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Loring Development Authority
LD 1981

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THE JOINT STANDING COMMITTEE ON INNOVATION, DEVELOPMENT,
ECONOMIC ADVANCEMENT, AND BUSINESS

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TESTIMONY SUPPORTING LD 1981: An Act to Extend and Expand the Loring
Job Increment Financing Fund

Senator Curry, Representative Roberts, and members of the Joint Standing Committee
on Innovation, Development, Economic Advancement, and Business:

My name is Jonathan Judkins and I am the recently-appointed Interim President/CEO
of the Loring Development Authority.

I am offering testimony today in Support of L.D. 1981, An Act to Extend and Expand
the Loring Job Increment Financing Fund.

The Loring Job Increment Financing program began in 1996. As jobs were created, a
portion of the income tax withholdings associated with the jobs would be allocated to
the support of Loring's sizeable public infrastructure, such as roads, water and sewer
and essential emergency services such as fire, police and ambulance.

Loring has been an economic engine for the region affected by the closure of Loring
Air Force Base. After peaking in the 2008 – 2009 time period, a gradual loss of jobs
occurred. A large portion of the losses were related to the winding down of military
equipment refurbishment contracts at Maine Military Authority and with the loss of
Sitel, a customer contact center. Loring has about 750 employees today.

The LDA operates on revenue from leases and sales of real estate, from the Loring
Job Increment Financing Fund, and from miscellaneous fees, sales and other sources.
One year ago, LDA sold a sizeable piece of real estate to Green 4 Maine, together
with a large number of commercial buildings. The sale proceeds allowed us to greatly
improve our balance sheet by reducing debt. We gave up lease revenues associated
with the sold buildings, but reduced operating expenses related to those buildings as
well. In the grand scheme of things, the revenue from the Loring Job Increment
Financing program has become a larger and more important part of the funding mix.

The LDA board feels that for the first time in years, the future looks good. A major
project was announced in late 2022 that would involve a \$4 Billion investment in a
bio-refinery that would produce Sustainable Aviation Fuel from wood biomass.
Aviation and other major projects are in the works as well. In short, we need the Job
Increment Financing Fund as a means to assure our growing base of businesses that
the public infrastructure will continue to serve their needs and the necessary
emergency support services will be available when needed.

LD 1981 extends the life of the Loring Job Increment Financing Program and also
increases the percentage of the income tax withholdings that would be available for
plowing and maintaining roads, water and sewer services, other public infrastructure
and police, fire and ambulance. I would strongly encourage your support.

I'd be happy to attend any work sessions or provide information you might need.

Respectfully submitted,

Jonathan Judkins