



MIDCOAST REGIONAL REDEVELOPMENT AUTHORITY

Meeting Minutes MRRA Board Meeting

March 23, 2016

Present: Rita Armstrong (Vice Chair), Steve Weems (Treasurer), Lois Skillings (Secretary) John Moncure, John Kilbourne, and Carl Flora

Excused: John Peters (Chair), John Bouchard, and George Gervais

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

Location: Brunswick Town Hall

Time: 4:00 p.m.

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

Host Community Comment: Brunswick Town Manager John Eldridge welcomed the Board and said that he was very happy to learn about the 500 new Wayfair jobs and the 200 new SaviLinx jobs coming to Brunswick Landing.

Town Manager Eldridge said the Town has submitted the amendments to the TIF programs to the Department of Economic and Community Development for review. As soon as the amendments are received back from the state, they will go to the Town Council public hearings for formal enactment.

John Eldridge then introduced the Town's new Assistant Town Manager, Derick Scrapchansky, who started working for the Town in early December. He is a retired Navy commander and was stationed at the former Naval Air Station Brunswick from 2007 until 2009.

John Eldridge said the Town appreciates what MRRA does and looks forward to continue to work together. Acting Chair Rita Armstrong thanked him for the strong partnership between Town and MRRA.

Minutes of January 27, 2016. John Moncure made a motion to accept the minutes of the January 27, 2016 Board meeting, which was seconded by Steve Weems. The vote was unanimous of the Board members present.

Business Showcase. Paul Richards, MVP Aero's Director of Business Development, gave a PowerPoint presentation of the new Model MVP-2 amphibious aircraft and why he chose Brunswick Landing (TechPlace) for the project. Mr. Richards noted that MVP Aero chose Brunswick Landing because of its runways, hangars and composites technology work. The amphibious aircraft has the ability to fold its wings on the water allowing it access to marinas, and also allows it to be trailered like a boat and it can be stored anywhere (not just an airport). Mr. Richards said that he will be hiring a new employee next week and is confident more employees will come as time goes on.

Featured MRRA Employee: The featured MRRA employee, Tom Brubaker said he has been with MRRA now for about six years, noting that he joined the organization as the Clean Technology Manager and subsequently also transitioned to MRRA's Public Works and Utilities Manager as well. Tom outlined his various duties:

As Public Works and Utilities Manager:

- Responsible for all public works, utilities, facilities and engineering management, and environmental management functions at Brunswick Landing:
 - All of the traditional public works functions including street maintenance and snow plowing and management of storm water facilities, maintenance and operation of buildings and grounds
 - Basically the "general manager" of utilities for Brunswick Landing including operation and maintenance of the sanitary sewer, water, and electrical distribution systems and procurement of utilities for the campus
 - Manages capital improvement projects for MRRA and assists the Airport Manager where needed on FAA projects
- Serves as MRRA's representative to the Town for planning issues
- Serves as MRRA's representative to the Restoration Advisory Board
- Serves as MRRA's representative to the Navy, DEP, and EPA for environmental matters at Brunswick Landing including FOSTs and FOSLs

As Clean Tech Manager is responsible for:

- implementation of the Renewable Energy Center at Brunswick Landing which includes:
 - business development and business attraction activities around alternative energy
 - identification and deployment of renewable/alternative energy generating facilities

On the personal side, Tom noted that:

- he was born and raised in Lancaster, Pennsylvania
- he graduated from the Naval Academy in 1975 with a BS in Mechanical Engineering
- he served in the Navy until retirement in 1994
- During his first three years, he served aboard a guided missile destroyer homeported in Norfolk, Virginia. For next 17 years, I served in the Navy Civil Engineer Corps in various assignments in construction and facility management around the country and the world
- While in the Navy, he earned an MS in Civil Engineering, with a focus on Building Energy Systems, from the University of Colorado in 1983
- His current position with MRRA is his third lap around the facilities track at Brunswick Landing:
 - His last Navy assignment was as the Public Works Officer/Officer in Charge at NAS Brunswick where he was responsible for operation and maintenance of the physical plant
 - From 2001 to 2007 he served as Deputy Public Works Officer (Assistant Director of Facilities) at the NAS Brunswick as a Navy civilian employee
- As a civilian he worked as the Network Energy Manager for the VA New England Healthcare System and as Energy Manager at Togus VA Medical Center in Augusta, Maine; as the Principal Engineer for School Construction in the Bureau of General Services for the State of Maine; as a construction manager at Bowdoin College; and as the facilities manager at UNUM in Portland and for the Town of Brunswick
- He is a Registered Professional Engineer (Virginia) and a Certified Energy Manager
- His wife, Cherylyn, and he live in Brunswick and they have two grown sons
- He likes to cycle and will be riding in my 6th Trek Across Maine in June and his first Bike Maine in September

Rita said she was truly impressed by all of Tom's knowledge and experience – a sentiment that was echoed by other Board members.

Committee Reports

Finance Committee.

Committee Chair Steve Weems said that since the last board meeting the Finance Committee met on February 17 and on March 16. Steve said that the finances are in order. On the operating results side, he noted that MRRA is almost three-fourths through the year and is generally on target. There have been some positives and negatives.

Positives:

- We had a mild winter so heating costs were lower and snow removal costs lower.
- The strong performance of TechPlace that continues to be a quite star, both operationally and financially.
- We're on a good pace for property sales.

Negatives: Mostly relate to infrastructure costs in modernizing and generally taking care of issues relating to water and sewer systems and other facets of the infrastructure at Brunswick Landing, although major issues seem to be happening less frequently, which is a plus.

Steve said MRRA has made a temporary decision to self-finance some of the infrastructure improvements looking ahead – that decision is subject to further review. There have been enough property sales, in addition to our reserve account that it probably will not be necessary to bond any infrastructure improvements in the short term.

Steve noted that MRRA has had some relatively slow payments from the federal government so we've taken out over a \$1M on our lines of credit. It's strictly a timing issue on reimbursement of MRRA's approved costs and we expect to clear that out by end of fiscal year.

Steve said we are coming up on our budget season, and will be revising our five-year financial projection.

Executive Committee.

Rita Armstrong, acting for Committee Chair John Peters, said that since last board meeting the Executive Committee met on January 5 and February 2. The Committee received an update from Executive Director Steve Levesque on property transfers, leases, sales, and redevelopment activity, as well as updates on federal, state and local level. Most of this will be covered in the Executive Directors report later in today's meeting. However, Rita said she did want to report an action item to approve a working capital loan from MRRA to New Beet Market in the amount of \$50,000 to leverage a matching commitment to New Beet Market from their property owner TBW, LLC.

Redevelopment Committee. Committee Chair John Moncure reported that the Redevelopment Committee did not meet.

Executive Director's Report.

Executive Director Steve Levesque reported that New Beet Market had opened for business, sourcing fresh local food daily. He said they were doing well and had just announced they will be open on Saturday. Steve said it is a very exciting business in that it is committed to growing Maine's local food economy, and the majority of their profits go to support Seeds of Independence, a nonprofit, committed to helping kids with life skills.

Federal Property Conveyances/Leases.

Steve said the Navy has agreed to issue a Finding of Suitability to Lease (FOSL) 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 reported that Tech Place, which opened a little over a year ago and houses about 28 companies (about 22,000 SF of the non-common areas), is doing well – so much so that it's running out of office space. Steve said that MRRA has applied to the State for a grant to build out some additional office space on the mezzanine level (3,000 SF). He also said that we are moving forward with the Economic Development Administration project to expand additional space (25,000 SF). He was excited to report that a number of companies that started on a small scale are expanding; they have outgrown TechPlace and are expanding elsewhere in the community. He also noted that the shared wet lab (BioWorks) and wood shop (TechWorks) have been completed and the 3D printer is up and running.

On March 31st TechPlace will be hosting an event about who is next/what is next – all about new technologies. We've invited high school and college students, as well as new and old entrepreneurs.

Federal Update.

With the recent passage of the Defense Authorization Bill that amended the HUBZone law regarding closing military bases, MRRA staff is working with the Small Business Administration and the Procurement Technical Assistance Center to provide a small business seminar to area businesses about the

benefits of being a HUBZone company and to inform them of the various business opportunities with the federal government and the large federal contractors. This seminar will be held on April 1 at the Community Room.

Local Update.

Now that the Town has approved our Phase 2 Subdivision Plan, we have closed on Lot 45 with New England Tent & Awning, which is building an additional building after staff review with Town. In addition, we will be able to close on the Frosty's Donuts property, as well as the former Police Station. We also have four lots we are marketing on that property. Steve also noted that at last evening's Town of Brunswick Planning Board meeting, a plan was approved for a gas station across from Merrymeeting Plaza.

Now that MRRA is in receipt of new properties in Topsham from the Navy, 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.

Our 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. We are working with the Town and the Maine Historic Preservation Office for demolition of the former Army Reserve facility (Building 333). Based upon an engineering and reconstruction analysis of this structure, it is not cost effective to rehabilitate this building. Steve also noted that a filming company is doing a film in the building 333 on the remembrance of the pentagon tragedy of 9/11.

Redevelopment Activity Review.

Property lease and sale activity continues to be very brisk at Brunswick Landing and the Topsham Commerce Park. The construction of the Avita Memory Care Facility is ahead of schedule. We currently have over 455,741 SF under lease to over 30 direct tenants and over 88 entities doing business on the former base properties. Collectively, these entities employ approximately 675 people on a full-time basis and 246 on a part-time basis for a total of 921 (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. With the recent announcements of Wayfair (500 business to business jobs) and Savilinx (200 additional jobs), the overall job count will climb to over 1,600 people working on the former base properties. Steve advised that MRRA is working with the Department of Labor to work on recruiting strategies. Brunswick Landing could have over 1,700 people on property by the end of summer.

Steve also advised that MRRA is working with the Town of Brunswick on calibrating the traffic light at the entrance to Brunswick Landing, that the back gate is open, that we are working with the Navy to open the other gates too (the Navy still owns the property), and we are analyzing entrance to the SeaBee compound.

New private and public construction activity occurring in 2016 include:

- the completion of the anaerobic digester facility by Village Green Ventures;
- the construction of a 50,000 SF memory care facility on Admiral Fitch Avenue by Avita Brunswick;
- the completion of renovation of the former Navy fitness center by Thomas Wright;
- the construction of a new snow removal equipment (SRE) building by MRRA;
- TechPlace renovations by MRRA;
- Energy improvements and renovations to Hangars 4 and 5 by MRRA;
- renovations to the airport fire pump facility by MRRA; and
- Airfield drainage improvements by MRRA.

In addition to the current construction activity, several other commercial and office buildings are scheduled to commence construction/re-construction this spring along Admiral Fitch Avenue and adjacent properties. Also, additional improvements will be underway on the continued rehabilitation of the sewer and electrical systems at Brunswick Landing and rehabilitation of Hangars 4, 5 and 6.

Housing Sales Update.

To date, Affordable Mid Coast Housing has closed on 182 housing units in the McKeen Street neighborhood, and a number of others are under contract. Approximately 80% of the sales are to low-to-moderate income people. 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 \$3,776,034 and MRRA has received \$943,898 to date for its agreed share.

John Moncure said he had attended many Association of Defense Communities conferences, and that the ADC advises that it should take about 20 years to redevelop a former base (accounting for job loss and financial impact). MRRA has been working on the redevelopment for about five years and by the end of summer we may have gained 1,700 jobs of the 4,000 we lost because of the base closure.

Board member John Kilbourne said that our closed base has raw beauty. He mentioned that some of our jobs may be better paying jobs than the jobs that

went away. Board member Rita Armstrong congratulated MRRA staff, a sentiment echoed by board members.

Personnel Policy Amendments.

A personnel policy amendment was proposed to change Section 8-1 (Vacation) of the Personnel Policy, and Section 4-7 (Community Service) which will support staff giving back to other organizations, boards and commissions. It allows for eligible volunteer activities at a rate of 8 hours per month and no more than 96 hours per year and not chargeable to annual or sick leave accruals. Board Trustee Carl Flora thought it a good idea.

Action Item: John Kilbourne made a motion that the MRRA Board of Trustees approve the Personnel Policy Amendment as presented, a copy of which are will be attached to the official minutes of this meeting, which was seconded by Carl Flora. The vote was unanimous of the Board members present.

Other Business. Steve Levesque noted that he has a conflict with the scheduled May Board meeting and would like to move it to June. The Board decided that the Executive Committee would discuss it at their June 7 meeting. No other business.

Public Comment. None.

Executive Session: A motion was made at 5:00 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 item:

Action Item: John Moncure 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 17 and 38 at fair market value to TBW, LLC, which was seconded by John Kilbourne. 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.

Lois Skillings, Secretary