

MAINE STATE LEGISLATURE

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ANNUAL REPORT



2012

Mission

MRRA's mission is to implement the Reuse Master Plans for NASB and the Topsham Annex, manage the transition of base properties from military to civilian uses, redevelop base properties, and create new high quality jobs for Maine.



Dear Friends,

The closure of the Brunswick Naval Air Station — announced in 2005 — became reality in May 2011. Now that we're a year and a half into the redevelopment process, I'm sure people are interested in how it is progressing.

To date, the Midcoast Regional Redevelopment Authority, the entity charged with managing the redevelopment effort, has received more than 1,700 acres of property from the Navy, with more than 1 million square feet of building space available for reuse.

MRRA has established Brunswick Executive Airport, which is becoming a great asset for the Midcoast region, with over 1,000 takeoffs and landings, just this year.

Southern Maine Community College has established a vibrant Midcoast Campus to focus on business needs in this region. It has a current enrollment of nearly 400 students with a goal of expanding to about 3,000, and has developed a strong partnership with the University of Maine.

Over 20 business entities now call Brunswick Landing home. More than 150 jobs have been created with the projection of an additional 350 just from these companies.

These businesses currently lease 289,000 square feet of space, which has exceeded the historic annual real estate absorption rate for commercial/ industrial property in the region by a factor of three. There is also a 79,000-square foot state-of-the-art manufacturing facility under construction for Mölnlycke Health Care, which will open its doors in the spring of 2013. Cumulatively, private investment in these activities is more than \$75 million so far. And there are more than 100 current construction and maintenance jobs on the property.

To aid its redevelopment efforts, Brunswick Landing recently received notification of its acceptance as a Foreign Trade Zone from the U.S. Department of Commerce.

This past winter, MRRA sold 240 acres of land to Affordable Midcoast Housing to enable the subsequent sale and lease of the former military housing units to young families in Brunswick and Topsham. To date, nearly 28 units have been purchased in the McKen Street neighborhood, and the remaining units are over 90 percent occupied.

Since January 2011, MRRA has paid nearly \$5.5 million to state and local contractors. In addition, MRRA and its business tenants will pay more than \$450,000 in real estate and personal property taxes to the town of Brunswick this fiscal year. While there is still a very long way to go before the redevelopment effort can be deemed a success, I think it's safe to say that good, solid progress is being made in achieving MRRA's reuse goals and we are starting to make a significant contribution to the local and state economy.

Steve Levesque, Executive Director, Midcoast Regional Redevelopment Authority



From the Director

2012 ENVIRONMENTAL AND INFRASTRUCTURE IMPROVEMENTS

MRRA Purchasing 100 Percent "Green" Electricity

In July, MRRA entered into a one-year power purchase agreement with Constellation NewEnergy through Maine PowerOptions to purchase 100% of the electricity required for Brunswick Landing from renewable generation.

Under a program called NewMix Wind Renewable Energy Certificates, MRRA is purchasing Green-e Energy Certified electricity from wind generating facilities located within the continental United States.

Purchasing this Green-e certified energy:

- Shows MRRA's support for operation and development of renewable power plants
- Reduces MRRA's greenhouse gas emissions associated with its electricity use
- Demonstrates MRRA's commitment to the environment
- Is consistent with MRRA's vision for a Renewable Energy Center at Brunswick Landing
- Provides MRRA with a stable, predictable electricity pricing

With this new electricity supply agreement and a recently negotiated Transmission and Distribution rate with Central Maine Power, MRRA's "all in" electricity charge for its tenants is at about \$0.09 per kWh for 100% renewably generated electricity.

MRRA Becomes EPA Green Power Partner



MRRA's purchase of renewably generated electricity has enabled the organization to become an EPA Green Power Partner at the Leadership Club level (100% of MRRA's requirement is met by renewable electricity). The EPA Green Power Partnership encourages the



Brunswick Landing Lighting Upgrade

MRRA entered into an agreement with PEMCO & Co., LLC to replace 305 existing street and parking lot lights at Brunswick Landing, many of which are nearing the end of their useful life, with a new system of 270 more efficient LED fixtures. PEMCO has designed and is financing and implementing the new lighting system. PEMCO will handle all maintenance and metering/ monitoring over the 10-year term of the agreement.

Phase 1 of the installation of these new lights was completed in November. Phase 2 installation of new fixtures will start in late December 2012. In addition to improved lighting quality and security throughout Brunswick Landing, MRRA will benefit from an immediate reduction in operations and maintenance costs and energy consumption.

Installation of the new lighting under this project is projected to reduce the energy consumed by street and parking lot lighting at Brunswick Landing by over 300,000 kWh per year (68%).

The energy savings that result from this project represent a reduction of about 1.5% in the overall electricity consumption at Brunswick Landing. MRRA's portion of the savings for the ten year term of this project is projected to be \$11,000/year, representing a 20% savings over current costs.

voluntary use of green power to reduce the risk of climate change. Partners benefit from the use of green power, while supporting the development of new, renewable energy in the United States.

By becoming a Green Power Partner, MRRA has joined more than 1,300 other organizations that have made the switch to green power, including: Bowdoin College, Colby College, Unity College, College of the Atlantic, University of Southern Maine, and Tom's of Maine.

2012 ECONOMIC DEVELOPMENT

Foreign Trade Zone Designation

On September 7, the U.S. Department of Commerce Foreign-Trade Zones board officially granted MRRA FTZ Grantee status as Foreign Trade Zone No. 282 and designated 394 acres at Brunswick Landing as a Foreign Trade Zone (FTZ). The FTZ program helps U.S.-based manufacturing operations by removing certain disincentives associated with manufacturing in the United States. The duty on a product manufactured abroad and imported into the U.S. is assessed on the finished product rather than on its individual parts, materials or components. For U.S.-based companies involved in international trade, the FTZ program provides a means of improving their competitive position vis-à-vis their counterparts abroad. The fundamental FTZ benefit is the ability to defer, reduce or even eliminate customs duties on products admitted into the zone.

Brunswick Approves Zoning Changes at Brunswick Landing

At its November 5th meeting, the Town Council approved zoning changes designed to provide development flexibility and accelerated growth at Brunswick Landing. Most notable are the rezoning of a former housing parcel to community mixed use, creation of a new definition for a light manufacturing enterprise and allowing for an interim light manufacturing and storage use in the professional office zone.

Leasehold Improvement Revolving Loan Fund

MRRA set aside a portion of its proceeds from the sale of housing land to initially capitalize a revolving loan fund to assist new and existing tenants with leasehold improvements. Qualified business tenants are able to borrow up to \$50,000 at below market rates for improvements necessary for business operations at Brunswick Landing and Topsham Commerce Park.

Topsham Commerce Park Development Efforts Accelerated

With the Navy’s conveyance of approximately 12.2 acres of land six months earlier than anticipated, redevelopment of the former Topsham Annex, now known as Topsham Commerce Park, is on a more aggressive schedule. MRRA staff is working with Topsham Town officials to offer either the whole parcel for sale or sell individual buildings. Concurrently, a request for development proposals is being drafted in conjunction with the Town and is anticipated to be issued before year end.



Mölnlycke Building construction in mid-November. Construction is expected to be complete by February. The Swedish medical device manufacturer is scheduled to be operating by spring.



2012 BRUNSWICK EXECUTIVE AIRPORT



U.S. Air Force Thunderbirds at Great State of Maine Air Show

The Brunswick Executive Airport has been open for 19 months. There have been many exciting developments at the airport in the last year.

On June 2nd, the airport hosted the Second Annual Brunswick International Fly-in. Although the event was hampered by rain, it was still a great success.

The pilots who braved the bad weather attended training seminars hosted by the FAA and participated in a town hall meeting featuring the FAA’s Regional Administrator Ms. Amy Lind Corbett and noted defense attorney and aviator Mr. F. Lee Bailey. Visitors also toured home-built aircraft exhibits put on by local chapters of the Experimental Aircraft Association (EAA).

The Great State of Maine Air Show, featuring the USAF Thunderbirds, returned to Brunswick in August.

This was the Thunderbirds’ first visit to Maine since 1995. Over 600 volunteers donated their time and energy to produce the air show, and we thank them all.

It simply would not be possible to produce an event like this without our outstanding volunteers. Many of our volunteers will receive grants from air show proceeds to support local non-profit organizations.



New runway and taxiway lights at BXM -- now up to FAA standards.

Recently completed projects include:

- Runway remarking. This project brought the primary instrument runway up to FAA design standard for runway markings. The previous runway markings were completed to military standard and required significant modifications to comply with FAA flight safety directives.

- Upgrades to airport lighting systems. Runway and taxiway lights were upgraded to FAA standard. In the process, the taxiway lights were converted from high voltage incandescent to LED lighting. This change will save the airport approximately \$1,000 per year in utility costs and reduce CO2 emissions by 7.2 metric tons a year.

- Wildlife management study. This report will help MRRA to be good stewards of the environment and provide guidance for protecting the state listed bird and plant species that can be found in the sand plain grassland on the airport.

Future MAP projects scheduled for the airport include construction of General Aviation “T-Hangars,” improvements to airport stormwater systems, installation of wildlife fencing, and various repairs and upgrades to airport buildings and systems.



BXM Upgrades

Brunswick Executive Airport completed several construction projects funded through the FAA’s Military Airport Program (MAP).

This program was established to assist airport authorities in their efforts to convert former military airports, such as NAS Brunswick, into civilian airports.

PROPERTY AVAILABLE

MRRA has more than 1 million square feet of commercial and industrial space available to meet the needs of businesses. Visit mrra.us for more information on available properties.



Building 31 Navy Lodge



Building 11
Navy Exchange



Building 86

FINANCIAL STATEMENT

	Six-months ending June 30, 2012	Year Ending December 31, 2011
Operating Revenue		
Rental Income and Fees	\$785,470	\$875,569
Federal Grants	750,306	1,216,032
Utility Assessments	419,648	347,783
State Grants	29,751	75,664
Fuel Flowage Fees	7,671	16,963
Admission	6,620	303,869
Sponsorship Air Show	0	92,750
	1,999,466	2,928,630
Operating Expenses		
Salaries, Wages and Benefits	678,497	1,159,510
Supplies	207,281	163,568
Professional Services	359,363	1,070,002
Property Services	1,118,193	1,050,431
Other Purchased Services	105,512	391,066
Capital Outlay	711,527	634,559
Subtotal	3,180,373	4,469,136
Depreciation	1,606,957	1,416,491
	4,787,330	5,885,627
Operating Loss Prior to Depreciation	(1,180,907)	(1,540,506)
Operating Loss Including Depreciation	(2,787,864)	(2,956,997)
Non Operating Revenues (Expenses)		
Federal Grants	343,787	228,100
State Grants	804,298	1,762,324
Miscellaneous Income	340,216	397,219
In-Kind Donations	-	60,000
Loss on Sale of Property	(4,772,541)	33,240
Interest Expense	(258,634)	(673)
	(3,542,874)	2,480,210
Loss Before Contributed Capital	(6,330,738)	(476,787)
Contributed Capital	53,510,538	72,317,457
Changes in Net Assets (restated)	47,179,800	71,840,670
Net Assets, Beginning of Year (restated)	\$72,055,770	\$215,100
Net Assets, End of Year (restated)	119,235,570	72,055,770



SCORECARD

A scorecard of what MRRA has accomplished in relation to the goals and objectives outlined in the Redevelopment Master Plan for NAS Brunswick and the Topsham Annex Plan as well as the Twenty Year Operational Plan for MRRA. In the sixteen months following the official base closure ceremony, MRRA has worked with cooperating stakeholders to accomplish the following:

- MRRA has received over 1,700 acres of property conveyances to date (80% of total).
- MRRA established fully operational regional airport.
- Southern Maine Community College (SMCC) has established a vibrant & growing community college campus in partnership with the University of Maine system.
- Twenty-two businesses call Brunswick Landing home (289,000 square feet under lease).
- Currently 150 employees work at Brunswick Landing
- Over 500 projected new jobs
- A 79,000 square foot new manufacturing facility under construction (Mölnlycke Health Care).
- Over \$75 million in planned private investments.
- Over 100 current construction jobs on site.
- MRRA sold 240 acres of land to AMH to enable the sale of affordable housing to young families (28 to date).
- Received designation as a Foreign Trade Zone.
- MRRA paid \$5.4 million in State and local contracts in 2011-12 (exclusive of Mölnlycke, \$14.2 million).
- MRRA and its tenants will pay over \$440,000 in local property taxes to the Town of Brunswick this fiscal year. Affordable Midcoast Housing will pay nearly \$400,000 to the Towns of Brunswick and Topsham.

OPEN FOR BUSINESS

The following entities are now doing business at Brunswick Landing:

- American Bureau of Shipping
- BluSource
- Bowdoin College
- Brunswick Naval Aviation Museum
- Brunswick Sewer District
- FlightLevel Aviation
- Goodwill Industries NNE
- Great Island Boat Yard
- Integrated Marine Systems
- Kestrel Aircraft Company
- Lee Auto
- Maine Coastal Flight
- Maine DECD
- Maine Technology Institute
- Maine Tool and Machine
- Harris Golf
- Mölnlycke Health Care
- New England Tent and Awning
- Oxford Networks
- Savi Solutions
- Southern Maine Community College
- University of Maine College of Engineering

Together, these entities represent up to 700 new jobs and up to \$150M in new investments in the next three years. You can learn more about these companies by going to www.mrra.us.





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REDEVELOPMENT PARTNERS

- City of Bath
- CEI Capital Management
- 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
- The Governor's Office
- Maine Department of Economic and Community Development
- Maine Department of Transportation
- MaineHousing
- Maine Office of Tourism
- Maine State Planning Office
- Maine Technology Institute
- Office of Economic Adjustment
- Southern Midcoast Maine Chamber
- Southern Maine Community College
- Town of Brunswick
- Town of Harpswell
- Town of Topsham
- University of Maine System



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

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