



MIDCOAST REGIONAL REDEVELOPMENT AUTHORITY

Meeting Minutes of MRRA Board Meeting

June 28, 2017

Present: Rita Armstrong (Acting Chair), John Moncure, John Kilbourne, Steve Weems (Treasurer), John Bouchard and Carl Flora (via phone)

Excused: John Peters, George Gervais, Lois Skilling, and Sharon Eggleston

Staff: Steven Levesque, Jeffrey Jordan, and Kathy Paradis

Location: Topsham Town Hall

Time: 4:00 p.m.

Welcome & Introductions. Board Acting Chair Rita Armstrong welcomed the Board and invited the attendees at the meeting to introduce themselves.

Host Community Comment. John Shattuck welcomed the Board to the Topsham Town Hall. He said he is grateful for the staff at MRRA and the attention and support Topsham receives. He noted the ownership change of the former base housing from Affordable Midcoast Housing to Brunswick Landing Ventures, LLC.

Minutes from the March 29, 2017 Board Meeting. John Moncure made a motion to accept the minutes of the March 29, 2017 meeting, which was seconded John Bouchard. The vote was unanimous of the Board Members in attendance and participating via conference call.

Business Showcase. John Andreu from FirstLight at Brunswick Landing gave a short but detailed PowerPoint for the Board about the communications service provider and data center, its history, services (including CoLocation,

fiber networks, internet access and Cloud services) and how the company gives back to the community. A copy of the PowerPoint is attached to these minutes.

Committee Reports.

Finance Committee.

Finance Committee Chair Steve Weems said the Finance Committee met on April 18, May 16, June 1 and June 13.

Chair Weems noted that the Financial Statements as of May 31 were in order and no action was required.

The Committee discussed the proposed FY 2018 budget in several of its meetings. Steve Weems noted that it is a transition budget as MRRA continues down the path from the real estate development phase (funded by the Office of Economic Adjustment), toward a self-sustaining airport authority. The Office of Economic Adjustment is currently only contributing \$100,000 to MRRA (down from \$1MM when MRRA started). Steve said that MRRA continues to invest in the future by continuing an aggressive redevelopment plan with emphasis on airport property (including hangars and industrial buildings) noting that MRRA has to maintain the airport facilities into the future.

Steve Weems said that the budget includes a little bit more than MRRA's target of 20% of revenue, making it an investment budget to continue redevelopment of airport.

The budget is designed to make the airport self-sustaining in the three-to-four year range. The budget maintains staff capability and adds one employee in TechPlace to help free up Kristine Schuman from administrative duties in TechPlace to allow her to focus on marketing, coordinating entrepreneurship education and grantsmanship. It was noted that the budget is pretty austere.

Action Item: Steve Weems made a motion that the MRRA Board of Trustees adopt the FY 2018 proposed budget as recommended by the Finance Committee, which was seconded by Rita Armstrong. The vote was unanimous of the Board members attending.

Committee Chair Steve Weems then asked the Board to consider the proposed FY 2018 Capital Improvement Plan, noting that it is dominated by airport improvements.

The proposal is \$2.85MM in total - \$2.4 of which is improvements in hangars 4 and 6. It also includes street lights and other capital improvements. Funding sources are mostly FAA money, Tax Increment Financing programs for both airport and industrial properties, Maine Department of Transportation

matching funds for airport, and the appropriation of more capital funding. Steve Weems gave a shout out to the Maine DOT for its 9% match, saying that MRRA is very grateful for the State's commitment.

Action Item: Steve Weems made a motion that the MRRA Board of Trustees adopt the FY 2018 proposed Capital Improvement Program as recommended by the Finance Committee, which was seconded by John Moncure. The vote was unanimous of the Board members attending.

Next, the Board discussed the Four-Year Scenario Planning Document, which provides lease assumptions behind the budget and rolls it out under various business scenarios. This document is an information document and does not require a vote of the Board.

MRRA's annuity fund was briefly recapped, and it was noted that when MRRA sells a property, 10% of the proceeds are set aside in the annuity fund.

Steve Weems thanked the Committee members and Jeffrey Jordan and staff for their hard work in preparing the budget.

MRRA Deputy Director Jeffrey Jordan was asked to explain the EDA's Offer to Terminate Financial Assistance Award. Jeffrey said that MRRA received a grant from EDA to support work related to Washburn & Doughty's occupation of their leased space at 54 Orion Street for cranes and other equipment. The company looked at the program and decided to fund it themselves so there are no conditions imposed on the company by the EDA, such as Davis Bacon wages and other federal requirements. Consequently, MRRA terminated the grant; however, because the MRRA Board had previously voted to accept the grant, the Board needs to vote on its termination.

Action Item: Steve Weems made a motion that the MRRA Board of Trustees accept the EDA's Offer to Terminate Financial Assistance Award Agreement for Convenience, which was seconded by John Moncure. The vote was unanimous of the Board member attending.

Executive Committee.

Vice Chair Rita Armstrong gave the report in Chair John Peters absence. She said that the Executive Committee met on April 12, May 3, and June 7. She noted that the Committee received updates from the Executive Director on the transfer of federal property and that before the end of this fiscal year the Navy will be transferring about 12 acres near the ordnance disposal area, and that the former public works compound should be transferred next year. It was noted that MRRA could receive it earlier via a Lease in Further of Conveyance. Also, Lot 6 will be sold to Priority Group; Lots 14 and 15 sold to 14 Willey Road LLC; and housing owned by Affordable Mid Coast Housing (AMH) is slated to be

sold to Helios (a/k/a Brunswick Landing Ventures) who is planning to convert some of the rental units into condominiums, build new condominiums at the former trailer park site, and also build new housing at the Topsham Commerce Park. The one-plus-one units will still be owned by AMH.

Rita said that the Executive Committee decided to stay with Maine Power Options rather than enter into a contract with one of the five bidders that responded to MRRA's RFP for a new energy provider. After a bid process, the Committee also authorized the Executive Director to enter into contracts for airport improvements with ProSeal LLC for airfield pavement maintenance; with the Penobscot Company for improvements to Hangar 4 and end-area alterations; and with T-Buck Construction for mechanical, electrical and plumbing improvements in Hangars 5 and 6.

The Committee was updated on various trade shows MRRA attended, including two IT shows, four aviation shows and an Unmanned Aerial Vehicle show. week.

Other items of discussion included MRRA being chosen by United Way for Community Builder Award, and that Executive Director Steve Levesque was asked to sit on the Association of Defense Communities Board of Directors.

Redevelopment Committee.

Committee Chair John Moncure said that the Committee met on May 19 and that the following items were discussed:

- MRRA's Airport Manager, Marty McMahon, reported on the airport, including that the radiant heating project in Hangars 4 and 5 was complete (which will reduce heating costs); the floor in Hangar 5 was being painted, the box hangar is scheduled for construction in 2018; the Great State of Maine Air Show is slated for August 26-27; MRRA is working with UMA on a UAS pilot program; MRRA is working with the Civil Air Patrol on a glider program; and that airport operations are up 40% over last year and fuel sales are up 15%.
- MRRA's Public Works and Utility Manager, Tom Brubaker, reported that work continues with Revision Energy on the project to install a 1 megawatt solar PV farm and is finalizing a power purchase agreement with them. He reported that St. Laurent and Sons has completed its work on the Brunswick Landing sewer system and the system is almost ready to turn over to the sewer district. He also reported that there was a power outage at Brunswick Landing on April 30 caused by a turkey that made contact with a power line.

- MRRA’s Marketing and Communications Manager, Ben Sturtevant, reported that Brunswick Aviation Services is now leasing space in Hangar 5, and that he continues to work with prospects and attend trade shows.
- MRRA’s Business Development Coordinator and TechPlace Administrator, Kristine Schuman, reported that TechPlace tenant STARC Systems, maker of composites wall systems, is growing rapidly and is considering alternative locations at Brunswick Landing; Mobility Technologies, a manufacturer of an exercise device for mobility-challenged people, has moved into TechPlace; and that TechPlace is collaborating with area high schools on entrepreneurial ventures and on internship programs with UMaine and Thomas College.
- MRRA’s Executive Director, Steve Levesque, reported that Lots 14 and 15 were being sold to 14 Willey Road, LLC and Lot 6 would also be sold soon to Priority Group. He also noted that the speeding limits at Brunswick Landing will be enforced shortly.

Transfer of Property to MEANG.

The Maine Air National Guard was to receive 50 acres next to their 24 acres – or about 75 acres as a public benefit conveyance from the Navy. So far the Navy has only transferred 12 acres because the 38 acres is rendered unusable other than for recreational purposes. MRRA has some property that is useable that it will swap with the MEANG. This property is near a couple of acres we gave to them some time ago (near their rubble pile).

Action Item: Steve Weems made a motion that the MRRA board of Trustees authorize the Executive Director to execute documents necessary for the transfer of the 8.56-acre site (remainder of the EDC-13) to the Maine Army National Guard in lieu of the original 15.5-acre EDC-40 and EDC-40A site, which was seconded by John Bouchard. The vote was unanimous of the Board members attending.

Amendment to Bylaws. The Board reviewed a proposed amendment to MRRA’s Bylaws to allow for Trustees to serve three terms of three years.

Action Item: Steve Weems made a motion that the MRRA Board of Trustees adopt the Amendment by Bylaws, a copy of which shall be attached to the official Minutes of this meeting, which was seconded by John Moncure. The vote was unanimous of the Board members attending.

Executive Director's Report.

Executive Director Steve Levesque said that much of what is contained in his report had already been covered by previously in the meeting. Steve advised the Board that the big issue facing MRRA now that slows property conveyances from the Navy is the possibility of perfluorinated compounds (PFCs) in groundwater. It's a significant issue nationally – firefighting foam is used in many places and communities. We are lucky that contaminated groundwater isn't a concern at Brunswick Landing like some other closed bases (the Navy required MRRA to test groundwater during MRRA's upgrade the sewer system at a cost of about \$250,000). .

TechPlace: We currently have 32 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 34,115 SF, or about 75% of the available space for rent. The final piece in the build-out is to outfit the shared composites lay-up facility and re-establishment of the paint facility, which will be completed this summer and early fall.

Strategic Planning Retreat – September 21. Steve said the main reason for having a strategic plan is to look at our business units individually and collectively to ensure long term sustainability, which will assist with MRRA's business plan and budget going forward.

Performance Dashboard. The Board reviewed the most current Performance Dashboard.

Other Business: None

Public Comment: None

Executive Session: A motion was made at 5:25 p.m. by Steve Weems and seconded by John Bouchard to go into Executive Session pursuant to MRSA Sec. 405(6)(C). The vote was unanimous of the Board members present.

Action Item: John Moncure made a motion that the MRRA Board of Directors authorize the Executive Director to enter into a Purchase and Sale Agreement and ancillary documents for the sale of Lot 3 (Map R04/Lot40) in the Topsham Commerce Park Subdivision to Sculpin Ledge LLC for the purchase price of \$225,000, which was seconded by Rita Armstrong. The vote was unanimous of the Board members present.

At 6:10 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.

Adjournment: A motion was made by John Moncure at 6:15 p.m. to adjourn from the Board meeting, which was seconded by Rita Armstrong. The vote was unanimous of the Board members present.

Lois Skillings, Secretary