board has already held three forums; the next one is January 26, and the last one is January 30. After completion of the forums, a formal recommendation for the adoption of the zoning ordinance will be made to the Town Council.
- The road project at Brunswick Landing (Admiral Fitch Avenue/Gurnet Road connector) is moving forward. A Request for Proposals for design and engineering services was awarded in December and a kickoff meeting has been held. Depending upon the funding, the project may be completed this summer.

- MRRA’s Executive Director, Steve Levesque, and Town Manager, John Eldridge, met with the MDOT Commissioner regarding speed and traffic enforcement at Brunswick Landing.
- Discussions are continuing around Frank J. Wood Bridge rehabilitation and replacement. The Design Advisory Committee is meeting February 8, March 8 and April 12.

Acceptance of Minutes from the November 16, 2016 Board Meeting.

Steve Weems recommended that the third sentence in the last paragraph of page 2 dealing with Economic Development Conveyances, which reads: “This property is purchased from the Navy by MRRA and was or will be placed in public hands” be replaced with “This property is purchased from the Navy by MRRA and will be leased or sold to third parties in real estate market transactions.” John Moncure made a motion to accept the minutes with the foregoing clarification, which was seconded by Steve Weems. The vote was unanimous of the Board Members in attendance.

Business Showcase. Chair John Peters introduced Paul Drappi who is the Manager of the Wayfair facility in Brunswick. Mr. Drappi presented a PowerPoint overview of the of operations of Wayfair in Brunswick. He noted that Wayfair:

- Works with over 7,000 suppliers and has 7 million items.
- Had \$3 billion in revenue in Q32016
- Branded awareness grown 75% from Feb 2012 to June 2016
- Has five distinctive “style” brands
- Has over 1,000 engineers driving their website.
- Is building out its own delivery centers for a better delivery experience
- Has two teams in Brunswick: Business-to-Business Account Management and Supplier Operations
- Employs about 150 people in Brunswick, mostly from Maine.

Committee Reports.

Finance Committee.

Committee Chair Steve Weems noted that the Committee had met twice since the last Board meeting – on December 20, 2016 and January 17, 2017. Mr. Weems said that the we are in good financial shape and there are no major issues – we are generally on budget half way through the year. He noted that MRRA has a new bookkeeper (Tushima Sims) and there is an emphasis on receivables management.

There is a slight deficit in the electrical budget which will be looked into in more detail next month.

On the plus side, Mr. Weems reported that MRRA received substantial cluster grant from Maine Technology Institute (MTI) to fund additional improvements at TechPlace -- notably to build a layup facility for TechPlace's use and for other composite companies in the state, and to rehab a paint booth.

The Capital Improvement Plan for the airport has been accelerated to take advantage of the federal designation of the Military Airport Program beneficiary. The State of Maine Department of Transportation has been helpful in providing match money.

MRRA's Deputy Director, Jeffrey Jordan, added that in December we received a \$1.7 grant payment from the Economic Development Administration (EDA). This is a five-year-old grant that we had been carrying so we made a significant dent in our receivables having closed out this grant.

Action Item: Steve Weems made a motion that the Board of Trustees accept the Financial Report for the period ending December 31, 2016, as recommended by the Finance Committee, which was seconded by Lois Skillings. The vote was unanimous of the Board members in attendance.

Action Item: Steve Weems made a motion that the Board of Trustees accept a Cluster Grant from the Maine Technology Institute in the amount of \$495,165 and authorize an appropriation in the FY 2017 Grants Budget for the construction of shared composite layup room and paint booth at TechPlace, as recommended by the Finance Committee, which was seconded by Lois Skillings. The vote was unanimous of the Board members in attendance.

Executive Committee.

Chair John Peters noted that since the last Board meeting, the Committee met once – on January 4, 2017. He noted that much of the material that was discussed in the Executive Committee meeting will be covered in the Executive Director's Report later in this board meeting.

Chair Peters said that land transfers are pretty much on hold pending environmental clean-up and final disposition issues by the Navy. However, the Navy is being cooperative in granting MRRA Licenses in Furtherance of Conveyance (LIFOC) in some instances for potential tenants.

Chair Peters noted that the public hearing on LD 97, "An Act to Establish Speed Limits at Loring Commerce Centre and Brunswick Landing" is scheduled for February 7 at the State House.

Board meeting dates will be held quarterly instead of every other month as with more property sold or leased, there are less items to take action on. Special meetings may be called if they are needed.

Redevelopment Committee.

Committee Chair John Moncure noted that since the last Board meeting, the Committee met once – on January 17, 2017. He noted that he would defer much of what was discussed at the Committee meeting to Steve Levesque since it will be covered in today's Executive Director Report.

John Moncure highlighted the Committee meeting noting:

- Airport Update: MRRA's Aviation Services Manager Marty McMahon gave a recap of past and present Airport Improvement Program projects. He also gave an update regarding the Military Airports Program, noting that MRRA has proposed a \$22.7 million budget for various airport improvement projects from 2017 to 2021.
- Utilities and Environmental Update: MRRA's Public Works, Utilities and Clean Technology Manager Tom Brubaker briefed the committee on recent utility and infrastructure projects and the environmental situation being monitored by the Navy.
 - Tom noted that Village Green Ventures (an anaerobic digester) is close to generating about 1/3 of Brunswick Landing's current electrical requirement. Tom also said that MRRA staff and VGA are discussing ways to eliminate fluctuations in billing regarding power purchase agreement.
 - Tom reported that MRRA is working on the sewer's gravity system improvements with contractor St. Laurent & Son. Tom also reported that MRRA had to develop a ground water management plan (GMP) as part of this project to detect any possible perfluorinated compounds (PFCs) in the groundwater that might be encountered during construction.
 - The EDA infrastructure grant regarding hangar 4 is now closed out.
- Marketing Update: MRRA Marketing and Communications Manager Ben Sturtevant provided the Committee with a report on recent marketing and communications efforts, including MRRA's attendance at the NBAA, Data Center World and E2Tech conferences, as well as plans to attend the U.S. Sport Aviation Expo, Florida International Aviation Expo, MROs Americas, EBACE, Osh Kosh and NBAA conferences.
- TechPlace Update: TechPlace Administrator Kristine Schuman updated the Committee.
 - TechPlace now has 30 businesses with about 30,000 SF under lease. This is generating \$25,000 per month in lease revenue. Those 30 companies have created around 80 jobs.
 - On December 19th, 2016 MRRA was notified by MTI of their approval of a Cluster Initiative Program award in the amount of up to \$495,000 to make the modifications necessary to create a composite layup facility that will be available to TechPlace Members, as well as composite

companies in the State. This award will also be used to restore an existing paint booth next to the layup room.

- Staff is working on marketing materials that highlight the wet lab's capacity and availability.

2017 MRRA Board Meeting Dates. It was agreed that Board meetings would be more or less on a quarterly basis instead of every other month. Special meetings could be called on an as-needed basis.

Construction Activity Update. Executive Director presented a PowerPoint, a copy of which will be included with the official minutes of this meeting.

Executive Director's Report

Steve Levesque summarized the following Executive Director's Report:

- Federal Property Conveyances/Leases

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 1,761 acres of the approximately 2,100 acres we are slated to receive. It is clear that the PFC issue will still substantially delay the issuance of future FOSTs and related property transfers. Based upon recent discussions with the Navy, they hope to be able to affect a significant property transfer next fall.

Public benefit conveyances of land and buildings have been made or are in the process of being conveyed to Southern Maine Community College, Bowdoin College, Town of Brunswick and Family Focus. All the remaining properties at the former NASB and Topsham Annex will be conveyed once appropriate environmental clearances are obtained.

- TechPlace

TechPlace now consists of about 94,000 sf of office, industrial and common spaces. We are excited to report that we currently have 30 companies located in the facility and we continue to see significant interest from additional companies. It's also exciting that several existing companies have expanded their original presence and have taken more space. Currently, these businesses occupy 30,622 SF, or over 70% of the available space for rent.

We have now completed the construction and outfitting of the BioWorks and TechWorks shared production spaces. Both these facilities are ready for use by TechPlace members and other businesses. In addition, we have recently completed the demolition and new construction to open up an additional

25,000 sf of industrial space adjacent to Hangar 4 for additional occupancy. The final piece is to outfit the shared composites lay-up facility and re-establishment of the paint facility.

In addition to our tenants' use of the facility, TechPlace is continually being utilized by a number of partner organizations for training and networking events.

Redevelopment Activity Review

- General Overview

When we account for the latest Navy conveyances and the property we have sold, MRRA currently owns approximately 1,296 acres of land and 765,031 SF of building space. To date, we have sold over 370 acres of land and 40 buildings (over a half million SF). The properties that we have sold are all undergoing further redevelopment. We have approximately 25 acres of land currently under contract.

Between MRRA controlled property and those properties owned by others, I am pleased to report that there are now over 100 private and public entities doing business on the former base properties at Brunswick Landing and the Topsham Commerce Park. As of this month, collectively, these entities employ approximately 983 people on a full-time basis and 241 on a part-time basis for a total of 1,224 (see attached employment table). It should also be noted that there are 160 Maine Army National Guard members and 124 Marine Corps Reservists assigned to their units at Brunswick Landing. In addition, the new L.L. Bean project at Brunswick Landing has resulted in the creation of approximately 75 new jobs at the off-site Brunswick manufacturing facility.

To date, the redevelopment effort has welcomed nearly \$350 million in private and public sector investments made into the properties over the past four years. In addition to the attraction of individual business entities, we have been fortunate to attract five major real estate developers who are acquiring and redeveloping properties at both Brunswick Landing and the Topsham Commerce Park. In fact, several of these companies are applying revenue proceeds from subsequent sales and leases at the former base to reinvest in other properties here. We have also been very fortunate to attract significant local, state and federal financial assistance to help fund critical improvements to the aging infrastructure and facilities on the former base.

While we embark on a new year, it's always important to look back to see what has been accomplished the previous year. New private and public construction activity completed or occurring in 2016 include:

- completion of the anaerobic digester facility by Village Green Ventures;
- construction of a 50,000 SF memory care facility on Admiral Fitch Avenue by Avita Brunswick;
- completion of renovation of the former Navy fitness center by Thomas Wright;
- renovation of the former Navy exchange by the Priority Group to accommodate Wayfair;
- construction of new convenience store and gas facility on Bath Road by the Priority Group;
- renovation of the former Hobby Shop by the Priority Group to accommodate North East Mobile Health Services;
- acquisition and renovation of former police station by the Priority Group to accommodate multiple tenants;
- acquisition and renovation of former small arms range (for a brewery) and Navy internet office (for an office building) by Thomas Wright;
- renovations of the former ground support equipment maintenance facility by MRRA and Washburn & Doughty;
- construction of a new snow removal equipment building by MRRA;
- continued renovations to TechPlace by MRRA;
- energy improvements and renovations to Hangars 4, 5 and 6 by MRRA;
- improvements to Brunswick Landing electrical systems by MRRA;
- renovations to the airport fire pump facility by MRRA;
- renovations to the wastewater distribution system by MRRA; and
- Airfield drainage improvements by MRRA.

2017 promises to be another very busy construction year at Brunswick Landing, with the completion of the sewer improvement project, construction of new access roads, potential new office and industrial buildings and energy generation facilities, as well as planned hangar and other airport improvements.

- Marketing Update

2017 will continue to be very busy in business attraction marketing. In keeping with our strategy of recruiting large business investment from away, we are very active in the out of State and out of country activities associated with our target sectors. While time consuming, this strategy is very effective, as we have the opportunity to have recurrent face to face discussions with key prospects. This year, our primary sectors of focus will be the aerospace industry, particularly MRO and manufacturing companies, and information services, particularly cybersecurity and back office

operations. These two sectors provide the “best fit” opportunities to occupy our remaining building assets.

On the international scene, we are continuing to participate in a number of key trade shows and conferences aimed at promoting our assets and securing foreign direct investment focusing on European and Canadian companies. We partner with the Maine International Trade Center on many of these outreach activities. Our efforts are starting to bear fruit, as we have now hosted several visits from foreign companies that we met at these events.

We will continue to market in country as well and have attended multiple trade shows for our target industries. We do maintain an in-state marketing trade show program as well, aimed at showcasing TechPlace, some smaller commercial properties and vacant land available for development. Because of all the recent good news about the redevelopment effort, we continue to experience numerous inquiries for property and buildings.

Construction Activity Update. Executive Director presented a PowerPoint, a copy of which will be included with the official minutes of this meeting.

Other Business.

- John Kilbourne noted that the Rusty Lantern, a convenience store at Brunswick Landing on Bath Road has an access road to Brunswick Landing and noted that Brilliant & Sons auto repair and restoration shop is doing well.
- Steve Levesque said that 121 U.S. Marines arrived at Brunswick Landing from North Carolina for several days of winter training. Steve noted that the Commanding Officer is a woman. He said that the Marines left for home but they may develop a plan to use Brunswick Landing as a base for cold weather training. He noted that the Marines will also be back for the airshow.
- John Peters has that the following correction will be made to the Executive Committee Notes to the last sentence on page 1: Replace the \$300M and \$40M with \$300MM and \$40MM.
- Steve Levesque noted that the Southern Midcoast Maine Chamber presented MRRA with its Small Business Award of the Year for the region, and presented Brunswick Landing businesses Wayfair.com with the Large Business Award of the Year and New Beet Market with the New Emerging Business of the Year.

Public Comment: None

Executive Session: A motion was made at 5:18 p.m. by John Moncure and seconded by Lois Skillings to go into Executive Session pursuant to MRSA Sec. 405(6)(C). The vote was unanimous of the Board members present.

At 6:05 p.m. a motion was made and seconded to adjourn from the Executive Session and resume the Board meeting. The vote was unanimous of the Board members present. The Board reported on the following action items:

Action Item: Rita Armstrong made a motion that the Executive Director be authorized to enter into a ground lease agreement for up to seven (7) acres with Revision Energy for the construction of a solar PV facility of 1.5 MW with the option to expand to 2.5 MW of capacity and to enter into a Power Purchase Agreement with Revision Energy for MRRA to purchase electricity from the solar PV facility for a term of 25 years with the option for MRRA to acquire the array system, which was seconded by Steve Weems. The vote was unanimous of the Board members present.

Action Item: Steve Weems made a motion that the MRRA Board authorize the Executive Director to enter into a Purchase and Sale Agreement and ancillary documents for the sale of Lots 14 and 15 to 14 Willey Road, LLC for the purchase price of \$107,200, which was seconded by John Moncure. The vote was unanimous of the Board members present.

Adjournment: A motion was made by Rita Armstrong at 6:10 p.m. to adjourn from the Board meeting, which was seconded by John Kilbourne. The vote was unanimous of the Board members present.

Lois Skillings, Secretary