



MIDCOAST REGIONAL REDEVELOPMENT AUTHORITY

Meeting Minutes MRRA Board Meeting

March 25, 2015

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

Excused: Dan Daggett (Treasurer) and George Gervais

Staff: Steven Levesque, Jeffrey Jordan, and Kathy Paradis

Location: Brunswick Town Council Chambers

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: Sarah Brayman, Town Council Chair, welcomed the Board. She said she has been hearing a lot of positive things about Brunswick Landing from people attending SMCC and others. She said it has brought a whole new energy to the area and congratulated MRRA for its hard work. She said she is very proud of the project as a whole and specifically mentioned TechPlace, with its eight new tenants. She also recognized the development of Coastal Landing, an assisted living facility that is going through the planning process, and the newly constructed SunRay Animal Clinic. She also thanked MRRA for its participation in the Town's Zoning Ordinance Rewrite Committee.

Minutes of January 28, 2015. John Moncure made a motion to accept the minutes of the January 28, 2015 Board meeting, which was seconded by Steve Weems. The vote was unanimous of the Board members present.

Executive Director's Report.

- **Property Conveyances**

Steve said that since the approval of the Public Benefit Conveyance (PBC) and the signing of the Economic Development Conveyance (EDC) 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. He said that it doesn't appear as if there will be another Finding of Suitability to Transfer (FOST) this year; however, MRRA is working with the Navy on a Finding to Suitability Lease (FOSL) so MRRA can lease a couple of buildings.

MRRA is paying off its note per the terms of the EDC, and is perhaps the only one in the 2005 BRAC round to do so. Steve said that the Navy is touting MRRA as a national model of base redevelopment.

- **TechPlace**

Steve was pleased to report the first phase of TechPlace, consisting of about 20,000 square feet of office and common spaces has opened. There are now eight companies, who have signed use agreements and have moved in, with three or four more companies are ready to do the same. A couple of the users are occupying space in the manufacturing space. Steve extended kudos the Town's Code officers for helping in the occupancy permitting process and working through some complex issues. Steve said that the Certificate of Occupancy for the manufacturing space would be coming soon -- as soon as the necessary renovations and life safety improvements are made. Several companies are waiting for this space to become available.

A business information and educational series for TechPlace users and others are being planned, as well as a grand opening -- probably at the end of May or early June. Information will be posted on the TechPlace website: www.techplacemaine.us.

- **Federal Update**

HubZone. Steve is working with our Congressional delegation to see how this bill can be moved forward as several businesses at Brunswick Landing could benefit from it.

- **Local Community Updates**

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, including the Alzheimer's facility at the former mobile home park area, and a gas station/convenience store near the entrance to Brunswick Landing; 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 near the former police station.

Topsham. 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. In addition, we are working with Town staff on additional environmental assessments at the Commerce Park, as part of a regional Brownfield's grant.

- **Redevelopment Activity Review**

Property lease and sale activity continues to be very brisk at Brunswick Landing and the Topsham Commerce Park. We currently have over 445,850 square feet under lease to over 23 direct tenants and nearly 60 entities doing business on the former base properties. Collectively, these entities employ over 576 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.

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 we have sold over 330 acres of land and 31 buildings (i.e., over 650,000 SF). The properties that we have sold are all undergoing further redevelopment. 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 3.5 years. In addition to the attraction of individual business entities, we have 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.

New construction activity in 2015 at Brunswick Landing includes:

- the construction of a new veterinarian clinic on Admiral Fitch Avenue (completed);

- a major renovation to the former Navy Hotel to complete Coastal Landing, a senior housing complex;
- the construction of a 50,000 sf memory care facility on Admiral Fitch Avenue;
- the construction of a new gas station/convenience store across from Merrymeeting plaza;
- the renovation of the former Night flight building;
- the renovation of the former Navy fitness center;
- 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 127 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 \$2,312,036.00 and MRRA has received \$585,000 to date for its agreed share. Steve also reminded the Board that Affordable Midcoast Housing is using a phased-in approach in the sales of these homes.

- **Brunswick Landing Employment Update.**

There are currently about 576 employees at Brunswick Landing, with about 135 of the STEM (science, technology, engineering and/or math) sector jobs. MRRA is working with the Department of Labor and the DECD to ascertain what the payrolls are on the property, but trying to track the numbers is challenging.

Committee Reports.

- **Executive Committee.**

Chair John Peters said there was nothing more to report for the March 3, 2015 Executive Committee meeting, as the information had already been covered in the Executive Director's report.

- **Finance Committee.**

In Committee Chair Dan Daggett's absence, Rita Armstrong gave the Finance Committee report, noting that Committee met twice since the last Board meeting – on March 3 and March 18. On March 18, the Committee reviewed the February financials, found them to be in good and voted to accept the report. Rita noted that heating and snow removal costs are over budget; otherwise, everything was in good order.

Rita said the Committee also reviewed first draft of FY16 budget (all seven operating entities), and also the transmittal letter which provides an overview of past year, and a proposed work plan. Rita commented the supporting documents are very detailed. She said the Committee plans to present final budget at the Board meeting in May, as well as a CIP budget for 2016 and a five year financial forecast (which was also reviewed at the Committee meeting). Rita said that the five year financial forecast is a living document, and as such is changing all the time. The forecast is conservative on the income side and liberal on the expenditure side.

Rita thanked Deputy Director Jeffrey Jordan and MRRA's bookkeeper, Michael Russo, for their level of detail and hard work in preparing the FY16 budget. John Peters said he has never seen the level of detail in a budget as he has seen at MRRA and feels confident that the Board is doing due diligence with respect to public funds.

Action Item: Steve Weems made a motion for the Board to accept the financial reports for the period ending February 28, 2015, which was seconded by John Moncure. The vote was unanimous of the Board members present.

Steve Levesque advised that Governor LePage's office had asked, and MRRA provided, a 10 year financial report for MRRA's capital needs.

- **Redevelopment Committee.**

Committee Chair John Moncure said the Committee met twice since the last Board meeting -- on February 18 and March 17, 2015. Much of what was discussed in the Committee meetings were covered in the Executive Director's report; however, Chair Moncure noted the following:

- Airport: Aviation Manager Marty McMahon briefed the Committee on current and upcoming projects at Brunswick Executive Airport.
 - Snow removal making for an interesting winter. SR budget \$6,000 higher than last year because of additional areas that need clearing.
 - We're experiencing second year of snowy owl invasion. Four have been relocated, but two are still on the airport. These are first-year birds that tend to hang around the runways.

- Air traffic is up, about 800 air operations more than we expected, which is good for MRRA because it means fuel sales are up too.
- The electric project for approach lights is about complete and the system has been flight checked.
- Tree clearing project is nearly completed.
- The Augusta airport is expanding its pilot training program at SMCC at Brunswick Landing.
- FY14 renovations to Hangars 4 and 5 are under way. The roof on Hangar 4 is about two thirds complete.
- Other upcoming FY15 projects: removal of center line lights on runway; airport storm water project, pending DEP approval; Hangar 6 door upgrade with \$2 million mullion replacement; pavement maintenance; glycol capture system; culvert repair on west side perimeter road.
- MRRA will be hosting EAA's Chapter 87's Fly-In on Saturday, June 20.
- Tom Brubaker provided an update on utility matters, including:
 - 44 new meters have been installed (the Navy didn't separately meter buildings).
 - Electric rates had to be raised because some common services had not been captured.
 - The Village Green Venture anaerobic digester is moving forward.
- Business Attraction Update.
 - There are still some large spaces available for lease.
 - MRRA was the recipient of a \$50,000 grant from Economic Development Administration, which is being administered by Maine International Trade Center (MITC), for international marketing.
 - Staff will be meeting prospective companies engaged through our consulting firm, ROI. (MRRA strategy is to get in front of decision-makers.)
 - Staff will be attending 10 trade show/conferences during the next two quarters.
 - Staff will be attending Create Week in Portland to market TechPlace.
 - Last week's reception to thank our TechPlace partners was a success.

Other Business:

Action Item: Steve Weems made a motion that the Board authorize and ratify the assignment of MRRA's lease rights to Lot 8 (and the buildings thereon including two houses), together with the conveyance of full real estate title upon receipt of title from the U.S. Navy, to Affordable Mid-Coast Housing, LLC for the purchase price of \$430,000, which was seconded by John Moncure.

Public Comment: None

Executive Session: A motion was made at 4:47 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 5:40 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 Lease with L.L. Bean commencing May 1 (rent commencement July 1) for approximately 3.72 acres and building 56 (a portion of the former fuel farm), which was seconded by John Bouchard. The vote was unanimous of the Board members present.

Action Item: Steve Weems 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 building #51 and approximately one acre located at 119 Orion Street to Frosty's Donuts, LLC, or assigns, for the purchase price of \$255,000, which was seconded by Rita Armstrong. The vote was unanimous of the Board members present.

Adjournment: A motion was made by Rita Armstrong at 5:50 p.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