

Loring Development Authority of Maine
Board Meeting Minutes
June 8, 2011
154 Development Drive, Suite F
Loring Commerce Centre
Limestone, Maine

1. Call to Order

The meeting was called to order by Kay Rand 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: George Ezzy, Ron McKinnon, representing George Gervais, Commissioner DECD.

LDA Board Members absent: Frank Bemis, Terrence Harrigan, Edmund Therrien.

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

Others present: Paul Durepo, LFD, Jesse Bell, LFD, Jonathon Cote, LFD, Hayes Gahagan, LBE, Craig Pierce, LBE, Barbara Hersey, Congressman Michaud's office, Phil Bosse, Senator Collin's office, Mike Shrewsbury, City of Caribou, Natalie Bassinet, Aroostook Republican.

2. Introduction of Board Members, Staff and Guests

All those present introduced him/herself

3. Recognitions

Mr. Flora recognized Frank Goade, former Director of Finance for the LDA for his years of service to the LDA. He said that Frank's work has been critical in bringing credibility and attention to detail to the financial process. Mr. Flora presented a plaque to Frank depicting the rainbow over Loring photo.

4. Minutes of Meeting of April 13, 2011

MOTION:

Motion was made by David King and seconded by Patrick Paradis to accept the minutes of the April 13, 2010 meeting be accepted as presented.

VOTE:

Motion was voted on and passed unanimously.

5. Treasurer's Report for March & April 2011

Richard Ezzy said that revenues and expenses are where they are expected to be. Mr. Flora noted that the \$833,000 fee from the State of Maine is a reflection of how the TIF funds are carried that will be received at the end of the fiscal year.

MOTION:

Motion was made by Maynard St. Peter and seconded by Patrick St. Peter to accept the March & April 2011 Treasurer's Reports as presented.

VOTE:

Motion was voted on and passed unanimously.

6. Report of Nominating Committee

Mr. St. Peter said that the nominating committee consisting of Kay Rand, Maynard St. Peter and himself met and selected a slate of officer's for the ensuing year. He presented for nomination the following slate of officer's: Frank Bemis as Chair, Patrick Paradis as Vice Chair, Thomas Clowes as Secretary and Richard Ezzy as Treasurer.

MOTION:

Motion was made by Kay Rand and seconded by George Ezzy to appoint the slate of officer's as presented.

VOTE:

Motion was voted on and passed unanimously.

7. Finance Committee: Budget for FY 11/12

Mr. Flora said that the Finance Committee met on May 27th to discuss and set a budget for FY 11/12. He said that revenues and expenses are slightly ahead of projections for 2010/11 with a total projected net gain at the end of FY 10/11 of \$118,000. Mr. Flora said that revenues in FY 11/12 are expected to closely track the 2010/11 projections, and reflect an increase in revenues of \$182,000 from LBE transaction. He noted that employment levels are MMA are decreased and would therefore be reflected in reduced TIF funds. Mr. Flora said that the expenses reflects a modest increase for outside contracts as well filling a vacant position and potentially creating a new office staff position. He also noted that the price of heating fuel will impact expenses if there is a significant increase in prices.

MOTION:

Motion was made by George Ezzy and seconded by Patrick St. Peter to adopt the FY 11/12 Budget as presented.

VOTE:

Motion was voted on and passed unanimously.

8. Patriot Towers update/lease ratification

Mr. Flora said that as noted at the previous board meeting that Patriot Towers has indicated their desire to secure warehouse space to install bulky equipment in northern Maine. He said that patriot Towers is now located in the back of the Sitel building which includes 11,000 sq. with an option to lease additional square footage if needed.

MOTION:

Motion was made by Richard Ezzy and seconded by David King to approve and ratify the lease agreement with Patriot Towers as negotiated.

VOTE:

Motion was voted on and passed unanimously.

9. Malabean Lake Subdividison/shoreland zoning issue

Mr. Flora said that the Malabean Lake acreage was sold to Gary Durnlan in 2007. At the time of the sale the Planning Board met and approved a proposed subdivision which included on lot #11 a pre-existing picnic pavilion. He said that the subdivision plan permitted the pavilion to be converted into a dwelling, but not moved or expanded and that the pavilion is also subject to local and state shoreland zoning laws. Mr. Flora said that the enclosure of the pavilion would create an increase in volume of more that 30% and therefore would not be allowable under the current Subdivision plan and shoreland restrictions. He said that DEP has indicated that if the lot owner executed a declaration of restrictions creating a prohibition against any further expansion beyond the simple enclosure of the structure and prohibiting any other principal structures to be placed on Lot 11 that it would not raise any objection to the owner of the lot proceeding to convert the structure to a residence.

MOTION:

Motion was made by Patrick St. Peter and seconded by David King to concur with the terms of a letter sent by Carl W. Flora to Joseph Quadrine dated June 2, 2011 and affirms the actions described therein.

VOTE:

Motion was voted on and passed unanimously.

10. Jerry Williams proposal to purchase 5 acre site

Mr. Flora said that Nebraska Road was acquired in a land exchange with USF&WS . He said that Jerry Williams owns a gravel pit near the western end of the parcel has offered to purchase a triangular parcel in order to expand his pit slightly to the east and the build an access drive to Nebraska Road. Mr. Flora said thaMr. Williams has offered \$5,000 for the piece which is equivalent to \$1,000 per acre.

MOTION:

Motion was made by Richard Ezzy and seconded by Patrick Paradis authorizing Carl Flora to enter into a purchase and sale agreement with Jerry Williams to convey the parcel in exchange for \$5,000 with Mr. Williams paying all transaction costs including survey and legal costs.

VOTE:

Motion was voted on and passed unanimously with Maynard St. Peter recusing himself from the vote.

11. Introduction of Craig Pierce, President, Shaw Capital, Inc.

Mr. Flora introduced Craig Pierce who is the new President of Shaw Capital, LBE and affiliated companies, replacing Bob Belk the former President. He said the Mr. Pierce has been with Shaw for some time and is thoroughly familiar with the projects at Loring and in Maine.

Mr. Pierce said that he was pleased to have the opportunity to meet the Board and is looking forward to working with potential users of the energy corridor. Hayes Gahagan said that they have been contacted by Ken Fletcher at the Governor's office to inquire about the feasibility of a lateral line from Medway to the Millinocket area to support the paper industry there.

12. President's Report

Update Laser Power Systems/Red Hawk Metals

Mr. Flora said he and Dr. Charles Stevens visited Danbury Sheet Metal in Connecticut, a partner in the laser-thorium powered turbine/generator project as recently presented to the Board. He said that Danbury Sheet Metal is developing a working demonstration laser-powered thorium turbine unit. Mr. Flora said that he has indicated to Dr. Stevens that he wished to receive a market rent for the Jet Engine facility and an equity interest in the company in exchange for the Alert building and secure compound.

Exclusive negotiating arrangement – Iberdrola Renewables

Mr. Flora said that Ed Cherien of Iberdrola Renewables is interested in entering into an exclusive negotiation agreement that might enable them to move forward with the evaluation of the opportunity to install wind turbines at Loring. The arrangement would allow for the due diligence and evaluation phase without making any irrevocable commitments by either party. Mr. Flora said that if the Board authorizes him to do so, he will develop a draft of an agreement with the arrangement to terminate unless certain defined milestones are achieved with in prescribed periods. The Board indicated their consensus to enter a short term arrangement with

Iberdrola Renewables to explore the feasibility of establishing a wind turbine farm at Loring and to not enter into any similar agreement with any competing wind companies.

Graphic Utilities

Mr. Flora said that Graphic Utilities is fully moved in and operational at the LATC. He said they currently have 5 employees and are pleased with the facilities and already showing an improvement in their economic condition. Kay Rand asked if the LATC is full. Mr. Flora said that there are two major and one smaller tenant there, with small offices available. He noted that it is about 75% full.

Update solar project The Power Company

Mr. Flora said that The Power Company is nearing the completion of its feasibility study for a solar farm. Scott Hays has indicated that everything looks good except that a financial institution providing a way to access the New Markets Tax Credit program has not been found yet.

Sewer line overflow

Mr. Flora said that the recent sewer line overflow was due to a boulder being deliberately dropped into a manhole. He noted that the area where the incident occurred is an area where the line is actually scheduled to be discontinued. He said that at the time of the overflow the DEP issued a warning relating to high levels of E-coli in Greenlaw Brook which parallels the sewer line, but that recent testing however has shown the bacteria levels have returned to normal and the warning has been rescinded.

EDA Grant update

Mr. Flora said that an insulation and roofing project has been completed on the library building and a partial re-roofing of the NCO and LDA office buildings is scheduled for EDA grant renovation projects through the summer and fall.

SBA Grant update

Mr. Flora said that the grant agreement has been completed and returned to the EDA. He noted that the next step is for project engineers to meet with the EDA project oversight team and then to go to bid on portions of the project.

13. Monthly Employment Strength Report

Mr. Flora said that there is a slight increase in employment numbers for Site1. He noted that the DFAS numbers are slightly lower but that the types of jobs has risen to higher level jobs.

14. Other

15. Public Comment and Media Questions and Answer Period

None

16. Executive Session:

None

MOTION:

Motion was made by Richard Ezzy and seconded by George Ezzy to adjourn

VOTE:

Motion was voted on and passed unanimously.

17. Adjourn

The meeting was adjourned at 10:35 p.m.

Respectfully submitted,

Frank Bemis
Secretary

dm