



MIDCOAST REGIONAL REDEVELOPMENT AUTHORITY

Meeting Minutes MRRA Board Meeting

July 23, 2014

Present: John Peters (Chair), Rita Armstrong (Treasurer), Daniel Daggett, Sande Updegraph, John Moncure and John Bouchard

Excused: Steve Weems, Lois Skillings, George Gervais, John Dorrer, and Carl Flora

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

Location: Brunswick Town Hall, 85 Union Street, Brunswick, ME

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: Acting Brunswick Town Manager John Eldridge welcomed the Board to the Town's new offices at 85 Union Street. He said it was the first time in 25 years that the Council Chambers were in the same building as the administrative offices.

Mr. Eldridge also talked about recent projects in Brunswick, including the new Police Station on Stanwood that opened in September, the Recreation Center's new location in building #211 at Brunswick Landing, and Coastal Enterprises, Inc.'s new location at the former Town Hall location at 28 Federal Street. He noted that the demolition of the former town hall would commence in the very near future, and that he was pleased to have a taxpaying entity at the location.

Regarding collaborative work with MRRA, Mr. Eldridge noted:

- The 591-acre Kate Furbish Preserve project is moving forward with the Town working on GIS mapping and making trails more accessible.
- Work is being done to make bicycle and pedestrian traffic accessible to Brunswick Landing from Pine Street (behind Bowdoin College).
- Work is moving along on the Captain William A. Fitzgerald, USN, Recreation and Conservation Area Management Plan.
- The Town is sponsoring a CDBG application for Tech Place.
- The Town has completed a CDBG application for Frosty's Donuts, a tenant at Brunswick Landing.
- The Common Development Plan with The Priority Group and MRRA was approved by the Town.
- A solar power project for the roof of Building 211 (home to the Town's Rec Center) is being discussed.

Mr. Eldridge said that the Town is looking forward to working cooperatively with MRRA.

MRRA Chair John Peters thanked Mr. Eldridge and echoed that MRRA is looking forward to working with the Town and keeping the lines of communications open.

John Moncure relayed the story of Chair Peters' nearly fatal heart attacks on June 11. John Moncure expressed how fortunate we all are to have him back.

John Peters said he was lucky and that he has had time to reflect that his good fortune comes from his family, friends and colleagues. He expressed his profound gratitude to his running partner of 25 years, Dave DeLois, who performed CPR, as well as to the EMTs, Harpswell Fire Department volunteers and Midcoast Hospital staff.

Minutes of May 28, 2014. The Board was without a quorum until John Bouchard arrived, after which John Moncure made a motion to accept the minutes of the May 28, 2014, which was seconded by Rita Armstrong. Sande Updegraph noted some minor errors for correction. The vote was unanimous of the Board members present to approve the minutes with the noted corrections.

Executive Director's Report.

Property Conveyances

Executive Director Steve Levesque said that 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 1,660 acres of the 2,100+ acres we are slated to receive. The Navy has conveyed to MRRA 744.56 (68%) of the 1,098 acres of the non-airport property

and 971 (98%) of the 992.2 acres of airport land. In addition, the new tower area is expected to be transferred by the Navy to MRRA in the very near future.

Public benefit conveyances of land and buildings have been made or are in the process of conveying to Southern Maine Community College, Bowdoin College, Town of Brunswick and Family Focus. All the remaining properties at the former NASB and Topsham Annex will be conveyed once appropriate environmental clearances are obtained.

TechPlace

Steve reported that the Executive Committee approved the award of the renovation contract of building 250 to HardyPond Construction. The contract has been sent to the Economic Development Administration for its approval. Once the EDA approves the contract, the renovations can commence. A wall breaking ceremony is being planned to launch the renovation project. The schedule of the project is as follows:

- January – March: Space Planning and development of bid specs (out to bid)
- July: Bid awarded – awaiting EDA approval
- August (early) Groundbreaking ceremony
- July – September: Construction activity and management plan development
- October 2014: Opening and acceptance of business tenants

HUBZone Legislation

Steve informed the Board that Senator King was able to get an amendment regarding HubZones into the current Senate version of National Defense Authorization Act (NDAA) bill. We are now awaiting the final outcome of Committee of Conference.

Local Community Updates

Town of Brunswick. We have been working with the Town of Brunswick and the Priority Group on the development of a Common Development Plan for the gateway to Brunswick Landing, which the Brunswick Zoning Board recently approved.

Town of Topsham. We are working with the John Shattuck of the Town of Topsham to establish a 3-4 lot subdivision for approximately 11 acres at the former Topsham Annex. This action will allow MRRA to market and sell additional properties at that facility. (Steve noted the property became available when JHR Development did not exercise its option.) Steve said that MRRA has a prospect to acquire one of the buildings on that property.

Redevelopment Activity Review

General Overview

Steve Levesque advised that property lease and sale activity continues to be very brisk at Brunswick Landing and the Topsham Commerce Park. Since the last meeting, MRRA has added several new tenants and have several more in lease negotiation. Currently, MRRA has over 509,313 square feet under lease to 28 tenants and over 55 entities doing business on the former base properties. On the sale side, MRRA currently has 55,000 s.f. under contract, as well as an additional 120,000 s.f. of building space and approximately 40 acres under final consideration.

After MRRA accounts for the latest Navy conveyances and the property it has sold, MRRA currently owns approximately 1,440 acres of land and 1,014,203 s.f. of building space. To date MRRA has sold over 300 acres of land and 27 buildings (i.e., nearly 600,000 s.f.). The properties that it has sold are all undergoing further redevelopment.

MRRA was able to secure nearly \$26 million in state and federal support for the redevelopment effort since the closure announcement in 2005. Just in the past three years, it has realized over \$120 million in private sector investments in the redevelopment effort. And these investments are still growing. This is representative of nearly a 5-1 ratio of private to public investments in the redevelopment effort to date.

State of Maine Jobs Bond	\$ 3,250,000
Department of Defense (Office of Economic Adjustment)	\$ 10,234,000
Federal Aviation Administration (Military Airport Program)	\$ 8,844,000
Economic Development Administration	\$ 2,650,000
Department of Housing and Urban Development (CDBG Grants)	\$ 572,000
Environmental Protection Agency (Region 1 office)	\$ 185,000
Public:	\$ 25,735,000
(Private:	\$120,000,000)

Steve reminded the Board that as part of MRRA's agreement to satisfy the Department of Housing and Urban Development's requirements for homeless assistance, MRRA established a Homeless Assistance Trust Fund to support housing assistance and services for the region's homeless through programs offered by Tedford Housing. This trust fund is capitalized through the transfer of developable properties to MRRA and other recipients at the rate of \$560 per acre. MRRA manages this fund and disburses to Tedford Housing as program needs dictate. To date, MRRA has placed \$511,148.80 into the Trust Fund and paid out a total of \$203,029.19 to Tedford Housing.

Steve was also pleased to report that due to MRRA's success, it has paid the US Navy the \$3 million outstanding note for its economic development

conveyance (EDC) of certain properties – ten years before it was due. This action saved MRRA nearly \$1 million in financing costs over the 10-year period. The other component of our deal involves a revenue sharing formula with the Navy for the next 20 years for a portion of lease and sales revenues.

Steve said MRRA is the first 2005 BRAC round installation to start paying on its EDC obligation. It's important to note that these payments go into the federal BRAC environmental clean-up account.

Housing Sales

To date, Affordable Mid Coast Housing has closed on 96 housing units in the McKeen Street neighborhood, and a number of others are under contract. By MRRA's 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 \$2,553,166 and MRRA has received \$388,181.50 to date for its agreed share.

Community Open House

MRRA will be holding its annual Open-house and Barbeque at 5:30 on Tuesday, August 19, at the Community room. A redevelopment update presentation will be given and bus tours. Also, Brunswick Landing businesses will have an opportunity to display brochures about their businesses. This event was well attended last year.

New MRRA Headquarters

MRRA will be relocating to its new permanent location in Building 200 (Air Terminal building) at 15 Terminal Drive the week of August 4th.

Committee Reports.

• Executive Committee

Chair John Peters said that much of what was discussed in the Executive Committee meeting of July 1, 2014 was covered in the Executive Director's report. What wasn't included is as follows:

- MRRA has a Purchase Agreement for building 87 (Oxford Networks) with George Schott.
- MRRA is negotiating a Purchase Agreement for the former NightFlight building with Schott.
- MRRA staff and the Town have been working on signage for the entrance to Brunswick Landing and along Bath Road. MRRA is also having the security fence along Bath Road removed and replaced with a wooden guardrail, which will be much more visually appealing.
- Hardypond Construction was awarded the TechPlace renovation project.
- MRRA's Relocation and Moving Services contract was awarded to 11 Pleasant Street.

- Gary Pomeroy Logging was awarded the contract for tree clearing services in the airport property. It was noted that families along Jordan Avenue should be notified about the tree clearing project.
- MRRA will be rolling out a new electronic paperless board packet for the trustees.
- There is a vacancy on the Executive Committee (the vice chair position). John Peters said he will be speaking with members of nominating committee to sort it out.

Finance Committee.

Committee Chair Rita Armstrong said that the Committee met on June 23, 2014 and reviewed the financial reports as of May 31, 2014, found them in good order and accepted them.

Deputy Director Jeffrey Jordan updated the Committee on his efforts in revaluating fixed assets for the buildings transferred to MRRA through the EDC conveyance process because the values were not in line with current market values and appraisals. The revaluation work now has been completed.

Rita advised that the auditors are working with staff on audit and working with staff for preparation to complete audit, which should be completed in early October. We probably will have a special board meeting to approve it.

Rita said that the auditors look at MRRA's internal process and controls. She said the Committee thought it important to meet with the auditors and talk about oversight from the Committee level. Rita was pleased to hear that the auditors were impressed with the controls that MRRA has in place, impressed with the detail of the financials and that the budgets, financial dashboard, and transaction journal get reviewed in detail each month. Rita felt it was an affirmation that the Committee has good Board control in place and oversight of the finances. John Peters said much of the credit goes to Rita and thanked her. He also thanked the MRRA staff for its oversight.

Rita said that at the next Committee meeting, the Finance Committee will be reviewing the final quarter once the books close. The review will be presented at the September meeting.

Redevelopment Committee.

Committee Chair John Moncure said that the Committee met on July 9, and much of what was discussed in the meeting was previously reported in the Director's Report.

Marty McMahon presented the Board with PowerPoint updates on airport improvements, the Common Development Plan, the entrance signage and info kiosk, and improvements to Bath Road.

Other Business. None

Public Comment. None

Executive Session. At 5:00 p.m. John Moncure 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 Bouchard. At 5:45 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.

Action Item. John Moncure made a motion that the Board authorize the Executive Director to execute a purchase and sale agreement with The Priority Group, and all other documents necessary to complete the sale and deed transfers regarding the sale of Lot 32 (12.26 acres) for the purchase price of \$450,000, which was seconded by Rita Armstrong. The vote was unanimous of the Board members present.

Action Item. John Moncure made a motion that the Board authorize the Executive Director to execute a property management agreement and a purchase and sale agreement and with TBW, Inc., and all other documents necessary to complete the sale and deed transfers regarding the sale of Lot 40 (Building 25 at 24 Venture Avenue) for the purchase price of \$450,000, and Lot 38 (Building 23 - the former car wash) for the purchase price of \$99,900, which was seconded by Rita Armstrong. The vote was unanimous of the Board members present.

Action Item. John Moncure made a motion that the Board authorize the Executive Director to execute a purchase and sale agreement and with Affordable Midcoast Housing, and all other documents necessary to complete the sale and deed transfer regarding the sale of building 516 (Nightflight) located at 179 Neptune Avenue.

Adjournment. A motion was made by Rita Armstrong at 5:45 p.m. to adjourn from the Board meeting, which was seconded by John Moncure. The vote was unanimous of the Board members present.

Lois Skillings, Secretary