



MIDCOAST REGIONAL REDEVELOPMENT AUTHORITY

Meeting Minutes

February 8, 2011

Present: Arthur F. Mayo, III (Chair), Dana Totman (Vice Chair), John Moncure (Secretary), Rita Armstrong (Treasurer), Adam Cote, Philip Congdon, Donald Hudson, Sandra T. Updegraph, and Steve Weems

Absent: Sally DelGreco

Staff: Steven Levesque, Jeffrey Jordan, Marty McMahon, Bob Rocheleau, Tom Brubaker, Victoria Boundy, Melissa LaCasse and Kathy Paradis

Location: Bath City Hall

Time: 4:00 pm

Welcome & Introductions: Chair Art Mayo welcomed the attendees and invited them to introduce themselves. Art and the Board also welcomed new Board member from Maine's Department of Economic and Community Development, Commissioner Phil Congdon.

Host Community Comment: Paul Mateosian, Assessor/Assistant Manager of the City of Bath, welcomed MRRA to the City of Bath, and thanked MRRA for doing a good job.

Minutes of Prior Board Meeting: Steve Weems made a motion to approve the Board minutes of the December 14, 2010 Board meeting, which was seconded by John Moncure. The vote was unanimous of the Board members present, with the exception of Phil Congdon and Adam Cote who abstained since they did not attend the December 14 Board meeting.

Executive Director's Report.

Environmental Impact Statement and Environmental Assessment. Steve said that the Navy has completed the final EIS on the reuse master plan. MRRA has received the Navy's Record of Decision (ROD), which summarizes that the reuse plan will not have a significant adverse effect on the environment. The issuance of the ROAD has cleared the way for properties to be transferred to MRRA and other entities. Steve advised that the Topsham Annex has had a Finding of No Significant Impact (FONSI) by the Navy, which clears the way for property transfer there as well.

Property Conveyances. Steve said that MRRA has been working with the Navy, FAA, EPA and Maine DEP to coordinate all the issues associated with the transfer of the properties, as evidenced by the airport public benefit conveyance (PBC) ceremony on February 7. The no cost PBC was approved by all pertinent parties, including the FAA. The total airport property acreage is approximately 962 acres; however, the first PBC transfer will be for 714 acres, which includes hangar 5 and 6, buildings 553 and 554, and the airfield. Based on discussions with the Navy, Steve said he was optimistic that MRRA will receive title to this property within a month. Steve was hopefully that MRRA will receive most of the remaining airport property in the spring, after environmental concerns are addressed, a Finding of Suitability of Transfer (FOST) is completed, and the Navy vacates the buildings it currently occupies. In addition, Steve advised the Board that SMCC plans on receiving title to some of its PBC property in February, with the remainder being conveyed to it this summer.

By way of background, last fall MRRA submitted a PBC application for the airport property, as well as an economic development conveyance (EDC) application for the other portions of the base (including the Topsham Annex) totaling approximately 1,300 acres. Other PBCs scheduled for conveyance are the Town of Brunswick (approximately 1,200 acres and two buildings), Bowdoin College (approximately 200 acres), SMCC (14 acres and 6 buildings), Family Focus (two buildings) and SAD 75 (12 acres).

Steve said that the Navy has been most accommodating with MRRA's redevelopment timeframes through the issuance of interim leases and property licenses and moving ahead with the airport and SMCC's PBCs. Currently, MRRA has licenses for the airport lands, hangar 6, and buildings 37, 38, 553 and 554. Also, MRRA has a master lease that currently encompasses buildings 225 and 252, but will be modified to include other buildings as soon as they become available for business activity.

EDA Grant Application. Steve recapped the grant application submitted to the Economic Development Administration (EDA) for just over \$3M to assist in redevelopment improvements to accommodate redevelopment activities, noting that a copy of the application was included in the Board packet. Steve said these grant funds would be used to match the previously approved bond funds, state CDBG funds, FAA funds and private investments on the base properties. Steve thanked MRRA's Clean Technology Manager, Tom Brubaker, for his outstanding work in putting together the complex application.

Commissary and Exchange. Steve advised that Congress passed legislation to keep the commissary located in Topsham, and the exchange located in Brunswick, open through September 2011, which coincides with the statutory BRAC deadline to close the facility. It is unclear what will happen after September. Steve said that commissaries and exchanges exist to fulfill the needs of active military personnel. With the Navy gone, it is unclear whether the commissary and exchange will stay. Steve noted that our delegation is keenly interested in the matter, but the question remains, who is going to carry the financial burden for the commissary and exchange?

Guiding Principles. Steve said that when the Brunswick Local Redevelopment Authority (BLRA) crafted the reuse master plan, it established a set of guiding principles. Steve said that it is important to look at the guiding principles, noting that they are still relevant to the current environmental landscape and economic conditions in this region and state. Furthermore, it appears that MRRA's current work plans and redevelopment strategies for the base are very much in line with those original guiding principles, notably: utilizing the mix of land uses, remediating environmental issues to the level of our reuse plan; developing economic and employment viability and sustainability, optimizing the use of existing facilities and infrastructure, and optimizing the skills of the available civilian workforce.

Upcoming Activities. Steve noted the following events that will take place over the next several months:

- Grand opening of the Brunswick Executive Airport on April 2;
- Base disestablishment ceremony on May 31;
- Public Fly-In on June 4;
- Conveyances of EDC parcels to commence in June; and
- Great State of Maine Air Show and Business Aviation Expo on August 26-28.

After Steve Levesque concluded his Director's Report, Chair Art Mayo informed the Board that Bill Card, Senator Snowe's aide was leaving Senator Snowe's office to work for the Small Business Administration in Augusta. Art said that he would miss Bill, a sentiment echoed by the other board members. Bill

thanked the Board for their kind words and introduced Bobby Reynolds, who would be taking his place in Senator Snowe's office. Bill noted that MRRA was in good hands and that Bobby has been Senator Snowe's aide regarding Bath Iron Works matters for the past few years.

Committee Reports.

Executive Committee.

Committee Chair Art Mayo said that the Executive Committee met on January 4 and February 1, 2011.

Steve discussed the proposed revisions to MRRA's Personnel Policy, chiefly that full-time employees' hours would be increased from 37.5 to 40 hours per week, and that because of increased health insurance costs, the cap for health insurance will be increased to \$13,000 from \$12,000, which has not changed since January 1, 2008.

Action Item: Rita Armstrong made a motion that the MRRA Board adopt the proposed amendments to the Personnel Policy as presented by the Executive Director and attached to the official copy of the Board minutes, as recommended by the Executive Committee, which was seconded by Sande Updegraph. The vote was unanimous of the Board members present.

Airport Committee:

Committee Chair John Moncure said that the Airport Committee and Marty McMahon, MRRA's Aviation Services Manager, met on January 13, 2011.

Chair Moncure introduced Marty McMahon who presented the Board with a PowerPoint airport update, including information pertaining to the airport public benefit conveyance, leases/licenses granted by the Navy, status of buildings that will have delayed transfers due to environmental concerns, airport grand opening on April 2, personal property that the Navy has conveyed to MRRA, the Brunswick International Fly-In on June 4, and the Great State of Maine Air Show and Business Expo on August 26-28

Sande Updegraph gave kudos to Marty McMahon and Melissa LaCasse for their hard work. The sentiment was echoed by the other Board members.

Finance Committee.

Committee Chair Rita Armstrong said that the Committee met on January 11 and February 8, 2011.

At the January meeting, Rita said the Committee went over the December financials in great detail, including the quarterly and end of year report. She

said everything appeared in order and she is looking for acceptance from the Board.

Action Item: Rita Armstrong made a motion that the MRRA Board accept the MRRA financial report for the period ending December 31, 2010, as recommended by the Finance Committee, which was seconded by Don Hudson. The vote was unanimous of the Board members present.

Rita reminded the Board that at its December meeting, the entire budget for 2011 was approved, noting that the OEA budget is actually a six month amendment to the 2010 budget. She note that while the Grant Review Committee of OEA approved the budget that was adopted by the Board, when the budget was being reviewed in the OEA's Director's Office, OEA swept the remaining balances of three accounts totaling \$47,282. Therefore, the Finance Committee is seeking Board approval for the revised Budget Amendment #003.

Action Item: Rita Armstrong made a motion that the MRRA Board approve the revised budget amendment #003 to the 2010 OEA Budget as approved the the Office of Economic Adjustment, as recommended by the Finance Committee, which was seconded by Don Hudson. The vote was unanimous of the Board members present.

Regarding MRRA's annual audit, Rita said that MRRA received a proposal from MacDonald Page CPAs for a two year agreement beginning this year, increased by \$3,000. After reviewing the scope of work, the Committee agreed that the increase was justified and is recommending approval by the Board.

Action Item: Rita Armstrong made a motion that the MRRA Board authorize the Executive Director to sign a contract with MacDonald Page of Augusta, Maine to conduct the annual audit for the year ending December 31, 2010, as recommended by the Finance Committee, which was seconded by Don Hudson. The vote was unanimous of the Board members present.

Committee Chair Armstrong also reported that the Finance Committee found January financials to be in good order.

Board member Don Hudson and Rita Armstrong thanked Deputy Director Jeffrey Jordan for the remarkable work he does.

Environmental & Energy Committee.

Committee Chair Don Hudson said that the Committee met on January 10, 2011.

Chair Hudson advised that the Committee reviewed property transfer updates, remediation strategy updates, Brunswick Renewable Energy Center Feasibility Study updates, planning permit and other site permit updates, and trails/conservation lands updates. No formal actions were taken by the Committee.

Real Estate Update. Steve said that part of MRRA's job is to know what is going on with properties outside of the base fence. Steve introduced MRRA's Facilities Manager, Bob Rocheleau, to give the Board an update of what is going on in the real estate market.

Bob gave a PowerPoint overview of the local real estate market, including commercial real estate (office), direct vacancy rates of years 2004-2010; commercial and industrial real estate predictions for 2011, residential real estate sales, Maine five year absorption rate review, Sagadahoc County's five year absorption rate review, and residential real estate rentals.

Bob said he recently had conversations with real estate appraisers at a Maine Real Estate and Development Association (MEREDA) conference who indicated that the lease rates which MRRA has quoted are not having a negative effect on the private sector commercial real estate market.

Dana Totman stated he learned from a MSHA conference that the median income is not enough to buy a median house except in Bath/Brunswick area.

Public Comment: Ed Benedict read a prepared statement regarding MDEP's remediation process on base, copies of which will be distributed to the Board members.

Executive Session: At 5:05 p.m. John Moncure made a motion to go into executive session to discuss property matters pursuant to 1 MRSA Section 405(6)(C), which was seconded by Dana Totman. The vote was unanimous of the Board members present. At 5:45 p.m. John Moncure made a motion to adjourn and reconvene the MRRA Board meeting, which was seconded by Art Mayo. The vote was unanimous of the Board members present.

Adjournment: A motion was made by John Moncure to adjourn from the Board meeting, which was seconded by Art Mayo. The vote was unanimous of the Board members present.

John Moncure, Secretary

ATTENDEES OF 2-8-11 MRRA MEETING

Name	Company/Organization/Residency
Bill Whitten	Cumberland County Government
Don Spann	RE/Max Riverside
Ed Benedikt	BACSE
Andrea Quaid	Congressman Mike Michaud's Office
Denise Clavette	Town of Brunswick
Brian Whitney	Senator Snowe's Office
Scott Jacqmin	Coastal Counties Workforce
Catherine Ferdinand	Bowdoin College
Bill Card	Senator Collins' Office
Bobby Reynolds	Senator Collins' Office