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MRRA



Midcoast Regional
Redevelopment Authority

ANNUAL REPORT



2013



Dear Friends,

Redevelopment of the former Naval Air Station Brunswick continued at a brisk pace in 2013. There are now 30 entities, including seven that are new to the state of Maine, doing business here. Since the Navy left in 2011, 350 new jobs have been added and we expect more than 700 jobs by the end of 2014 just from our current mix of companies. We've awarded more than \$25 million in contracts since MRRRA took control of the former base. We will pay nearly \$700,000 in property taxes to the Town of Brunswick in fiscal year 2013. And we've sold more than 300 acres and 26 buildings to private developers for redevelopment purposes.

That adds up to a significant boost to the local and state economies. We've been fortunate to have the right combination of land, location, facilities, and infrastructure to attract business expansion here. We've also benefited from our strong partnerships with the Town of Brunswick, the State of Maine, the U.S. Navy, and Southern Maine Community College to name a few.

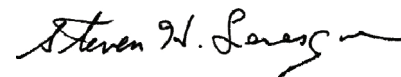
This year, we welcomed Tempus Jets and Mölnlycke Health Care, two large, world-class companies with impressive growth plans and the potential to create hundreds of new jobs. We added several other smaller businesses to the campus, including SaviLinx, Seeds of Independence, Providence Service Corporation, FGS/CMT, and ABL Electric. All together, the businesses here are utilizing more than a half million square feet of commercial and industrial space.

In 2013, we completed the sales of dozens of acres of land and buildings to real estate developers George Schott, Tom Wright, and Jim Howard. And they wasted no time getting to work to improve their new properties. So far, their activity has created more than 100 new jobs in just a few months. Working well with local folks is one of the keys to successful redevelopment. Speaking of which, we've recently partnered with the Brunswick Sewer District to maintain our sewer and water lines and they are leasing a building here for storing equipment and vehicles. The Town of Brunswick has been a key partner all along. This year the Town approved a tax increment financing (TIF) deal with MRRRA for up to \$12 million. Those monies will be used for badly needed investment in infrastructure.

We have other exciting projects about to kick off early next year, including TechPlace, a high-tech business incubator, and the construction of an anaerobic digester, a renewable energy power plant that generates electricity by breaking down organic waste matter. TechPlace will be funded in part by a \$1.5 million federal grant that MRRRA was awarded from President Obama's "Make It In America Challenge" program. We were one of 10 winners nationwide. We've partnered with Coastal Counties Workforce, Inc. and the Maine Manufacturing Extension Partnership on the TechPlace initiative. The renewable energy plant will be built on a site along the southeast side of the airfield. When complete, it is expected to generate 1 megawatt of power, which will mean millions of dollars in savings on our power bill over time.

We're well ahead of our 2005 BRAC peers in terms of job creation and overall economic development. In fact, our success has allowed us to begin paying the Navy its 25 percent share of sales and lease revenue. This is owed because we have surpassed the \$7 million threshold required by our economic development conveyance agreement with them. This kind of success has folks beyond Maine's borders taking notice. The Association of Defense Communities held its first ever redevelopment forum here in September, mainly because of MRRRA's strong track record. The other base redevelopers wanted to see Brunswick Landing and learn from us. More than 100 attendees toured Brunswick Landing and enjoyed a classic Maine lobster bake.

While we're delighted to be recognized for our success, we're still a very long ways from realizing our redevelopment goals. No doubt 2013 has been a terrific year to build upon. We're optimistic that 2014 will be even better.



Steve Levesque, Executive Director,
Midcoast Regional Redevelopment Authority



**From the
Director**

MRRA SCORECARD

Economic Impacts of Redevelopment Since Base Closure

- Entities doing business at Brunswick Landing: **30**
- 7 new companies to Maine doing business at Brunswick Landing: Mölnlycke Health Care, Kestrel Aviation, Oxford Networks, American Bureau of Shipping, SaviLinx, FlightLevel Aviation, Tempus Jets
- Number of new jobs being created: **700**
- Contracts awarded: **More than \$25 million**
- Total New Taxable Property in Brunswick/Topsham: **\$51,000,000**
- Total Property Taxes paid by MRRA: **\$684,674** (current fiscal year)
- Property assets sold by MRRA to private developers for future redevelopment activity: **300 acres, 26 buildings**



Southern Maine Community College professor Andy Schoenberg, center, runs one of the top advanced composites programs in the region at SMCC's Midcoast Campus at Brunswick Landing



Jets line the tarmac in front of Hangar 6 this past summer. Brunswick Executive Airport has had more than 1,200 takeoff/landings so far this year.

2013 ECONOMIC DEVELOPMENT

Redevelopment of Brunswick Landing continues to outpace efforts at other closed military bases from the 2005 BRAC. This year 10 new businesses opened at Brunswick Landing and two others are close to launching at Topsham Commerce Park once the former Commissary is sold. Some of the highlights:

Mölnlycke: In March, MRRRA handed over the keys to the newly constructed 79,000 s.f. plant to Mölnlycke Health Care. The Swedish medical device manufacturer is moving in machinery and expects to be fully operational with up to 50 new jobs by the end of the year. Also in March, Heather Blease of Brunswick launched a new company, **SaviLinx**, a customer support firm in former Navy Building 250's command office.

Tempus Jets signed a lease in September to relocate its FAA Part 145 Aircraft Repair Station and VIP interior completions business to the east bay of Hangar 6. Due to the size and excellent material condition of the hangars at BXM, Tempus Jets will be able to expand its aircraft repair and completions business to include large commercial aircraft from Boeing and Airbus. Tempus will create 25 jobs initially and plans to eventually employ more than 200 workers.

TechPlace: On October 22, MRRRA and Coastal Counties Workforce, Inc. (CCWI) learned they were awarded \$2,050,000 in federal funding from the "Make It In America Challenge" grant. The money is earmarked for the establishment of an advanced manufacturing accelerator – TechPlace. The U.S. Economic Development Administration is funding \$750,000 of the project, while \$1.3 million is being awarded to CCWI by the U.S. Department of Labor's Employment and Training Administration. MRRRA's share -- \$750,000 -- will be matched by pledges of \$250,000 apiece by MRRRA, Maine DECD, and the Brunswick Development Corp. The total \$1.5 million will be used to renovate former Navy Building 250, which will be the new home of TechPlace.

Providence Service Corporation is now the largest single employer at Brunswick Landing with more than



MRRRA completed construction of the \$15 million, 79,000 s.f. Mölnlycke building in March.

Tempus Jets CEO Scott Terry speaks at a press conference to announce his company's expansion to Brunswick.



90 positions. Providence, a provider of home-based behavioral health treatment services to children and families, and education and treatment services to children with Autism Spectrum Disorders, is leasing two buildings owned by Priority Real Estate Group of Topsham. Providence is reusing the former Navy Lodge and the former Navy Recreation Center and Bowling alley for the school and administrative offices. The Mid-Coast Veterans Council is also leasing space in the building.

Seeds of Independence: In May, TBW, LLC of Freeport, purchased two former Navy buildings. The 10,000-square foot former Navy personnel support



Brunswick native Heather Blease shows off the spacious Orion Street offices of her new company SaviLinx.

facility is being repurposed as a hub for the non-profit Seeds of Independence organization. Seeds of Independence is a mentor- and volunteer-based nonprofit organization committed to helping at risk youth in Maine. The former Navy Veterinarian Center will be leased to Wild Oats Bakery and Café, a downtown Brunswick eatery, which is expanding.

Topsham-based electrical contracting business ABL Electric moved into its new headquarters at 145 Alagash Drive near the old Seabee Compound. FGS/CMT moved into the former Navy kennel building off Pegasus Street in April.

2013 BRUNSWICK EXECUTIVE AIRPORT



New 10-Unit T-Hangar provides aircraft storage for airport tenants. It opened in August and already hosts eight airplanes.

Brunswick Executive Airport (BXM) has met or exceeded projections for air traffic, aviation businesses and based aircraft since it opened two and a half years ago. There are currently 25 aircraft based at BXM and Tempus Jets' arrival will significantly increase the number of aviation related jobs at the airport.

BXM Upgrades

Brunswick Executive Airport has been selected to participate in the FAA's Military Airport Program (MAP). This program provides special funding to assist airport authorities to convert former military airfields into civilian airports.

Recently completed projects include:

→ Security gates were installed on the east side of the airport. These gates have proximity card readers that will allow greater access for airport users and increase security by eliminating combination and key locks on existing gates. This system has also increased airport safety since each card holder must complete airport



Air traffic has increased this year and 25 airplanes are based at BXM now. This has kept FlightLevel, the fixed base operator, busy.

safety training before a card will be issued.

- Repairs and crack sealing were completed on the primary runway and taxiways.
- A Wildlife Hazard Assessment survey was completed. The airport is now working with state and federal agencies to complete a Wildlife Hazard Management Plan for the airport.
- Wildlife fencing was installed along the west side of the airport property to reduce the possibility of wildlife



The former Navy Air Operations Building is being converted into an air terminal with grant funds from the FAA's Military Airports Program.

impacts on the airport.

→ The first hangar designed specifically for general aviation was constructed. These T-hangars provide 10 units for private aircraft storage.

Current Projects:

→ The former Navy Air Operations Building is being renovated to serve as an general aviation (GA) air terminal.

→ Improvements are being made to Hangar 5, including roof repairs and boiler replacement.

→ The airport lighting systems are being upgraded to FAA standard. This project includes demolition of old approach lighting systems and installation of new approach lighting systems at the south end of the airport.

Future MAP Projects include construction of a new Snow Removal Equipment (SRE) building, utility metering and segregation, stormwater drainage improvements, removal of excess airfield pavement, and upgrades to hangar fire protection systems and hangar improvements.

2013 ENVIRONMENT, UTILITIES AND INFRASTRUCTURE

“Science Experiment” A Success

MARRA partnered with the Center for Sustainable Energy Systems (CSE), Dow Corning, and Dryvit, on a Department of Energy grant project to conduct a field demonstration of the viability in the Northern Climate zone (both from a constructability and energy performance perspective) of a new high efficiency Vacuum Insulated Panel (VIP) system



Larry Carbury of Dow Corning debriefs building owner Tom Wright on the energy-efficiency improvements made to former Navy Building 592 after a one-year study.

being developed by Dow Corning and Dryvit. The scope of the project also included the replacement of existing windows with high efficiency windows manufactured by Mathews Brothers of Belfast, Maine. Building 592, the former Veterinary Clinic, was selected as the site for this field demonstration project because its size, age, and construction most closely matched typical older housing in New England.

The exterior retrofit of the building with the installation of the VIP system and the new energy

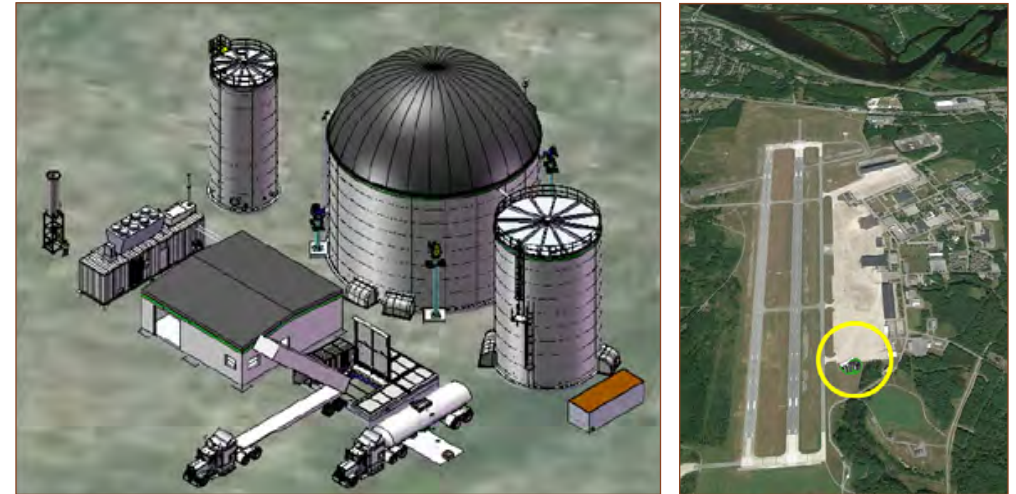
efficient windows was completed in July 2012. The performance of the upgraded building envelope (insulation system and windows) was monitored by the Fraunhofer Center for thermal efficiency, air infiltration and moisture performance for one year from July 2012 through June 2013. The analysis of the data collected showed that natural gas consumption in the building was reduced by 48 percent after retrofitting.

Tom Wright, CEO of Seeds of Independence, purchased the building in April. Tom now owns a one-of-a-kind, extremely energy efficient building. He is building an addition and dining patio, which would roughly double the size of the 1,600 s.f. building, and will lease it to Wild Oats Cafe and Bakery, which is expanding its business to Brunswick Landing.

On-Site Electricity Generation Progresses

MARRA has been working with Village Green Ventures (VGV) for some time now on the proposed development of a project to construct an anaerobic digester and associated “green energy” generation facility at Brunswick Landing.

In June 2013, the MARRA Board approved entering into a ground lease with Village Green Ventures for a 4.25 acre parcel of property on the south end of the parking apron of Brunswick Executive Airport for the construction of an anaerobic digester facility with the capacity to generate up to 1 MW of electricity and 1.5 MMBtu per hour of thermal energy.



An anaerobic digester power generation station is planned for the south end of parking apron at Brunswick Executive Airport (see locator map, above right). Construction the facility is expected to begin in the early spring. When complete, the power plant should be able to supply most of the current electricity needs of Brunswick Landing.

The developer has received Site Location of Development and Solid Waste permits from DEP and approval from the Brunswick Planning Board. Application for electrical interconnection has been approved by CMP.

MARRA and VGV are currently finalizing the Power Purchase Agreement and ground lease. Village Green Ventures hopes to break ground in March 2014 and expects to have the plant operational to full capacity by December 2014.

The proposed facility will be capable of generating a large portion of the current electrical requirement at Brunswick Landing thereby greatly reducing or eliminating electricity delivered over CMP’s distribution grid to the campus. This project is an exciting concept and consistent with MARRA’s mission and redevelopment plan for a renewable energy center at the Brunswick Landing.

Natural Resource Management Plan Unveiled

A 5-year Natural Resource Management Plan (NRMP) was created to organize efforts to achieve the natural resource preservation vision of MARRA-owned properties at Brunswick Landing. The NRMP is an integral component to achieving the mission set forth in the Reuse Master Plan and outlines responsibilities associated with being a good steward of the lands and resources that MARRA manages. It is a dynamic document that looks strategically at the land the MARRA currently owns and will be updated as necessary when additional properties are added to or removed from MARRA ownership.

FINANCIAL STATEMENT

		FY 2013	FY 2012*
Operating Revenues			
Rental Income and Fees	\$	1,841,738	\$ 785,470
Admission Fees		326,454	6,620
Utilities Assessment		538,218	419,648
Fuel Flowage Fees		69,300	7,671
Sponsorship - Air Show		68,750	-
Federal Grants		1,271,758	869,098
State Grants		-	29,751
Total Operating Revenues	\$	4,116,218	\$ 2,118,258
Operating Expenditures			
Salaries, taxes and benefits	\$	1,435,381	\$ 678,497
Supplies		356,335	207,281
Professional Services		716,999	359,363
Property Services		2,255,058	1,118,193
Other Purchased Services		363,507	105,512
Capital Outlay		1,945,791	711,527
Depreciation		3,783,202	1,588,977
Total Operating Expenditures	\$	10,856,273	\$ 4,769,350
Operating profit (loss)	\$	(6,740,055)	\$ (2,651,092)
Non-Operating Revenues (expenses)			
Federal Grants	\$	3,596,707	\$ 343,787
State Grants		1,021,093	804,298
Donations		80,000	-
Miscellaneous		517,185	340,216
Navy Covenant		(57,931)	-
Gain or (loss) on Sale of Property		(7,730,303)	(4,772,541)
Interest Income		378	-
Interest Expense		(657,555)	(258,634)
Total Non-Operating Revenues (expense)	\$	(3,230,426)	\$ (3,542,874)
Gain (Loss) before Contributions	\$	(9,970,481)	\$ (6,193,966)
Capital Contributions	\$	12,925,006	\$ 53,501,528
Change in Net Position	\$	2,954,525	\$ 47,307,562
Net Position, beginning of year (restated**)	\$	119,984,837	\$ 72,055,770
Net Position, End of the Year	\$	122,939,362	\$ 119,363,332

* Six month transition to new fiscal year

** Adjusting Journal Entries JE1 and JE2 by Runyon Kersteen and Ouellette capitalized prior year expenses totaling \$621,504 and increased Net Position at the beginning of FY 2013.



OPEN FOR BUSINESS

The following entities are now doing business at Brunswick Landing:

- ABL Electric
- American Bureau of Shipping
- Bowdoin College
- Brunswick Naval Museum
- Brunswick Sewer District
- FGS / CMT
- FlightLevel Aviation (FBO)
- Goodwill Industries NNE
- Great Island Boat Yard
- Harris Golf
- Kestrel Aircraft Company
- Maine Coastal Flight
- Maine DECD
- Maine Technology Institute
- Maine Tool and Machine
- Midcoast Veterans Council
- Mölnlycke Health Care
- New England Tent and Awning
- O'Neal's Janitorial
- Oxford Networks
- Priority Real Estate Group
- Providence Service Corp.
- SaviLinx
- Schott Management
- Seeds of Independence
- So. Maine Community College
- Tempus Jets
- Town of Brunswick
- Tri Star Sheet Metal
- UMaine College of Engineering
- Village Green Ventures



Midcoast Regional
Redevelopment Authority

REDEVELOPMENT PARTNERS

The redevelopment of Brunswick Landing and the Topsham Commerce Park is a multi-faceted task that involves the cooperation and strong support from several state, federal and local organizations. These agencies are an integral part of the team working to create a great new place for high quality jobs, research and development, education, recreation and sustainability. With a dedicated staff, Board of Trustees and the support of our many partners, we are taking the steps necessary to expedite redevelopment in order to create jobs, boost the economy and implement the innovative reuse master plans for Brunswick Landing and Topsham Commerce Park.

A few of our current partners:

- Coastal Counties Workforce, Inc.
- Economic Development Administration
- Environmental Protection Agency - Region 1
- Federal Aviation Administration
- Federal Congressional Delegation
- Fraunhofer Center for Sustainable Energy Systems
- Goodwill Workforce Solutions
- Maine Department of Economic and Community Development
- Maine Department of Transportation
- Maine Technology Institute
- Office of Economic Adjustment
- Priority Group
- Schott Management
- Southern Midcoast Maine Chamber
- Southern Maine Community College
- Town of Brunswick
- TBW, LLC Inc.
- Town of Topsham
- University of Maine System



BOARD OF TRUSTEES

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Steve Weems
Brunswick

The Midcoast Regional Redevelopment Authority is the master developer for Brunswick Landing: Maine's Center for Innovation and Topsham Commerce Park.

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