

MAINE STATE LEGISLATURE

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2017 ANNUAL REPORT



Brunswick Landing
MAINE'S CENTER FOR INNOVATION



TechPlace
You can make it here.

Dear Friends,

The redevelopment of the former Naval Air Station Brunswick continues to outperform initial projections made six years ago when implementation of the Reuse Master Plan began. To date, more than 1,500 jobs have been created by more than 100 entities doing business at Brunswick Landing and the Topsham Commerce Park. Forecasters originally projected 700 jobs would be created by this date, six years into the project.

We have resident businesses in each of our six target sectors: aerospace, composites, information technology, life sciences, clean tech and education, in addition to other complementary business sectors.

Among the top redevelopment stories of 2017 include:

- TechPlace, Brunswick Landing's Technology Accelerator, now houses 32 businesses and nearly 100 employees. This has occurred in just under three years since MRRA completed renovations in former Navy Building 250 (AIMD facility). TechPlace recently opened a new shared composites layup facility and paint booth to further bolster its manufacturing capabilities. Earlier in the year, we added a new classroom and larger industrial spaces to the facility.
- In October, STARC Systems, TechPlace's first tenant, moved into a larger building on the Brunswick Landing campus to accommodate its rapid growth. STARC started with just two employees in 2014 and now has 20.
- TechPlace neighbor SaviLinx became the first HUBZone certified business at Brunswick Landing. This designation gives the contact center business preferred status when bidding for federal government contracts and has created another hiring surge for SaviLinx.
- In September, ReVision Energy broke ground on a 1.5 megawatt solar PV farm. It is being

constructed on a five-acre airport parcel behind Hangar 6 near the old cross-wind runway and aviation fuel farm. MRRA has a power purchase agreement with ReVision to supply approximately one third of Brunswick Landing's current electricity requirements.

- Brunswick Executive Airport surpassed 16,000 operations in November to set a new record for air traffic with nearly two months remaining in the calendar year.
- MRRA staff is working with the Maine Community College System and other partners to open an FAA-certified aviation technicians school at Brunswick Executive Airport.
- Finnish aircraft manufacturer Atol Avion launched a U.S. manufacturing operation at TechPlace. Atol will build an innovative amphibious plane, utilizing the area's talented composites workforce.
- MRRA and Town of Brunswick are working together on construction of another access road into Brunswick Landing to help alleviate traffic congestion at Cook's Corner. The road is expected to be complete in 2018.
- MRRA submitted a bid for Brunswick Landing to be the site of e-commerce giant Amazon's second headquarters. Amazon issued an RFP in September. MRRA was one of just two Maine entities to submit a proposal.
- Priority Real Estate Group purchased two more lots near the front of campus and has commenced construction of a 12,000 SF medical building.
- Helios purchased 400 former Navy housing units and land at Brunswick Landing and Topsham Commerce Park from George Schott. Helios has plans to add up to 500 more units to meet the local housing demand.
- Tom Wright completed the REAL School project in time for the new school year in former Building 223. Tom also completed renovations on Building 102 for Flight Deck Brewing, which opened for business in March.
- Other new businesses to open at Brunswick Landing in 2017 include: Brunswick Aviation

Services, Accel Physical Therapy, Harpswell House, Black Diamond Whiskey, Innovative Solutions and Support, American Classic Aviation, Hydroswarm, AdmitHub, Maine PTAC, Rusty Lantern Market, JHM Associates, Maine Aviation Business Administration, 14 Wiley Road, Planus, Nobleheart Products, and Mobility Technologies.



From the Director

Overall, more than \$350 million in private and public-sector investments have been made to the former NASB properties over the past six years. Additionally, MRRA's efforts are helping boost the local, regional and state economies impacted by base closure. Nearly \$160 million in valuation has been added to the local tax rolls in Brunswick and Topsham, resulting in nearly \$3 million being paid annually in real estate taxes from redevelopment activities in both communities.

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 more than 900 students.

At MRRA, our staff and board remain passionate about the redevelopment effort. We're proud of the success we've had in meeting or exceeding most of our short- and mid-term goals and creating Maine's Center for Innovation. We remain focused on our long-term goals as we work toward maximizing the full potential of the former NASB properties.

Thank you.

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

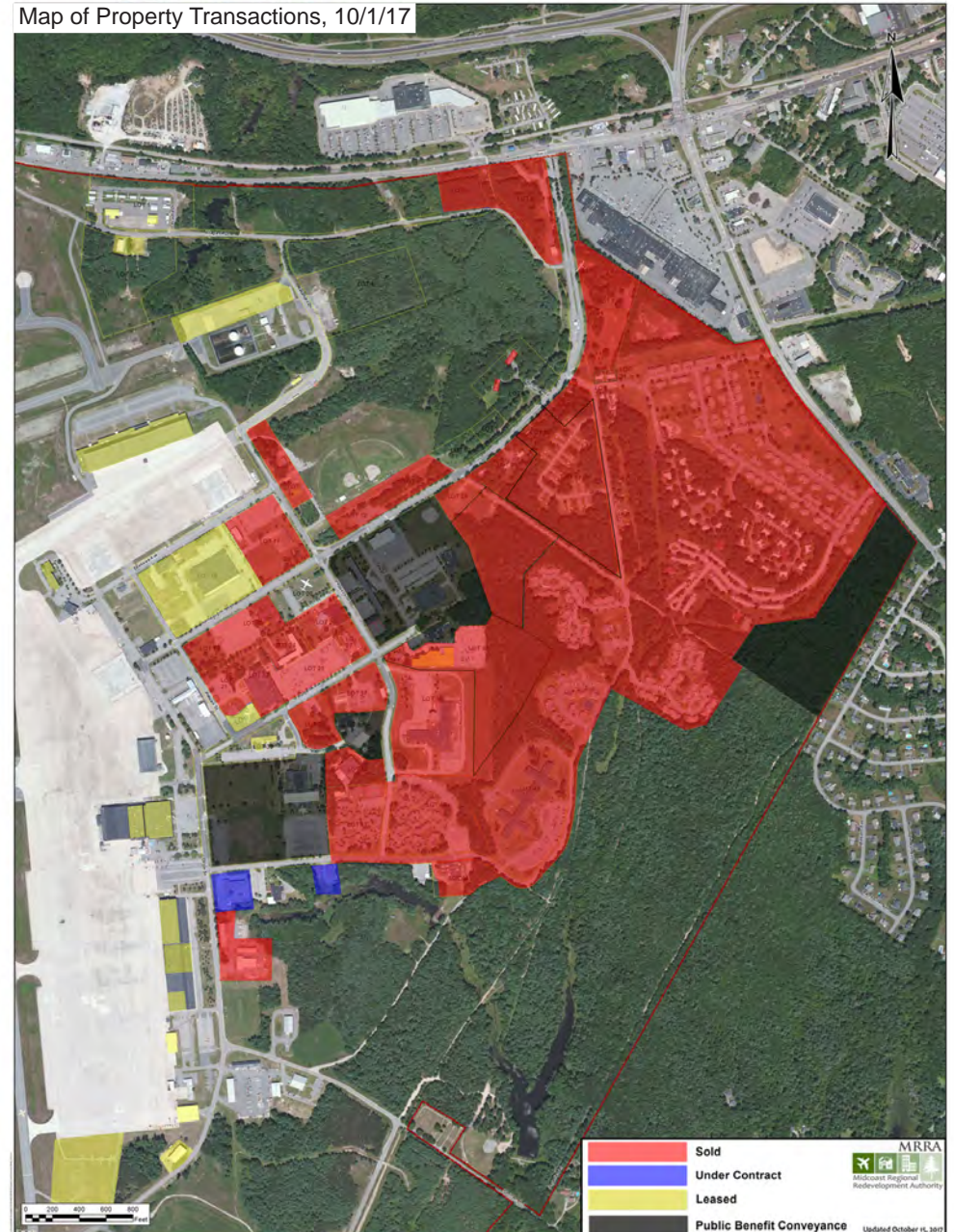
Steve Levesque, Executive Director

MRRA SCORECARD

Economic Impacts of Redevelopment Since NASB Closure in 2011

- **Entities doing business at Brunswick Landing and TCP: 103**
- **32 new companies to Maine:** Mölnlycke Health Care, FirstLight Data Center, SaviLinx, FlightLevel Aviation, Tempus Jets, Village Green Ventures, Coastal Landing, InSphero, Wireless Sensors, Greisen Aerospace, STARC Systems, Griffin LLC, SteriZign, Atayne, GHG Underground, Atol USA, New Beet Market, Skordo, All Natural Technologies, Wayfair, Field Phyto Nutrients, GoBabe, BluShift Aerospace, AdmitHub, Hydroswarm, Black Diamond Whiskey, Accel Physical Therapy, Helios, Flight Deck Brewing, Brunswick Aviation Services, Planus, American Classic Aviation, Innovative Solutions and Support.
- **Number of new jobs created: 1,521**
- **Contracts awarded: More than \$75 million**
- **Private Sector Investment: More than \$350 million**
- **Total New Taxable Property in Brunswick/Topsham: \$160,000,000**
- **Total Property Taxes (2017): Nearly \$3 million**
- **Property assets sold by MRRA to private developers for future redevelopment activity:**
418 acres, 43 buildings totaling 504,493 SF
- **Students enrolled at SMCC/UMaine Brunswick Landing campus: 900-plus**
- **Air Operations at Brunswick Executive Airport in 2017: 17,000**

Map of Property Transactions, 10/1/17



2017 ECONOMIC DEVELOPMENT

Redevelopment continued at a rapid pace in 2017 with multiple new companies joining the growing Brunswick Landing business community. More than 1,400 jobs have been created since the Navy left in 2011. Both Wayfair and SaviLinx each hired more than 100 employees in the past year.

New businesses for 2017 include: Brunswick Aviation Services, Flight Deck Brewing, Accel Physical Therapy, Harpswell House, Black Diamond Whiskey, AdmitHub, Hydroswarm, Atol USA, Mobility Technologies, the REAL School, Planus, Rusty Lantern Market, American Classic Aviation, Innovative Solutions and Support, and Maine PTAC.

Additionally, several construction projects were completed 2017, employing dozens of more workers and helping strengthen the regional economy. Tom Wright completed two major renovations of Buildings 102 (Flight Deck Brewing) and Building 223 (The REAL School). The Priority Group has broken ground on Lot 6 on the corner of Bath Road and Admiral Fitch Avenue for a new 12,000 SF medical building.

This redevelopment activity continues to add valuation to the Town of Brunswick and Topsham tax roles with now more \$150 million added since the Navy left. The resulting property taxes are now in excess of \$3 million.

Growing Manufacturing Companies Continues at TechPlace

TechPlace, Brunswick Landing's Technology Accelerator/Incubator has been open for just over two and a half years and there is a buzz of activity every day. There are currently 32 businesses located at TechPlace and engaged in each of MRRRA's target industrial sectors – aerospace, biotech, composites / advanced materials, IT and clean technology. These companies, collectively, employ nearly 80 people.

Member companies actively use the shared metal and wood shops, welding booth, 3D printer, and bio pro-



Flight Deck Brewing opened for business in February in former Navy Building 102, the indoor small arms range.

duction lab. Currently under development is a shared composite layup facility and a new paint booth that will meet the needs of the composite companies in TechPlace and the State. All of the shared shop and lab facilities at TechPlace are made available to companies located in the State of Maine through an affiliate program.

In October, TechPlace saw its first member company, STARC Systems, graduate and move into their own building on the Brunswick Landing campus to accommodate their growth and success. STARC Systems was the first company to locate in TechPlace's industrial space and at the time had two employees. They recently hired a CEO as well as their 20th employee and are now offering an employee health care plan. We are looking forward to graduating additional member companies and welcoming many more new companies.

Looking ahead to 2018, MRRRA will be focused on attracting even more investment to Brunswick Landing and marketing Hangars 4, 5, and 6 along with several other buildings to aerospace and IT businesses.



STARC Systems, the first business to move into TechPlace, was so successful with its growth plan that it moved into its own building down the street at Brunswick Landing.

2017 BRUNSWICK EXECUTIVE AIRPORT

Brunswick Executive Airport (BXM) has seen significant increases in air traffic since it opened over six years ago, with over 18,000 flight operations forecast in 2018. There are currently 27 aircraft based at BXM.

Brunswick Executive Airport has been re-selected to participate in the FAA's Military Airport Program (MAP) for an additional five year period. Current MAP eligibility for the airport extends through Federal Fiscal Year 2020. This program provides special funding to assist airport authorities to convert former military airfields into civilian airports. To date, the airport has received more than \$21 million in FAA and State grant funding for these improvements.

Recently completed projects include:

- Energy efficient radiant heat was installed in Hangars 4 and 5.
- Hangar 6 doors were refurbished to improve safety and reliability.
- Concrete and joint repairs were completed near Taxiway F.

Current Projects:

- An environmental assessment is being conducted to determine any potential environmental impact as a result of future planned capital improvement projects on the airport.
- The final phase of renovation of Hangar 4 is in progress. This phase includes restoration of fire alarm and fire protection systems, demolition of existing shop and maintenance space, and construction of new ADA compliant maintenance and office space.

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, developing a sustainability master plan, construction of additional t-hangar units, and removal of several acres of unused pavement.



Brunswick Executive Airport traffic increased substantially in 2017. As of Nov. 1st, the airport had 15,908 air operations for the year. Flight ops for October 2017 were up 38 percent over October 2016.



Hangar 4 is being renovated this year. We are building new maintenance and shop space along with offices on the west side of the building.



BXM hosted the Great State of Maine Air Show once again in 2017. An estimated 40,000 fans attended the show.



2017 ENVIRONMENT, UTILITIES AND INFRASTRUCTURE

Brunswick Renewable Energy Center

As one component of the redevelopment of the former Naval Air Station Brunswick, MRRA's Reuse Master Plan for Brunswick Landing calls for the development of a Renewable Energy Center with a focus on clean tech industries. The vision is that the creation of a Renewable Energy Center will help establish and grow a new clean tech cluster around renewable energy, combine energy technology business operations on the campus with on-site, alternatively-fueled energy production, and allow new technologies to be developed, manufactured, and deployed on our smart microgrid ("live" environment) for test and evaluation.

This past year has seen significant activity in the realization of that vision:

- MRRA signed a Memorandum of Agreement with Introspective Systems, LLC in August 2017 for a research and development project associated with MRRA's electrical distribution system. Introspective Systems has received grant funding from the Department of Energy to model MRRA's system with a goal of developing a distributed (edge-based) transactive energy control system applicable to microgrids. The intent of this project is to demonstrate that an effective transactive edge-based energy system can provide increased resilience, versatility, reliability and flexibility.
- In July 2017, MRRA signed a Power Purchase Agreement with ReVision Energy for the construction, operation, and maintenance of a 1.5 MW DC solar array on the north end of the airport. When operational, the \$2.5 million facility is expected to generate about 2 million kilowatt hours of electricity a year (about 12 percent of the total electricity requirement for all of Brunswick Landing). The current plans call for the array to be operational by the end of 2017 or early 2018.
- MRRA's plans for a microgrid at Brunswick Landing were featured in the August 21, 2017 issue of Microgrid Knowledge. The article discussed MRRA's vision of a Renewable Energy Center at Brunswick Landing and the importance of the development of a microgrid on



MRRA is working with ReVision Energy on the construction of a 1.5 megawatt solar PV generation facility on the north end of the airfield. Bowdoin College built a similar installation (above) to the west of Brunswick Executive Airport. The project is on schedule to be completed an operation by early 2018.

campus as a key component of our redevelopment effort. The article highlighted MRRA's intent to engage a strategic partner or partners to work with MRRA in making the microgrid project a reality. This article has generated significant interest from companies in various sectors of the microgrid industry.

Brunswick Landing Sewer System Transfer Project

As part of our ongoing efforts to reduce Inflow and Infiltration and ultimately transfer the sanitary sewer system

at Brunswick Landing to the Brunswick Sewer District, MRRA's contractor, St Laurent and Sons of Lewiston, completed improvements to the gravity portion of the system including the rehabilitation of sewer manholes and lines throughout Brunswick Landing, reconstruction of sewer lines by pipe bursting, construction of new manholes, re-connecting sewer lines and laterals to new lines and manholes, rehabilitation of manholes, replacement and reconnection of manholes, replacement of sewer service connections, plugging of sewer lines, demolition of manholes, and installation of new sewer pipe.

2017 FINANCIAL STATEMENT

MIDCOAST REGIONAL REDEVELOPMENT AUTHORITY COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION COMPARISON FY 2014 THROUGH FY 2017

	FY 2017	FY 2016	FY 2015
Operating Revenues			
Rental Income and Fees	\$ 2,508,789	\$ 2,309,025	\$ 2,159,334
Common Area Maintenance Fees	75,093	49,369	46,118
Utilities Assessment	2 792,511	2 632,603	1,321,624
Transient Aircraft & Fuel Flowage Fees	49,097	51,338	74,038
Federal Grants	429,307	591,893	872,618
State Grants	-	-	-
Total Operating Revenues	\$ 5,854,797	\$ 5,634,228	\$ 4 473,732
Operating Expenditures			
Salaries, taxes and benefits	\$ 1,329,143	\$ 1,493,720	\$ 1,413,603
Supplies	247,831	237,377	380,105
Professional Services	273,756	375,919	436,917
Property Services	3,450,657	3,417,929	3,172,785
Other Purchased Services	320,609	430,424	250,486
Expense for Uncollectable Revenues	297,070	126,245	172,020
Taxes and Fees	16,836	21,347	1,071
Capital Outlay	449,619	1 768 847	619 796
Depreciation	4,546,664	4,391 947	4 294 231
Total Operating Expenditures	\$ 10,932,185	\$ 12,263,755	\$ 10,741,014
Operating profit (loss)	\$ (5,077,388)	\$ (6 629,527)	\$ (6,267,282)
Non-Operating Revenues (expenses)			
Federal Grants	\$ 3,758,866	\$ 3,797,549	\$ 4,389,063
State Grants	229,941	452,126	437,304
Donations	631,505	14,594	-
Miscellaneous	(110,091)	950 270	324,815
Navy Covenant	(183,884)	(1,329,355)	(1,966 462)
Gain or (loss) on Sale of Property	63,438	2 110 663	1 593,690
Expense for Uncollectable Receivables	(25,503)	(520,554)	(400,367)
Interest Income - notes receivable	98,726	49,250	34,348
Interest Income	27,489	30 164	26,251
Interest Expense	(618,149)	(624,369)	(616 668)
Total Non-Operating Revenues (expense)	\$ 3,872,338	\$ 4 930 338	\$ 3 821,974
Loss Before Contributions, Transfers and Impairments	\$ (1 205,050.00)	\$ (1 699,189.00)	\$ (2 445,308.00)
Transfer to Subsidiaries	-	-	-
Capital Contributions	243,160	787,085	1,636 703
Impairment of Capital Assets	-	(243,971)	-
Change in Net Position	\$ (961,890)	\$ (1 156,075)	\$ (808,605)
Net Position, beginning of year (restated)	\$ 119 444,871	\$ 120 170,436 *	\$ 120 894,936
Net Position, End of the Year	\$ 118,482,981	\$ 119,014,361	\$ 120,086,331

Brunswick Landing Realty Development capital asset activity in FY 2015 was not included. Management elected to restate prior year financials with amounts capitalized and related depreciation.

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 Corporation, the Brunswick Landing Realty Development Corporation, an adjustment

Entities doing business at Brunswick Landing and Topsham Commerce Park:

- Accel Physical Therapy
- AdmitHub
- Affordable Midcoast Housing
- All Natural Technologies
- American Classic Aviation
- Atayne
- Atol USA
- Avita
- Bath Area YMCA
- Black Diamond Whiskey
- Blue Dog Daycare
- BluShift Aerospace
- Bourgeois Guitars
- Bowdoin College
- Brilliant & Sons Automotive Repair
- Brunswick Aviation Services
- Brunswick Executive Airport
- Brunswick Landing Ventures
- Brunswick Naval Aviation Museum
- Cardente Real Estate
- Coastal Landing
- Composites Engineering Research Lab
- Drummond Woodsum
- Ellen Kornestsky, LCSW
- Family Focus
- FGS/ CMT
- Field Phyto Nutrients
- Firehouse Tumbling
- FirstLight Data Center
- Flight Deck Brewing
- Flight Level Aviation
- Frosty's Donuts
- GHG Underground
- Go Babe
- Great Island Boat Yard
- Greisen Aerospace
- Griffin LLC
- Harbor Digital
- Harpswell Coastal Academy
- Harpswell House
- Hoyle Tanner and Associates
- Hydroswarm
- InSphero
- JHM Associates
- L.L.Bean
- Maine Army National Guard
- Maine Aviation Business Association
- Maine Composites Alliance
- Maine Coastal Flight
- Maine Department of Corrections
- Maine MEP
- Maine PTAC
- Maine Technology Institute
- Maritime Surveillance Associates
- Mere Creek Golf Course (Harris Golf)
- MRRA
- Midcoast Veterans Center
- Mölnlycke Health Care
- New Beet Market
- New England Oceanographic Labs
- New England Tent and Awning
- New Ventures Maine
- North East Mobile Health Services
- O'Neal Janitorial
- Opportunity Alliance
- Priority Real Estate Group
- Pathways
- The REAL School
- Roland's Auto Body
- Rusty Lantern Service Station
- SaviLinx
- Savi Systems
- Schott Management
- Seeds of Independence
- Skordo
- Southern Midcoast Maine Chamber
- Southern Maine Community College
- Spooner Enterprise Law, LC
- SteriZign
- Sunray Animal Clinic
- STARC Systems
- Tempus Jets
- TOP-ME Tags
- Town of Brunswick Parks and Rec
- U.S. Marine Reserve Center
- U.S. Navy Care Taker Office
- University College
- University of Maine
- Varney CNC
- Village Green Ventures
- Washburn and Doughty
- Wayfair
- 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:

- 14 Wiley Road
- Brunswick Development Corporation
- Cardente Real Estate
- Coastal Counties Workforce, Inc.
- Environmental Protection Agency - Region 1
- Federal Aviation Administration
- Federal Congressional Delegation
- Goodwill Workforce Solutions
- Maine Department of Economic and Community Development
- Maine Department of Transportation
- Maine Manufacturing Extension Partnership
- Maine Technology Institute
- Office of Economic Adjustment (U.S. Dept. of Defense)
- Priority Real Estate Group
- Revision Energy
- 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
- Village Green Ventures



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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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