

Loring Development Authority of Maine
Board Meeting Minutes
June 21, 2023
154 Development Drive, Suite F
Loring Commerce Centre, Limestone, Maine

1. Call to Order

The meeting was called to order by Jeremy Fischer at 9:30 a.m.

LDA Board Members participating by online conference: Jeremy Fischer, Patrick Paradis, Lee Umphrey, Lynn Bromley, Tim Crowley, Kristine Logan, Suzie Paradis, Joe Sleeper, Kris Doody, Galen Weibley, and Grace O'Neal.

LDA Board Members absent: Denise Garland and Benjamin Shaw.

Others participating: Tim McCabe, Bunker Inn; Ryan Gahagan, Loring Holdings, Thomas Manning, Green 4 Maine; Sean Eldridge, Air Force Civil Engineering Center; Melissa Lizotte, Aroostook Republican; Sharon Campbell, Senator King's office; Steve Levesque, SHL Enterprise Solutions; Rob Singer, WSP USA; Scott Hinkel, Green 4 Maine; Tony Levesque, Ft. Fairfield; Roger Felix, Loring Job Corps; Michael Quinlan, CBI; Trisha House, Senator Collins' office.

LDA staff participating by online conference: Carl Flora, Neal Haines and Donna Sturzl.

2. Identification of board members and others

Board member attendance was taken.

3. Minutes of Meetings of April 19 and May 24, 2023.

MOTION: Motion was made by Pat Paradis and seconded by Lynn Bromley to accept the minutes of the April 19 and May 24, 2023 meetings as presented.

VOTE: Motion was voted on and passed unanimously.

4. Financial Report and Draft Budget. Mr. Flora mentioned that Donna Sturzl had prepared draft financials through March but that some adjustments still needed to be made to reflect the G4M transaction. Otherwise, there was nothing unusual. Mr. Flora reviewed draft budget. This also needs to be updated to reflect recent events. The revenue for the Job Increment Financing Fund is

not yet known, we are projecting \$500,000 but this may be low. The revenue projection includes 6 months of rent for DG Fuels. Costs for building maintenance are down as many buildings have transferred to G4M. Total projections for expenses are just under \$2 M. The operating shortfall is \$272,000. We are overdue for water and sewer fee increases. We can also impose property assessments for municipal services. Sen. Jackson has introduced a bill to increase payments under the Loring Job Increment Financing Fund – this bill will be carried over until next session.

The Finance Committee will meet in the near future to make final adjustments to the projections before the board adopts it as a formal budget. Staffing will include Mr. Flora, funding for Donna's position, Neal, and two plant operators. A discussion followed regarding the need to find a Class 4 plant operator and the difficulties in finding a solution for our plant.

5. Update on Marketing and Aviation development.

Steve Levesque provided a summary of his efforts at marketing Loring. He noted there was a lot of excitement around biorefining in the State. Steve attended conferences and trade shows focused on forest products, Unmanned aircraft systems, and aircraft Maintenance, Repair and Overhaul (MRO). Steve reviewed the opportunities for MRO and stressed the ability for Loring to accommodate large, wide body aircraft. Also, opportunities exist in the space industry with Loring being a central asset in the State's efforts to attract a new space industry. Loring may serve as the location for horizontal launches of rockets carrying satellites.

6. Approve Engagement of Airport Consultant for Master Plan.

Steve Levesque reviewed the RFP process used to solicit proposals for an Airport Consultant to develop an airport master plan. Two proposals were received and reviewed with a recommendation that the proposal of Dubois and King be accepted. The master planning process is expected to take about one year and will include an evaluation of how Loring would fit with other airports in the region. Loring's niche is believed to be in large aircraft MRO, disassembly and parting out, testing and development of unmanned systems and autonomous platforms as well as horizontal rocket launches. Other nearby airports will have a different focus, allowing Loring to develop the areas not currently present in northern Maine. With a completed master plan, the FAA can be approached with a proposal for Loring to be accepted into the NPIAS, a precondition to receiving FAA's Airport Improvement Fund and funding under the Military Airports Program. The designation will put Loring on the map for commercial use and has significant implications for the safety and it is something insurance companies will be looking for. Steve discussed the potential to work collaboratively with Scott Wardwell and the Presque Isle Airport.

MOTION: Motion was made by Lee Umphrey and seconded by Lynn Bromley to accept the proposal by Dubois and King as outlined in Steve Levesque's Memorandum to the board dated June 13, 2023 in the amount of \$429,000 and to authorize the LDA President & CEO to enter into a contract with Dubois and King for the completion of the airport master plan.

VOTE: Motion was voted on and passed unanimously.

7. President's Report

Mr. Flora stated that he had spoken recently with Mike Darcy of DG Fuels who will be turning his full attention to the development of the project at Loring. Mike has been in discussions with Loring Holdings about the use of the Pipeline corridor to transmit the finished product from Loring to the port facility in Searsport. Use of the pipeline corridor and reactivation of the rail north of Presque Isle will be important for the success of the project.

Thomas Manning provided a summary of Green 4 Maine's efforts which are beginning to show significant progress. Accomplishments include a new 60 year lease with BD Solar Limestone, LLC enabling a \$8M investment in solar array; a 9 year lease with Fork In The Road, LLC for 1,200 sf of space for a Food Truck Storage and Food Truck Restaurant setup in building 8716; a 9 year lease with Eternal Mind, Inc for the 8,000 sf Data Center building; a 9 year lease of former Gas Station building to Chris King and his Group - this is part of a Community Local Business Outreach Program and the lease to Chris is instrumental to G4M's plan to promote Loring as the Epicenter of Northern Maine Outdoor Recreation. Chris will be opening a snowmobile, ATV and automobile repair shop and will be hosting year round Snowmobile and ATV Clubs; a NEW 9 year lease with Novel Energy Solutions, LLC for 119,155 sf for the Building 7220; Novel employees over 125 employees which will be based at their Loring headquarters location; also discussions are underway for potato storage and a Potato Flake Plant. All are invited to attend an Open House to be held Saturday, July 1 which will include a Fly In and Breakfast. Thomas detailed plans to hire employees and discussed the approaches to marketing facilities.

Steve Gagnon, LDA's water plant operator plans to retire this summer. Steve has been an excellent employee and gets very high marks from regulators from the State's drinking water program. We are going to miss Steve and his conscientious management of the water system. We wish him the best in his retirement. The problem of replacing Steve with a Class 4 operator was discussed further.

Donna Sturzl has left her position as LDA's Director of Finance and Accounting. Donna has been a model employee, always staying on top of everything and identifying problems and good solutions. A discussion about ways to recognize the contributions of Steve and Donna followed. Donna will be replaced by Jon Judkins who will be starting next week. Donna has agreed to be available to assist with the transition.

Northern Maine Development Commission (NMDC) will be providing LDA with assistance with grant administration. NMDC will assist with the sewer project including the NBRC, HUD - CDS, CDBG and EPA/MDEP grants. NMDC will also assist with the HUD - CDS grant for roads and demolition. As you know, we have already secured NMDC's agreement to complete the Workforce Assessment component of the OLDCC grant. LDA will handle the OLDCC grant administration in-house.

LDA submitted a revised budget and scope of work narrative for the HUD roads and demolition grant. There is an environmental review that must be completed and the attorneys at HUD are trying to determine who the cognizant agency would be to complete the review. This has held us up but we are hopeful that we can get to a bid and construction start date this season, but likely

much of the work will spill over to next year. Meanwhile, we are trying with some difficulty to proceed with spot repairs to our roads.

A Maine DOT project that will replace the bridge on the West Gate Road and DOT wants to detour traffic through Loring. Some members expressed concern about the road conditions on some of the detour segments and wanted DOT to repair the roads making them suitable for the detoured traffic. Further discussion with DOT on repairs will be needed.

We have asked our engineering firm, Wright/Pierce Engineers, to proceed with a project design utilizing the currently available funding and allowing for a bidding contingency that would add work in the event additional funding is secured. Based on conversations with engineer Chris Dwinal, I am skeptical that we will be able to begin construction this year.

Planned summer events were reviewed. July 1 – G4M Open House; Jul 12 -15 and Aug 30 – Sep 2 Land Speed racing; Aug 3-7 Autocross; August 18-19 End of Summer concert.

Lee Umphrey, Tim Crowley and Galen Weibley were the nominating committee. Lee Umphrey presented the recommended slate of officers to serve during FY 24. They are:

Chair Person:	Jeremy Fischer
Vice Chair Person:	Patrick Paradis
Treasurer:	Benjamin Shaw
Secretary:	Kris Doody

Galen Weibley seconded the slate as presented.

VOTE: Motion was voted on and passed unanimously.

8. Public Comment and Media Question and Answer

Ryan Gahagan stated that Loring Holdings is in discussions with DG Fuels and another party concerning the use of the Pipeline and corridor.

Sharon Campbell mentioned that Senator King’s staff is working on a CDS request related to the Arch Hangar. Trisha House mentioned the FY 22 CDS and an issue with an SBA loan and offered the assistance of Senator Collins’ office.

MOTION: Motion was made by Pat Paradis and seconded by Lynn Bromley to enter into Executive Session for 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.

VOTE: Motion was voted on and passed unanimously.

Executive Session followed.

Return from Executive Session.

MOTION: Motion was made by Lynn Bromley and seconded by Lee Umphrey (1) to rescind and revoke the authority previously given to the LDA President & CEO to execute a Consolidated Payment Agreement with Loring Holdings, LLC, and (2) to authorize the President & CEO to sign a 99 year ground lease (with optional extension terms) with Green 4 Maine, LLC or its affiliate, Green 4 Maine Energy, LLC, conditioned on the inclusion of an indemnification provision that would run in favor of the Landlord, and further conditioned on the inclusion of a provision that a default under the note and mortgage given by G4M to LDA would constitute a default leading to a right by Landlord to terminate the ground lease.

VOTE: Motion was voted on and passed unanimously.

7. Adjourn

There being no further business before the board, the meeting was adjourned by the Chair at 11:26 p.m.

Respectfully submitted,


Kris Deody
Secretary