

# MAINE STATE LEGISLATURE

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Midcoast Regional Redevelopment Authority

# 2014 ANNUAL REPORT





Dear Friends,

Redevelopment activity on the properties at the former Naval Air Station Brunswick continued at an exciting pace in 2014. There are now over 50 entities (public and private), including 14 that are new to the State of Maine, doing business at Brunswick Landing and the Topsham Commerce Park. We are proud to announce that we have resident businesses in each of our six target sectors: aerospace, composites, information technology, biotech, renewable energy and education, in addition to other complementary business sectors. Collectively, these entities employ over 450 people with a promise of double that number in just a few short years.

The redevelopment effort has welcomed nearly \$200 million in private and public sector investments (\$150 million private, \$50 million public) made to the properties over the past 3.5 years. Besides attracting individual business entities, we have been fortunate to attract five major real estate developers who are acquiring and redeveloping properties at both Brunswick Landing and the Topsham Commerce Park. In fact several of these companies continue to apply revenue proceeds from prior sales and leases at the former base and are reinvesting in other properties here. We are truly blessed and appreciative of the quality of the developers who are making this place part of their investment portfolio. Some notable examples of this phenomenon include the following projects that have occurred just this year:

- MRRA sold the former communications headquarters building to Affordable Midcoast Housing (AMH), which accommodates Oxford Networks and their state-of-the-art secured data center. The acquisition of this property was made possible by the sale of the former Navy Hotel from AMH (previously acquired from MRRA) to Rousseau Enterprises to develop a new senior congregate housing facility;
- JHR Development sold the former Commissary building in Topsham (previously acquired from MRRA) to Wicked Joe Coffee Roasting Company to establish their high-tech, energy efficient production facility;
- The Priority Group, after rehabilitating of the former Navy Lodge and Recreation Center into beautiful facilities, has now turned its attention to the construction of new modern high quality buildings at the gateway of Brunswick Landing; and

- Tom Wright, upon his acquisition of the former Family Services Center, has turned that facility into a multi-tenant services building and has redeveloped the former Vet Clinic to house a second Wild Oats Café location.



**From the  
Director**

The redevelopment effort also continues to assist in the recovery of the local, regional and state economies impacted by the base closure. Equally important to the economic growth of the region is the success and growth of the Southern Maine Community College (SMCC) campus and Brunswick Executive Airport (BXM). The combined SMCC and University of Maine campus now contains nearly 900 students and staff. BXM is on pace for over 12,000 flight operations this year. Over \$40 million in various construction contracts, mostly to local and in-state firms, have been awarded by MRRA since the Navy base closed. In addition, over \$65 million has been added to the local tax rolls in Brunswick and Topsham. Just this fiscal year, over \$1.8 million is being paid in real estate taxes from redevelopment of former base properties.

As one can imagine, the property mix and ownership patterns at the former base are becoming quite diverse. There are now 11 different property owners on the former base property, with several others currently under contract. In addition, over 30 buildings, comprising over 730,000 square feet are owned by entities other than MRRA and the Navy. We still have an inventory of over 500,000 SF for lease or sale to good job-creating businesses. We are also very excited about our new venture, TechPlace, a 95,000 SF small business incubator and manufacturing technology accelerator, which will open its doors in early January and provide a fabulous opportunity for the creation and growth of new businesses in a collaborative environment.

In conclusion, we are very pleased with our success to date on the redevelopment effort, but we also realize there is still a long ways to go to achieve the ultimate vision. Our progress has been consistent with the Reuse Master Plan and we are meeting and even surpassing our performance metrics.

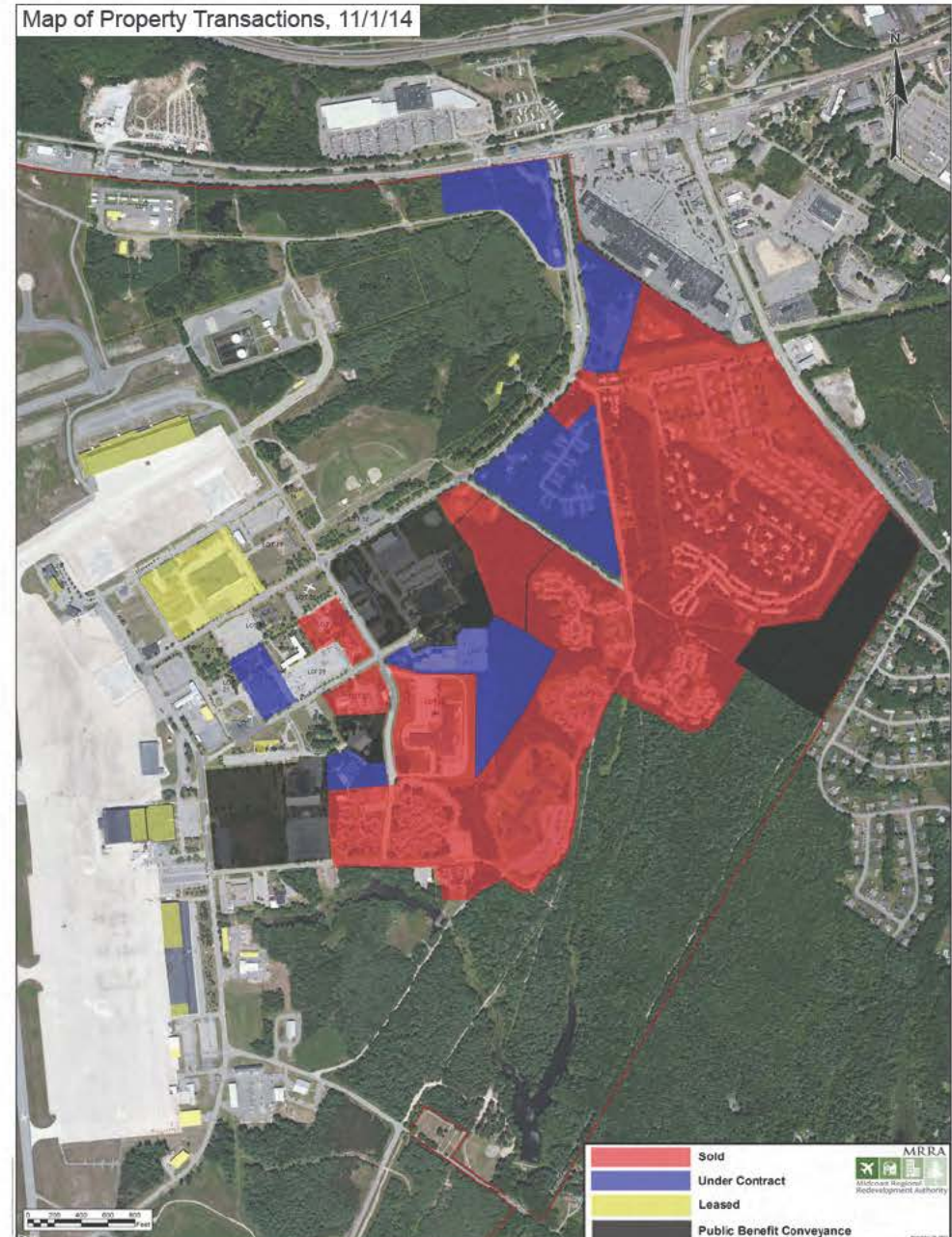
We remain very passionate and excited about what this reuse project is becoming -- **Maine's Center for Innovation.**

*Steven W. Laro*

# MRRA SCORECARD

## Economic Impacts of Redevelopment Since NASB Closure in 2011

- Entities doing business at Brunswick Landing and TCP: **56**
- **14 new companies to Maine doing business at Brunswick Landing:** Mölnlycke Health Care, Kestrel Aviation, Oxford Networks Data center, American Bureau of Shipping, SaviLinx, FlightLevel Aviation, Tempus Jets, RollEase, Seachange Group, Village Green Ventures, CE Express, Beltane Solar, Jamaport, Blue Dog Daycare
- Number of new jobs created: **450**
- Contracts awarded: **More than \$40 million**
- Private Sector Investment: **More than \$150 million**
- Total New Taxable Property in Brunswick/Topsham: **\$65,209,000**
- Total Property Taxes (2014-15): **More than \$1.8 million**
- Property assets sold by MRRA to private developers for future redevelopment activity:  
**321 acres, 30 buildings**
- Students enrolled at SMCC and University of Maine (Brunswick Landing campuses): **800-plus**
- Air Operations at Brunswick Executive Airport in 2014:  
**More than 12,000**





# 2014 ECONOMIC DEVELOPMENT

**R**edevlopment of the former NASB continued at a brisk pace in 2014. There are now 56 entities doing business at Brunswick Landing and Topsham Commerce Park. More than 450 jobs have been created and more than \$65 million in valuation have been added to the Towns of Brunswick and Topsham tax rolls.

## TechPlace Project Kicks Off

One of the most exciting projects for 2014 is TechPlace, Brunswick Landing's Technology Accelerator/Incubator. TechPlace will support the business development needs of early stage companies in a shared workspace. It will give entrepreneurs a place to network, research and develop ideas, build prototypes, test products, assemble, grow, and become successful manufacturing and technology companies. Phase I construction of TechPlace is nearly complete at the 93,000 SF former Navy aircraft maintenance facility at Brunswick Landing with opening scheduled for January 2015.

## New Businesses Open

New businesses at Brunswick Landing and Topsham Commerce Park for 2014 include: RollEase, Frosty's Donuts, Beltane Solar, Wicked Joe Coffee Roasting, Wild Oats, Jamaport, Family Focus, Rousseau Enterprises, Maine Aviation Corporation, and Blue Dog Daycare. By the end of the year, we expect to add another half dozen businesses in TechPlace. Several other companies expanded their operations in 2014. Tempus Jets signed a lease for the entire east bay of Hangar 6 and is also leasing space in Hangar 5 and Building 250. Oxford Networks expanded its data center by 10,000 SF and added 12 new positions. Providence Service Corp., Brunswick Landing's largest employer, also expanded its office.

## Property Deals

Affordable Midcoast Housing (AMH) and Priority Real Estate Group purchased more property at Brunswick Landing. AMH bought Building 87, the Oxford Networks Building, and Building 516 "Night Flight." Priority purchased land along Admiral Fitch Avenue and has recently broken ground on a new building for Sunray Animal Clinic.

Also of note, in fiscal year 2014, we collected more than \$1 million in lease revenue and sold nearly \$5 million in property. These gains allowed MRRA to pay off its \$3 million note with the Navy 10 years earlier than expected, saving nearly \$1 million in interest and banking fees. In addition, MRRA sent the Navy a revenue sharing check for nearly \$1.5 million based on FY14 sales and lease revenue.



Maine Department of Economic and Community Development Commissioner George Gervais takes a sledge hammer to a ceremonial wall to kick off Phase I of the TechPlace project. MRRA is renovating former Navy Building 250 to open a technology accelerator and business incubator geared toward early-stage and startup manufacturing companies.



RollEase, a Connecticut based window coverings manufacturer, and Wild Oats Bakery and Cafe (right) expanded their businesses to Brunswick Landing in 2014.





# 2014 BRUNSWICK EXECUTIVE AIRPORT

**B**runswick Executive Airport (BXM) has seen significant increases in air traffic and aviation businesses since it opened three and a half years ago. There are currently 26 aircraft based at BXM and Tempus Jets' arrival has significantly increased 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. To date, the airport has received over \$14 million in FAA and State grant funding for these improvements.

Recently completed projects include:

- ➔ Improvements were made to the airport electrical systems to improve reliability and increase energy efficiency. These improvements included construction of two new airfield lighting vaults, installation of new energy efficient lighting regulators, construction of a new approach lighting system for Runway 1R, and demolition of two dilapidated buildings.
- ➔ Concrete and joint repairs were completed on the primary runway and taxiways.
- ➔ The Hangar 5 roof was repaired and new boilers were installed.
- ➔ Obstructions were removed from the approach path to Runway 19L, greatly enhancing airport safety.
- ➔ The former Navy Air Operations building was renovated to serve as an air terminal building and home for our Fixed Base Operator, FlightLevel Aviation. MRRR also moved its offices to the building in August.

## Current Projects:

- ➔ A new Snow Removal Equipment (SRE) Building will be constructed to provide maintenance and storage facilities for the airport SRE.
  - ➔ The fire protections systems for Hangars 4, 5 and 6 are being upgraded and brought into compliance with current code requirements.
  - ➔ Hangars 4 and 5 are being renovated to increase energy efficiency and system reliability.
  - ➔ Stormwater drainage improvements will repair several areas of failed drainage systems.
- Future MAP Projects include wildlife fence improvements, runway centerline light removal, construction of a new general aviation hangar, repairing airport parking lots, and removal of several acres of unused pavement.



Tempus Jets, which moved in last year, has found spacious Hangar 6 to be the perfect location for its growing Part 145 Repair Station.



Air traffic has increased tremendously in 2014 as BXM has upgraded its facilities. The airport expects to have more than 12,000 air operations by the end of the year.



Airport improvements continued at BXM in 2014. Above: New approach lights are being installed for Runway 1R using grant funds from the Military Airports Program.

# 2014 ENVIRONMENT, UTILITIES AND INFRASTRUCTURE



**Demolition of former Building 20 at Brunswick Landing in May 2014. Using funds from an EDA grant, MRRA leveled 27 buildings (91,497 SF) that were deemed unsuitable for redevelopment.**

**M**RRRA has continued to work with Village Green Ventures (VGV) on their proposed development of a project to construct an anaerobic digester and associated “green energy” generation facility at Brunswick Landing. MRRA and VGV have finalized a Power Purchase Agreement and ground lease. The facility will be located on a 4.25 acre parcel on the south end of the parking apron of Brunswick Executive Airport and when completed will have the capacity to generate up to 1 megawatt of electricity. Village Green Ventures hopes to break ground in December 2014 and expects to have the plant operational to full capacity by the spring of 2015. When operational, the proposed facility will be capable of generating about 40 percent 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 MRRA’s mission and redevelopment plan for a renewable energy center at the Brunswick Landing.

## Urban Renewal

As part of a project funded by a grant from the Economic Development Administration, MRRA has demolished 23 buildings at Brunswick Landing totaling 69,922 square

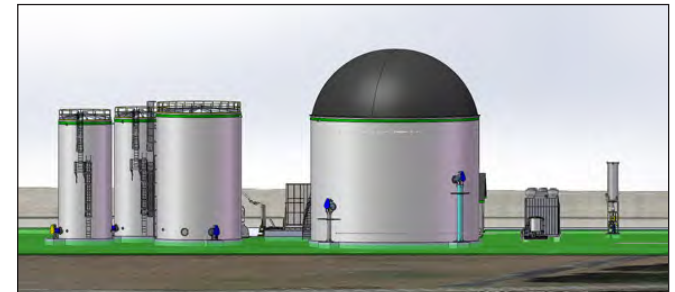
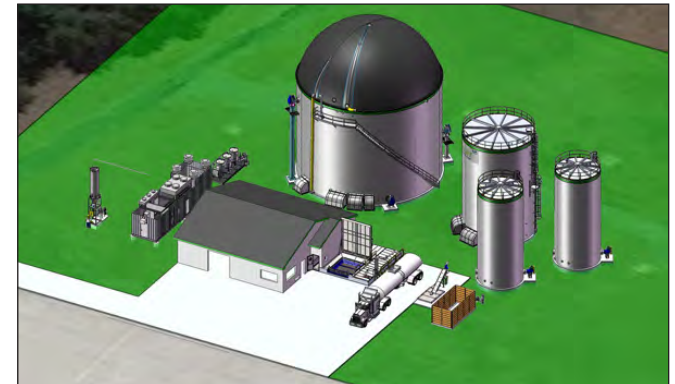
feet and four buildings in the Topsham Commerce Park totaling 21,575 square feet. These buildings had been determined to be unsuitable for reuse/redevelopment. McGee Construction of Gardiner, Maine started demolition in March 2014 and completed the job in May 2014. These sites are now primed for redevelopment.

## MRRA Signs Long-Term Purchase Agreement

In August 2014, MRRA signed a new electricity purchase agreement with Constellation NewEnergy (through Maine Power Options). Under this new agreement, MRRA will be buying electricity at a fixed price of \$0.06956 per kilowatt hour for 37 months. The agreement includes capacity pass through charges of about \$0.01 per kWh. Adding in the distribution charges MRRA pays to Central Maine Power to get the electricity to campus (on average between \$0.03 and \$0.035 per kWh), MRRA expects to be able to deliver electricity to the organizations doing business at Brunswick Landing and connected to MRRA’s electrical distribution system for well under the 14.9 cents per kWh projected by the Maine Public Utilities Commission for this winter in an October 6, 2014 Portland Press Herald article.



**MRRA Executive Director Steve Levesque and Village Green Ventures CEO Dave Weyburn agree on a power purchase deal and ground lease for VGV’s anaerobic digester at Brunswick Landing.**



**The proposed anaerobic digester will generate up to 1 megawatt of power, using organic waste materials.**



# FINANCIAL STATEMENT

FY 2014 FY 2013

## Operating Revenues

Rental Income and Fees	\$ 2,712,872	\$ 1,841,738
Admission Fees	-	326,454
Utilities Assessment	1,244,076	538,218
Transient Aircraft & Fuel Flowage Fees	82,511	69,300
Sponsorship - Air Show	-	68,750
Federal Grants	1,258,376	1,271,758
State Grants	-	-

**Total Operating Revenues** \$ **5,297,835** \$ **4,116,218**

## Operating Expenditures

Salaries, taxes and benefits	\$ 1,321,950	\$ 1,435,381
Supplies	430,676	356,335
Professional Services	349,461	716,999
Property Services	2,612,457	2,255,058
Other Purchased Services	622,001	363,507
Bad Debt Expense	123,681	-
Capital Outlay	1,145,116	1,588,977
Depreciation	4,240,699	3,783,202

**Total Operating Expenditures** \$ **10,846,041** \$ **10,499,459**

**Operating profit (loss)** \$ **(5,548,206)** \$ **(6,383,241)**

## Non-Operating Revenues (expenses)

Federal Grants	\$ 3,611,171	\$ 3,596,707
State Grants	148,789	1,021,093
Donations	60,200	80,000
Miscellaneous	114,516	517,185
Navy Covenant	(1,497,194)	(57,931)
Gain or (loss) on Sale of Property	359,271	(7,730,303)
Interest Income	10,161	378
Interest Expense	(614,655)	(657,555)

**Total Non-Operating Revenues (expense)** \$ **2,192,259** \$ **(3,230,426)**

**Loss Before Contributions, Transfers and Impairments** \$ **(3,355,947.00)** \$ **(9,613,667.00)**

Transfer to Subsidiaries	(10,000)	-
Capital Contributions	7,734,763	12,925,006
Impairment of Capital Assets	(7,219,693)	

**Change in Net Position** \$ **(2,850,877)** \$ **3,311,339**

**Net Position, beginning of year (restated\*\*)** \$ **123,730,223** \$ **119,984,837**

**Net Position, End of the Year** \$ **120,879,346** \$ **123,296,176**

\* Adjusting Journal Entry JE2 by Runyon Kersteen and Ouellette capitalized prior year expenses totaling \$790,861 and increased  
 \*\* Net Position at the beginning of FY 2014.

# OPEN FOR BUSINESS

## Entities doing business at Brunswick Landing and Topsham Commerce Park:

- ALL Electric Inc.
- Affordable Midcoast Housing
- American Bureau of Shipping
- Beltane Solar
- Blue Dog Daycare
- Bowdoin College
- Brunswick Executive Airport
- Brunswick Landing Realty Corp.
- Brunswick MHC USA, LLC
- Brunswick Naval Aviation Museum
- Brunswick Sewer District
- CE Express
- Day One
- Ellen Kornestsky, LCSW
- Family Focus
- FGS/ CMT
- Flight Level Aviation
- Frosty's Donuts
- Goodwill Industries
- Japaport, LLC
- Kestrel Aircraft Company
- Maine Army National Guard
- Maine Aviation Corporation
- Maine Coastal Flight
- Maine Department of Economic and Community Development
- Maine Technology Institute
- Maine Tool and Machine
- Mere Creek Golf Course (Harris Golf)
- Midcoast Regional Redevelopment Authority (MRRRA)
- Midcoast Veterans Center
- Mölnlycke Health Care
- New England Tent and Awning
- O'Neal Janitorial
- Oxford Networks Data Center
- Priority Real Estate Group



**Mölnlycke Health Care is one of 14 Brunswick Landing businesses that are new to the State of Maine.**

- Providence Service Corporation
- Roland's Auto Body
- RollEase
- Rousseau Enterprises
- Savi Solutions
- SaviLinx
- Schott Management
- Seachange Group LLC
- Seeds of Independence
- Southern Midcoast Maine Chamber
- Southern Maine Community College
- Tempus Jets
- Town of Brunswick Parks and Recreation Dept.
- U.S. Marine Reserve Center
- U.S. Navy Care Taker Office
- University College
- University of Maine College of Engineering
- Village Green Ventures
- Wicked Joe Coffee
- Wild Oats Bakery and Café
- Women, Work and Community



## 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 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:

- Affordable Midcoast Housing
- Brunswick Development Corporation
- Coastal Counties Workforce, Inc.
- Environmental Protection Agency - Region 1
- Federal Aviation Administration
- Federal Congressional Delegation
- Fraunhofer Center for Sustainable Energy Systems
- Goodwill Workforce Solutions
- JHR Development
- Maine Department of Economic and Community Development
- Maine Department of Transportation
- Maine Manufacturing Extension Partnership
- Maine Technology Institute
- Office of Economic Adjustment
- Priority Real Estate Group
- Rousseau Enterprises
- Schott Management
- Southern Midcoast Maine Chamber
- Southern Maine Community College
- Town of Brunswick
- TBW, LLC Inc.
- Town of Topsham
- U.S. Department of Commerce
- U.S. Department of Labor
- University of Maine System



## BOARD OF TRUSTEES

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*Harpswell*

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*Brunswick*

**Steve Weems**  
*Brunswick*

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

## MRRA STAFF

**Josh Breau**  
*Assistant Public Works and Utilities Manager*

**Tom Brubaker**  
*Public Works and Utilities Manager*

**Jeffrey Jordan**  
*Deputy Director*

**Kristine Schuman**  
*TechPlace Administrator*

**Steve Levesque**  
*Executive Director*

**Marty McMahon**  
*Aviation Services Manager*

**Kathy Paradis**  
*Executive Administrative Assistant*

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