



LORING COMMERCE CENTRE

Loring Development Authority of Maine
Board Meeting Minutes
January 12, 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 9:31 a.m.

LDA Board Members present were: Maynard St. Peter, Frank Bemis, Richard Ezzy, David King, Thomas Clowes.

Participating by conference call: Kay Rand, Patrick Paradis, Patrick St. Peter, George Ezzy.

LDA Board Members absent: Terrence Harrigan, Edmund Therrien, Philip Parent, DECD interim commissioner.

LDA Staff present: Carl Flora, Frank Goade, Donna Sturzl, Wayne Pryor and Diane Martin.

Others present: Mike Shrewsberry, City of Caribou, Scott Hays and Steven Bowers, Maine Energy Performance Solutions, Steve Sutter, Friends of Aroostook National Wildlife Refuge, Jim Leighton, Limestone Water & Sewer District, Tim Corbett, MMA, Phil Bosse, Senator Collins' office, Reginald Ouellette, local contractor

2. Introduction of Board Members, Staff and Guests

All those present introduced him/herself

3. Minutes of Meeting of October 13, 2010

MOTION:

Motion was made by Kay Rand and seconded by David King to accept the minutes of the October 13, 2010 meeting as presented.

VOTE:

Motion was voted on and passed unanimously.

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Loring Development Authority of Maine
154 Development Drive, Suite F Limestone, Maine 04750
phone: (207) 328-7005 fax: (207) 328-6811 e-mail: LDA@loring.org
TTY: 1-800-437-1220

4. Treasurer's Report for July through November 2010

Richard Ezzy stated that cash flows as presented in the financial statements show amounts going in and out of the line of credit over the last five months. The line was paid down to zero in August. Carl Flora noted a few variances on the expense items, but that in general revenues and expenses are tracking about where expected.

MOTION:

Motion was made by Richard Ezzy and seconded by Maynard St. Peter to accept the July through November 2010 Treasurer's Report as presented.

VOTE:

Motion was voted on and passed unanimously.

5. Staff Recognitions.

Carl Flora recognized Wayne Pryor for 10 years of service with the LDA. He noted that Wayne is a master electrician by training and trade and that he also performs a variety of tasks to ensure that Loring's buildings and systems are maintained in good working order. He presented Wayne with a plaque to commemorate his tenure with the LDA.

Carl Flora also recognized Donna Sturzl with a plaque for her 10 years of service as of September 2010. He noted that her dedication, loyalty and commitment to the LDA has been invaluable over the years.

Mr. Flora recognized Frank Goade for his successful tenure at the LDA. He noted that Frank has retired as of December 31st but will continue to work for the LDA on a consulting basis as Donna Sturzl assumes the accounting duties. Mr. Flora noted that Frank had the responsibility of guiding the LDA through the morass of red tape created in the Caretaker Contract years.

Kay Rand recognized Carl Flora for his 15 years of service to the LDA and noted that it is a great comfort as Chair of the LDA Board to have Carl in charge, providing steady, thorough and reliable leadership.

6. Presentation by Maine Energy Performance Solutions.

Carl Flora introduced Scott Hays and Steven Bowers of Maine Energy Performance Solutions who have approached the LDA with a concept for establishing a commercial scale solar farm at Loring. Mr. Hays and Mr. Bowers provided a power point presentation describing the several companies involved, Maine Energy Performance Solutions being the construction portion and The Power Company being the development arm of the solar farm concept. The presentation detailed the construction, logistics and benefits that a commercial scale solar power farm could provide to Loring's tenants.

Following the presentation Carl Flora said that he would like to hear opinion from the board regarding pursuing the development of a solar farm at Loring. Maynard St. Peter said that he thinks the board should direct Mr. Flora to proceed with future negotiations and crafting of a MOU with Maine Energy Performance Solutions for the board's consideration. Discussion followed and there was general consensus to continue to explore this project and develop an MOU.

7. MMA update:

Mr. Flora introduced Tim Corbett, CEO of the Maine Military Authority who briefed the LDA Board on the next few months of events that will be taking place at MMA. Mr. Corbett said that current and near term budget levels of the next five years will remain strained. He said that current federal programs are maintaining workforces across the country at barely sustainable levels. Mr. Corbett said that most likely there would be approximately 150 layoffs at the Loring facility somewhere near the beginning of March and that his workforce has been notified of this. He also noted that the MMA at Loring is looking to streamline its production processes to provide a more efficient delivery system for rebuilds and to obtain contracts that will have overlapping start and end periods to be able to maintain stable employment levels. He also mentioned efforts to diversify the business base for MMA and mentioned that MMA is close to being listed in the "GSA schedule" for various types of vehicle and equipment refurbishment services that will allow for greatly simplified contracting with virtually any federal entity and many states throughout the nation.

Mr. Flora said that although the news of layoffs is sobering his is encouraged that MMA will find better solutions for their facility efficiencies and in the future will be in better shape than currently.

8. President's Report

Loring BioEnergy project update

Mr. Flora said that the real estate closing for the Loring BioEnergy project that took place in September transferred 54 acres of real estate. The planned demolition of the central heat plant is moving forward as is the planning for the reactivation of the southern end of the pipeline.

Northern Maine Paving (NMP)

Mr. Flora said that the transaction is still in the works and that the project has qualified for \$160K of CDBG funding through DECD. He noted that the actual award depends on the successful completion of the application process. The proceeds of the funding will rehabilitate the crash fire building (to support office and maintenance functions) and development of the quarry.

EDA Grant process

Carl Flora said that the water system project is still on hold as the EDA is still operating on a continuing resolution and therefore doesn't have funding to award. Mr. Flora noted that until Congress passes a budget bill that the EDA may not be in a position to announce awards. At some point, the LDA may have to decide to go ahead and spend the match money we've set aside to carry out water system renovations with a much more limited scope.

SBA Grant process

Mr. Flora said that the \$1MM grant has been a long complex process. The grant was forwarded for legal review and the final award is expected soon.

Land Speed Racing

Mr. Flora said that the event continues to grow in popularity. He said that the organizers have requested consideration for an earlier event date which causes concern for the areas around the airfield and the upland sandpiper nesting season. He noted that because the event as previously scheduled comes very close to the Bonneville race, the LTA has asked to hold the event earlier in July. He noted that the event is not actually impacting the grasslands areas that are utilized by the sandpiper and that the relatively small area to be mowed could be monitored or the nests relocated to minimize any impact on the nesting birds.

SAIC grant process

Mr. Flora said that SAIC has been discussing the potential for an expansion of SAIC's Loring operations to perform fabrication and manufacturing of new airships in the shop attached to the Arch Hanger. He noted that one approach would be for the LDA to issue a credit against rent for any building improvements made by the tenant. The building will need a new roof, electrical and heating systems and general renovations to the shop space. He said there are ongoing discussions with SAIC and MMA to share shop space for a year or two until the renovations could be completed.

Airspace Working Group

Mr. Flora said that the Airspace Working Group held an inaugural meeting and that the group agreed that in order to make Loring a test center for unmanned aircraft there is a need for some public entity to issue certificates of authorization to avoid the need for FAA to issue an experimental certifications for new aircraft designs. There is also a need to obtain some airspace designation that would expand the 5 mile range around Loring currently allowed for testing the SAIC Airbus design. A larger region for UAV flights would be needed for larger fixed wing aircraft. Maynard St. Peter noted that the Navy has a contract to utilize the North Maine Woods for military flights. Mr. Flora said that at one time there was Military Operations Area for military flights in northern Maine that was discontinued at about the time that Loring was closed. Mr. Flora said that another meeting is scheduled for early February.

Three Ring Binder (telecommunications) project

Mr. Flora said that funding in the Federal stimulus package is dedicated to upgrading the communication infrastructure in rural areas and that in Maine it is referred to as the Three Ring Binder project. Maine Fiber Co. would install dark fiber through the Loring campus which would be available for multiple providers to furnish to their customers. This should enhance competition and will be good for business. Kay Rand asked if the cable would need to go in the ground or could be above ground. Mr. Flora said that the cable would be pole-mounted except it would have to go underground in the vicinity of the runway lighting, but that the company had found a solution for that.

Advertising and marketing program

Mr. Flora pointed out the new advertising placed in Maine Ahead and in Maine Biz. He noted that it is always a guessing game as to whether print advertising dollars provide a sufficient return on investment.

Other items of note

Mr. Flora extended congratulations to Governor Paul LePage on his election and noted that he has made plans to meet with John Butera, the Governor's Senior Executive Advisor to provide an opportunity to get Loring's businesses on the radar screen.

9. Monthly Employment Strength Report

Mr. Flora noted that employment is holding about the same.

10. Other

None

11. Public Comment and Media Questions and Answer Period

Mr. Flora introduced Steve Sutter, Friends of Aroostook National Wildlife Refuge who expressed the group's encouragement and support for repair of the Madawaska Dam fishway.

12. Executive Session:

MOTION:

Motion was made by Richard Ezzy and seconded by David King 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.

13. Return from Executive Session:

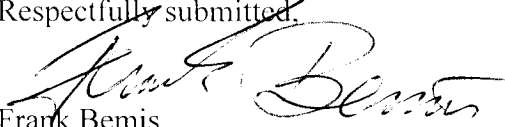
Following the executive session, a motion was made by Kay Rand and seconded by Richard Ezzy to authorize Carl Flora to execute a consent to a sublease of the existing pipeline and associated rights to a third party in substantial compliance with the terms as they have been presented (see Exhibit A), subject approval by Mr. Flora of the identity of the subtenant.

Motion was voted on and passed unanimously.

14. Adjourn

The meeting was adjourned at 12:05 p.m.

Respectfully submitted,


Frank Bemis
Secretary

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