

**131st MAINE LEGISLATURE, 2nd Regular Session  
THE JOINT STANDING COMMITTEE ON INNOVATION, DEVELOPMENT,  
ECONOMIC ADVANCEMENT, AND BUSINESS**

**JONATHAN JUDKINS  
LORING DEVELOPMENT AUTHORITY OF MAINE**

**JANUARY 16, 2024**

**TESTIMONY OPPOSING LD 1998: An Act to Transfer the Arch Hangar at the Former  
Loring Air Force Base to the Loring Air Museum**

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 testifying today in opposition to LD 1998, An Act to Transfer the Arch Hangar at the Former Loring Air Force Base to the Loring Air Museum.

The Loring Development Authority has three significant concerns with the proposed legislation:

1. With funding support from the federal government, the LDA is developing an Airport Master Plan (due in June) to petition the FAA for acceptance of the Loring airfield into the National Plan of Integrated Airport Systems (NPIAS). The public use of the aviation facility for the new age industries can bode significant future economic and job creation opportunities for the central Aroostook region.

This NPIAS designation will allow the LDA to access significant long-term FAA and State funds to make critical improvements to the airport and its facilities (hangars) to facilitate the realization of your strategic plan for the property (Brunswick Executive Airport has realized over **\$40 million** as a result of this designation.

The availability of the Arch hangar for airport redevelopment is one of the primary elements to making a business case for the airport due to its size and active ongoing target-sector interest (several companies are very interested in this building). The FAA must be assured that sufficient revenue is generated from airport operations (leases, etc.) to support future airport operations and grant NPIAS status.

The State has invested significant funds to promote Loring, with a strong focus on aerospace and aviation. Without the availability of the Arch Hangar for future commercial/industrial use, it is doubtful that the FAA will accept Loring into the NPIAS program, and the vision of a future public airport facility at Loring will never be realized. This action will also negate Loring's participation as a critical component of the future Maine Space Complex.

We believe the transfer of the Arch hangar may violate the Purchase & Sale (P & S) Agreement with Green 4 Maine (G4M), a master developer currently having development interest in the Loring properties. Our P & S Agreement with G4M called for the transfer of approximately 400 acres (Parcel 1) in January 2023. It also provided G4M with options to acquire Parcels 2-7 upon the realization of certain leasing and job creation milestones.

1. Parcel 8 is the airport. The Agreement also gave an option to G4M to acquire the airport, which includes the Arch Hangar, upon realizing the milestones but subject to certain additional conditions. If LDA is successful in obtaining NPIAS status for the airport, the option is no longer in effect, and LDA keeps the airport.

If the FAA declines to confer NPIAS status on the airport, or if LDA has not been able to achieve NPIAS status within five years, then G4M may exercise the option, and we would be obligated to transfer the airport to G4M along with the Arch Hangar.

If the State of Maine takes the Arch and removes it from the reach of G4M in this scenario, in my opinion, it would constitute a governmental “taking,” and G4M would be entitled to receive fair compensation just as they would in any eminent domain proceeding. The irony is that removing the Arch Hangar from the airport will make it nearly impossible to build a business case for the FAA, and NPIAS will be out of our reach. Currently, G4M has only a contingent right to obtain the Arch hangar. However, with a failed effort to gain NPIAS status, they would have an immediate claim to ownership (assuming they have met the milestones). as it allows them the option to acquire the airport property (which includes the hangar) if NPIAS status isn’t achieved.

1. We believe the transfer of the ARCH hangar to the Museum may violate the Economic Development Conveyance (EDC) agreement with the Air Force, which requires the former property to be utilized for economic development purposes. The EDC Agreement recognizes LDA as a legitimate “redevelopment authority” based on BRAC laws. That finding made LDA eligible to apply for and receive the Loring property in an EDC transfer.

One of the conditions in the EDC Agreement is that the LDA would hold the property as a tool to spur economic activity, and the transactions must help foster job creation and economic development. We must also seek to negotiate for the most feasible rent or purchase price. We understand that we may employ incentives in arms-length transactions if negotiated in good faith. The breach of the EDC Agreement may result in a claim against the LDA or, in the worst case, the US re-taking the Loring property. Ordinarily, the Air Force would want to pursue anything like that, but the Dept of Defense has just provided us with \$750,000 of assistance to prepare an Airport Master Plan and to seek NPIAS status, which will require the Arch hangar to be successful.

To reiterate, the public use of the aviation facility for the new age industries we are looking to attract, can bode significant future economic and job creation opportunities for the central Aroostook region. Given its significant infrastructure (already paid for by the taxpayer), it would be sad to waste this incredible economic asset and create other potential legal complications.

In light of the above, I recommend that the LDA request the Legislature to deny the request or to move to hold a decision on this bill pending the FAA's decision.

I'd happily attend any work sessions or provide the necessary information.

Respectfully submitted,

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Loring Development Authority  
LD 1998

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