

Loring Development Authority of Maine
Board Meeting Minutes
September 14, 2011
154 Development Drive, Suite F
Loring Commerce Centre
Limestone, Maine

1. Call to Order

The meeting was called to order by Frank Bemis at 9:30 a.m.

LDA Board Member present were: Kay Rand, Patrick St. Peter, Maynard St. Peter, David King, Thomas Clowes, Patrick Paradis, Richard Ezzy.

Participating by conference call: Denise Garland, representing George Gervais, Commissioner DECD.

LDA Board Members absent: George Ezzy, Terrence Harrigan, Edmund Therrien.

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

Others present: George Howe, Code Enforcement, Presque Isle, Walt Elish, APP, Hayes Gahagan, LBE, Barbara Hayslett, Congressman Michaud's office, Brian Day, Congressman Michaud's office, Phil Bosse, Senator Collin's office, Sharon Campbell, Senator Snowe's office, Dick Palm, WAGM TV, Natalie Bassinet, Aroostook Republican.

2. Introduction of Board Members, Staff and Guests

All those present introduced him/herself

3. Minutes of Meeting of June 8, 2011

MOTION:

Motion was made by Kay Rand and seconded by Richard Ezzy to accept the minutes of the June 8, 2011 meeting as presented.

VOTE:

Motion was voted on and passed unanimously.

4. Treasurer's Report for May 2011

Richard Ezzy said that the May 2011 balance sheet and income statement reflect the budget as anticipated. He noted that June is not included as there are still some accounting details to be finalized regarding the Loring Bioenergy deal. Mr. Flora noted that the expense line depreciation

number is zero, which reflects that fact that all the depreciation is taken at the end of the year and will be approximately \$740,000 on assets left to the LDA by the Air Force and therefore, though not a direct economic loss is still reflected on the balance sheets.

MOTION:

Motion was made by Kay Rand and seconded by David King to accept the May 2011 Treasurer's Report as presented.

VOTE:

Motion was voted on and passed unanimously.

5. Appointment of Codes Enforcement Officer – George Howe

Mr. Flora introduced George Howe, the current Codes Enforcement Officer for the City of Presque Isle. He said that for the past several years the LDA has utilized Steve Wentworth of Caribou for Codes Enforcement on an as-needed basis under an agreement with the City of Caribou. Mr. Flora said that due to an increase in Mr. Wentworth's workload he was no longer in a position to assist the LDA with code enforcement. Mr. Flora said that he has been working with the City of Presque Isle and reached agreement on the details of a new agreement in which Mr. Howe will serve as a Licensed Plumbing Inspector and Certified Public Health Inspector as well as Codes Enforcement Officer for the LDA.

MOTION:

Motion was made by Richard Ezzy and seconded by Maynard St. Peter appoint George Howe of Presque Isle, Maine as the Loring Development Authority Codes Enforcement Officer, Licensed Plumbing Inspector and Certified Public Health Inspector.

VOTE:

Motion was voted on and passed unanimously.

6. HB Specialty Foods (Hydroblend) Lease extension

Mr. Flora said that HB Specialty Foods, Inc., which is more commonly known as Hydroblend, has expressed their interest in extending their current lease for an additional two years, with an option for a third year. He noted that HB is contemplating a possible expansion over the next year or so and that should they decide to expand that they may be in need of different facilities.

MOTION:

Motion was made by Richard Ezzy and seconded by Kay Rand to authorize Carl Flora to complete the transaction to extend the current lease with HB Specialty Foods for the next two years with an exercisable option to renew for a third year.

VOTE:

Motion was voted on and passed unanimously.

7. Lease to Northern Girl, LLC

Mr. Flora said that Northern Girl is a Van Buren company that had approached the LDA through the Northern Maine Development Commission looking for an interim solution for facility space that would accommodate organic vegetable processing. He said that it has been determined that the kitchen area of the NCO Club that will allow the company to get started in a small way until a facility is ready in Van Buren. Mr. Flora noted that the LDA will continue to honor the commitment made to DFAS for use of the function area at the Club and that Northern Girl and DFAS have agreed to coordinate any activities which might impact each other.

MOTION:

Motion was made by Richard Ezzy and seconded by David King to authorize Carl Flora to enter into a short-term lease agreement with Northern Girl, LLC for use of the NCO Club kitchen facility consistent with the terms agreed to.

VOTE:

Motion was voted on and passed unanimously.

8. New company/project – Altaeros Energies

Mr. Flora said that Altaeros Energies is small development stage company that has arranged for a testing site utilizing the Arch Hangar and a portion of Loring's airfield. He said that the company innovation involves an airborne wind turbine in a helium-filled jacket which can ascend to an altitude of 500 feet or more and transmits electricity to the ground via a tether cable. He noted that military branches are taking a great interest in this new technology and that Former Secretary of the Air Force Sheila Widnall is one of the founders of the company. He said that Altaeros will operate out of the arch hangar for several months while the testing program is underway and that the project was arranged by and through SAIC.

9. President's report

EPA Regional Administrator visit

Mr. Flora said that the EPA Regional Administrator, Curtis Spalding visited recently to review progress on the Limestone/Loring regional wastewater project. He noted that USDA/Rural Development State Director Virginia Manuel, Maine DEP Commissioner Pattie Aho and members of their staffs were also here. He said that this was an opportunity to present the issues of unrealized potential for further industrial development at Loring due to the expensive treatment of groundwater caused by Loring's significant I & I problem. He noted that a continuation of the I & I reduction project would represent an ideal "shovel ready" project with high potential economic impact should more stimulus funds ever become available.

I & I reduction project

Mr. Flora said that Phase Three of the I & I project is ready to go although it is being launched later than hoped as the process for obtaining the easements was complex and time-consuming. He

said that many earthwork projects underway earlier this summer are now wrapping up and much of the work at Loring is well-suited for early and late winter and therefore hopes to see a good competitive selection from the bid process.

Three Ring binder ceremony

Mr. Flora said that a ribbon cutting event was held in July at the Loring Applied Technology Center to kick off the construction of the high capacity open access fiber optic network. He noted that this project has already generated interest from an international firm looking to locate at Loring. Mr. Flora said that Congress man Michaud, representative of Senators Snow and Collins, Commissioner George Gervais, LDA Board members and several members of the Aroostook legislative delegation attended the event.

Iberdrola Renewables

Mr. Flora said that a draft exclusive negotiating agreement is ready and that most substantive issues have been dealt with, but this his concern is that while waiting to see in things progress with Iberdrola, that the LDA may want the ability to negotiate for small-scale wind installations that would not interfere with aviation operations. And that the LDA needs to be clear that there is no guarantee that other Loring landowners won't erect turbines.

SAIC project status

Mr. Flora said that SAIC is tightening its financial belt in anticipation of slimmer government and military contracts on which it has relied for funding. He noted that at this point all SAIC Loring employees have been laid off, among which are several whose specialized skills many not easily be replaced. Mr. Flora said that he would be meeting with Bob Ziegelaar in the upcoming week to discuss how SAIC can maintain a presence at Loring during the period of uncertainty.

New contract for Sitel

Mr. Flora said that Robbie Jalbert, Sitel's site manager had notified him that a significant new contract with Sovereign Bank has been secured that will support an additional 51 jobs. He noted that some renovations to their space are anticipated to accommodate the additional staff.

Essential Air Service – Colgan air

Mr. Flora said that Colgan Air will be petitioning the US DOT to abandon their essential air service routes in the northeast including Presque Isle. He noted that scheduled air service into Aroostook County is a necessity if the area is to experience positive economic growth and that local officials believe that a new essential air service airline will be identified or that an alternative scheduled jet service to someplace other than Boston's Logan Airport may come to fruition in the near future.

Land Speed and Autocross events

Mr. Flora said that the third Land speed racing and autocross event at Loring was again a success. He said that the highlight was a new speed record for a sit-on motorcycle at 311.945 mph set by Bill Warner. Mr. Flora said that another event is scheduled for September 17-18.

Website redesign

Mr. Flora said that design work continues on creating and defining a new and cleaner look for the LDA website. He noted that the current plan is to feature the aerial photo of Loring on the first, homepage of the website which will highlight facilities that are immediately available. He

said that the focus will be more on technical specifications a supporting infrastructure with the utilization of more links to bring other information resources into play.

EDA project update

Mr. Flora said that all materials and submissions required by EDA have been sent and that Phase 1 of the project is ready to go to bid. He noted that Phase 1 includes improvements to the plants water treatment infrastructure and repairs to the fishladder, but that the fishladder repair will be in the fall of 2012. Mr. Flora said that Phase 2 will go out to bid later and will include replacement of the remaining 2 filter beds, repairs to the dam and repairs and upgrades to the buildings.

SBA project update

Mr. Flora said that work has been completed on the Library roof and exterior and that work on the roof of the LDA office building is underway. He said that the proposed work on the NCO Club is being prepared for bid and that additional work on several other buildings will be performed before the remaining SBA funds are depleted.

Vandalism and copper thefts

Mr. Flora said that there has been a rash of break-ins and thefts at Loring of late. He said that thieves have removed copper, electrical and heating apparatus leaving substantial damage in the properties and that the criminals have become more brazen and hit buildings in the heart of the complex. He noted that the problem is not limited to Loring and has the potential to cause extensive property damage and financial losses for Aroostook County businesses and residents.

Central heat Plant implosion

Mr. Flora said that the Central Heat plant demolition implosion was only partially successful in bringing down the structure. He said that additional equipment is being brought in to Loring to complete the removal and that the steel structure should be apart and on the ground in about 2 week and that the site would be cleared of all construction debris within about 2 months.

Laser Power Systems/Red Hawk Metals update

Mr. Flora said that he remains in touch with Dr. Stevens on his progress with a successful test of his prototype energy-generation technology.

Annual Audit update

Mr. Flora said that the audit is complete and that the finance Committee will meet in September or early October to conduct a review and pass a recommendation on to the Board for its consideration at the October meeting.

Banking relationship

Mr. Flora said that the LDA banking relationship has been placed out to bid with proposals due by the end of the month. He said that the new 3 year relationship will being in January 2012.

New DFAS director

Mr. Flora said that Larry Lovelette is the new DFAS Director, replacing former director Wayne Ingle who is returning to Indianapolis. He said that Mr. Lovelette was most recently posted in Germany. Mr. Flora said that Shawn McCracken, who is from DFAS-Columbus has taken the position as the new Deputy Director.

Walt Elish departure

Mr. Flora said that Walt Elish, President of Aroostook Partners for Progress has recently accepted a position with an economic development group in Northern Colorado. He noted that Mr. Elish has been with Maine Public Service and APP for over 6 years and that his efforts and professionalism have had a very positive impact on economic development in Aroostook County.

Employee update

Mr. Flora said that Mary Saunders, who has been out of office due to illness for an extended period, will in most likelihood not return for awhile. He said that as there is workload to be addressed that Rae Rossignol from Tempo Employment Services has been selected to take up and maintain some of Mary's duties while the situation remains.

Board nominations

Mr. Flora said that there are 4 individuals who have been nominated to the Board. He noted the Dan LaPointe of Van Buren is a former LDA Board member and that in addition are Mike Edgecomb of Rockland, Carol Bell of Presque Isle and Janet McGillen of Fort Fairfield. Mr. Flora said that he is not sure which seats these new members will be appointed to. Mr. Flora noted that Kay Rand is most likely attending her last meeting as a Board meeting. He noted Kay's exemplary service on the Board and her institutional knowledge and connections that have been instrumental in getting things done in Augusta. Mr. Flora said that Kay Rand's devotion to Loring's economic development mission over the years has had a lasting and profound impact on Aroostook County.

10. Monthly Employment Strength Report

Mr. Flora said that there is a slight decrease in employment numbers due to the SAIC layoff.

11. Other

None

12. Public Comment and Media Questions and Answer Period

None

13. Executive Session:MOTION:

Motion was made by Kay Rand and seconded by Pat Paradis to enter into executive session for confidential discussions concerning contractual negotiations under Title 1 M.R.S.A. Section 405 Subparagraph 6.C.

VOTE:

Motion was voted on and passed unanimously.

14. Adjourn

The meeting was adjourned at 11:28 p.m.

Respectfully submitted,

Thomas Clowes
Secretary

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DRAFT