



LORING COMMERCE CENTRE

Loring Development Authority of Maine
Board Meeting Minutes
February 21, 2018
154 Development Drive, Suite F
Loring Commerce Centre, Limestone, Maine

1. Call to Order

The meeting was called to order by Chair Miles Williams at 9:37 a.m.

LDA Board Members present were: Richard Ezzy, Miles Williams, Jim Cote, Carol Bell, Dan LaPointe, and Mark Wilcox.

LDA Board Members participating by conference call were: Doug Damon, Dana Saucier, Jim Clair, Steve Levesque and Mike Edgecomb.

LDA Board Member absent: George Gervais, Janet McGillan.

LDA Staff present were: Carl Flora, Donna Sturzl, and Neal Haines.

Others present were: Diane Jackson, DECD, Roger Felix, Loring Job Corps Center; Dennis McCartney, Economic Development Director, Town of Limestone; Kathy Finnemore, Senator Collins' Office; Peter Forbes, US Air Force Civil Engineering Center and Chris Bouchard, Aroostook Republican.

Others participating by conference call were: David Farnsworth, US Air Force Civil Engineering Center and Mike Daly, US Environmental Protection Agency.

2. Introduction of Board Members, Staff, and Guests

All those present introduced him/herself.

3. Minutes of Meetings of October 11, 2017

MOTION: Motion was made by Richard Ezzy and seconded by Carol Bell to accept the minutes of the October 11, 2017 meeting as presented.

VOTE: Motion was voted on and passed unanimously.

4. Treasurer's Report for July to December 2017

Mr. Flora reported that on the December Statement of Net Assets, the accounts receivable line continues to reflect \$797,000 of MMA receivables recorded as doubtful; the line of credit is higher than anticipated; and the current notes balance includes a balloon payment on a loan from NMDC due this spring, which we intend to refinance. On the Statement of Change in Net Assets, the first

revenue line reflects funding from the Air Force water system reserve used for upgrades at the booster station; the repairs and maintenance expense line is \$46,000 above budget due mostly to repairs made to snow removal equipment.

MOTION: Motion was made by Richard Ezzy and seconded by Mark Wilcox to accept the July to December 2017 Treasurer's report as presented.

VOTE: Motion was voted on and passed unanimously.

5. SEP IRA contributions for 2018

LDA has a Simplified Employee Pension (SEP-IRA) Plan as its retirement plan. Historically, the board has funded this plan each year at 5% of employee's wages. Mr. Flora asked the board consider funding the Plan again at the 5% level. The funds are included in our adopted budget.

MOTION: Motion was made by James Cote and seconded by Richard Ezzy to approve the following resolution:

Resolved, that the Loring Development Authority of Maine's Simplified Employee Pension Plan be funded through FY 2018 at the level of 5% of each employee's earnings.

MOTION AMENDED: Motion was made by James Cote and seconded by Richard Ezzy to amend the motion by inserting the following at the end of the motion: "and to consider improvements to LDA's retirement plan and to also consider requiring an employee match".

VOTE: Motion, as amended, was voted on and passed unanimously.

6. Update: Air Force Proposed Amendment to Groundwater (OU-12) Record of Decision.

Mr. Flora reviewed his February 15, 2018 memo to the Board regarding the proposed ROD amendment. The amendment would address the emerging issue of soil vapor intrusion (SVI), in buildings in groundwater contamination zones, by implementing institutional controls to avoid or minimize exposure to SVI. In the original amendment proposal, the building owner would bear the cost of a SVI mitigation system, but in the revised proposal, the Air Force bears that cost, which is consistent with the CERCLA covenant contained in the Deeds given by the Air Force to the LDA. The CERCLA covenant obligates the Air Force to remedy newly-discovered environmental problems resulting from its activities. Buildings affected are buildings #7500, #8260, #7330, #8800, and #8622. David Farnsworth and Mike Daly concurred that the ROD amendment would address SVI mitigation for each building according to current or future use; it would also likely contain restrictive covenants requiring mitigation systems, such as a vapor barrier, with any new construction in affected areas. Mr. Levesque said that dealing with SVI is a major issue for military sites. Mr. Flora said that of the 3,700 acres transferred to LDA, 900 acres have groundwater restrictions. A document for property developers is needed to clarify the environmental conditions at Loring including the Air Force's responsibility for the clean-up of contamination resulting from its activities.

Mr. Forbes referred to the February 15 memo and said that it should be clarified that groundwater contamination previously identified in OU-12 is responsible for the SVI issue at Loring. PFC's (Perfluorinated Compounds) are not part of the current SVI problem.

7. President's Report

Board Appointments. Miles Williams, Dana Saucier and Steve Levesque have been reappointed to the LDA Board and Carl Flora has been reappointed to the Midcoast Regional Redevelopment Authority (MRRRA) Board.

Overview and discussion of a 5-year plan.

LDA's draft 5-year plan needs to be reviewed and refined. Trustees will have an opportunity to work on the 5-year plan during a work session following the April Board meeting. A final plan will be prepared for the annual meeting in June. Mr. Saucier offered to participate in developing the final plan.

Miscellaneous project updates.

- Loring Industries continues with its vehicle overhaul and Kenworth sales operations while working to expand its scope of activities to include potential manufacturing and military vehicle projects.
- Discussions continue with the MRO company proposing operations at Loring; a former affiliate of Telford Aviation is interested in developing a new project here. The current shortage of A&P mechanics is a problem nationally. MRRRA is working to start a A&P school at Brunswick.
- Maine Power Express (MPX) - Massachusetts chose the Northern Pass project, but it may not get the permits it needs to move forward. MPX continues to move forward with its project to deliver renewable energy to southern New England.
- LDA will be meeting with Ranger Solar tomorrow regarding its proposed project at Loring.
- A new energy project is in development; it proposes to create an energy park at Loring.
- Various manufacturing projects are being considered.
- Altaeros completed R&D work at Loring this year on a project that would bring internet service to unserved areas of the globe. A video displaying Altaeros' "super tower" was played. Manufacturing of the Altaeros equipment could take place at Loring.
- Bio-coal production and export has potential for establishment of a new industry at Loring. Dennis McCartney, who works part-time for the town of Limestone, discussed the projects that he and his colleagues are working on at Loring, including the potential for manufacturing Altaeros aerostats at Loring and establishing a bio-coal industry here. Mr. McCartney also introduced the LDA to the Live and Work in Northern Maine campaign that he and his colleagues are developing. It's designed to appeal to veterans who served at Loring and want to return here.

Air Force Civil Engineering Center realignment. Following a realignment at the AFCEC, Peter Forbes will take on the responsibility for the environmental program for Loring. Dave Strainge filled that position for about two decades followed by David Farnsworth, who works out of Plattsburgh, NY. Peter works at Loring and was responsible for environmental work at the former Pease AFB and other bases. In the past, Peter was closely involved in environmental work at Loring and is familiar with the ongoing work. LDA is pleased to have Peter to work with; he is a great asset for the environmental program.

8. Other

The president's budget includes a proposal to eliminate the EDA, CDBG, NBRC and other programs. It also calls for \$200 billion over ten years for federal investments, including \$100 billion for a grant program and \$50 billion for rural infrastructure projects.

9. Public Comment and Media Question and Answer Period

Responding to questions Mr. Flora stated that both the \$750,000 in a state appropriation and the \$797,000 MMA receivable are important to LDA this year.

Referring to proposed program cuts in the federal budget, Mr. McCartney said that northern Maine is a good place to live and work and programs are needed for businesses. He would like to see existing federal programs remain in place. Mr. Flora said that EDA and CDBG funding has been critical to development work at Loring.

10. Executive Session: Confidential discussions concerning contractual negotiations pursuant to Title 1 M.R.S.A. Section 405 Subparagraphs 6.A. and 6.C.

MOTION: Motion was made by Mark Wilcox and seconded by Richard Ezzy to enter into executive session to discuss real estate and economic development matters pursuant to Title 1 M.R.S.A. Section 405 Subparagraphs 6.A and 6.C. at 11:00 a.m.

VOTE: Motion was voted on and passed unanimously.

End Executive Session


Return to public session.

11. Adjourn

MOTION: Motion was made by Richard Ezzy and seconded by Carol Bell to adjourn the meeting at 11:58 a.m.

VOTE: Motion was voted on and passed unanimously.

Respectfully submitted,


Carol Bell
Secretary