



MIDCOAST REGIONAL REDEVELOPMENT AUTHORITY

Meeting Minutes MRRA Board Meeting

September 24, 2014

Present: Rita Armstrong (Treasurer), Lois Skillings (Secretary), Carl Flora, Dan Daggett, Steve Weems, John Bouchard

Excused: John Peters, John Moncure, George Gervais, John Dorrer, and Sande Updegraph

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

Location: Topsham Town Hall

Time: 4:00 p.m.

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

Host Community Comment: Town Manager Rich Roedner welcomed the Board to Topsham. He was proud to inform the Board that Topsham was recently designated the second safest town in Maine. He also said he was quite pleased Topsham Commerce Park's progress, noting that Wicked Joes Coffee, who recently acquired the facility from JHR Development, is up and running and that they have turned the former commissary into an energy-efficient modern facility. Rich also said that there is additional interest in the Topsham Commerce Park.

Minutes of July 23, 2014. Dan Daggett made a motion to accept the minutes of the July 23, 2014 Board meeting, which was seconded by Lois Skillings. The vote was unanimous of the Board members present.

Executive Director's Report.

Property Conveyances. Executive Director Steve Levesque advised that MRRA anticipates the Navy transferring more properties next week, including building

#81 (New England Tent and Awning), building 223, the former skeet range and most of the remaining property in Topsham. He said he had met with the Navy about further conveyances next year, noting that the Navy is still doing environmental remediation on many of the remaining properties.

Tech Place. Steve said MRRA's contractors are moving ahead with the renovations to building 250, including some demolition by contractor Hardypond. He noted that optimally MRRA would like to have 10 companies ready to move into TechPlace upon its opening, and there are already eight candidates interested.

HubZone. Steve said that staff continues to work with the staff and members of the Maine Congressional delegation to move this bill into a position for passage. Senator King was able to get it into the current Senate version of the National Defense Authorization Act (NDAA) bill. We are now awaiting the final outcome of the Committee of Conference of the two bodies and for Congress to take up the NDAA bill.

Local.

- Town of Brunswick. The Town approved the Common Development Plan for the gateway properties to Brunswick Landing. This will provide for a new set of common development and design standards for the lots at the entrance to the property and along Admiral Fitch Avenue. Steve noted that MRRA is set to close on one of the gateway properties with The Priority Group shortly.
- Town of Topsham. Steve advised that the Town of Topsham approved a three-lot subdivision for approximately 11 acres at the former Topsham Annex. One of the properties will be under consideration in the Board's Executive Session after the regular Board meeting.

Redevelopment Activity.

Steve said that we have added several new tenants and several more in lease negotiations. MRRA currently has over 469,725 SF under lease to 27 tenants and over 55 entities doing business on the former base properties. On the sale side, MRRA recently sold the 53,000 SF Oxford Networks building and has an additional 65,000 SF and approximately 40 acres under contract.

To date, Affordable Mid Coast Housing has closed on 106 housing units in the McKeen Street neighborhood. By our agreement with AMH, after \$1M 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 \$2,806,966 and MRRA has received \$451,631 to date for its agreed share.

Steve also noted that some of the properties MRRA sold are undergoing further redevelopment. For example, properties sold to JHR Development and George Scott was resold in accordance with the EDC covenants, and are not just sitting idle. As in the case of George Scott, those sales are being used to invest in other Brunswick Landing properties (Schott used the sales of the housing units to purchase the hotel, and then sold the hotel to buy the Oxford building.

Community Open House. MRRA held its annual Open House and Barbeque on August 19 at the Community room at 8 Venture Avenue. MRRA provided a redevelopment update presentation and bus tours. The event turned out to be quite successful. Over 120 people attended this event, many of which were first timers.

New MRRA Headquarters. MRRA officially relocated to its new permanent location in building 200 (the former air terminal building, a/k/a building #200). The new address is 15 Terminal Road, Suite 200.

Steve gave an overview the number of employees at Brunswick Landing and TCP (450), and discussed a matrix outlining targeted industry sectors for those leased and sold properties.

Committee Reports.

Executive Committee. In John Peters absence, Rita Armstrong gave the Committee Report and noted that Executive Director Steve Levesque covered much of what was discussed in the August 5 and September 9 Committee meetings in his Director's Report – chiefly, local, state and federal updates and property conveyances.

In addition, the Executive Committee voted unanimously to authorize the Executive Director to enter into contracts for the following that had been duly put out to bid and had staff and/or consultant recommendations for the awards based on considerable review and analysis of the submitted proposals: to Requests for Proposals:

- an airport consultant;
- airfield drainage improvements;
- airfield pavement maintenance;
- improvements to hangars 4 and 5;
- construction of a structure to house snow removal equipment;
- rehab of the fire protection building; and
- an electricity supply purchase agreement.

Also, the Committee authorized the Executive Director to enter in a business development loan from MRRA’s Growth Fund Loan Program to Family Focus to finance leasehold improvements at its child care facility at Brunswick Landing.

Financial Committee.

Committee Chair Rita Armstrong advised that the Committee met twice since MRRA’s last board meeting, once on August 19 and again on September 17. The Committee reviewed the August 2014 financials and, finding them in good order, unanimously accepted them. Rita said that it is important to note a significant change in the profit and loss statement and the balance sheet this month. The change is due to the sale of building 87 and 43 for \$5.1M and the additional revenue from the sale of the hotel by Affordable Mid Coast Housing to Coastal Landing Apartments, which generated a supplemental payment to MRRA of \$75,000.

Rita said Deputy Director Jeffrey Jordan presented a list of approved Military Airport Program (MAP) FAA grants with matching funds from the Maine Department of Transportation. The Finance Committee voted to recommend that the Board accept these grants and authorize the appropriation thereof.

Action Item: Dan Daggett made a motion that the MRRA Board of Trustees hereby confirm and accept an FAA Military Airport Program grant for FY 2015 totaling \$4,515,242 with a matching grant from the Maine Department of Transportation of \$250,902 and authorize the appropriation for the following airport improvement projects:

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| FAA Military Airport Program - Grant 012 | \$182,088 |
| Terminal Roof Replacement | |
| FAA Military Airport Program - Grant 013 | \$433,224 |
| Rehabilitate Building [Building 295 - Fire Protection System] | |
| FAA Military Airport Program - Grant 014 | \$748,818 |
| Improve Airport Drainage | |
| FAA Military Airport Program - Grant 015 | \$150,000 |
| Rehabilitate Runway [Sealing and Crack Repair] - 01R/19L, Rehabilitate Taxiway [crack sealing and repair] | |
| FAA Military Airport Program - Grant 015 | \$1,662,930 |
| Rehabilitate Building [Hangar 4], Rehabilitate Building [Hangar 5] | |
| FAA Military Airport Program - Grant 017 | |
| Snow Removal Equipment Building | \$1,521,270.00 |
| | \$4,516,242.00 |

The motion was seconded by Steve Weems and unanimously approved by the Board members present.

The Deputy also presented a worksheet noting that the approved 2015 budget did not include lease revenue from building 54 (home to ABS and RollEase), since that building was under contract for sale at that time. The Finance Committee voted to recommend that the Board amend the budget according to the following motion:

Action Item: Dan Daggett made a motion that the MRRA Board of Trustees increase lease revenues by \$37,500 in the MRRA budget and appropriate \$9,800 to Computer Services, \$10,400 to Capital Outlay Computer Hardware and \$17,500 to Contingency in the MRRA budget, and further moved that the Board recognize the additional lease revenues from ABS and RollEase on a continuing basis, with a similar appropriation to the Contingency Account, which was seconded by Steven Weems. The vote was unanimous of the Board members present.

Rita said the Committee also reviewed the financials for the final quarter and year end of 2014. The Committee was very pleased with the management of the 2014 financials. The accounts, pending the finalization of the audit, have MRRA finishing the year across its aggregated budgets (i.e., MRRA, the Airport and three utility budgets) ahead of what was budgeted by \$139,812. She noted that the MRRA budget was significantly in the black and the airport budget was the only one that went over budget. The Committee commended the staff for this result in a year that was exceptionally cold and snowy and continued to present building maintenance challenges and expenses. The Committee unanimously accepted the financials ending June 2014 and recommended that the Board accept them.

Action Item: Dan Daggett made a motion that the MRRA Board approve the quarterly financial reports ending June 2014, as recommended by the Finance Committee, which was seconded by Lois Skillings. The vote was unanimous of the Board members present.

Board member Lois Skillings commended staff and Finance Committee for looking at every detail and performing such high levels of scrutiny.

Rita said that she had reported at the last board meeting that the Finance Committee had met with MRRA's auditing firm to review the rigor of our Board and internal controls. As reported then, Runyon Kersteen and Ouellette (RKO) advised that they have been very impressed with internal controls but then

made one recommendation to further assure segregation of duties and accountability. Following that recommendation, the Finance Committee is recommending that the Board approve the following motion:

Action Item: Dan Daggett made a motion that the MRRA Board of Trustees adopt a Banking Resolution from Bath Savings Bank removing the Deputy Director as an authorized check signer as recommended by the Finance Committee as a prudent measure to assure segregation of duties and accountability, which was seconded by Steve Weems. The vote was unanimous of the Board members present.

Steve Weems said the Banking Resolution was a good management practice and doesn't reflect anything about Deputy Director, a sentiment that was echoed by all of the Board members.

Rita also said that at the August Finance Committee meeting, Deputy Director Jeffrey Jordan brought the list of the 35 contracts MRRA has with various contractors, along with dates of contracts and volume of business. She said the Committee wanted to look at it in the aggregate as part of its periodic review of the management. Steve Levesque added that MRRA rebids the contracts out every two or three years.

Rita noted that MRRA's auditors, the firm of Runyon Kersteen and Ouellette (RKO), are finalizing MRRA's audit report. The final audit will be reviewed by Committee on October 6 and a Special Board meeting is scheduled for October 15.

Redevelopment Committee.

Steve Weems gave the Redevelopment Committee report in Committee Chair John Moncure's absence. He said that at September 10 Committee meeting MRRA staff reported on the following:

- Aviation Services Manager Marty McMahon gave a PowerPoint presentation to the Committee to update it on airport improvement projects.
- Public Works and Utility Manager Tom Brubaker discussed MRRA's 36-month fixed price (all-in) contract for electricity. MRRA will be purchasing its power for about 7 cents per kilowatt hour for the next three years. MRRA is also getting a fixed price one year contract for natural gas -- \$1.25 per therm, which is about 10 cents less than last year. Tom also updated the Committee on the Bath Road new wooden guardrail fence project.

- Business Development Coordinator Kristine Schuman updated the committee on the TechPlace project, which was kicked off last week with a ceremonial wall-breaking in front of the former building 250. Kristine said all permits are in place now for Phase I. Demo work has started. We expect to open in December.

Steve Weems said much of the other discussion in the Committee meeting was previously reported in Steve Levesque's Director's Report, except:

- MRRA is ready to close on the former NightFlight building with George Schott. The building will be used to support the SUP Ship workers who lease housing from Affordable Mid Coast Housing and the former BEQ units.
- Wild Oats Bakery and Café is now open.
- Tom Wright is moving forward at the former fitness center.

Marty McMahon gave a PowerPoint presentation to the entire Board on the airport improvement projects.

Dashboard

Steve Levesque gave the Dashboard report, which is an update of where MRRA is in the redevelopment process. A copy of the Dashboard is attached to the official minutes.

Rita said that the Dashboard presents a key matrix because it makes it so easy to quickly review, and the results are terrific.

Other Business: None.

Public Comment: None.

Executive Session: A motion was made at 4:55 p.m. by Dan Daggett and seconded by Carl Flora 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: Lois Skillings 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 4 and 8 Leavitt Drive (aka buildings #639 and 54; Lot 35 containing 12.13 acres) to Cardente Properties for the purchase price of \$1,489,250, which was seconded by Dan Daggett. The vote was unanimous of the Board members present.

Action Item: Lois Skillings made a motion that the MRRRA Board authorize the Executive Director to enter into a Purchase and Sale Agreement and ancillary documents for the sale of building #363 (the former fire station in Topsham – Lot #2) to Firehouse Realty, LLC, containing 0.75 acres, for the purchase price of \$150,000, which was seconded by Dan Daggett. The vote was unanimous of the Board members present.

Adjournment: A motion was made by Rita Armstrong at 5:40 p.m. to adjourn from the Board meeting, which was seconded by Dan Daggett. The vote was unanimous of the Board members present.

Lois Skillings, Secretary