



# LORING COMMERCE CENTRE

Loring Development Authority of Maine  
Board Meeting Minutes  
May 2, 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 9:35 a.m.

LDA Board Members present were: Miles Williams, Richard Ezzy, Jim Cote, Doug Damon, Mike Edgecomb and Carol Bell at 10:25.

LDA Board Member participating by conference call: Steve Levesque.

LDA Board Member absent: Dana Saucier, Jim Clair, Mark Wilcox, Dan LaPointe, George Gervais, and Janet McGillan.

LDA Staff present were: Carl Flora and Donna Sturzl.

Others present were: Dennis McCartney, Economic Development Director, Town of Limestone; Kathy Finnemore, Senator Collins' Office; Sharon Campbell, Senator King's Office; Peter Forbes, US Air Force Civil Engineering Center; Ken Murchison, City of Caribou; Tony Levesque, Town of Fort Fairfield; and Chris Bouchard, Aroostook Republican.

Others participating by conference call: Brian Doyle, DECD

## 2. Introduction of Board Members, Staff, and Guests

All those present introduced him/herself.

## 3. Minutes of Meetings of February 21, 2018

MOTION: Motion was made by Richard Ezzy and seconded by Mike Edgecomb to accept the minutes of the February 21, 2018 meeting as presented.

VOTE: Motion was voted on and all present voted in the affirmative.

## 4. Treasurer's Report for January and February 2018

Mr. Flora reported that on the Statement of Net Assets, the \$1.18 million in accounts receivables includes the \$750,000 state grant agreement that was signed in February; the funds were received in March. On the Statement of Change of Net Assets, heat costs are higher than projected, other expenses are tracking as expected since the last board meeting.

MOTION: Motion was made by Doug Damon and seconded by James Cote to accept the January and February 2018 Treasurer's report as presented.

VOTE: Motion was voted on and all present voted in the affirmative.

5. Proposed policy changes following Quasi-State Entity review

Following a review of LDA's policy for Quasi-State entities, the Labor, Commerce, Research and Economic Development Committee (LCRED) noted that the policy was consistent with the requirements of the law but needs to be more specific and explicitly track the language of the law.

Proposed policy amendments were presented and recommended for adoption.

MOTION: Motion was made by Richard Ezzy and seconded by Mike Edgecomb to accept the amendments to the LDA's Quasi-independent State Entity Financial Reporting Policy as recommended.

VOTE: Motion was voted on and all present voted in the affirmative.

6. Lease Proposals.

SFE Manufacturing, Inc. – Lease for a portion of Building #8712

SFE Manufacturing currently operates in a leased building in Fort Fairfield. The building has been sold and the company needs to relocate. The owner, Doug Morrell, would like to move his operations to building #8712 at Loring.

Golf Course – Lease renewal for Paul Hanson

Paul Hanson leased the golf course for the first time last year and would like to renew the lease for another year. Many improvements have been made and membership is increasing. Larry Zenzius will continue to operate the pro shop and Brad Boyles from Caribou will oversee the day to day operations of the course. Food services to be offered include a limited lunch menu and pre-made sandwiches.

Frontier Transport, Inc. – Lease renewal for Dock 22

Kevin Bouchard, owner of Frontier Transport, has leased Dock #22 since 2007. The lease has expired and he would like to renew it for five years.

7. President's Report

Altaeros commercialization of Super Tower

Altaeros, a technology development company, tested its communications based Aerostat at Loring last year. The aerostats, known as super towers, were developed to bring communication services to remote areas. Altaeros plans to commercialize the equipment and could potentially manufacture it at Loring. The company met with Heather Johnson of the state's broadband initiative office, ConnectME; they were accompanied by Carl Flora, Dennis McCartney and Mike Bouchard. Dennis mentioned that there may be grant funding available for the project.

Opportunity Zone, possible designation

The new federal tax law provides funding based on census tracts. LDA requested that the tract that includes Limestone with most of Loring, be included in the Opportunity Zone program. The program provides tax incentives for investments made in opportunity zone areas.

Northern Border Regional Commission (NBRC) – Notice of Intent

LDA submitted a Notice of Intent to apply for a NBRC grant. The grant would assist Peregrine Turbine Technologies establish a commercial demonstration for its newly developed turbine generator. The project may not be well enough defined at this point to meet the May 11 deadline for grant NBRC applications, but there are other potential sources of funding for this project.

#### MMA/ Loring Industries

MMA's bus refurbishment work for the Massachusetts Bay Transit Authority will be complete this summer. Loring Industries is also refurbishing buses and is working on another deal for similar work for another customer. A project to overhaul M109 Howitzers is moving forward, but there is much red tape to work through before the project is underway.

#### Miscellaneous project updates

The aviation MRO project discussed last year is still a possibility. The general manager has kept in touch with us, but he has not proposed a startup plan.

A freight transport project was introduced in March, with potential for locating a manufacturing operation at Loring.

Other transportation and food processing equipment manufacturing possibilities are being pursued by Loring Industries and others.

Three new proposals for air cargo operations are also being discussed.

#### Five Year Plan update

Dana Saucier will work with LDA on the 5-year plan. It will be ready for consideration at the June meeting.

#### Fixed Mount Solar Array – option to purchase

LDA has the option to purchase the smaller solar array in January 2019, after leasing it for seven years. The purchase price is \$84,000. It would take an estimated 13 years to breakeven on the purchase, after which the electricity would be basically free for the remaining life of the panels. A third party has expressed interest in owning the panels. Trustees asked about the cost of building a new array and what the expected life span is for the panels.

#### Impending Retirements of two staff members

Two LDA employees plan to retire this summer. Wayne Pryor, a master electrician and facilities maintenance worker; and Jim Wilson, a roads and grounds maintenance worker. LDA's Utilities employee, Robert Doucette, retired in January. We plan to recruit to fill the utilities position. The two maintenance positions may be replaced with contracted services.

#### Summary of heating requirements for buildings

A summary of heating requirements will be provided for review and to identify further options to consider for savings.

#### Nebraska Road condition

Nebraska Road, located in Caribou, is owned in part by the city of Caribou and a 1.4 mile section is owned by LDA. The section owned by LDA is in very poor condition and may need to be closed. The road was transferred from the US Air Force to US Fish and Wildlife and then to LDA. It was

in poor condition when LDA received it, with broken pavement and a poor base. It is now mostly a dirt road that is impossible to plow. If the road is closed, commuters could access the West Gate Road from the Madawaska Road by either the Haney Road to the north of Nebraska Road or the Thompson Road to the south of Nebraska Road. Both options would add about five miles to the commute.

When the road was being transferred to LDA, Caribou agreed to acquire the road if it was repaired, but the repair costs, estimated to be about \$400,000, were prohibitive. LDA will need to decide if it can keep the road open year-round, if it needs to close the road in the winter or altogether or if it is of use for Caribou, transfer it to the city at no cost. Power lines and a water main that run along the road need to remain accessible.

Carol Bell joined the meeting at this time.

#### 8. Other

Jim Cote stated that the LDA's tanker fire truck, on loan to the Limestone Fire Department (LFD), no longer passes inspection due to rust, but the equipment on the truck is serviceable. He requested that LDA help repair the truck or donate it to the LFD, which would allow them remove the equipment and place it on another vehicle.

MOTION: Motion was made by Jim Cote and seconded by Doug Damon to donate the tanker fire truck to the Limestone Fire Department so that another truck can be equipped as a fire tanker at no cost to LDA.

The truck was donated to LDA by Dead River and modified for LDA use as a fire truck by the Loring Fire Department. LFD now provides fire protection services at Loring.

The truck currently has little or no value. LDA will need to know the value of the equipment so it can accurately record the value of the donation.

MOTION AMENDED: Motion was made by Jim Cote and seconded by Doug Damon to amend the motion to authorize LDA President and CEO to proceed with the original motion and to report back to the board if there is a problem that prevents the action.

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

Jim Cote asked if any progress had been made toward the removal of the collapsing buildings on Loring Commerce Road.

The buildings are owned by the Aroostook Band of Micmacs. LDA contacted the Micmacs, but has not received a response. Sharon Campbell, from Senator King's office, said that she would call the Micmacs about the issue.

#### 9. Public Comment and Media Question and Answer Period

Dennis McCartney provided information on the Bunker Inn, owned by Loring Industries. The former visiting officer's quarters building is now open to the public with 20 suites available. The town will work to promote the inn as well as the country club.

10. Executive Session: Confidential discussions concerning personnel, economic development and real estate matters pursuant to Title 1 M.R.S.A. Section 405 Subparagraphs 6.A. and 6.C.

MOTION: Motion was made by Carol Bell and seconded by Mike Edgecomb to enter into executive session to discuss personnel, economic development and real estate matters pursuant to Title 1 M.R.S.A. Section 405 Subparagraphs 6.A. and 6.C. at 10:45 a.m.

VOTE: Motion was voted on and passed unanimously.

End Executive Session

Return to public session.

Limestone Country Club

Paul would like to extend the lease for the country club and golf course by one year with the same terms. As before, the rent is 5% of gross revenue; the tenant pays electrical, water & sewer and all expenses related to care and maintenance of the course, equipment, clubhouse, and storage and shop buildings. Mr. Hanson Paul expects a considerable improvement over last year.

MOTION: Motion was made by Rich Ezzy and seconded by Jim Cote to authorize the LDA President & CEO to extend the lease with Paul Hanson for golf course for one year, under the same terms and conditions.

VOTE: Motion was voted on and passed unanimously.

SFE Manufacturing, Inc.

Doug Morrell would like to locate his business, SFE Manufacturing, at Loring and has proposed to occupy approximately 12,000 square feet of Building #8712, which is just under half of the space in that building. The building he currently leases in Fort Fairfield has been sold.

The lease would be for six months and LDA will discuss six-month extensions. If the building is needed for an alternate use, SFE will agree to vacate on 90 days' notice.

The rent is \$1,500 per month; tenant will pay electricity and heat with credit allowed for the unoccupied portion of the building.

MOTION: Motion was made by Rich Ezzy and seconded by Carol Bell to authorize the LDA President & CEO to execute a lease agreement with SFE Manufacturing, Inc. for space in Building #8712 according to the proposal presented today.

VOTE: Motion was voted on and passed unanimously.

Frontier Transport, Inc.

Frontier Transport has leased Building #8622 (Dock 22) since 2007 and has proposed a five- year extension under the same terms and conditions. The annual rent is \$9,274.28 with a 2% increase each year.

MOTION: Motion was made by Rich Ezzy and seconded by Jim Cote to authorize the LDA President & CEO to extend the lease with Frontier Transport, Inc. for Building #8622 for an additional five-year term, under the same terms and conditions.


VOTE: Motion was voted on and passed unanimously.

11. Adjourn

MOTION: Motion was made by Rich Ezzy and seconded by Jim Cote to adjourn the meeting at 11:58 a.m.

VOTE: Motion was voted on and passed unanimously.

Respectfully submitted,

  
Carol Bell  
Secretary