



## MIDCOAST REGIONAL REDEVELOPMENT AUTHORITY

Meeting Minutes MRRA Board Meeting

January 27, 2016

**Present:** John Peters (Chair), Steve Weems (Treasurer), Lois Skillings (Secretary) John Moncure, George Gervais, John Kilbourne

**Excused:** Rita Armstrong (Vice Chair), John Bouchard, and Carl Flora

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

**Location:** Brunswick Town Hall

**Time:** 4:00 p.m.

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

**Host Community Comment:** Linda Smith welcomed the Board to Brunswick, and highlighted some of the Town's recent activities, namely:

- Two residential subdivisions approved, with two more in the queue, and a commercial subdivision approved at Brunswick Landing.
- The Town and ReVision Energy of Portland are partners in a group purchasing program of solar energy systems for Brunswick residents, businesses and organizations. Forty-five households have signed up.
- Summit Realty Partners are in negotiations with DDR Corp. for the Cook's Corner mall property.
- Brunswick was profiled at the recent MEREDA annual conference. Local realtor, Don Spann of Re/MAX presented Bath and Brunswick's commercial activities.

Linda also said the Town is working with its attorneys on the TIF amendments so they can move forward on the Credit Enhancement Agreements.

**Minutes of October 14, 2015 and November 18, 2015.** John Moncure made a motion to accept the minutes of the October 14, 2015 and November 18, 2015 Board meeting, which was seconded by Steve Weems. The vote was unanimous of the Board members present, except for George Gervais who abstained since he was excused from those Board meetings.

**Business Showcase:** Chair John Peters introduced the Y Landing Site Director, Charlie Ault. Charlie spoke about the YMCA's presence at Brunswick Landing, noting that on January 8 the Y hosted a gala celebration event, an open house on January 9, and officially opened its doors on January He thanked MRRA staff for making them feel welcomed. He said his neighbors (MTI, Family Focus, and the Brunswick Recreation Department) have been great and the local newspapers have been extremely supportive in their coverage of Y. Already the Y has 30 new members since opening, and at least eight people daily take tours of the facility. Today, there was an open house for People Plus which brought in 50 people. Charlie said he couldn't be more excited and energized.

**Featured MRRA Employee.** John Peters introduced Marty McMahon, MRRA's Aviation Services Manager. Marty said that he was enjoying week 300 at his job with MRRA, and that no two days are alike which makes for an interesting job with new opportunities and challenges. Marty noted that April 2nd will be the five year anniversary of the airport opening. In those five years MRRA has seen significant growth in airport traffic and changes, including:

- FlightLevel Aviation, our Fixed Base Operator (FBO) has seen an average annual growth rate of just over 20% during this period.
- Strides have been made to bring the airport into compliance with FAA standards and bringing all of the airport facilities into compliance with current building code and ADA.
- A General Audio Recording Device (GARD) system was installed at the airport. The GARD system not only records radio transmissions, it also estimates airport traffic based on the number and timing of the radio transmissions. Based on data from the unit, 2015 saw an increase in air traffic of about 11% over 2014. This number is closely matched by the increase in fuel sales at the FBO. In fact, according to data collected by the FBO from aviation fuel suppliers, in 2015 Brunswick was ranked #4 in the state in terms of gallons of aviation fuel sold.
- Marty initiated an airport safety training program that is required of anyone needing access to airport movement areas and all MRRA employees before they are granted airport access cards.
- The airport was accepted into the FAA's Military Airport Program (MAP) in 2011. This program provided five years' in set-aside funding from the

Airport Improvement Program to assist in converting former military airports to civilian use. During this five year period, we accepted almost \$17M in federal grants, which were matched with approximately \$810K in state grants. The projects funded by these grants were focused on airport safety, compliance with FAA regulations and standardization, environmental compliance, and brining facilities to code, which will allow us to use these buildings for revenue generation. We recently applied for an additional five years of MAP eligibility. The application is currently under review by FAA officials in DC and Burlington, MA. Based on conversations with program managers, we fully expect to be approved for the additional five years.

In addition to overseeing airport safety programs and managing airport construction projects, Marty's duties include:

- Routine airport safety inspections where he verifies that runway surfaces are safe and free from foreign objects that can damage aircraft. He also verifies that airport lighting systems, visual aids, and weather reporting systems are in proper working order. As conditions dictate, he issues Notices to Airmen (NOTAM) to inform pilots of conditions at the airport, including snow, ice, braking action, bird activity and report any systems that are out of service.
- Monitoring wildlife on the airport and working with state and federal agencies to manage the risks associated with potential wildlife hazards to aircraft. Marty noted that with the assistance of USDA, we have trapped and relocated a number of Snowy Owls during irruptions that spanned the last three winters. One of these owls, named Brunswick, is now being tracked by Project Snowstorm to gather data on the movements of these birds and help wildlife biologists better understand their migrations. You can track Brunswick on their web site - [projectsnowstorm.org](http://projectsnowstorm.org).
- Coordinating aviation events on the airport, including air shows and fly-ins. We have hosted three air shows since the airport opened and we are on the Blue Angels schedule again for 2017. Together with the local chapter of the Experimental Aircraft Association, MRRA has hosted annual fly-ins which featured "Young Eagle" flights where EAA volunteers give local kids their first experience in flight. MRRA also hosted annual conventions of two aircraft owners associations, the Duke Flyers Association in 2014 and the American Yankee Association in 2015. MRRA has submitted an application to the Aircraft Owners and Pilots Association (AOPA) to host one of their regional fly-ins in the future. That application was well received and we expect to see their representatives this summer for a site visit. Additionally, for the last two years we have hosted a "Brunswick Day" for Maine Ace Camp. ACE stands for Aviation Career Education and is an FAA affiliated program. At Brunswick, campers spend time learning about airport design and

spend time with our tenants at FlightLevel Aviation, One Aviation and Tempus Jets.

- Communicating with MRRA's aviation tenants on a frequent basis to keep them informed on any construction activity or other airport conditions that could affect their business.
- Traveling to market and promote the airport and Brunswick Landing.
- In addition to regular MRRA duties, Marty has been a member of the Maine Aeronautical Advisory Board for five years and is now starting his fourth year of Chair of that board.

**Bowdoin College Presentation.** Chair John Peters then introduced Katy Longley and Catherine Ferdinand of Bowdoin College (noting that he was moving their presentation out of order on the Agenda). Katy Longley updated the Board on Bowdoin's public benefit conveyance, advising that 130 acres had been conveyed to Bowdoin from the Department of Education through the Navy, and another 105 acres are expected in 2016. She noted that the quarry property consisting of 35 acres is a remediation site and isn't expected to be conveyed until 2018 or 2019. The property is used for class instruction and faculty/student research. All parcels conveyed must be developed for academic use by May 2020.

Katy also showed the Board a short video on Bowdoin's solar panel project, noting that in 2014 Bowdoin, in collaboration with SolarCity, installed the largest solar project in Maine using several Bowdoin buildings and some of the property it received through the PBC. The power generated accounts for about 8% of Bowdoin's electricity needs and generated 1.281 million kWh. Bowdoin has a 20 year Power Purchase Agreement with SolarCity.

## **Committee Reports**

### **Finance Committee.**

The Committee met three times since the last Board meeting – on November 18, 2015, December 16, 2015 and January 20, 2016. Chair Steve Weems said MRRA in good financial condition, and ended the year 2015 with \$4.4M in cash and net assets of \$120M. He also noted that the quarterly financials were in good order.

Chair Weems explained that the Finance Committee meets monthly and reviews all of MRRA's budgets, the bank reconciliation statement and detailed transaction reports line by line.

Chair Weems said that at its last meeting, the Committee discussed the pros and cons of having additional cash available for infrastructure needs through bonding or the long term advantage of earning interest income from TIF

proceeds if we were to have in-house financing structure, the flexibility of controlling the note and amortization schedule and also avoid cost associated with selling a bond.

Chair Weems also said that the Committee will be reviewing and presenting a budget for the next fiscal year and a revised five year financial plan at the Board's May meeting.

**Action Item:** George Gervais made a motion that the MRRA Board of Trustees accept the financial statements for the period ending December 31, 2015, as recommended by the Finance Committee, which was seconded by John Moncure. The vote was unanimous of the Board members present.

### **Executive Committee.**

The Committee met three times since the last Board meeting – on November 3, 2015, December 1, 2015 and January 4, 2016. Committee Chair John Peters noted that much of what has transpired since the last Board meeting is contained in the Executive Director's report, and noted the following highlights:

- The former gym (Building 25) that is owned by TBW, LLC, is being leased to the Bath Area YMCA.
- New Beet Market is leasing space from TBW, LLC in the former Wild Oats space.
- Village Green Ventures' anaerobic digester will be going online soon.
- Snow Removal Equipment (SRE) Building is under construction and should be completed prior to April.
- After a competitive bid process, the contract was awarded to Blane Casey on the Glycol System Rehab project.
- After a competitive bid process, the contract was awarded to Woodard & Curran for a Water System Study.

### **Redevelopment Committee.**

The Committee met three two since the last Board meeting – on December 15, 2015 and January 26, 2016.

Committee Chair John Moncure noted that much of what has transpired since the last Board meeting is contained in the Executive Director's report, and noted the following highlights from the meetings:

- Airport Manager Marty McMahon reported on recent air traffic, fuel sales and current and upcoming projects at Brunswick Executive Airport.
- Tom Brubaker, MRRA's Public Works and Utility Manager, reported on the following:
  - Village Green Ventures' anaerobic digester construction project is nearing completion.

- MRRA met with Brunswick Sewer district to discuss transferring the system to the District.
- The Navy concluded its first round of Perfluorinated Compounds (PFCs) sampling and we are waiting for the lab results. We did learn that the testing on golf course came back negative (it's the only well on the property that uses ground water).
- Marketing Manager Ben Sturtevant gave the Committee an update, including MRRA's attendance at recent trade shows and the resulting meetings thereafter.
- TechPlace Administrator Kristine Schuman gave an update on TechPlace, noting three more companies were recently added (Krolak, CERL, and MVP Aero), the shared lab and machine shop projects were underway, and the following events are scheduled at TechPlace:
  - The Lunch and Learn Series on Thursdays
  - The HUBZone forum on April 1<sup>st</sup>

John Moncure was also pleased to note that TechPlace was recognized by the Southern Midcoast Maine Chamber with its New Business Venture of the Year award.

John also noted that Executive Director Steve Levesque attended the Sebring Aviation Expo in which TechPlace member MVP Aero unveiled its new MVP 2 prototype aircraft, which allows a pilot fold the wings of the plane while on the water, allowing it to reach marinas, boathouses and other areas that aren't accessible to other aircraft.

**Strategic Business Plan.** Steve presented MRRA's 2016 draft Strategic Business Plan and noted that we prepare it because MRRA has several plans and this puts the information all in one place – a consolidated, or umbrella, plan. Steve reviewed the various sections with the Board and noted that it is MRRA's 3rd year of the plan. Steve said that the plan is available to the public and a copy was also sent to the Governor.

**Action Item:** John Kilbourne made a motion that the MRRA Board of Trustees approve MRRA's 2016 Strategic Business Plan, which was seconded by Lois Skillings. The vote was unanimous of the Board members present.

**Executive Director's Report.**

Federal Property Conveyances/Leases. Executive Director Steve Levesque reported that the Navy has agreed to issue a Lease in Furtherance of Conveyance (LFOC) for four buildings and related parcels, totaling 4.13 acres along Neptune Drive that are slated for reuse. We plan to lease the buildings until which time the Navy can transfer the parcels to MRRA. Building 29, the former Hobby Shop, which has been approved for sale to the Priority Group,

will be leased to that company for vehicle maintenance uses. Buildings 221 and 226, the former Thrift Store and Sea Cadet facilities, which have been approved for sale to Affordable Mid-coast Housing, will be leased to them for administrative offices. These leases will carry the purchase option upon transfer. The remaining structure, Building 201, the former Navy Galley, will be marketed for lease.

TechPlace. Steve said he is excited to report that we currently have 23 companies located in TechPlace and will be adding two to four new companies in the very near future. TechPlace continues to see significant interest from additional companies. Steve said that it is also exciting that several existing companies have expanded their original presence and have taken more space, including Insphero who recently added an adjacent lab to TechPlace's wet lab (BioWorks). Steve said because of a \$299,000 grant from MTI, TechPlace has completed the construction and outfitting of the shared Bio-works and Tech-works shared production spaces. Both these facilities are ready for use by TechPlace and other businesses.

Currently, TechPlace businesses occupy nearly half of the available non-common spaces. Steve said by this fall, we hope to be able to complete demolition and open an additional 25,000 s.f. of industrial space adjacent to Hangar 4 for additional occupancy.

In addition to TechPlace's tenants' use of the facility, TechPlace has already been utilized by a number of partner organizations for training and networking events. We recommenced our business information and educational series in September.

HUBZone. Steve reminded the viewing public and the MRRA Board that in December of 2015, Congress passed the National Defense Authorization Act (NDAA) which the President signed into law. The NDAA included language that will make small businesses within the census tracts, including and adjacent to the former base facilities, eligible for HUBZone benefits. These include businesses within census tracts in the communities most impacted by the base closure (Brunswick, Bath, Harpswell, Freeport, West Bath, Bowdoinham, Topsham and Lisbon). This effort in Congress was due to a very strong push by our whole delegation with strong leadership of Senators Collins and King. Steve said MRRA is very fortunate and thankful to continue to have a non-partisan unified congressional approach to supporting our redevelopment effort.

Currently, MRRA staff is working with the Small Business Administration and the Procurement Technical Assistance Center to provide a small business seminar on April 1 to area businesses about the benefits of being a HUBZone

company and inform them of the various business opportunities with the federal government and the large federal contractors.

### Local Community Updates.

Town of Brunswick. In December, the Maine DEP approved MRRA's phase 2 the subdivision plan to include properties added in recent conveyances adjacent to the former police station and Frosty's. Steve Levesque said that this will permit the acquisition of the building by Frosty's that they are currently leasing and facilitate other future sales in that area. The Planning Board gave final approval of this Subdivision on October 6th.

Town of Topsham. Now that MRRA is in receipt of new properties in Topsham from the Navy, MRRA staff is working with SAD 75 and Affordable Mid Coast Housing on the conveyance of the open space portions pursuant to a previous agreement between the parties.

MRRA's contractors have completed the removal of the remaining foundations and fencing associated with the previously demolished buildings where the former Marine Corps Reserve facility stood. MRRA is also working with the Town and the Maine Historic Preservation Office for demolition of the former Army Reserve facility. Based upon an engineering and reconstruction analysis of this structure, it is not cost effective to rehabilitate this structure.

Redevelopment Activity Review. Steve reported that property lease and sale activity continues to be very brisk at Brunswick Landing and the Topsham Commerce Park. MRRA currently have over 385,677 SF under lease to over 20 direct tenants and over 80 entities doing business on the former base properties. Collectively, these entities employ approximately 592 people on a full-time basis and 233 on a part-time basis for a total of 825 with a promise of double that number in just a few short years (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 will result in the creation of up to 75 new jobs at the off-site Brunswick manufacturing facility. On the sale side, we have an additional 70,000 SF and approximately 40 acres under contract. MRRA is on schedule to close the sale on an additional four buildings, three additional lots and lease 4-5 additional buildings within the next 60 days.

Steve said when we account for the latest Navy conveyances and the property we have sold, MRRA currently owns approximately 1,430 acres of land and 957,857 SF of building space. To date MRRA has sold over 350 acres of land and 35 buildings (i.e., over 675,000 SF). The properties that MRRA has sold

are all undergoing further redevelopment. The most recent sale of the former base gymnasium to Tom Wright has been rehabbed and is now a new Bath Area YMCA-Brunswick Landing facility.

To date, the redevelopment effort has welcomed nearly \$250 million in private and public sector investments (\$200 million private, \$50 million public) made into the properties over the past four years. In addition to the attraction of individual business entities, MRRA has 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.

Housing Sales. To date, Affordable Mid Coast Housing has closed on 168 housing units in the McKeen Street neighborhood, and a number of others are under contract. By MRRA's 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 \$3,606,804 and MRRA has received \$908,148 to date for its agreed share.

Marketing Update. 2015 was a very good year for MRRA staff on the business attraction marketing effort. 2016 also will be very busy with an aggressive marketing outreach effort. Since receiving the Invest in Maine grant award which adds to our existing MRRA marketing budget, we have attended a number of trade shows aimed at promoting our assets and securing foreign direct investment focusing on European and Canadian companies. All these efforts are starting to bear fruit, as we have now hosted several visits from foreign companies that we met at these shows.

**Other Business:** None

**Public Comment:** None

**Executive Session:** A motion was made at 4:58 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 5:30 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:** George Gervais made a motion that the Board authorize the Executive Director to enter into Purchase and Sale Agreements, and ancillary documents to complete the sale and deed transfer on Lot 47 for \$410,000 to Priority Real Estate Group, which was seconded by John Kilbourne. The vote

was unanimous of the Board members present, except for John Moncure who recused himself citing conflict of interest.

**Action Item:** George Gervais 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 Lot 45 to NE Tent Realty LLC for the purchase price of \$225,000, which was seconded by John Kilbourne. The vote was unanimous of the Board members present.

**Action Item:** George Gervais 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 18 and 25 to Priority Real Estate Group for the combined purchase price of \$100,000, which was seconded by John Kilbourne. The vote was unanimous of the Board members present, except for John Moncure who recused himself citing conflict of interest.

**Action Item:** Lois Skillings made a motion that the Board authorize the Executive Director to pursue full legal remedies, as deemed appropriate, relating to the tenant in building 553, which was seconded by John Moncure. The vote was unanimous of the Board members present.

**Adjournment:** A motion was made by Rita Armstrong at 5:35 p.m. to adjourn from the Board meeting, which was seconded by John Kilbourne. The vote was unanimous of the Board members present.

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Lois Skillings, Secretary