



MIDCOAST REGIONAL REDEVELOPMENT AUTHORITY

Meeting Minutes of Eighth Annual MRRA Board Meeting

November 18, 2015

Present: John Peters (Chair), Rita Armstrong (Vice Chair), Lois Skillings (Secretary), Steve Weems (Treasurer), John Moncure, and John Kilbourne

Excused: John Bouchard, Carl Flora, and George Gervais

Staff: Steven Levesque, Jeffrey Jordan, and Kathy Paradis

Location: Hilton Garden Inn, Freeport, Maine

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. Chair Peters welcomed Bryant Monroe from the Office of Economic Adjustment.

Election of Officers. John Peters explained that MRRA currently has nine Board members, instead of the usual eleven. Also, MRRA Secretary Lois Skillings will not be staying on due to work obligations. He said that Governor LePage has not nominated any new board members yet, but nominations are likely to occur in January. Chair Peters asked the Board to reelect the current slate of officers temporarily until a new full board is in place and able to attend a couple of board meetings to get up to speed.

Action Item: John Moncure made a motion that the current officers of the MRRA Board be re-elected (i.e., Chair John Peters, Vice Chair Rita Armstrong, Treasurer Steve Weems, and Secretary Lois Skillings) until the Governor makes, and the legislature confirms, appointments or reappointments, after which time a nomination committee will be formed and new MRRA officers elected. The motion was seconded by John Kilbourne. Hearing no other

nominations from the Board, the vote was unanimous of the Board members present.

Public Hearing on \$1.5M Ten Year Revenue Bond for Inducement Resolution

Steve Weems made a motion to open the public hearing which was seconded by Rita Armstrong. The vote was unanimous of the Board members present.

Deputy Director Jeffrey Jordan explained to the Board that the Five Year Financial Forecast and Plan included the provision of floating a bond issue to fund capital improvements at Brunswick Landing. It is recommended that the Board authorize the issuance of \$1.5 million of bond (initially \$2M, but adjusted down to \$1.5) for the following projects:

Airport Projects

- Airfield Drainage Improvements (AIP #014)
- Improvements to Hangars 4 and 5 (AIP #016)
- Construction of Snow Removal Equipment Building (AIP #017)
- Improvements to Hangar 6 Doors (AIP #019)

MRRA Improvement Projects

- Front Gate and Bath Road Signage Project
- Burbank Street Parking Lot Renovation

Sanitary and Stormwater Utility Project

- Sewer Bursting and Manhole Restoration Project

Electric Utility Project

- Reclosers and Transformer Upgrade, Admiral Fitch Avenue

Some of these projects have already been completed and the bond proceeds will be used to restore MRRA's Annuitized Reserve Fund. Other projects are just getting underway and MRRA will utilize these bond proceeds to fund construction. The 10 year bonds shall be obligations of the MRRA and payable from and secured by a pledge of revenues tax increment financing revenues derived from the Brunswick Landing II Municipal Development and Tax Increment Financing District and/or the Brunswick Executive Airport II Municipal Development and Tax Increment Financing District.

The Bond Resolution, prepared by William Stockmeyer, Esq. at Drummond Woodsum, provides that the Executive Director is authorized to arrange for the sale of the Bonds at public or private sale to such parties, including the Maine Municipal Bond Bank, as the Executive Director determines to be in the Authority's interest, to execute and deliver loan agreements and other contracts for that purpose, and to hire such financial advisors, underwriters,

registrars, paying agents, transfer agents, and other consultants, if any, as the Executive Director deems necessary to assist with the sale of the Bonds, all on such terms not inconsistent with the attached resolution.

Once the resolution is passed, it will be presented to the Finance Authority of Maine. (MRRA's statute requires a Certificate of Approval from them.) Once FAME takes action, MRRA staff will work with bond counsel and financial advisor to issue the bonds.

Hearing no further comments, Rita Armstrong made a motion to close public hearing, which was seconded by John Kilbourne. The vote was unanimous of the Board members present.

Action Item: Steve Weems made the motion to approve the Resolution entitled "Resolution to Authorize Issuance of up to \$1,500,000 in Revenue Bonds to Finance Certain Improvements at Brunswick Landing," be approved in form presented to this meeting, and that an attested copy of said Resolution be included with the minutes of this meeting. The motion was seconded by John Moncure. The vote was unanimous of the Board members present.

Micro Cap Investment.

Executive Director Steve Levesque said the establishment of TechPlace has been very successful. As he explored other successful business incubation models throughout the country, he discovered that many provided access to flexible venture and debt capital for their resident businesses to assist with their growth.

Based upon discussions with business leaders, State officials and FAME, we discovered the opportunity to create a private venture capital fund, utilizing the Maine Seed Capital Tax Credit Program managed by FAME. The program allows for seed capital tax credits on investments provided to to focused companies that want to grow. We are forming the Micro Cap Investment Corp to make these investments.

For the purposes of this venture capital program, Micro Cap Investments, Inc. is being formed to establish a Maine Private Venture Fund to make investments in Maine manufacturing and technology companies. The other partners are the Windham Economic Development Corporation and the Gledhill Investment Group (see attached executive summary). MRRA and WEDC would each own 25.5% of the company.

This structure allows the fund to invest using equity like instruments such as convertible debt or equity capital from both Maine and out-of-state investors. The funds can be used by Qualified Companies for working capital to reduce leverage, acquire assets, provide greater liquidity and allow for faster organic growth.

The Fund is an 'Evergreen' Fund with no specific end date. The focus will be 'Micro Cap' companies generally defined as having revenues from \$500,000 - \$5,000,000. In addition to the goal of providing investors with a fair return the Fund will seek to stimulate economic development and job creation at the former NAS Brunswick, the Town of Windham and in the State of Maine.

MRRA is not putting up any money unless it wants to; this is just another tool for the toolbox, and MRRA will be the only one (besides CEI) who has this tool.

Action Item: John Moncure made a motion that the MRRA Board allow MRRA to incorporate as a 25%% investor in Micro Cap Investments, Inc. and authorize MRRA's Executive Director to execute the appropriate documents. The motion was seconded by Lois Skillings. The vote was unanimous of the Board members present.

Amendment to Bylaws regarding Committee Quorums

Because of the current shortage of Board members, Chair Peters said that an amendment to the MRRA bylaws could be made to allow for 50% of the number of trustees on a Committee constitute a quorum, instead of three members.

Action Item: Lois Skillings made a motion that the MRRA Board adopt an amendment to the MRRA Bylaws allowing that a committee quorum constitutes 50% of the number of trustees on a Committee. The motion was seconded by John Moncure. The vote was unanimous of the Board members present.

Amendment to Personnel Policy.

Deputy Director Jeffrey Jordan described the recommended changes:

MRRA Policy 006 has been amended to reflect current non-exempt and exempt personnel with their current job titles.

MRRA Policy 007 - Distracted Driving Policy. Because we receive funds from FAA, MRRA is required to adopt a distracted driving policy, which prohibits employees from texting, watching TV or CD players, playing electronic games, or using stereo headphones in their car or any MRRA vehicle while working.

Action Item: John Moncure made a motion that the MRRA Board adopt amendments to MRRA's Personnel Policy regarding Fair Labor Standards Act (MRRA Policy #006) and institute a Distracted Drive Policy (MRRA Policy #007), which was seconded by John Kilbourne. The motion was unanimous of the Board members present.

ICMA – Government Money Purchase Plan and Trust Adoption Agreement

Deputy Director Jeffrey Jordan explained that MRRA staff has a defined contribution plan through the International City Management Association

Retirement Corporation (ICMA-RC). Every six years, the ICMA-RC has to go back to the IRS to seek a private letter ruling on the model plan. Some minor changes were made and a model was provided, and he recommended that the Board adopts the model plan.

Action Item: John Moncure made a motion that the MRRA Board adopt a Resolution amending and restating the ICMA Retirement Corporation Governmental Money Purchase Plan and Trust, which was seconded by Rita Armstrong. The vote was unanimous of the Board members present.

Dashboard. Steve reviewed the updated Dashboard with the Board.

Chair John Peters stated that he is pleased with MRRA's customer service survey stats.

John Kilbourne asked if MRRA has reached its tipping point. Steve Levesque said it's been reached or passed because we have reached critical mass. He said there are probably over 2,000 people a day coming on Brunswick Landing made up of employees, students, contractors, etc. John Moncure said the average BRAC'd base takes 15 years to recover the economic impact of closure, but MRRA has shortened that period of time. The variables for MRRA's success include geographic location, political climate, resources, urban places do better than rural, and leadership.

HUBZone. Executive Director Steve Levesque gave an update on the HUBZone, noting that after three years of trying to get it passed, it recently was approved and is awaiting the President's signature. The HUBZone expansion will help current Brunswick Landing businesses and boost MRRA's business attraction efforts. HUBZones allow small businesses located on former military bases or economically distressed communities with high rates of poverty or unemployment to obtain certain federal contracting preferences. Formerly, the HUBZone law required 35 percent of employees in a qualifying business to live within the geographic boundaries of the closed base, a provision that was difficult for former bases (like Brunswick Landing) to meet. The HUBZone Expansion Act will allow prospective employees who live in a geographic location outside the boundaries of the closed base to count toward the 35 percent requirement, and will extend the period of time for which a closed base would qualify from five years to eight years. Steve said the Maine delegation worked hard in getting this passed. MRRA, in conjunction with the SBA, will be holding a small business conference in January to let people know who they can connect with for federal contracting opportunities.

Public Comment: None

Executive Session: A motion was made at 4:58 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 5:30 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 items:

Action Item: John Moncure made a motion to authorize the Executive Director to make a forgivable loan of up to \$300,000 to support a major business prospect, which was seconded by Rita Armstrong. The vote was unanimous of the Board members present.

Adjournment: A motion was made by Rita Armstrong at 5:35 p.m. to adjourn from the Board meeting, which was seconded by John Kilbourne. The vote was unanimous of the Board members present.

Lois Skillings, Secretary