

MAINE STATE LEGISLATURE

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Midcoast Regional Redevelopment Authority

2015 ANNUAL REPORT



Dear Friends,

Redevelopment activity on the properties at the former Naval Air Station Brunswick continued at a rapid pace in 2015. There are now nearly 80 business entities (public and private), including 24 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 nearly 800 people with a promise of double that number in just a few short years. The redevelopment effort has welcomed over \$225 million in private and public sector investments (\$175 million private, \$50 million public) made to the properties over the past 4.5 years. Besides attracting individual business entities, we have been fortunate to attract seven major real estate developers who are acquiring and redeveloping properties at both Brunswick Landing and the Topsham Commerce Park. Some notable examples of our redevelopment activity include the following projects:

- 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, which recently opened;
- 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 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, including the new Sunray Animal Clinic;
- 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 restaurant operation. He also just acquired the former Navy fitness facility, rehabbed it and is now leasing to the Bath Area YMCA; and
- Northbridge Companies acquired the former mobile home park land is constructing a 50,000 SF, \$12 million memory care facility (Avita of Brunswick). This project was first facilitated by the initial property acquisition by the Priority Group.

The redevelopment effort continues to assist in the recovery of the local, regional and state economies impacted by the base closure.

MRRA has awarded over \$50 million in various construction contracts, mostly to local and in-state firms, since the Navy base closed.

Also, nearly \$77 million has been added to the local tax rolls in Brunswick and Topsham. Just this fiscal year, over \$2.5 million is being paid in real estate taxes from redevelopment of former base properties.

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 15,000 flight operations this year.

As one can imagine, the property mix and ownership patterns at the former base are becoming quite diverse. There are now 17 different property owners on the former base property, with several other deals currently under contract. In addition, over 35 buildings, comprising over 750,000 SF are owned by entities other than MRRA and the Navy.

We still have an inventory of nearly 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 manufacturing technology accelerator, which opened its doors in January and provides a fabulous opportunity for the creation and growth of new businesses in a collaborative environment. It now hosts 16 start-up and early stage businesses.

We are also anxiously awaiting the operational start-up of our anaerobic digester energy plant later this year, currently being constructed by Village Green Ventures. This facility is expected to generate nearly half of our energy demand at Brunswick Landing, which already is sourcing 100 percent of its power from renewable sources.

In conclusion, we are very pleased with our success to date on the redevelopment effort, but we also realize there is still a long way 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 continue to remain very passionate and excited about realizing our dream as Maine's Center for Innovation.



**From the
Director**

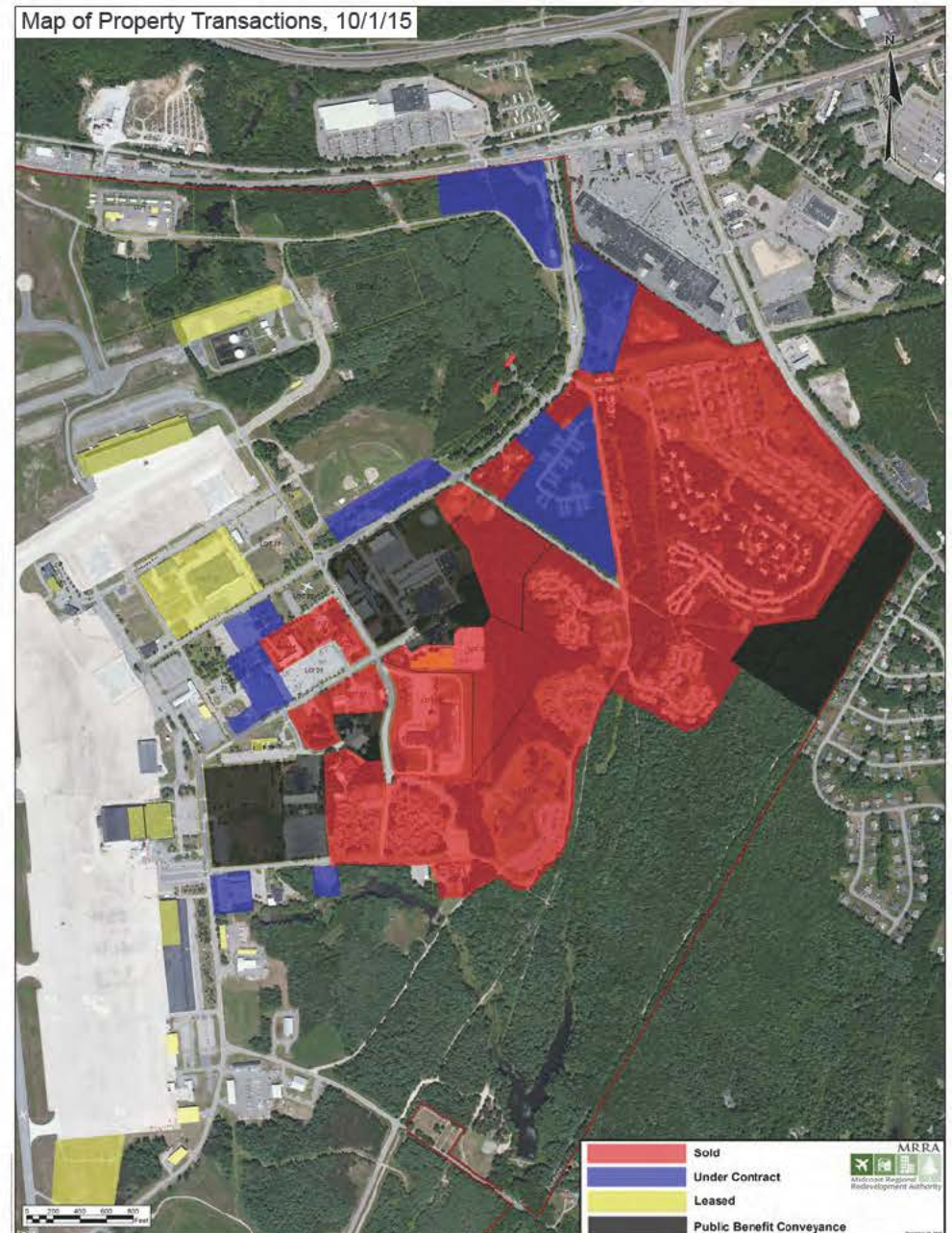
A handwritten signature in black ink that reads "Steven H. Levesque" with a stylized flourish at the end.

Steve Levesque, Executive Director, MRRA

MRRA SCORECARD

Economic Impacts of Redevelopment Since NASB Closure in 2011

- Entities doing business at Brunswick Landing and TCP: **80**
- **22 new companies to Maine:** Mölnlycke Health Care, Kestrel Aviation, Oxford Networks Data Center, American Bureau of Shipping, SaviLinx, FlightLevel Aviation, Tempus Jets, RollEase, Seachange Group, Village Green Ventures, Beltane Solar, Jamaport, Blue Dog Daycare, Coastal Landing, InSphero, Wireless Sensors, Greisen Aerospace, STARC Systems, Griffin LLC, AEROTECH Surgical, Atayne, GHG Underground.
- Number of new jobs created: **800**
- Contracts awarded: More than **\$50 million**
- Private Sector Investment: More than **\$200 million**
- Total New Taxable Property in Brunswick/Topsham: **\$77,000,000**
- Total Property Taxes (2014-15): More than **\$2.5 million**
- Property assets sold by MRRA to private developers for future redevelopment activity:
361 acres, 39 buildings
- Students enrolled at SMCC and University of Maine (Brunswick Landing campuses): **800-plus**
- Air Operations at Brunswick Executive Airport in 2015: **15,000**



2015 ECONOMIC DEVELOPMENT

Redevlopment activities continue to make a tremendous economic impact on the area. There are now 80 entities doing business at Brunswick Landing and Topsham Commerce Park. Almost 800 jobs have been created and more than \$65 million in valuation have been added to the Towns of Brunswick and Topsham tax rolls.

TechPlace Shows Explosive Growth

TechPlace, Brunswick Landing's Technology Accelerator/Incubator opened for business at the end of January. The 95,000 SF facility, located at 74 Orion Street in the former Navy Aircraft Intermediate Maintenance Department building, already has 16 businesses operating there. These innovative companies are start-ups or early-growth stage firms and are primarily engaged in advanced manufacturing and new technology. Several of them have already expanded into larger spaces at TechPlace. We expect to add a few more businesses to the TechPlace lineup within the next few months.

New Businesses Open

New businesses at Brunswick Landing and Topsham Commerce Park for 2015 include: Coastal Landing, Hoyle Tanner, Harpswell Coastal Academy, Brilliant and Sons, L.L.Bean, Smarter Risk, Sunray Animal Clinic, Bath YMCA, and Firehouse Tumbling. TechPlace businesses include: Atayne, Bourgeois Guitars, AEROtech Surgical, Drummond Woodsum, GHG Underground, Greisen Aerospace, Griffin LLC, Harbor Digital, InSphero, Kenway Corp., Maine Manufacturing Extension Partnership, Maritime Surveillance, STARC Systems, University of Maine. Between them, these companies have created nearly 100 jobs with more in the pipeline for 2016.

Property Deals and Construction Projects

Real Estate transactions picked up pace in 2015. We've recently closed the sale of two buildings -- the former Navy Fitness Center and the car wash -- with TBW, LLC. Earlier this year, MRRA sold two buildings -- Buildings 54 and 639, totaling 33,540 SF to Doug and Linda Cardente. We also sold the former Topsham Annex Fire Station to Firehouse Tumbling and we are in the process of selling the former Navy Building 585 (Chapel) to the Brunswick Naval Museum and the former Navy Building 51 to Frosty's Donuts. Several land deals have also been transacted, most notably, two lots near the front of campus which will be used to construct an approximately 50,000 SF memory care facility by Avita. Nearby, Rousseau Enterprises has completed renovations on the former Navy Hotel (Building 750) where it has opened Coastal Landing, a combined retirement and assisted living complex. Earlier in the year, Priority Real Estate Group completed construction of the Sunray Animal Clinic Building at 73 Admiral Fitch Avenue.



STARC Systems is leasing approximately 4,200 SF at TechPlace to expand its growing business. The company manufactures re-usable construction barrier panel systems.



Frosty's Donuts opened its new production facility at 119 Orion Street in June with plenty of product samples available.



The Priority Real Estate Group built a 3,640 SF building for the Sunray Animal Clinic on lots formerly occupied by Navy housing.

2015 BRUNSWICK EXECUTIVE AIRPORT

Brunswick Executive Airport (BXM) has seen significant increases in air traffic since it opened four and a half years ago, with over 15,000 flight operations forecast in 2016. There are currently 25 aircraft based at BXM.

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 \$17 million in FAA and State grant funding for these improvements.

Recently completed projects include:

- ➔ Rehabilitation of Hangars 4 and 5 to make the facilities more energy efficient and comply with current building codes. Improvements included additional insulation of hangar doors, new roof on Hangar 4 and installation of energy efficient LED lighting in both hangars.
- ➔ Concrete and joint repairs were completed on the primary runway and taxiways.
- ➔ Storm water drainage improvements and repairs to several areas of failed drainage systems and replacement of a failing culvert on the perimeter road.
- ➔ The fire protection systems for Hangars 4, 5 and 6 were upgraded and brought into compliance with current code requirements.

Current Projects:

- ➔ A new snow removal equipment (SRE) building will be constructed to provide maintenance and storage facilities for the airport SRE.
- ➔ Energy efficient radiant heat will be installed in Hangars 4 and 5.
- ➔ The glycol capture system will be recommissioned to capture and recycle all aircraft deicing fluids.
- ➔ Hangar 6 doors will be refurbished to improve safety and reliability.
- ➔ Runway 1R/19L centerline lights are being removed to decrease airport operating and maintenance costs.

Future MAP projects include additional energy efficiency and safety improvements to the former Navy hangars, wildlife fence improvements, construction of a new general aviation hangar, repairing airport parking lots, additional storm water drainage improvements, maintenance of airport approach clearances, and removal of several acres of unused pavement.



BXM air traffic is up 9.9 percent from 2014. We project more than 15,000 air operations by the end of 2015.



Brunswick Executive Airport hosted the American Yankee Association's annual flying convention in July. The flying club drew about 50 planes to BXM. We hope to host more events like this in the future.



The U.S. Navy Blue Angels put on another great show over Labor Day weekend. The Blues headlined the Great State of Maine Air Show, which was held for the first time since 2012.

2015 ENVIRONMENT, UTILITIES AND INFRASTRUCTURE

On-Site Electricity Generation Progresses

Village Green Ventures (GVV) broke ground in May 2015 on its project to construct an anaerobic digester and associated “green energy” generation facility at Brunswick Landing.

The facility is 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. The plant is expected to be operational by the end of 2015 and at full capacity by the spring of 2016.

When fully operational, the facility will be capable of generating about 40% 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 MRRRA's mission and redevelopment plan for a renewable energy center at the Brunswick Landing.

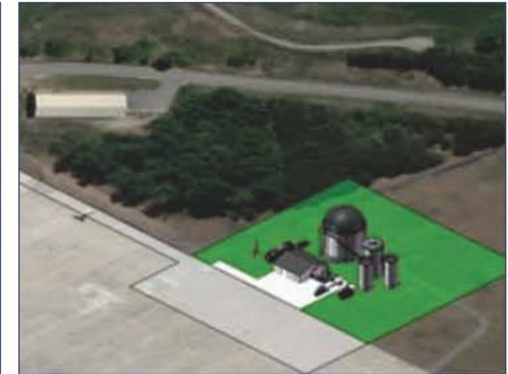
With the first on-site generation facility under construction, a few energy efficiency projects under our belt, and clean tech businesses beginning to locate here, the vision of the Brunswick Renewable Energy Center is becoming a reality.

Brunswick Landing Improvements

As part of MRRRA's on-going improvement efforts at Brunswick Landing and Topsham Commerce Park, several projects were recently completed. New gateway signage was installed at the main entrance to the property and on the northwest corner of the airport along Bath Road. An information kiosk has been constructed near the entrance to the property on Admiral Fitch Avenue to house a map of Brunswick Landing and a directory of businesses and organizations on the property. In partnership with the Town of Brunswick and Bowdoin College, a new bicycle and pedestrian connection was opened between Pine Street and Allagash Drive on the perimeter road along the northern end of the airport.



Construction is underway on the renewable energy plant at Brunswick Landing. It is located just off the aircraft apron south of Hangar 5 at Brunswick Executive Airport (top right). Once operational, the plant, which uses an anaerobic digester to produce biogas, will generate up to 1 MW of electricity.



New bicycle/pedestrian access from Pine Street to Brunswick Landing at Allagash Drive.



New gateway signage at the main entrance to Brunswick Landing and along Bath Road

FINANCIAL STATEMENT

	FY 2015	FY 2014
Operating Revenues		
Rental Income and Fees	\$ 2,159,334	\$ 2,712,872
Common Area Maintenance Fees	46,118	-
Utilities Assessment	1,321,624	1,244,076
Transient Aircraft & Fuel Flowage Fees	74,038	82,511
Federal Grants	872,618	1,258,376
State Grants	-	-
Total Operating Revenues	\$ 4,473,732	\$ 5,297,835
Operating Expenditures		
Salaries, taxes and benefits	\$ 1,413,603	\$ 1,321,950
Supplies	380,105	430,676
Professional Services	436,917	349,461
Property Services	3,172,785	2,612,457
Other Purchased Services	250,486	622,001
Expense for Uncollectable Revenues	172,020	123,681
Taxes and Fees	1,071	-
Capital Outlay	619,796	1,145,116
Depreciation	4,294,231	4,240,699
Total Operating Expenditures	\$ 10,741,014	\$ 10,846,041
Operating profit (loss)	\$ (6,267,282)	\$ (5,548,206)
Non-Operating Revenues (expenses)		
Federal Grants	\$ 4,389,063	\$ 3,611,171
State Grants	437,304	148,789
Donations	-	60,200
Miscellaneous	324,815	114,516
Navy Covenant	(1,966,462)	(1,497,194)
Gain or (loss) on Sale of Property	1,593,690	359,271
Expense for Uncollectable Receivables	(400,367)	-
Interest Income - notes receivable	34,348	-
Interest Income	26,251	10,161
Interest Expense	(616,668)	(614,655)
Total Non-Operating Revenues (expense)	\$ 3,821,974	\$ 2,192,259
Loss Before Contributions, Transfers and Impairments	\$ (2,445,308.00)	\$ (3,355,947.00)
Transfer to Subsidiaries	-	(10,000)
Capital Contributions	1,636,703	7,734,763
Impairment of Capital Assets	-	(7,219,693)
Change in Net Position	\$ (808,605)	\$ (2,850,877)
Net Position, beginning of year (restated**)	\$ 120,894,936	\$ 123,730,223
Net Position, End of the Year	\$ 120,086,331	\$ 120,879,346

* In prior years, the activity of certain subsidiary organizations was immaterial to the financial statements and was not included by RKO in the financial statements. This year, the prior year net position was restated to include Brunswick Landing Economic Development

OPEN FOR BUSINESS

Entities doing business at Brunswick Landing and Topsham Commerce Park:

- AEROTECH Surgical
- Affordable Midcoast Housing
- American Bureau of Shipping
- Atayne
- Bath Area YMCA
- Beltane Solar
- Blue Dog Daycare
- Bourgeois Guitars
- Bowdoin College
- Brilliant & Sons Automotive Repair
- Brunswick Executive Airport
- Brunswick Naval Aviation Museum
- Brunswick Sewer District
- Cardente Real Estate
- Coastal Landing
- Day One
- Drummond Woodsum
- Ellen Kornestsky, LCSW
- Family Focus
- FGS/ CMT
- Firehouse Tumbling
- Flight Level Aviation
- Frosty's Donuts
- GHG Underground
- Goodwill Industries
- Great Island Boat Yard
- Greisen Aerospace
- Griffin LLC
- Harbor Digital
- Harpswell Coastal Academy
- InSphero
- Jamaport, LLC
- Kenway Corporation
- Kestrel Aircraft Company
- L.L.Bean
- Maine Army National Guard
- Maine Coastal Flight
- Maine DECD
- Maine Manufacturers Extension Partnership
- Maine Technology Institute
- Maine Tool and Machine
- Maritime Surveillance
- Mere Creek Golf Course (Harris Golf)
- Midcoast Regional Redevelopment Authority (MRRRA)
- Midcoast Veterans Center
- Mölnlycke Health Care
- New England Tent and Awning
- New Ventures Maine
- O'Neal Janitorial
- Oxford Networks Data Center
- Priority Real Estate Group
- Providence Service Corporation
- Roland's Auto Body
- RollEase
- SaviLinx
- Schott Management
- Seachange Group LLC
- Seeds of Independence
- Smarter Risk
- Southern Midcoast Maine Chamber
- Southern Maine Community College
- Sunray Animal Clinic
- STARC Systems
- Tempus Jets
- Town of Brunswick Parks and Rec
- U.S. Marine Reserve Center
- U.S. Navy Care Taker Office
- University College
- University of Maine
- Village Green Ventures
- Wicked Joe Coffee
- Wireless Sensors

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
- TBW, LLC Inc.
- Town of Brunswick
- Town of Topsham
- U.S. Department of Commerce
- U.S. Department of Labor
- United States Navy
- University of Maine System



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Brunswick

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

MRRA STAFF

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Tom Brubaker
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Jeffrey Jordan
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Kristine Schuman
TechPlace Administrator

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