



MIDCOAST REGIONAL REDEVELOPMENT AUTHORITY

Meeting Minutes MRRA Board Meeting

January 28, 2015

Present: John Peters (Chair), Rita Armstrong (Vice President), Dan Daggett (Treasurer), Lois Skillings (Secretary), Carl Flora, Steve Weems, John Bouchard John Moncure, John Dorrer, and John Kilbourne (by conference call)

Excused: George Gervais

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

Location: Town of Brunswick

Time: 4:00 p.m.

Welcome & Introductions. 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, Business Development Manager, from the Town of Brunswick, welcomed the Board to the Town of Brunswick. She said she was appreciative of the collaboration between MRRA and the Town and is excited by the momentum at Brunswick Landing.

Minutes of November 21, 2014. Lois made a motion to approve the November 21, 2014 Board meeting minutes, which was seconded by Steve Weems. The vote was unanimous of the Board members present.

Executive Director's Report. Executive Director Steve Levesque updated the Board on the following:

- Property Conveyances. 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. Steve said MRRA expects more transfers this fall and the remainder will come when the property is deemed environmentally clean. Steve also noted that the Navy will be transferring some property this year to Bowdoin College and the Town of Brunswick.

- TechPlace. Steve said he was pleased to report that we have received our Certificate of Occupancy for the initial Phase of the project, consisting of about 20,000 square feet of office and common spaces. He said several companies have signed use agreements and have moved in, including: Harbor Digital, Greisen Aerospace, InSphero and Drummond Woodsum. Several more will be signing very soon. A press release will be issued later in the week to announce that TechPlace is open for business. Over the next several weeks, we will be completing the necessary renovations and life safety improvements to the remainder of the building, which will allow further occupancy of those spaces, of which several companies are awaiting to become available. Steve thanked the Town for working with MRRA in securing the certificate of occupancy, noting that MRRA staff and the Town's Code folks had developed a good working relationship. Steve noted that once the weather clears up, some cosmetic enhancements would be done to the outside of TechPlace.
- Federal/State/Local Updates
 - HUBZone Legislation. The HUBZone element did not make it into the final NDAA Bill on the House side and the measure died. However, staff continues to work with the staff and members of the Maine Congressional delegation to move this bill into a position to be considered in another format. Steve said he is planning to go to Washington, D.C. in the near future to meet with our delegation and those that opposed the measure.
 - Town of Brunswick. We continue to work with the Town of Brunswick staff on several fronts: life safety code compliance on building rehabilitation, facilitation of development permitting, and providing input into the Town's zoning ordinance update. In addition, we are working with Wright Pierce to prepare the next amendment to our subdivision plan to include properties added in recent conveyances.
 - Town of Topsham. Now that MRRA is in receipt of new properties in Topsham from the Navy, we will be working with SAD 75 and Affordable Mid Coast Housing on the conveyance of the open space portions, pursuant to a previous agreement the parties reached about four years ago. In addition, we are working with Town staff on additional environmental assessments at the Commerce Park, as part of a regional

Brownfield grant.

- Redevelopment Activity Review. Steve advised that property lease and sale activity continues to be very brisk at Brunswick Landing and the Topsham Commerce Park. Currently, there is more than 509,300 square feet under lease to more than 30 direct tenants and nearly 60 entities doing business on the former base properties. Collectively, these entities employ over 535 people with a promise of double that number in just a few short years. On the sale side, we have an additional 65,000 square feet and approximately 40 acres under contract. New construction activity currently underway in 2015 at Brunswick Landing includes:
 - the construction of a new veterinarian clinic on Admiral Fitch Avenue;
 - a major renovation to the former Navy Hotel to complete Coastal Landing, a senior housing complex;
 - the construction of a new snow removal equipment (SRE) building,
 - TechPlace renovations; and
 - Renovations to Hangars 4 and 5.

In addition the current construction activity, several other commercial and office buildings are scheduled to commence construction this spring and summer along Admiral Fitch Avenue and adjacent properties.

- Housing Sales. To date, Affordable Mid Coast Housing has closed on 117 housing units in the McKean Street neighborhood, and a number of others are under contract. 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 \$2,091,536.00 and MRRA has received \$529,311.50 to date for its agreed share.
- 2014 Performance Dashboard Review. Steve then gave a PowerPoint presentation of MRRA's 2014 Performance Dashboard Review dated January 26 with Key Performance Indicators, a copy of which is contained in the Board packet.
- Brunswick Landing Employment Update. There are currently 539 employees at Brunswick Landing. Steve said he very excited that nearly a quarter of all employees had STEM (science, technology, engineering and/or math) sector jobs.

At this point in the meeting, John Peters took the opportunity to publicly thank Deputy Director Jeffrey Jordan, Bookkeeper Michael Russo and past Treasurer Rita Armstrong for their diligent work regarding MRRA's complicated finances that resulted in making sure MRRA received clean audit.

Committee Reports.

Executive Committee: Chair John Peters gave the report for the December 2, 2014 meeting, noting that the Committee discussed property sales, including selling the former Hobby Shop to the Priority Group, the Navy's next FOST (Finding of Suitability to Transfer), and a scheduled meeting with George Schott and MSAD 75 regarding a property conveyance. The Committee also discussed the sale of the former SERE school (home to ABS and Rollease) and building 639 to Cardente Real Estate, and received an update on the former hotel property which is being repurposed to be an Alzheimer's facility. Regarding the Alzheimer facility, the Committee and Town agreed to add the parcel to the Common Development Plan and amend the square footage minimum for the back lot, instead of re-designating the district from Community Mixed Use to Residential District. John Peters noted the Town's cooperation in this matter.

Since Chair John Peters was excused from the January 6, 2015 Executive Committee meeting, Vice-Chair Rita Armstrong gave the report. Rita said that much of what was discussed in the January 6 meeting had already been discussed in today's Board meeting, including the Executive Director updating the Committee on transfers, leases, sales and TechPlace (the Committee also received a tour of TechPlace). Rita said the Committee discussed the Investment Services RFP, which was sent to Androscoggin, Bangor, Bath Mechanics, Norway Savings Banks, as well as Bank of America, Bar Harbor Bank & Trust, Key Bank and TD Bank. The RFP was also advertised. After reviewing proposals, the Committee voted to award the bid to Mechanic Savings Bank. (Proposals for insured cash sweeps rated from a low of 0.09% to 1.25% presented by Mechanics Savings.) The Committee also discussed MRRA's priorities in 2015, including: TechPlace, energy efficiency, and infrastructure improvements (particularly I&I and the use of TIF money for that project).

Finance Committee: Committee Chair Dan Daggett said that the Committee met on December 17 just prior to the Board retreat. The Committee reviewed the quarterly financials ending December 31, and discussed an RFP for investment services, which Dan noted was previously discussed in the Executive Committee report.

Action Item: Rita Armstrong made a motion for the Board to accept the quarterly financial report ending December 31, 2014, as recommended by the Finance Committee, which was seconded by Steve Weems. The vote was unanimous of the Board members present and participating by conference call.

Dan reported that at the January 21st meeting, the Committee discussed financial sustainability measures. After a lengthy discussion comparing three different measures, the Committee agreed to use an Operating Surplus Ratio

matrix for the Brunswick Executive Airport with a long term target of ten percent unobligated fund balance. It was agreed the matrix would be included in the Business Plan for 2015. Dan also noted that Banking Resolutions were being required to reflect the new offices held by MRRRA Trustees.

Action Item: Rita Armstrong made a motion that the MRRRA Board of Trustees adopt the attached Banking Resolutions from Androscoggin, Bangor Savings, Bath Savings, and Mechanics' Savings Banks to add MRRRA Treasurer Dan Daggett and to amend Rita Armstrong's title to Vice Chair (from Treasurer), as recommended by the Finance Committee, which was seconded by Steve Weems. The vote was unanimous of the Board members present and participating by conference call.

Business Plan 2015. Steve presented the MRRRA's Business Plan to the Board and gave an in-depth review. The Plan states MRRRA's mission, how it manages its operations, contains financial information, airport information, communication plans, strategies and goals and performance metrics. It is modeled after a standard business plan and used to manage MRRRA's operations. Added to this year's business plan are two performance metrics (land use and stewardship), the Brunswick Renewable Energy Center, property manage, inflow and infiltration and real estate.

Action Item: Dan Daggett made a motion that the MRRRA Board approve MRRRA's Business Plan for 2015, which was seconded by John Moncure. The vote was unanimous of the Board members present.

Tedford Housing Presentation. By way of background, Steve Levesque explained how and why MRRRA came up with a trust fund for Tedford Housing, and then introduced Craig Phillips, Tedford's Executive Director.

Mr. Phillips told the Board that he is always happy to learn of sales of property at Brunswick Landing because it generates money for the Tedford Trust. The trust gives Tedford flexibility to help people who are homeless, noting that housing is the easier part, and services the harder part. Tedford services all of Sagadahoc County and part of Cumberland County. Mr. Phillips said that today there are 16 individuals in one shelter and six families in the other. He said it was important to get people into homes as soon as possible and then work on the underlying causes. It is key having a case manager in each facility to work with people from day one. He said 8,000 people are served by shelters in Maine. Tedford serves 3.4% of that group. He said lengths of stay can be two to three days to over 180 days.

John Peters congratulated Tedford and Oasis Clinic for doing a good job and thanked them for their service.

Inflow and Infiltration Report. Tom Brubaker gave a brief update on Brunswick Landing's sewer system, particularly associated with the inflow and infiltration (I&I). Tom said it is a pretty serious matter, at least financially, for MRRA.

Tom gave a PowerPoint presentation and noted that rainwater is running into the sewer system, rather than into storm drains, while ground water is infiltrating into old pipes, resulting in a large sewer bill. (The sewer district bills MRRA based on wastewater discharge using a flow meter, rather than by water consumption like other businesses.) The additional water is contributing to I&I issues, costing MRRA between \$9,800 and \$42,000 every month. Tom indicated that MRRA is discharging two to three times as much water as it consumes.

Tom said MRRA has spent \$142,000 on sewer repairs, including more than \$85,000 to mitigate I&I, and more work will be done this summer, including fixing and replacing pipes and manholes.

Other Business: The Board briefly discussed employment growth attributes at Brunswick Landing, noting labor availability, good location, and new market tax credits.

Public Comment. None.

Executive Session: At 5:10 p.m. Rita Armstrong made a motion to go into executive session to discuss property disposition matters pursuant to 1 MRSA Section 405(6)(A), which was seconded by John Moncure. At 6:00 p.m. John Moncure made a motion to adjourn from the Executive Session and resume the Board meeting, which was seconded by Rita Armstrong. The vote was unanimous of the Board members present. The following action items were a result of the executive session:

Action Item: Dan Daggett made a motion that the Board reaffirm its authorization for the Executive Director to negotiate the property sales on Lots 21, 23 and 24, and to execute purchase and sale agreement(s) with the Priority Group and all other documents to complete the sale and deed transfers, and subject to the following conditions:

- MRRA's design standards will be met;
- Sales price will be subject to obtaining opinions of value acceptable to MRRA;
- Sales will be subject to signing a Road and Common Facilities Maintenance Agreement, which will spell out the shared cost of maintaining the roadways at Brunswick Landing; and

The motion was seconded by Rita Armstrong, and the vote was unanimous of the Board members present, except John Moncure who recused himself citing a conflict of interest.

Action Item: John Moncure made a motion to authorize the Executive Director to enter into a lease with Hoyle Tanner for 2,656 square feet of space on the second floor of Hangar 6, which was seconded by Steve Weems. The vote was unanimous of the Board members present.

Action Item: Rita Armstrong made a motion to authorize the appropriation of \$150,000 from MRRA Capital Reserves to fund TechPlace Phase 2, which was seconded by John Moncure.

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

Lois Skillings, Secretary