



LORING COMMERCE CENTRE

Loring Development Authority of Maine
Board Meeting Minutes
June 19, 2019
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 9:30 a.m.

LDA Board Members present: Miles Williams, Dana Saucier, Carol Bell, Richard Ezzy, and Dan LaPointe.

LDA Board Members participating by conference call: Jim Clair, Janet McGillan, Mark Wilcox, Steve Levesque and Denise Garland, DECD.

LDA Board Members absent: Doug Damon, Mike Edgecomb, Jim Cote and Heather Johnson.

Others present: Art Thompson, former LDA Chair; Trisha House, Senator Collins' Office; Barb Hayslett, Congressman Golden's Office; Tony Levesque, Town of Fort Fairfield; Roger Felix, Loring Job Corps Center; Sharon Campbell, Senator King's Office; Paul Towle, Aroostook Partnership; Kate Leavitt, Congressman Golden's Office; Peter Forbes, U.S. Air Force; Don Cote, Local Citizen; and Matt Cole, Ray Hildebrand, and Reginald Ouellette, Loring Military Heritage Center.

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

2. Introduction of Board Members, Staff, and Guests

All those present introduced him/herself.

3. Minutes of Meetings of April 17, 2019 and May 30, 2019

MOTION: Motion was made by Richard Ezzy and seconded by Carol Bell to accept the minutes of the April 17, 2019 meeting as presented.

VOTE: Motion was voted on and passed unanimously.

MOTION: Motion was made by Richard Ezzy and seconded by Carol Bell to accept the minutes of the May 30, 2019 meeting as presented.

VOTE: Motion was voted on and passed unanimously.

4. Treasurer's Report for March and April 2019

Ms. Bell stated that on the April statement of net assets, deferred revenues include \$100,000 from the option fee for the Chinese project. The numbers in the statement of changes in net assets remain consistent with prior statements.

MOTION: Motion was made by Dana Saucier and seconded by Richard Ezzy to accept the March and April 2019 Treasurer's report as presented.

VOTE: Motion was voted on and passed unanimously.

5. Budget for FY2020

Mr. Flora said that the Finance Committee met on June 13 and considered best and worst case scenarios for the FY20 budget. LDA faces the difficult situation of revenue losses and increased facilities expenses from having reacquired former MMA buildings. One of the reacquired buildings, building 7220, will likely be pickled to save on expenses. The proposed budget includes revenue from projected assets sales, new activity and the \$300,000 balance of the fee for the exclusive negotiation period with the Chinese investor group. It does not include the group's \$1 million option fee. The salaries expense includes current positions with one position to fill; it also includes funding the SEP plan at 5% again this year. Also, in the budget is the cost of acquiring a new snow plow, a pickup truck, and a new roof for the maintenance building. Restricted funds, already in hand, will be used to repair the road to the dam.

The legislature is supportive of LD 1835, which would allow revenue from the Loring Job Increment Financing Fund to be paid early. LDA plans to propose a new strategy for Loring and will request the state support needed to move it forward. The new plan would be presented to the Governor this fall and to the legislature in the next session. A committee will be needed to work on the plan. It is difficult to have a budget with a loss in the bottom line.

Mr. Saucier said that it's important for everyone to understand that developing a new plan for Loring was of considerable importance to the finance committee. The budget could be accepted as presented and amended as the new plan is developed.

MOTION: Motion was made by Dana Saucier and seconded by Dan LaPointe to adopt the tentative budget as presented.

VOTE: Motion was voted on and passed unanimously.

MOTION: Motion was made by Richard Ezzy and seconded by Dan LaPointe that payments under the existing SEP-IRA be authorized at 5% of earnings.

VOTE: Motion was voted on and passed unanimously.

6. Completion of transfer to Emera Maine

Mr. Flora said when Loring's electrical distribution system was transferred to Maine Public Service Company (MPS), LDA did not have title to the property. The transfer was made using a long-term lease with a commitment to complete the transfer after LDA received title from the Air Force. The former MPS Company is now owned by Emera Maine; Emera would like to obtain a

deed to a lot where a new substation was built and to otherwise complete the transfer of the distribution system.

Building #7240, the diesel plant, where the original substation was located, still houses four large diesel generators with a combined output of 5.5 megawatts. The facility was upgraded and used as a standby facility. It is idle now, but could again be used as a standby facility.

MOTION: Motion was made by Richard Ezzy and seconded by Dana Saucier adopt the following three-part resolution in order to allow the execution and delivery of a deed or other instruments needed to fully complete the transfer as described in Mr. Flora's memo to the Board dated June 12, 2019:

RESOLVED: That, whereas Loring Development Authority of Maine (the "LDA") and Maine Public Service Company (MPS) on July 9, 1998 entered into (1) a Sublease of Electrical Distribution System, and (2) a Purchase and Sale Agreement, and (3) an Addendum to Purchase and Sale Agreement (collectively, the "Transfer Agreements"); and whereas a deed and other instruments are needed to fully complete and effectuate the transfer of ownership to Emera Maine, MPS's successor, pursuant to the Transfer Agreements; therefore, the LDA be, and hereby is, authorized to execute and deliver such deeds and other instruments as shall be reasonably necessary or convenient to fully complete and effectuate the transfer of ownership as called for by the Transfer Agreements.

FURTHER

RESOLVED: That the President and CEO of the LDA be, and hereby is, authorized, on behalf of and in the name of the LDA, to execute and deliver any and all documents required in connection with the foregoing resolution, and to perform such further and additional actions as may be necessary or convenient in order to effectuate the same.

FURTHER

RESOLVED: That the actions of any and all of the officers and/or trustees of the LDA, which acts would have been authorized by the foregoing resolutions except that such acts were taken prior to the adoption of such resolutions, are hereby ratified, confirmed, approved and adopted in all respects.

VOTE: Motion was voted on and passed unanimously.

7. 25th Anniversary of Loring's Closure – Ray Hildebrand

Ray Hildebrand, President of the Loring Military Heritage Center (LMHC), spoke about the center/museum, telling of its work to educate the public about the significance of Loring AFB in the cold war and to honor the many people who served at Loring. This summer, the museum is hosting a 25th Anniversary Open House, scheduled on August 23 – 24, to observe the 25th anniversary of Loring's closure. The open house will include tours of Loring, by bus and trolley. Mr. Hildebrand asked if the arch hangar would be available for tours. He is aware of the significant pigeon problem and the problem of people going beyond barriers intended to allow access to the building while safeguarding equipment in the building. He offered to have covers placed over

louvers where pigeons enter; to spray down the building using a tanker truck after it is swept out; and to have volunteers stay in the building, during the open house, to ensure people do not go beyond barriers.

Ms. Bell said she would encourage making the hangar available, if the museum will clean with the help of LDA and if there will be volunteers to ensure that visitors remain in designated areas.

Mr. Hildebrand invited Trustees and everyone to visit the museum during open hours on Saturday and Sunday or by appointment.

Mr. Flora commended museum volunteers for their work and successful operation. Matt Cole, Vice President of the LMHC, expressed his appreciation for Mr. Flora for listening to members of the museum when they were starting up and for his continuing support. Mr. Williams thanked the volunteers for their work and for the presentation today.

8. President's report

1. LD 1835. Mr. Flora went to Augusta on June 6th and presented testimony in support of LD 1835, entitled "An Act to Authorize Early Payment of Anticipated Funds to the Loring Job Increment Financing Fund", sponsored by Senator Troy Jackson. The Committee on Innovation, Development, Economic Advancement and Business (IDEA Committee) was supportive of the bill. It will allow the July 2020 LJIFF payment to be made early, which will help with cashflow but does not solve underlying issues. A new long-term strategic plan is needed.

2. Strategic Plan for LDA. RKG Consulting developed the first plan for Loring. The consultant who worked on the original plan is willing to help develop a new plan with a new vision. The plan would go to the Governor in the fall and to the legislature in January. Input from the Board is needed to help develop and refine the plan. Ms. Garland said that a state wide economic development plan is being developed and will go to the Governor in November. LDA may want to have Loring included in the state plan. Paul Towle is involved in the development of the state plan and believes that it would be good to include Loring in the state plan; the plan focuses on rural Maine. The state plan will be discussed at a meeting, sponsored by the Maine State Chamber, at UMPI next Thursday at 7:30 AM. LDA Trustees are encouraged to register and attend. It is one of nine regional meetings to gather input from various regions of the state. LDA does not have a source for funding the plan, but has raised the question with OEA and will send a cost estimate to DECD. Paul Towle agreed to participate on the LDA's strategic plan committee. Others who wish to participate should speak with Mr. Williams. Mr. Steve Levesque offered his help and said a having sustainable vision for Loring is important; Loring is an important state asset.

3. Sign at west entrance. LDA staff removed the deteriorating sign and will construct a new one similar to the sign by Route 89.

4. Ambulance. Crown Ambulance maintains an ambulance and crew at Loring. Fort Fairfield recently switched ambulance service providers from Crown to the City of Presque Isle. That change may impact Crown's ability to provide service at Loring. Mr. Flora spoke with Caribou about providing the service if Crown leaves.

5. Wastewater funding. The LDA was conditionally awarded \$351,000 in a wastewater grant through the Maine DEP to complete a sewer replacement project. The project totaled \$2,995,000.

Since we don't have the balance of the project funded, the grant was declined. Next year we will try to get CDBG funding to match funding from the State Revolving Loan Fund.

6. Fire-fighting foam drums (AFFF). LDA acquired a firefighting foam trailer from the Air Force full of AFFF. Drums of AFFF were left at Loring, but were not on the transfer list. Some of the drums were given to communities. MDEP asked LDA to accept drums returned by communities. The drums are now stored at Loring and the Air Force does not want to take responsibility for the drums. MDEP, EPA and the Air Force are working on a formal dispute resolution under the 3-way "Federal Facilities Agreement". LDA has asked the Air Force to remove the drums or to agree to indemnify LDA if it becomes responsible for disposal of the AFFF. Our Congressional offices have been asked to assist LDA with this matter

7. Spaceport Complex. A feasibility study determined that there is potential for Maine to participate in the small satellite business. The best place for vertical launches is southern Maine, where the satellites would launch over the ocean. Loring could support horizontal launches from large aircraft.

8. Building #2500. The building was sold, upgraded then damaged by fire and abandoned and is now owned by the town. Joe Alosa is interested in the building and at one time believed he had a deal with the town. The town recently solicited bids for the building but no bids were received. Mr. Jim Cote encouraged a meeting between the town, LDA and Mr. Alosa.

9. Upcoming meetings:

September 18, 2019

October 2019 – date TBD -Audit

December 4, 2019

February 19, 2020

April 15, 2020

June 17, 2020

9. Report of the Nominating Committee

Mr. Williams thanked Richard Ezzy and Janet McGillan for serving on Nominating Committee with him. The committee recommended that the standing officers be nominated to serve another term in the same positions. Board officers are Chair, Miles Williams; Vice Chair, Mark Wilcox; Treasurer, Carol Bell and Secretary, Dana Saucier. The officers accepted the nominations.

MOTION: Motion was made by Dan LaPointe and seconded by Richard Ezzy to approve the slate of officers for FY2020 as recommended by the Nominating Committee.

VOTE: Motion was voted on and passed unanimously.

10. Other:

Mr. Williams noted the clean, inviting appearance of the LDA building and said that the people responsible for cleaning the building should be recognized. He asked that the Board's appreciation be conveyed to them. Mr. Flora said that he would convey the message to Debbie White, who cleans the building. She consistently does a great job.

Mr. Saucier commended Mr. Flora for his testimony to the legislature on LD 1835. The testimony was effectively written. Mr. Flora said that he is pleased with the committee's support. He was asked about prior legislation that allowed LDA to receive 100% of the LJIFF rather than 50%. The Governor approved the 100% for one year only. Asking for 100% of the LJIFF may be part of the new development plan for Loring.

11. Public Comment and Media Question and Answer Period

None.

12. 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 Richard Ezzy and seconded by Dana Saucier 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 11:09 a.m.

VOTE: Motion was voted on and passed unanimously.

End Executive Session

13. Adjourn

MOTION: Motion was made by Rich Ezzy and seconded by Carol Bell to adjourn the meeting at 12:19 p.m.

VOTE: Motion was voted on and passed unanimously.

Respectfully submitted,



Dana Saucier
Secretary