



MIDCOAST REGIONAL REDEVELOPMENT AUTHORITY

Meeting Minutes of MRRA Annual Board Meeting

November 15, 2017

Present: Rita Armstrong (Vice Chair), John Moncure, Steve Weems (Treasurer), John Kilbourne and Sharon Eggleston

Excused: John Peters (Chair), Lois Skillings (Secretary), George Gervais, Carl Flora

Staff: Steven Levesque, Jeffrey Jordan, and Kathy Paradis

Location: Hilton Garden Inn Freeport

Time: 3:00 p.m.

Welcome & Introductions. In John Peters absence, Acting Chair Rita Armstrong welcomed the Board and attendees and invited them to introduce themselves.

Host Community Comment. Acting Chair Armstrong welcomed Executive Director Keith McBride of the Freeport Economic Development Corporation (FEDC). Mr. McBride welcomed the Board to Freeport and also welcomed the activity at the former Naval Air Station as it drives economic development in Freeport. Mr. McBride said that the FEDC works with the Town of Freeport to promote economic development. He said the Town is gearing up for the holiday season, noting that last year was the biggest in ten years for the fourth quarter. He said the Metro Breez Express bus has been very successful in helping the region with economic development. He also noted several real estate projects/sales in the works (Maine Beer expansion, Casco Bay Ford purchase of property near Yarmouth, and DiMillo Yacht Sales' expansion). He noted that the parking problem in Freeport is still being addressed.

Minutes from the 6/28/17 and 10/25/17 Board Meetings. John Moncure made a motion to accept the minutes of the October 25 Board meeting with the noted correction, which was seconded by Steve Weems. The vote was unanimous of the Board members present.

Committee Reports.

Finance Committee.

Finance Committee Chair Steve Weems said the Finance Committee met four times since the last Board meeting (August 15, September 19, October 17 and October 24). He said the Committee reviews the finance statements line-by-line and extensive notes are kept.

Deputy Director Jeffrey Jordan reported that on October 17 the Committee accepted the audit report from Runyon Kersteen and Ouellette, which was clean with no findings.

Chair Weems noted that the Quarterly Financial Statements as of September 30, 2017, were in order for Board acceptance.

Action Item: Steve Weems made a motion that the MRRA Board of Trustees accept the Quarterly Financial Statement for the period ending September 30, 2017, as recommended by the Finance Committee, which was seconded by John Moncure. The vote was unanimous of the Board members present.

Steve Weems reported that at its October 24 meeting, the Committee discussed the sewer budget and the progress being made for the Brunswick Sewer District (BSD) to take over the sewer system at Brunswick Landing. Steve noted that the BSD agreed to:

- accept the sewer trunk line system as soon as the punch list issues were completed;
- accept the pump stations as each station is brought up to current standards;
- be a co-applicant for an EDA grant request for \$750,000; and
- have their staff and attorney draft an agreement on details and mechanics of the transfer of the system.

Committee Chair Weems said that because the BSD did not accept the sewer system on July 1st as previously anticipated, a sewer budget for FY 2018 was not adopted and, therefore, the Finance Committee is recommending the sewer budget in the amount of \$514,900.00 at this time.

Action Item: Steve Weems made a motion that the MRRA Board of Trustees adopt the FY 2018 Sewer Budget, as recommended by the Finance Committee,

which was seconded by Sharon Eggleston. The vote was unanimous of the Board members present.

Executive Committee.

Acting Chair Rita Armstrong said that the Executive Committee met three times since the last Board meeting (August 2, September 6 and November 8. She noted that because the items discussed in the Committee meetings will be taken up later in today's meeting in the Executive Director's report, she will leave the reporting to Steve Levesque.

Election of Officers.

Lois Skillings reported that the Nomination Committee met over the summer discuss a slate of officers and to amend the Bylaws to reflect the current term of officers. The Committee unanimously recommended John Peters as Chair, Rita Armstrong as Vice Chair, Steve Weems as Treasurer, and Lois Skillings as Secretary.

Action Item: John Moncure made a motion that the Board of Trustees approve the following slate of officers, as recommended by the Nominating Committee: John Peters as Chair, Rita Armstrong as Vice Chair, Steve Weems as Treasurer, and Lois Skillings as Secretary, which was seconded by Steve Weems. The vote was unanimous of the Board members present.

2018 Meeting Schedule. The following are the currently planned Board meeting dates: February 28, April 25, June 27, August 22, October 24 and November 14. Meetings start at 4:00 p.m. at locations to be determined.

Executive Director's Report. Executive Director Steve Levesque summarized his Directors Report, which is set out in full below:

- **Federal Property Conveyances/Leases**

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. It is clear that the PFC issue will still substantially delay the issuance of future FOSTs and related property transfers. Based upon recent discussions with the Navy, they hope to be able to affect property transfer next fall and another next year.

Public benefit conveyances of land and buildings have been made or are in the process of being conveyed 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**

We currently have 35 companies located in the facility and we continue to see significant interest from additional companies. It's also exciting that several existing companies have expanded their original presence and have taken more space. New businesses added to TechPlace this fall include AdmitHub, Altha Technology, Hydoswarm and JMH Associates. Currently, these businesses collectively occupy approximately 30,000 SF, or about 70% of the available space for rent. The final piece in the build-out is to outfit the shared composites lay-up facility and re-establishment of the paint facility, which will be completed this fall.

We are extremely pleased to report that STARC Systems, our very first TechPlace business, has graduated from the incubator and has relocated to a larger stand-alone facility on the Brunswick Landing campus. This is exactly what we want to happen as businesses continue to grow.

In addition to our tenants' use of the facility, TechPlace is continually being utilized by a number of partner organizations for training and networking events. We also continue to explore the use of the facility to host and support an aviation maintenance technician training program.

Redevelopment Activity Review

- **General Overview**

Property lease and sale activity continues to be very brisk at Brunswick Landing and the Topsham Commerce Park. We currently have over 466,000 SF under lease to over 60 direct business tenants (includes TechPlace). And we have several exciting new business leases in the working stages.

When we account for the latest Navy conveyances and the property we have sold, MRRRA currently owns approximately 1,280 acres of land and over 780,000 SF of building space. With the recent sale of lots 6 and 7 to the Priority Group, we have sold over 400 acres of land and 45 buildings (over a half million SF) to date. The properties that we have sold are all undergoing further redevelopment. We also have properties in Topsham under contract (former Army recruiting building and former Marine Corps Reserve property).

Between MRRRA controlled property and those properties owned by others, I am pleased to report that there are now over 100 private and public entities doing business on the former base properties at Brunswick Landing and the Topsham

Commerce Park. As of this month, collectively, these entities employ approximately 1,239 people on a full-time basis and 286 on a part-time basis for a total of 1,525 (see attached employment table). It should also be noted that there are 120 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 has resulted in the creation of approximately 75 new jobs at the off-site Brunswick manufacturing facility.

To date, the redevelopment effort has realized over \$350 million in private and public-sector investments made into the properties over the past four years. In addition to the attraction of individual business entities, we have been fortunate to attract seven major real estate developers who are acquiring and redeveloping properties at both Brunswick Landing and the Topsham Commerce Park. In fact, several of these developers are applying revenue proceeds from subsequent sales and leases at the former base to reinvest in other properties here. We have also been very fortunate to attract significant local, state and federal financial assistance to help fund critical improvements to the aging infrastructure and facilities on the former base.

We continue to experience another very busy construction year at Brunswick Landing, with the completion of the sewer improvement project, new office and industrial buildings and energy generation facilities, as well as planned hangar and other airport improvements. We are also working with the Town of Brunswick and several property owners on the construction of a new connector road between Admiral Fitch Avenue and Rt. 24, which was part of the Reuse Plan.

We are all very excited about several new businesses that have recently choose to locate and/or expand at Brunswick Landing, including: Black Diamond Whiskey, Accel Physical Therapy, Planus, Harpswell House, the Real School and American Classics.

We are also very pleased to report that the assets associated with former Navy Housing units have been acquired from Affordable Midcoast Housing by a company called Brunswick Landing Venture, LLC. They plan to sell some of the remaining 400+ units and propose to add upwards of 400 additional units at the Brunswick and Topsham properties for rent and sale, as the market dictates.

Lastly, we are very pleased to be the recipient of the Maine State Chamber's first ENVY award, recognizing the contributions MRRA is having on the regional and State economy.

- **Marketing Update**

MRRA staff is in the midst of a very busy fall in their business attraction marketing efforts. In keeping with our strategy of recruiting large business investment from away, we are very active in the out of State and out of country activities associated

with our target sectors. While time consuming, this strategy is very effective, as we have the opportunity to have recurrent face to face discussions with key prospects. This year, our primary sectors of focus is the aerospace industry, particularly MRO and manufacturing companies, and information services, particularly cybersecurity and back office operations. These two sectors provide the “best fit” opportunities to occupy our remaining building assets.

On the international scene, we are continuing to participate in a number of key trade shows and conferences aimed at promoting our assets and securing foreign direct investment focusing on European and Canadian companies. We partner with the Maine International Trade Center on many of these outreach activities. Our efforts are starting to bear fruit, as we have now hosted several visits from foreign companies that we met at these events.

We will continue to market in country as well and have attended multiple trade shows for our target industries. We do maintain an in-state marketing trade show program as well, aimed at showcasing TechPlace, some smaller commercial properties and vacant land available for development. Because of all the recent good news about the redevelopment effort, we continue to experience numerous inquiries for property and buildings.

Other Business: None

Public Comment: Bryant Monroe, who recently retired from the Department of Defense Office of Economic Adjustment (OEA), and MRRA’s guest speaker at tonight’s annual dinner, thanked the MRRA Board and staff for helping making his last 14 years at OEA as project manager his best years. He said that former Naval Air Station Brunswick is over the top regarding redevelopment in the 2005 BRAC class. He was pleased to be part of the community that came together to make it happen. Steve Levesque thanked Bryant for being MRRA’s advocate at OEA and that it has been a pleasure to work with him – a sentiment echoed by various Board members.

Executive Session: A motion was made at 3:30 p.m. by John Moncure and seconded by Steve Weems to go into Executive Session pursuant to MRSA Sec. 405(6)(C). The vote was unanimous of the Board members present.

Adjournment: A motion was made by John Moncure at 4:00 p.m. to adjourn from the Board meeting, which was seconded by Rita Armstrong. The vote was unanimous of the Board members present.

Lois Skillings, Secretary