

**PEASE DEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS' MEETING  
MINUTES**

**Thursday, January 20, 2022**

Presiding: Kevin H. Smith, Chairman  
 Present: Neil Levesque, Vice Chair; Thomas G. Ferrini, Treasurer; Erik Anderson; Steve Fournier; Margaret F. Lamson; and Susan B. Parker  
 Attending: Paul E. Brean, Pease Development Authority ("PDA") Executive Director; Anthony I. Blenkinsop, Deputy Director /General Counsel; Maria Stowell Engineering Manager; Suzy Anzalone, Finance Director; Geno Marconi, Division of Ports and Harbors ("DPH") Director; EJ Chea, Pease Golf Course Head Superintendent; Andrew Pomeroy, Manager, Aviation Planning & Regulatory Compliance and Raeline A. O'Neil, Legal Executive Assistant

**AGENDA**

**I. Call to Order:**

Chairman Smith ("Smith") called the meeting to order at **9:13 a.m.**

**II. Acceptance of Meeting Minutes: Board of Directors' Meeting of December 16, 2021**

Director Anderson **moved** the **motion** and Director Lamson **seconded** to **approve the minutes of the Pease Development Authority Board of Directors meeting dated Thursday, December 16, 2021.**

Discussion: None. Disposition: Resolved by **unanimous** vote for; motion **carried**.

**III. Public Comment:**

Smith called for public comment. No one asked to speak.

**IV. Old Business:**

**A. Approvals:**

- 1. Port City Air Site Review Approval Extension, North Fuel Farm at 14 Aviation Avenue**

Director Parker **moved** the **motion** and Director Lamson **seconded** that **the Pease Development Authority ("PDA") Board of Directors hereby approves of and authorizes a one (1) year extension to the Site Review approval granted to Port City Air ("PCA") for improvements to the fuel farm located at 14 Aviation Avenue in accordance with PDA Site Plan Review Regulations Part 403.03(a); all in accordance with the memorandum of Maria J. Stowell, P.E., Engineering Manager, dated January 7, 2022.**

Discussion: None. Disposition: Resolved by **unanimous** vote with the Chair abstaining for; motion **carried**.

## 2. **Lonza Biologics – Six Month Extension of Site Plan and Conditional Use Permit**

Director Ferrini **moved** the **motion** and Director Lamson **seconded** that the Pease Development Authority (“PDA”) Board of Directors hereby approves of and authorizes the following:

- A. a six (6) month extension, to July 21, 2022, to the Site Review approval granted to Lonza Biologics, Inc. (“Lonza”) for the premises located at 70/80 Corporate Drive; and
- B. a six (6) month extension, to September 18, 2022, of Lonza’s Conditional Use Permit application for 70/80 Corporate Drive;

**all in accordance with the memorandum of Maria J. Stowell, P.E., Engineering Manager, dated January 13, 2022.**

Discussion: None. Disposition: Resolved by **unanimous** vote with the Chair abstaining for; motion **carried** (6-0).

### V. **Finance:**

#### A. **Executive Summary**

Finance Director Suzy Anzalone (“Anzalone”) stated the reports were to November 30, 2021 and stated consolidated revenues are favorable to the budget by 30.7%. While this indicates a strong favorable variance, this figure includes the sale of 30 New Hampshire Avenue in November (\$1.75 million, a one-time transaction). Anzalone indicated that excluding this sale, PDA is still ahead of budget by 7.5% and operating expenses are trending favorably by 10.7%. Anzalone informed the Board that the line item “Information Technology” is over budget on a year-to-date (YTD) as this includes the cost of \$23,000 for the new lease management software. This purchase had originally been included as part of PDA’s capital expenditures, but after consulting with the auditors and based on a new accounting pronouncement, it is considered an operating expense so it was reclassified to operations.

Director Lamson (“Lamson”) asked Anzalone of the reduced amount indicated under the airport; Executive Director Brean (“Brean”) stated this reduced figure is as a direct result of COVID. Further, while there has been some CARES Act funding to offset rental concession, parking fees, fuel flowage fees etc.

#### B. **Reports:**

##### 1. **FY2022 Financial Report for the Five Month Period Ending November 30, 2021**

Anzalone indicated the current assets are \$10.8 million which represents unrestricted cash balance of \$8.9 million as of November 31st; the current unrestricted cash balance is at \$7.5 million with the major driver being the \$1.4 million payment to the City of Portsmouth for the Municipal Services Fees (real estate taxes). The YTD capital expenditures are \$1.7 million with details provided in the attached report. The liabilities at the end of November were \$6 million comprising of accounts payable and accrued expenses of \$2.9 million and \$2.7 million in construction project retainage.

## 2. Cash Flow Projections for the Nine Month Period Ending September 30, 2022

Anzalone informed the Board that over the next nine months PDA is anticipating \$16.4 million in cash inflows to include \$1.9 million in grant funds that PDA is anticipating receiving any time now from the Airport Rescue Plan Act. Conversely, cash outflows over the next nine months are projected to be \$19.5 million with an inclusion of \$9.5 million in non-grant related capital expenditures. Anzalone indicated that senior management met last month and based off the current strong cash flow, some of the capital projects have been reprioritized. Anzalone assured the Board while the strong cash flow is being put to good use, PDA will retain a sufficient cash flow for its ongoing operations without occurring any additional debt. Anzalone stated additional details regarding the capital projects can be found within the report.

Anzalone reminded the Board that information concerning the Golf Course and Grill 28 is now located further back in the packet under Executive Director and Golf Course.

Parker asked if there is a matching requirement to the Airport Rescue Plan Act / grant; Anzalone indicated this was a one-time payment received as a result of the Airport Rescue Plan Act which is COVID related and is to be used for operations. Brean also stated that the value received is associated with passenger enplanements at the terminal; Parker indicated that this also recognizes the downside of COVID too.

### VI. Licenses/ROEs/Easements/Rights of Way:

#### A. Reports:

1. Port City Air – Hangar 227 – Cold Storage of two Vehicles
2. PROCON – 14 Aviation Avenue – Right of Entry Extension to January 31, 2022
3. PROCON – North Apron – Right of Entry Extension to January 31, 2022
4. City of Portsmouth – Police Department – North Apron – Right of Entry from April 1, 2022 through August 31, 2022 for Emergency Vehicle Operator Training
5. Falcon Systems Transportation (d/b/a East West Aeronautical) – North Apron – Right of Entry to May 31, 2022
6. Port City Air – Hangar 227 – Cold Storage of four Vehicles through January 31, 2022

Brean informed the Board there were actually six Rights of Entry as the sixth item was an extension to item 1 for Port City Air’s cold storage of vehicles. (NOTE: The documentation regarding item 6 was provided to the Board in its packet but was inadvertently omitted on the agenda; this extension for the cold storage of four (4) vehicles goes through January 31, 2022.)

In accordance with the “Delegation to Executive Director: Consent, Approval and Execution of License Agreements,” PDA entered into the following Right-of-Entry:

1. Name: Port City Air  
License: Right-of-Entry  
Location: Hangar 227  
Purpose: Cold storage of Four (4) Vehicles  
Term: Through December 31, 2021

2. Name: PROCON LLC  
License: Right-of-Entry  
Location: North Apron  
Purpose: Site Inspection Purposes  
Term: Through January 31, 2022
  
3. Name: PROCON LLC  
License: Right-of-Entry  
Location: 14 Aviation Avenue (a/k/a Hangar 227)  
Purpose: Site Inspection Purposes  
Term: Through January 31, 2022
  
4. Name: City of Portsmouth – Police Department  
License: Right-of-Entry  
Location: North Apron  
Purpose: Emergency Vehicle Operation Training  
Term: April 1, 2022 through August 31, 2022
  
5. Name: Falcon Systems Transportation, LLC (dba) East West Aeronautical  
License: Right-of-Entry  
Location: North Apron  
Purpose: Survey / Site Inspection Purposes  
Term: January 1, 2022 through May 31, 2022
  
6. Name: Port City Air  
License: Right-of-Entry  
Location: Hangar 227  
Purpose: Cold storage of Four (4) Vehicles  
Term: Through January 31, 2022

Director Fournier was consulted on all of these ROEs and granted his consent.

**B. Approvals:**

**1. Wood Environment & Infrastructure Solutions, Inc. – 35 Airline Avenue**

Director Levesque moved the motion and Director Lamson seconded that the Pease Development Authority Board of Directors hereby approves of and consents to issuing a six (6) month extension to the Right of Entry (“ROE”) issued to Wood Environment & Infrastructure Solutions, Inc. for the extension period of February 1, 2022 through July 31, 2022, for use of 3,200 square feet of the premises at 35 Airline Avenue, at its sole risk, for storage of well testing equipment and associated materials; all in accordance with a memorandum from Jared Sheehan, Environmental Compliance Coordinator, dated January 10, 2022.

Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.



**VII. Leases:**

**A. Reports:**

**1. Sublease between NH Avenue Retail Center, LLC and Laboratory Billing Solutions (Suite #245)**

In accordance with the “Delegation to Executive Director: Consent, Approval of Sub-Sublease Agreements” PDA approved the following lease option with:

A. Tenant:	Laboratory Billing Solutions, Inc.
Space:	2,027 square feet at 14 Manchester Square (Suite #245)
Use:	Office and related use
Term:	Three (3) Years

The Delegation to Executive Director: Consent, Approval of Sub-sublease Agreements also requires the consent of one member of the PDA Board of Directors. In this instance, Director Lamson was consulted and granted her consent.

**B. Approvals:**

**1. Option Requests:**

**a. Aviation Avenue Group, LLC – 100 New Hampshire Avenue; 7 Lee Street and 14 Aviation Avenue (Hangar 227) – Option Agreement**

Director Fournier **moved** the **motion** and Director Levesque **seconded** that **the Pease Development Authority (“PDA”) Board of Directors approves of and authorizes the Executive Director to finalize and execute an Option Agreement with Aviation Avenue Group, LLC regarding potential air cargo facility development at 100 New Hampshire Avenue, 7 Lee Street and 14 Aviation Avenue / Hangar 227; substantially consistent with the terms and conditions set forth in the draft Option Agreement attached hereto and pursuant to the memorandum from Paul E. Brean, Executive Director, dated January 11, 2022.**

Discussion: Brean indicated this was brought before the Airport Committee a couple of weeks ago and provided the Committee members with the economic benefits of this development. Brean asked to provide the Board with additional context concerning Portsmouth International Airport (“PSM”). PSM is a publicly owned no-hub commercial airport and recognized in the international plan of integrated airports by the FAA. PSM is a federally funded airport with grant assurances and federal obligations associated with the original base closure and land transfer. The airport is the basis for the Pease Tradeport and the reason for the creation of the Pease Development Authority by state statute (NH RSA 12-G). As the airport sponsor, there is an obligation to support aeronautical use on aeronautical land. Both projects to be discussed are located in the Airport Zone with uses for air cargo and e-commerce trade terminals, and its operations / activities are permitted (the FAA would like to see that type of activity). As the airport sponsor, we are to work and manage the impact the activity would bring. Brean indicated that this type of activity is not new to Pease and the type of aircraft which would be utilized would be Stage 4 aircraft which are quieter than Stage 1, 2 or 3. PSM is in a great position to support supply chain centers and it is unlikely we will see a “Logan North” as some of the Directors have referenced. Brean stated PSM will have an eclectic use of Ad Hoc type of cargo supports. Brean indicated he is confident that he and his staff, as well as the group before the Board, will be able to work in stewardship with the community. Ultimately, this is a use that is going to be warranted and recognized as an approved use by the Federal regulators.

Lamson asked if she would be able to ask the PROCON / Kane team (“the Group”) questions about the team that will be going into the area and assessing it; Brean affirmed that Lamson would have the opportunity.

John Stebbins (“Stebbins”), Managing Director of PROCON introduced his sister, Jennifer Stebbins (“Jennifer”), who is the co-Managing Director of PROCON; John Kane (“Kane”), one of the owners and principals of the Kane Company; and Paul Roy (“Roy”) who is the Director of Business Development of PROCON. Stebbins indicated that Roy has been working with PDA since 2000 and the Group are all deeply invested in the community. Stebbins indicated that both he and his sister live in Portsmouth as does their mother; Kane’s mother lives in Portsmouth and he grew up here and in Dover and the Kane company is based out of Portsmouth; and Roy lives in Newington.

Stebbins indicated that PROCON is a design/build company, largest architecture and construction firm in New Hampshire, meaning someone could come to them and PROCON could perform the design and build. He and Jennifer have a number of real estate investments (hotels/industrial/warehouse/office etc.). PROCON has partnered with the Kane Company for decades (since early 1990s) and have done over 18 million square feet of commercial development with the Kane Company and are co-invested in a number of developments together.

Kane indicated his mother started the company in the late 80s. Kane and his brother, Michael, became involved the company in the early 90s and formed a partnership with the Stebbins’ father, Mark. Kane indicated his company has established a portfolio of office/industrial/hotels and are largely dedicated to this region (Portsmouth). Kane spoke to having property at Pease (nine buildings) and stated they have been looking at this site for years; they have come together over the last 10 months as the market can now support exactly what Pease has been looking for.

Stebbins also stated the Group has teamed with Tighe & Bond, an engineering firm that has a lot of history with Pease and the Seacoast area. Stebbins indicated that Patrick Crimmins, representative of Tighe & Bond, was present at the meeting and could address any questions related to civil engineering. Stebbins spoke to an 11” x 17” packet handed-out to the Board members regarding the locations being discussed. The packet at page 2 showed various projects that have been developed by PROCON, Kane or jointly.

Kane spoke to a project at Manchester Airport where the Kane Company acquired 1 million square feet (“sf”) in 2020 and were tasked with leasing 750,000 sf of space (at this time have successfully leased 650,000 sf). Kane spoke to the price difference in leasing, but stated they have been able to establish market rents as proven at the Manchester Airport.

Stebbins spoke to the Granite Group, an established tenant at the Manchester Airport, one of the largest plumbing supply center in New England that distributes to 52 locations from one facility. Jennifer also indicated they have also done active construction on an existing building and one at an airport, so understand the challenges when building at an airport.

Roy spoke to various projects completed by PROCON; built the fuel farm facility at the Manchester Airport; also built PlaneSense here at Pease which the FAA refers to as the premier aviation facility on the East Coast; Pro Star Aviation in Londonderry which is a state of the art hangar and avionics facility; COBHAM which is a high tech radio wave facility in Exeter; the Rand Whitney facility in Dover and Gourmet Gift Baskets in Exeter.



Kane spoke to the various Kane Company projects at Pease (Lonza, Milliken Group, Teledyne) and indicated none of the tenants that it built for initially at Pease are here today which shows how vibrant the market is and that it doesn't tend to see vacancies.

Roy indicated that Hangar 227 has drawn interest from lots of individuals over the years; he has been involved with a multitude of tenants who have shown an interest in the property but have found that due to various variables, it is unusable. Roy indicated the current plan is to tear the facility down and repurposing the site; also, there is so much steel in the current building that it is almost cost neutral for demolition. Estimates to renovate the building would be approximately \$21 million; also there is almost 28 feet of wasted space (between floor to roof) that would need to be heated and therefore the operational costs would be exorbitant.

Stebbins spoke to a phasing plan at the site and acknowledges the hangar is also cold storage of vehicles / equipment by PDA. Therefore, they are proposing to relocate the vehicles / equipment as well as the 7 Lee Street (maintenance facility) to another location. Roy indicated that there have been various meetings with PDA staff to discuss location, how it would look to design; they would build a modern facility allowing for the storage of trucks, boom equipment, snow equipment, have a drive through, training area, warm stand storage and it would be economical. Stebbins indicate in an effort to keep Hangar 227 available for storage during this time, the proposal would be build next to the building on the tarmac as a first phase allowing them to get in the ground quickly and to have the maintenance facility operating prior to Hangar 227 being torn down. Stebbins indicated the full building out of this location could be as much as 400,000 sf.

Stebbins spoke to issues of traffic mitigation and making sure these projects don't affect the community in terms of both traffic and noise. The presentation provided a proposed traffic pattern and how it anticipates access onto 95 (North and South); it avoids the heart of Pease and would be a benefit to the community / prospective tenants. Tighe & Bond have been engaged to develop a scope with PDA regarding an inclusive traffic study and stated he believes they are close to it being acceptable to all parties.

Stebbins spoke to the North Apron parcel and the need for sensitivity of this location due to its proximity to the Air National Guard ("ANG"). The ANG would remain fully operational and the Group understands the ANG's desire to expand its facility. Stebbins spoke to meetings with the ANG wherein they discussed facility height limitations of the prospective building, as well as systems to avoid, security requirements and potential tenants. Roy stated that during these discussions, the ANG requested no international flights coming in and out to this facility due to security reasons. Therefore, it would be local carrier based groups utilizing this site. Roy mentioned due to the proximity to the ANG it has always been a challenge when looking to development of the site; PROCON had worked on this site and most recently with Alliance Aviation (old aircraft manufacturer). Stebbins spoke of the comfort level of ANG from current discussions; Jennifer reiterated the Group's commitment to work with ANG. Stebbins spoke to the phasing plans but also of the ability to jump to Phase II as proposed depending on the needs of prospective tenants. Further, the access from the North 40 to Route 4 or 16 would have traffic not passing a single building when accessing the highway. Stebbins indicated that Tighe & Bond have also worked on a scope for a traffic study from this site as well.

Roy indicated the plans presented for the new maintenance facility would be located at the end of the runway, providing great visibility for snow removal; the plans depict how it would be laid out at the airfield.

Lamson informed the Group that they would be abutting the oldest town forest in the United States and indicated she didn't want anything happening to it. Roy stated currently there are no containments and / or controls for the runoff in that location and the design would be with new AOT standards providing the property with containments and standards necessary to protect the forest. Stebbins also indicated there would be no change to impervious land, no tree or wetland would be impacted.

Anderson asked the Group if they had any concerns at the North 40 by getting under the tarmac and having a disturbance to the soils and its potential contamination. Roy indicated that studies have been performed regarding the PFAS being discussed which are along the runway; stated there is really no federal guideline as to what to do with PFAS (levels allowed and not allowed). Roy stated criteria would be followed and no soil would be removed from the site. The tarmac area would be removed (crushed and ground for process material – would work within the systems without moving dirt by peeling it off, rebuilding on top of it and containing it all). There will be no runoff / wash off damage done to the area because of the work performed. Stebbins indicated the finish site would be fully compliant with all new drainage per regulations. Roy stated the development would make it an improvement to what is there today. Anderson asked if this too would be the case for Hangar 227; both Stebbins and Roy affirmed. Roy further offered it would be the same as with the Hampton Street hangars being developed and the PlaneSense facility (all facilities would follow that same criteria).

Stebbins informed the Board of the technical aspects contained within the presentation and asked Kane to speak to why this is the time to move forward with this project. Kane characterized it as being a demand bubble; the cause in the Boston area was that life sciences moved into spaces which were converted. The logistics demand in this region has pushed north, west and south. Kane indicated it has shared 23 companies that are actively looking for logistics locations in greater New England. Kane indicated this location works geographically. Further there are some users who desire to be on the runway and others who don't, while there is massive demand, it needs to be built. Kane spoke to competition regionally and referenced 23 companies being why the proposal for the amount of sf being proposed. Stebbins indicated currently it is about speed to market. Roy indicated the reason Pease is desired is because of the size of its runway and a weighed tarmac (a lot of airfields / aviation projects do not have these features) in this region. Finding this type of real estate available is unheard of for this type of development. Kane and Stebbins stated, to Brean's point, unless it is going to be built and you can tell them (potential tenants) when they can move in, they will not come.

Stebbins also indicated additional positives to Pease is there are no landing fees, low fuel flowage fees; competing against Boston with both air and traffic congestion making it difficult to access airport easily (there are often delays). Roy also indicated that PCA also has a fabulous cargo handling crew and from discussions with this group, they have the capability to handle any tenant that would come in. Therefore, would be utilizing existing individuals at airport / PCA.

Stebbins stated they have extensively examined the conditions of both sites, commenced site engineering; engaged with Tighe & Bond; started examination of the environmental aspects of the soil; started feasibility studies; Tighe & Bond has prepared a scope of work for traffic studies reviewed by PDA; reached out to end users; investigated construction pricing; Jennifer has started the underwriting and financing conversations with some potential lenders; coordinated extensively with the PDA and held discussions with ANG. Stebbins referenced contractors for the projects as being Tighe & Bond; Doucet; VHB for a third party review of traffic studies; and PROCON on estimated construction. The purpose for the Option agreements would be in order to perform the next round of due diligence and design; have the exclusive ability to negotiate with end users in order to come up with the right plan for Pease, the community and the end users (a lot to be done and it will be expensive). The plans are anticipated for full traffic analysis



and noise studies; mitigation analysis, environmental studies; soil analysis with potential remediation; security and access controls (important for the sites); utility connections need to be deeply investigated; site design, development and a full building design; full construction cost / pricing (due to inflation); negotiate with end users; leases with PDA and negotiate financing.

Brean informed the Board and the Group that he had not provided the Board with the end users provided due to the Non-Disclosure Agreements (“NDA”) where it was not public and stated if the Group felt they were willing to share the users, they were more than welcomed to. Kane indicated they (23 companies referred to) are all US based, Fortune 500 companies, the list is impressive and while they have to be careful about representations as there are no Options currently, there have been several meetings (the Group is confident they will receive a great deal of interest).

Jennifer spoke to the deep financial relationships being a big piece of the puzzle for these projects. The banks listed are ones they have deep relationships with; there is a preference to work with local / regional banks as they understand the area. Spoke to a letter from a local bank both Kane and PROCON have a long and deep relationship with being Peoples United and a letter has been provided representing the financial capacity for the Board’s information.

Roy indicated aviation projects are complex due to the need to work with various boards; federal agencies; along with certain criteria regarding environmental controls on most airfields. There are several criteria considered when reviewing a project whether or not the team has experience in doing the type of project (yes the Group does); does the client / project have the financial backing to do project (shown the Group does); does the project make sense (is there a tenant to support the rent structure of the project); and lastly is the project good for Pease and the community (Pease is ideally suited for this type of work). All of the boxes have been checked off with these projects.

Smith thanked the Group for the presentation.

Lamson indicated being the representative for Newington, when the United States Air Force closed the base the Town of Newington did not want to see a Logan North and want to make sure any development is top notch. Lamson spoke to items of importance being Stage 4 aircraft; Tighe & Bond doing environmental testing around 227 and North Apron, but the real crucial thing would be the air and land traffic. Lamson indicated she did not know Tighe & Bond did traffic studies and asked where have they performed traffic studies. Patrick Crimmins (“Crimmins”) of Tighe & Bond spoke to being a full services engineering firm and stated they provide traffic engineering services throughout New England. Crimmins indicated the most recent Pease traffic study was for Lonza and have been doing traffic studies within the City of Portsmouth for the last 10 years. Crimmins spoke to working with PDA in scoping the (traffic) study appropriately and have a good working relationship with VHB, who will be doing a peer review of the study. Lamson asked if Tighe & Bond would confer / team with VHB; Crimmins indicated the process has started and study areas have been proposed (VHB has commented) and now have the scope to move forward. What Tighe & Bond will be doing is preparing the traffic analysis and VHB will be reviewing and commenting on behalf of PDA. Lamson spoke to land traffic being deafening and stated there will be cutting through off of 33, down Portsmouth Avenue, to Newington Road down to the Spaulding on Nimble Hill. Kane indicated the reason the list of companies was shared with Brean knowing this will be a balancing act and viewed the relationship as a partnership and will vet the companies. Lamson spoke of the concern to the stream of noise through the Sherburne Road residence being extensive. Roy indicated with the traffic pattern, a vast majority of the trucks will not be heading that way as the clients would be getting on 95 and heading south. Roy indicated a lot of the tenants are looking at getting out of Logan because of the traffic the cost etc., but they would be bringing product down into Massachusetts from Pease.



Lamson asked if they knew where Flagstone Brook (it goes out Trickey's Cove out to the River under the Little Bay Bridge) was located; Roy affirmed.

Smith indicated he could vouch for the work Tighe & Bond has done as they were the Town of Londonderry's third party reviewer for a number of years; one of the things they reviewed was traffic studies. The Town always thought Tighe & Bond's work was well done and professionally completed; they certainly have the resources. Lamson spoke to wanting the best and not to have the area towns being pushed into a corner regarding the noise; also there needs to be a consideration regarding the environment.

Anderson asked if there was a timeline / date of completion of the presentations' expectations; Stebbins indicated if things go smoothly they would hope to be in the ground as early as fall; with the first phase taking approximately 18 months for construction. Anderson asked if a visual could be provided on how the projects would compare to say the Lonza facility; Roy indicated the buildings would not be as tall or big as the Lonza facility but they would be some type of metal paneled structure. Jennifer indicated they would look similar to the various projects contained within the presentation materials; Kane made reference to the facility located at the Manchester Airport. Stebbins indicated Lonza is a million square feet and the footprint is roughly 400,000 sf. Maria Stowell ("Stowell") Engineering Manager indicated the original Lonza structure was small and then they added on two additions going south. Each of those additions had a footprint of approximately 333,000 sf with a 1 million all together (the footprint is approximately 700,000 to 750,000 sf). Anderson indicated he would like to see the 23 companies (end users) referred to in the presentation and thinks this information would help the Board (proprietary concerns may be had with exposing those companies). Anderson reinforced the need for comprehensive and qualitative traffic studies once the groups have been identified; until an end user is known it is unknown the type of volume those routes will have to absorb. Kane spoke of Confidentiality Agreements which would need to be signed; the purpose of socializing the information was simply to say never before since Kane has started developing (30 years ago) has there been such a public demand for this type of facility. So they wanted to provide the multiplicity of the type of tenants but they don't know what the traffic will be as they haven't gotten that far. What is known, is regionally there is the bubble of demand and they want to pull it up here. As the Group advances further into the project, they will be able to vet some of those issues with the Board and staff. Stebbins indicated a benefit of having so many potential options is you can be choosy about the ones you select; we can work with PDA to make sure the end user is the right end user for Pease and the region. Kane indicated they cannot in good-faith go to the market and identify the sites until they have an Option agreement; the next step would be to have facetime with the companies and speak of the requirements / considerations.

Ferrini asked for clarity and stated if the Group were to have an Option, would they then disclose; Stebbins and Kane affirmed but further stated it would be confidential to the Board. Ferrini asked why; Kane indicated the companies have employee considerations and some companies may move out of Massachusetts. Ferrini indicated if it were relayed to the Board in a closed session, is it realistic for those companies to assume that it is not going to raise the same concerns if it were said in public and people get to know about it. Kane indicated it has never been done this way before and typically they have worked under confidentiality with a tenant(s); there are all kinds of issues related to making these moves. Kane indicated they are saying they view this a little differently and working with Brean could, for example they could provide names of three companies interested in the site and discuss the tradeoffs. Stebbins stated when Kane indicated we have never done this before, he is referring to never having disclosed potential tenants of a project to a public board before. Ferrini asked if they could disclose to the Board post option under an NDA with the Board; Kane affirmed.

Director Parker (“Parker”) spoke to representing the Town of Greenland in addition to Town of Newington along with Lamson. While Greenland is a little further down the road (Route 33). When speaking to specificity of planning and transportation, Parker knows from years of planning with the federal government, state and international levels, of the need of specificity in a large project assists as the more you know you, the better you are able to factor variables into the planning equations. This will yield a better product in how best to manage traffic (such as referenced via Exit 3 onto 95). There may be other options that could be considered due to probability. Parker asked for a couple of reasons why speed to market is important now; Stebbins again spoke to the demand bubble for the end users and stated if they are unable to provide the site on a timeline to prospective tenants, they will go somewhere else (speed to market and surety of speed / timeline is necessary). Kane spoke to the need for competence and the need to verify by being put to the test to see if the timeline can be met. Parker asked of PROCON’s own supply chain; Stebbins spoke of the difficulties and challenges when working on projects. Jennifer indicated they are doing this day in and day out, have the resources of PROCON who would be building this and other projects, understand lead times and what needs to be designed first in order to meet the deadlines. Parker asked what would be used to construct; would it be domestically or internationally produced. Stebbins indicated that most things are produced domestically, due to the scale as it would be difficult to ship them in overseas. Stebbins provided an example of the need for roofing materials for September, it would need to be ordered now. Historically, it would have been ordered in August for use in September; timeframes have expanded rapidly and the need to have the right connections regarding materials. Parker spoke of volume users; Roy indicated that PROCON is the largest developer in the region so it does command the respect of suppliers. Kane indicated an advantage is they are not a developer coming in and needing to pick its contractor; rather they are several months in.

Anderson spoke to various members of the Group being residents of Portsmouth and their ability to recognize the sensitivities of the area. Jennifer spoke to she and Stebbins being on Route 33 every day. Further, Anderson spoke of his purpose on the Board with regarding to the mission of Pease and concerns of Portsmouth and the attention, from a traffic perspective, of congestion and noise which (Portsmouth) has addressed with NH DOT on sound barriers etc. Anderson recognized and reiterated the Group did an admirable job done in the presentation and from a traffic perspective recognizing thoughts which might be more advantageous to this type of development. However, he stated he was still concerned that at some point the volume will need to be identified. Anderson indicated that along with the volume comes noise and it is inappropriate to minimize what this development could produce. Stebbins indicated it is the Group’s thought that these are some of the best sites in the region with direct access to the highway, while not upsetting residential neighborhoods. Anderson indicated the insinuation has been that the traffic is more southbound, but it will still be utilizing the I-95 corridor and some going east / west. Because of this, from his perspective, would be the need for a comprehensive, qualitative and quantitative studies so concerns could be assessed in an appropriate way. Anderson stated he suspected the Option agreement would be back before the Board in 6 months depending where they are in the development, with a request for extension. At that time, could have more specific discussions as to where things stand with the development. Stebbins indicated their intention is to move forward with the deeper due diligence of the project tomorrow if the Option is granted.

Director Fournier (“Fournier”) stated this is the beginning of the relationship and there will be a long time for the Town of Newington and City of Portsmouth to vet items before the project is in the final phase and at approval. This is a long process and instead of getting in the weeds today, which will not solve anything, PDA needs to let them perform the due diligence (i.e.; studies) and they will have the chance to prove, as they had exhibited, they will be a good partner. Fournier indicated he has no issues at all approving either of the Option agreements today and working with them over the next few months.



Lamson spoke to the revving of cargo engines (Stage 4) and its impact as it goes right down and impacts the residential area of Fox Point Road, to the Town Hall, and the school. Further she indicated the hours of operation needed to be a consideration; night time flying has an effect on property which needs to be considered.

Ferrini stated hearing everyone's comments and appreciating the presentation, he will certainly support the Options. However, he raised two issues for consideration. He won't make it a motion but rather ask for Anthony's offering on this and spoke to concerns regarding traffic and the Group's intent on starting the due diligence process tomorrow and offered a couple of comments. Looking at item 6 of the Option Agreement, it indicates that on a valid exercise of the Option, PDA shall negotiate in good-faith, for a period not to exceed sixty (60) days, a Lease Agreement. Ferrini indicated the [Board] might consider making this longer (one hundred eighty (180) days) to allow the due diligence so both the Group and PDA are constrained by a short deadline. Ferrini provided an example, if there was an agreement to add to item 5 of the Option and frontload the traffic study before the Option could be exercised this would help as the traffic study spoke to the concerns raised by all, it provides more information upfront. It also provides PDA more time to talk about it with the Group and it doesn't create the sixty (60) day door slamming. Ferrini explained what doesn't help the Group is if we only have sixty (60) days to finalize a lease - you don't want to be in a situation, as a proposed developer, to get an answer of "no" if we don't think we have enough to work with. This will provide more time; providing time to do the work and good-faith will be demonstrated; PDA may be in a position to close the lease sooner than one hundred eighty (180) days which would be optimum. Ferrini stated he would hate to see an artificial deadline actually hurt the impact and put the Board in a position to make a decision which might not be helpful; he certainly supports the Options.

Deputy Director / General Counsel Anthony I. Blenkinsop ("Blenkinsop") reiterated what Ferrini was trying to accomplish in the Option - at paragraph 6 where it talks about what happens upon the exercise of the Option agreement, the 60 day window would instead be changed to one hundred eighty (180) days, which makes sense. Blenkinsop further offered this would then match up with the language in item 7 regarding necessary governmental approvals when referring to one hundred eighty (180) days, so it would be a more logical number anyway. And, regarding the transportation impact study, would be removed from paragraph 6 and placed in paragraph 5, noting their ability to exercise the Option cannot be exercised until they complete the traffic study. Blenkinsop asked Stowell and Crimmins if traffic study was the proper terminology. Stebbins asked how long the traffic study would take; Crimmins indicated it would take approximately two months to complete. Blenkinsop indicated those edits would be made to the Options.

Fournier questioned the traffic study now during a pandemic as the volume of traffic is down on Pease; Stebbins indicated it certainly complicates the issue.

Parker indicated she thought the way DOT had been looking at traffic had been utilizing September of 2019 regarding Route 33 of three examination points. Crimmins spoke to the collection of data and discussions between PDA and VHB prior to the pandemic so seasonal adjustments can be taken into account.

Anderson spoke to a traffic study being performed in two months and indicated there is a lot of data available which had been seen from the NH DOT regarding the I-95 corridors so that is available. However, he questioned how they can proceed with a qualitative traffic study in sixty (60) days when you don't know the end users application and the identifications of routes, etc. It is necessary to know the end users in an effort to understand what its expectations will be. Stowell indicated what has been done on other places on the Tradeport is PDA could look at the size of the facility being proposed. Also, there are similar sized facilities all over the country where people have counted the traffic that has been generated from those.

Stowell indicated it would be something similar to what has been done for office / manufacturing buildings with this size generating “X” traffic, “Y” in employees & visitors; “Z” deliveries. Anderson indicated he understood projections could be determined, but feels this is a unique situation. An application being brought forward of not only the volume but the hours of operation, type of vehicles associated with the application (trucks versus vehicles) and there is a lot to be determined in order to put in a forecast to the Board so it can be understood better.

Stebbins indicated that Crimmins would perform the study and take the operational data from the potential end user and apply it to the site. Parker indicate there may be a variance between a baseline study that goes into implementation phases, but one of the huge variables in this area is location of employees. Parker provided information from a discussion with a Co-Chair of Town of Greenland Select Committee being that there are only three (3) developable parcels of land in confines of Greenland and they won’t last long (one has been put in South East Land Trust). Parker indicated that these issues will not preclude a project; further indicated she is fully in support of this. However, in the real planning world, the further out you are the more you are working on projections and theory. Parker spoke of her knowledge of transportation, as you go further into a project, you find that there are other things that need to be brought into as variables to make it real.

Ferrini asked if it were fair to assume that once PDA clears the Option and the Group is able to disclose and those entities the Group is able to disclose will allow the Group to capture data from them. Kane indicated certain industry assumptions will be made and as an overlay make it specific to that user.

Smith stated based on the comments and Ferrini’s proposed amendments to the Option agreements it makes sense for an amendment to the Option. Smith spoke to taking a motion for amendment and then there would be discussion on it.

Director Ferrini **offered** to **amend** and Director Fournier **seconded** that **to the effect that item 5 of the Option Agreement attached to the motion will also include within it a requirement that the traffic study be done prior to exercise of the Option; and the second part of the motion is that we extend the sixty (60) day period [in item 6] to one hundred eighty (180) days.**

(NOTE: Ferrini stated this was not part of the motion, but indicated this would be done with the idea that it allows all of these ideas to work together so we actually receive earlier disclosure.)

Discussion: None. Disposition: Resolved by **unanimous** vote; motion **carried**.

Smith spoke to the now amended Option agreement.

Discussion: Anderson indicated just as important to ground traffic would be an aeronautical study and it being critically important to his position, as representative for Portsmouth, and to have interest as well as hours of operation and a variety of other items that would come along with an assessment. Anderson asked that this be put on record as being equally important, as well as the ground traffic study that was discussed. Anderson questioned a consideration referenced regarding the construction of the maintenance facility and an interest free credit applied; Brean stated there is a proposal that includes the relocation and construction of the maintenance facility and the details will be worked out in a lease. Blenkinsop stated the draft Option agreement reflects that a lease agreement would need to be negotiated. With respect to the relocation of the maintenance facility it contemplates the maintenance facility would be designed and constructed by PROCON with PDA paying for that facility over time through interest free rent credit. Certainly the details will be negotiated and agreed to in the lease agreement, but that is the basic structure

referenced in the Option agreement as to how the facility would get constructed and paid for. Anderson asked if it is going to be developed, would the Board would have some comments on it; Blenkinsop affirmed.

Smith recognized Michael Bergeron (“Bergeron”) from the State of New Hampshire’s Business and Economic Affairs office. Bergeron indicated his job is essentially a sale’s person / business recruiter to convince businesses to relocate to New Hampshire. Most of his leg work recently has been in industrial and logistics; not so much office as the office market is pretty much acquired, industrial has hardly any vacancy so have been doing a lot of work in logistics. He worked most recently with US Foods in Seabrook as an example of logistics, C & S Wholesale grocers in Keene, Walmart in Penacook (they have a large frozen food distribution) and most recently in Hudson with an Amazon which has provided him with a pretty good understanding of the demands and users of that market. Bergeron spoke to his experience working with the Kane Company and PROCON; met Michael & John Kane in the late 80s. The Kanes are now sophisticated real estate developers who are tenacious and really good at finding qualified prospects. In Bergeron’s opinion, the Kane / PROCON project turns on the ability to find the right users. It is necessary to find a wide pipeline of prospects to land one. Bergeron reiterated what Kane previous discussed as being a balancing act while working through the stages of due diligence. Bergeron indicated that the Kanes have developed key / trusted relationships with people who control users around New England and they tend to be commercial real estate and institutional buyers. This tested relationship will help in finding the one or two users that could commit for a project like this. PROCON is a really good developer who can produce an end result and on the developer side they will also look at traffic, noise, light and environmental issues. A company like PROCON needs to show they understand; the contractors can respond and listen to what the community wants. Bergeron indicated it is helpful to have someone who is from the region versus hiring from outside the region (i.e.; Boston), who doesn’t know the region and hires someone locally anyway. Need to listen to what the community wants and be able to adjust the plan to accommodate the needs of the community which results in a successful project. Bergeron spoke to the time that entities / individuals would be interested in a project; specifically regarding aviation logistics it is not forever. Currently the market is right, it is a good time to strike and both the community and Pease would benefit from it.

Lamson asked concerning hangar Phase 1 and stated the need to have the area environmental assessed. Lamson stated nothing should go into the McIntyre Brook which leads out into Great Bay as it is a very sensitive area. Lamson indicated it was the United States Air Force that put the brook in there.

Smith echoed his comments and stated at the Airport Committee meeting that the Town of Londonderry has worked with PROCON over the years and they have done tremendous work there, the Pro Star Aviation hangar is a beautiful facility and he certainly looks forward to the Group working with PDA and doing something classy on the Tradeport. Stebbins indicated the Group is excited.

Anderson indicated he had reservations / legitimate concerns about this, but that he was impressed with the presentation and it has influenced how he would vote today and thanked the Group.

Disposition: Resolved by **unanimous** vote with the Chair abstaining for; motion **carried** (6-0).

**b. North 40 Group, LLC – North Apron – Option Agreement**

Director Lamson **moved** the **motion** and Director Fournier **seconded** that **the Pease Development Authority (“PDA”) Board of Directors approves of and authorizes the Executive Director to finalize and enter into an Option Agreement with North 40 Group, LLC regarding potential air cargo**



facility development on the North Apron, substantially consistent with the terms and conditions set forth in the draft Option Agreement attached hereto and pursuant to the memorandum from Paul E. Brean, Executive Director dated January 11, 2022.

Discussion: Ferrini stated regarding this Option and now that we have passed what has already been passed, we want to ensure this Option, timing wise is in sync with the Option that was just passed. Blenkinsop indicated it would make sense to make the same amendments to this Option agreement which was made to the one prior. The changes would be to change the language in paragraph 6 from sixty (60) days to one hundred eighty (180) days and to remove the reference in paragraph 6 to the transportation impact study and move it up into paragraph 5 to make clear prior to their ability to exercise the Option they will need to provide the PDA with the traffic study as discussed.

Director Ferrini moved the motion and Director Fournier seconded to make the revisions as offered by Blenkinsop to paragraph 5 and 6.

Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

Smith asked if there were any further discussion on the Option agreement as amended.

Discussion: None. Disposition: Resolved by unanimous vote with the Chair abstaining for; motion carried (6-0).

A gentleman stood up in the audience after the vote was taken and excused himself and asked to speak; Chairman Smith indicated the Board was not in public comment. The gentleman asked when he could expect public comment; Smith informed him that public comment was held at the beginning of the meeting and indicated if he had any comment he was welcome to put it into writing and send it in; another gentleman indicated they signed in. Smith stated he was not entertaining the request to speak; the first gentleman indicated they were not offered public comment. Brean stated public comment was offered and announced; the first gentleman indicated they signed in. Brean affirmed they signed in and advised the Administrative Assistant that they had no public comment, the Chair announced if there was any public comment; no one from their team spoke during public comment even though they were in the room. The first gentleman indicated it was not fair.

Chairman Smith moved the meeting onto the next item.

*Director Levesque left the meeting at 10:42 a.m. and returned at 10:44 a.m.*

## VIII. Contracts:

### A. Approvals:

#### 1. Eco Systems Pest Control - Pest Control Agreement

Director Ferrini moved the motion and Director Lamson seconded that the Pease Development Authority ("PDA") Board of Directors hereby approves and authorizes the Executive Director to enter into a contract with Eco Services Pest Control of Hanover, MA for the purpose of providing pest control services at PDA and Division of Ports and Harbors ("DPH") maintained facilities, for an initial term of three (3) years, with two (2) one (1) year extension options exercisable at the Executive Director's discretion; all in accordance with the memorandum from Chasen Congreves, Manager of Airport Administration, dated January 5, 2022.

**In accordance with the provisions of RSA 12–G:8, VIII, the Board waives the RFP requirement as Eco Services Pest Control is a State of New Hampshire approved vendor.**

Discussion: Anderson stated while this company is a state approved vendor, what is the policy if they become an unapproved state vendor in terms of the three year contract and the possibility of two one year extensions. Brean indicated if the company falls out as an approved vendor, PDA would complete the agreement. Brean indicated that PDA constantly checks on state vendors and that we would not agree to the extensions if they were no longer a state approved vendor. Anderson indicated he supports New Hampshire businesses and suggested PDA utilize NH businesses whenever possible.

Disposition: Resolved by **unanimous** roll call vote for; motion **carried**.

## **2. Pease Golf Course – Toro Walking Greens Mower**

Director Anderson **moved** the **motion** and Director Fournier **seconded** that the Pease Development Authority (“PDA”) Board of Directors hereby authorizes the Executive Director to enter into a contract with Turf Products LLC to purchase a Toro Walk Behind Greens Mower for use at the PDA Golf Course for a purchase price of \$15,715.40, all in accordance with the memorandum from Scott DeVito, PGA General Manager dated January 7, 2022.

Discussion: Anderson was delighted to see the equipment is in stock. Disposition: Resolved by **unanimous** vote for; motion **carried**.

## **3. Pease Golf Course – Cushman Large Utility Cart**

Director Fournier **moved** the **motion** and Director Lamson **seconded** that the Pease Development Authority (“PDA”) Board of Directors hereby authorizes the Executive Director to enter into a contract with MTE New England to purchase a Cushman Large Diesel Utility Golf Car for use at the PDA Golf Course for a purchase price of \$39,817.40, all in accordance with the memorandum from Scott DeVito, PGA General Manager, dated January 7, 2022.

Discussion: None. Disposition: Resolved by **unanimous** vote for; motion **carried**.

## **4. Pease Golf Course – Driving Range Ball Dispenser**

Director Parker **moved** the **motion** and Director Fournier **seconded** that the Pease Development Authority (“PDA”) Board of Directors hereby authorizes the Executive Director to enter into a contract with Easy Picker Golf Products to purchase a Driving Range Ball Dispenser for use at the PDA Golf Course for a price not to exceed \$10,846.00, all in accordance with the memorandum from Scott DeVito, PGA General Manager, dated January 10, 2022.

**In accordance with the provisions of RSA 12–G:8, VIII, the Board justifies the waiver of the RFP requirement due to the limited number of vendors for this product and given staff obtained three (3) price quotes from national suppliers.**

Discussion: None. Disposition: Resolved by **unanimous** roll call vote for; motion **carried**.

## **5. Airport Digital Communications Upgrade (Repeater and Mobile Radios)**



Director Levesque **moved** the **motion** and Director Parker **seconded** that the Pease Development Authority Board of Directors approves of and authorizes the Executive Director to enter into a contract with Motorola, at a cost not to exceed \$28,922.80, for the purchase of four (4) mobile vehicle radios and a new repeater; all in accordance with the memorandum of Chasen Congreves, Manager of Airport Administration, dated January 3, 2022.

In accordance with the provisions of RSA 12–G:8, VIII, the Board justifies the waiver of the RFP requirement as Motorola is a State approved vendor for the radio equipment under contract number 8001937.

Discussion: None. Disposition: Resolved by **unanimous** roll call vote for; motion **carried**.

6. **American Association of Airport Executives (AAAE) – Interactive Employee Training and Learning Suite (IET-LS)**

Director Ferrini **moved** the **motion** and Director Fournier **seconded** that the Pease Development Authority (“PDA”) Board of Directors approves of and authorizes the Executive Director to enter into an agreement with American Association of Airport Executives (AAAE) for the creation of a custom video Interactive Employee Training and Learning Suite (IET-LS), at a cost not to exceed \$115,050.00; all in accordance with the memorandum of Andrew Pomeroy, Manager, Aviation Planning and Regulatory Compliance, dated January 18, 2022.

In accordance with the provisions of RSA 12–G:8, VIII, the Board justifies the waiver of the RFP requirement as:

1. **AAAE is the only organization that provides these kinds of custom airport specific employee training programs that are approved by both the FAA and the TSA; and**
2. **IET-LS is the only system that communicates with PDA’s existing HID SAFE Identity Management System.**

Discussion: Anderson did not have an opportunity to read the background materials as they were just provided to the Board and asked Brean to speak to the materials where it is a sizeable expense. Brean stated the FAA recognized in the most recent certification inspection that the curriculum for PSM badging credentials regarding airfield driving, and driving in security sensitive areas at the airport of PDA employees along with PlaneSense and Port City Air (“PCA”) needed to be validated. FAA would like to see a more formal custom creation of a Pease specific interactive tutorial. This would reduce the need of a PDA employee instructing a class in a classroom setting and would allow employees from outside entities at the Tradeport to jump on a computer and do the training at their own pace. This would be a reduction in labor hours for PDA staff who conduct these classes and it will also be more efficient for entities (PDA, PCA & PlaneSense) allowing their employees to independently complete the tutorial and not wait for a scheduled badge class. Anderson asked if there were any grants available for these purchase; Brean indicated there is not.

Disposition: Resolved by **unanimous** roll call vote for; motion **carried**.

**IX. Signs:****A. Reports:**

1. **Laborie Medical Technologies Corp. – 180 International Drive**
2. **Port City Air – 104 Grafton Drive**

In accordance with the “Delegation to Building Inspector: Consent and Approval of Minor Revisions to Existing Signs” PDA reports as follows:

1. Entity: Laborie Medical Technologies Corp.  
Location: 180 International Drive  
Summary: Modification of signage to reflect new logo
  
2. Entity: Port City Air  
Location: 104 Grafton Drive  
Summary: In-kind sign replacement with wooden posts replaced with granite posts and in addition to the Port City Air name and logo, the sign will include a panel for its subtenant, Air New England, and display some of the general aviation services provided on site.

The Delegation to Building Inspector: Consent and Approval of Minor Revisions to Existing Signs also requires the consent of one member of the PDA Board of Directors. In these instances, Director Fournier was consulted and granted his consent to these signage modifications.

Brean thank Stowell for doing her due diligence in working with both companies so they adhere to PDA’s sign policy and at the end of the day will provide nice landmark signage.

**X. Executive Director:****A. Reports:****1. IT Report**

Greg Siegenthaler (“Siegenthaler”), IT Director, indicated in 2019 the Board of Directors approved funding for an IT Security Audit and he updated the Board as to the findings and remediation steps taken. Berry Dunn performed an IT Security Audit which identified gaps and prioritization the remediation steps in an effort to protect PDA. PDA was provided a three year time period and cost estimate to remediate the findings and provided a process of contacting local Managed Service Providers (“MSP”) to complete the major work as PDA did not have the IT expertise at that time to complete the major work necessary. There were a total of twenty-two (22) security risks identified broken down into three risk categories eight (8) items identified as high risk; ten (10) items identified as moderate risk; and four (4) items were identified as low risk). Siegenthaler indicated that at this time all eight (8) high risk items and the four (4) low risk items have been remediated. Further, six (6) of the ten (10) medium risk items have been remediated and the remaining four (4) items, two (2) have been partially met and two (2) are on the roadmap to being completed by the end of the fiscal year. Where most of the items were able to be addressed in-house, PDA has recognized significant savings over Berry Dunn’s estimate which included outsourcing work to MSP’s; PDA saved approximately \$137,000 by doing the work in-house. A couple examples were provided by stating Berry Dunn estimated \$10,000 for IT risk assessments (PDA was able to reduce this to \$1,200 by the purchase of a tool ourselves and utilizing the partnership with the State of New Hampshire in order to assist with the remainder); also Berry Dunn recommended server management for \$36,000 per year



(instead Siegenthaler has added this function to his role as part of his job description). Additionally, Berry Dunn referred to the lack of support from PDA's current MSP and recommended to either move on to another company or reduce the services, if possible. Siegenthaler indicated during the first month of his arrival he reviewed systems that were under the management of the MSP and found several concerning gaps (MSP had not done Microsoft critical updates to the system in over a year); PDA has moved on from its MSP as recommended and transitioned many of those functions in-house as possible. Two key advantages to this is the cost and the monitoring of the systems. Siegenthaler indicated if someone were to pick up a virus on the system he would be instantly notified where previously he may or may not have received a report that there was an issue. Further, Siegenthaler spoke to the equipment savings which was recently approved by the Board and stated he was able to configure the equipment himself, saving PDA a great deal of money. The IT Department has also been able to provide a cost savings for IT work performed at the terminal and with WiFi by purchasing equipment directly and performing the configuration in-house.

Parker asked of the eight (8) high category risks, which was the highest security risk; Siegenthaler indicated the lack of authentication.

## **2. Golf Course Operations**

EJ Chea ("Chea"), Pease Golf Course ("PGC") Head Superintendent thanked the Board for approving the golf items earlier in the meeting and also stated the ball machine has an additional 2,000 ball capacity than the current one. Chea indicated the simulator numbers are on pace to match or surpass last year's numbers and Grill 28 revenue is very much on pace to surpass last year's numbers as they were unable to host some of the functions last year due to COVID.

Chea did stated that the mower that was purchased almost a year ago is on schedule for a delivery in late February and PGC is still locked in at the original price from last year.

Chea also indicated that the membership renewal has gone out and at this time only 20 individuals, out of 300, have not renewed (providing these 20 one last chance to renew by February 13<sup>th</sup>). Chea indicated if there are any memberships available, staff will start to contact the 53 individuals who are on the waitlist

## **3. Airport Operations**

### **a) Portsmouth International Airport at Pease (PSM)**

Brean stated that PSM closed 2021 with a strong uptick ending with 72,962 enplanements for the calendar year and a strong market on enplanement data for Punta Gorda activity. PSM is off pace from its record year in 2019 numbers but well above pandemic numbers from 2020.

Brean spoke to seeing stability in the airport passenger revenue parking with 650 vehicles parked and bringing PDA back on budget.

PCA numbers for December show approximately 1.2 million gallons pumped with 79% pumped for craft / DOD; 6% commercial activity; and 15% general aviation.

Allegiant will be serving Clearwater / Tampa Bay as of February 16<sup>th</sup> and PSM is happy to have this location back and the bookings appear strong.



Brean spoke to receiving a portion of aircraft registration and anticipates PSM receiving approximately \$89,000 for PSM airport registration fee revenue and approximately \$6,500 for Skyhaven through NH DOT Aeronautics.

Brean recognized staff for one major snow event as well as small de-icing events; knows what we are up against performing the work during COVID, retaining employees and continuing to be operational. Brean indicated that PDA has been able to remain operational and thanked all (Maintenance & Operations, Airport & Tradeport, and Division of Ports and Harbors).

**(i) Pease Aviation Partners**

Director Anderson asked for an update; Brean indicated they are still undergoing their site planning work and moving along with the environmental due diligence on the associated wetlands areas, along with site design while going through the process of obtaining permits. Blenkinsop indicated they have applied for a wetlands permit through NH DES and as a result the application was referred to the City of Portsmouth Conservation Commission. Blenkinsop stated he does not believe a positive recommendation was issued by the Conservation Commission at its meeting last month, but NH DES will make its own decision. Anderson asked if there were any known DES issues with the wetlands permit; Blenkinsop stated he did not believe so, but it is pending and no decision has been issued.

**b) Skyhaven Airport (DAW)**

During the last storm a section of fencing was blown down; anticipates providing the Board at the next meeting an expense to fix the fencing.

**c) Noise Line Report  
(i) December 2021**

Brean indicated that PSM received one noise inquiry in December which was an altitude inquiry from a Newmarket resident concerning the altitude of C5 Galaxy Military Aircraft. Airport Operations spoke with one of the controllers in the tower who stated that the aircraft was flying within the traffic pattern altitudes and the flight was based out of Westover Airforce Base in western Massachusetts and utilizes PSM for flight training.

Fournier asked of any staffing shortages due to positive COVID tests; Brean indicated that HR has been doing a great job tracing and tracking. Currently we have one COVID case at this point but PDA is able to platoon schedule and allow staff to work out of different offices and locations on the Tradeport. At the airport there is a FAA requirement for masks and staff are practicing best practices at 55 International and other PDA facilities too.

Anderson asked if PlaneSense has completed the work associated with its Right of Entry; Brean stated a draft ROE had been forwarded for additional geo-survey work of its potential development, but it has not yet been returned.

***Chairman Smith exited the room at 10:55 a.m. and returned at 11:00 a.m.***

***Executive Director Brean exited the room at 10:56 a.m. and returned at 11:00 a.m.***

**B. Approval:**

**1. Appraisal Request – Potential Land Swap - PDA and NH ANG**

Director Lamson moved the motion and Director Parker seconded that the Pease Development Authority (“PDA”) Board of Directors hereby authorizes the Executive Director to retain the services of a licensed appraiser for the purpose of obtaining an appraisal for two separate locations at the Portsmouth International Airport at Pease (“PSM”) related to a potential land swap / transfer between PDA and the New Hampshire Air National Guard and to expend funds as necessary to pay for the appraisals; all in accordance with the memorandum of Paul E. Brean, Executive Director, dated January 12, 2022.

In accordance with the provisions of RSA 12–G:8, VIII, should the work exceed \$10,000.00, the Board waives the RFP requirement so long as at least two quotes are obtained for the work, the lower quote is selected, and the total cost does not exceed \$20,000.00.

Discussion: Anderson asked if this is being brought forward due to a conflict between ANG perspective values of these properties; Brean indicated as part of our due diligence and fiscal responsibility FAA would like to see a second appraisal with any of our developments. Anderson asked if the appraisals factor in any environmental issues with the two pieces of property; Brean stated the appraisal on the former fire house parcel indicates a clean developable site as it had been remediated by the Air Force and is a clean buildable site. Brean indicated there is some indemnification language PDA would want to see, but the appraisal recognizes what both the ARFF and North 40 parcels are. Blenkinsop indicated these are an “As-Is” appraisals of the land so those factors are an element of it. PDA can certainly make the appraisals available for Board review. Blenkinsop indicated this is more of a timing issue as the ANG has indicated a desire to move the discussions forward regarding this land swap; they have their appraisal and PDA is looking to obtain a second / confirmatory appraisal. In the normal course, PDA would require a developer to pay for the second appraisal, but because it is ANG and PDA has an interest in the land swap, we believe it is appropriate, subject to approval, that we undertake this expense. This is a timing issue where the Board will not be meeting again until March. While we anticipate the appraisals will be under the \$10,000 Paul has as a threshold to move forward, but in case the appraisal is not less than \$10,000, we want the ability to move forward due to the Guard’s interest in moving this as quickly as possible. This is a complex process and this is just a step in the process but certainly if the land transfer were to take place there are a lot of moving parts and Paul touched on one - indemnification regarding land that the PDA would receive.

Lamson indicated it looks like PDA is going to pay for this which is our obligation but asked if the ANG will then reimburse PDA for providing it; Brean indicated staff is looking at this as a benefit. Brean indicated that the ANG / DOD have already funded an appraisal that is completed and PDA normally requires two appraisals. Brean indicated if this were a commercial development, PDA would require them to pay for a second appraisal. Funding is a difficult process at the ANG and for them to get funding for PDA’s appraisal it could be denied and a lengthy process. PDA sees a benefit of potentially taking on the former ARFF parcel as a positive for the airport and PDA so it makes good sense to invest this money. Lamson stated if we do the land swap, PDA would not receive anything; Brean indicated the appraisal will allow the swap (land at North Apron for the AARF) apples for apples for value and the swap is the benefit. Brean stated the proposed property they are willing to give the PDA, has a stronger potential benefit to the PDA than the proposed property PDA would be giving to the ANG.

Anderson asked if the appraisal would be a negotiation process between ANG and PDA; Blenkinsop affirmed and indicated it would be negotiated between the two entities and the difference of opinion would

be a negotiating tool. Blenkinsop indicated that any land swap would have to go before and approved by the Board and authorized by the FAA too, as well as the need to deal with the issues of indemnification. Further if the appraisals don't match up exactly, it will become part of the discussions and negotiations.

Disposition: Resolved by **unanimous** roll call vote for; motion **carried**.

## **XI. Division of Ports and Harbors:**

### **A. Reports:**

#### **1. Port Advisory Council Minutes of December 8, 2021**

Geno Marconi ("Marconi"), Division of Ports and Harbors Director, indicated the Board had in its packet the minutes of the Port Advisory Council meetings of December 8, 2021. The Council has been very active and they want to make sure the Board knows what is going on and would welcome any comments or questions from the Board.

#### **2. Commercial Mooring Transfer – Eaton to Eaton**

Marconi indicated the request is reviewed by the local Harbormaster who makes a recommendation to the Chief Harbor Master, who makes a recommendation to Marconi who reviews to make sure it is consistent with the Code of Administrative Rules. Marconi passes the request along to Brean to be signed off through the Delegation of Authority.

#### **3. L.W. Morgridge & Son, Inc. – Right of Entry - Exercise of First One Year Option**

This is a good, local company located in Eliot that collects sea water to bring to land locked lobster pounds for their tanks; it has exercised its first one year option of its Right of Entry.

#### **4. Commercial Mooring Transfer – O'Brien to Golter Lobster Sales, LLC**

Marconi indicated the request is reviewed by the local Harbormaster who makes a recommendation to the Chief Harbor Master, who makes a recommendation to Marconi who reviews to make sure it is consistent with the Code of Administrative Rules. Marconi passes the request along to Brean to be signed off through the Delegation of Authority.

Marconi indicated that on Wednesday (1/19/22) afternoon, DPH was notified that the Corps of Engineers has allocated \$1.6 million in additional funds in its O & M budget to do additional survey of the Piscataqua River. The details regarding this are unknown at this time, but he will look into this and report back.

Also, the Corps has allocated another \$50,000 to do a study on the Hampton Seabrook Estuary. Marconi indicated about four (4) years ago he wrote a letter asking they initiate a 107 Feasibility Study to look at a options for long term solution(s) to the sand transported to the Harbor which was causing a lot of shoaling and hazards down there. A few weeks ago met with the Corps out at the location and it was decided the Corps would put together a budget request and send it to headquarters; it appears as though this has come to fruition.

Marconi indicated that DPH has been notified by Morton Salt that there is a ship arriving on Monday (1/24).



Further, Marconi indicated that yesterday (1/19/22) there was an informal site visit from M.A.S. which is the contractor doing the rehabilitation project at the port. M.A.S. wanted to do a walkthrough of the property as some of their employees had not been on site before and they wanted to look at it prior to the pre-construction meeting coming up.

Marconi indicated over the last couple of years DPH has worked with the DMV and Fish & Game to have a commercial day at the Dover Point DMV where the commercial fisherman could go in and take care of their mooring permit, boat registration and fishing license all at one time. This was held on a Saturday in December 2021 and again in January 2022 so not to disrupt the day-to-day business at the DMV. This event has been very successful and welcomed by the fishermen so they can get everything done in one location and in one day.

Anderson asked Marconi of the potential to utilize CARES Act funding from the Fish & Game; Marconi indicated CARES 2.0 is a funding program given to the State of NH and NH Fish & Game. There were funds provided to make commercial fishermen whole for any losses incurred due to COVID and the second round of funds have been distributed to commercial fishermen as of the last meeting, Marconi was asked by Fish & Game to sit in on the work group and Appeals Board to review items. At the last meeting it looked as though there was approximately \$790,000 of funds remaining that Fish & Game could use for infrastructure investment. Marconi indicated that the various working groups (ground fish; lobster; for hire; retail and wholesale) got together and potential projects were identified. Marconi had been asked what would be at the top of the list for Portsmouth Fish Pier now that the sea wall has been completed (DPH has been discussing internally the rebuilding of the existing building). A verbal estimate has been obtained on what a concept report would cost to look at options (rebuilding on the same footprint; moving the building to the other side of the yard to provide more work area) and the idea has been submitted; will report back on it.

Smith indicated that Marconi has been great to work with during the last four years and one of the first things Marconi did for Smith was to give him a tour of the Piscataqua River. At that time, Marconi pointed out different locations along the river and what the Port means to the State. Marconi indicated there was an Economic Impact Study done in 2012 with the terminals, individuals who operate the terminals and the number of employees; at the time it was approximately \$190 million [sic \$90.3 million] in direct wages and benefits and over 80% of the economic impact traffic is in the State of NH.

*Deputy Director / General Counsel Anthony I. Blenkinsop exited the room at 11:19 a.m. and returned at 11:19 a.m.*

**B. Approvals:**

**1. Compensatory Wetlands Mitigation Project**

Director Levesque **moved** the **motion** and Director Lamson **seconded** that the Pease Development Authority (“PDA”) Board of Directors hereby authorizes the Executive Director to complete negotiations and enter into a contract with Streamworks PLLC of Madbury, NH for the construction and monitoring of the shoreline restoration required by the NHDES Wetlands Bureau, subject to the availability of funds, as a compensatory mitigation project for the Main Wharf Rehabilitation Project and Functional Replacement Project by the Division of Ports and Harbors at the Market Street Marine Terminal, and, furthermore, authorizes the Executive Director to finalize arrangements with the City of Portsmouth in order to complete the restoration project on City property; all in accordance with the memorandum from Geno J. Marconi, Director of the Division of Ports and Harbors, dated January 12, 2022.

In accordance with the provisions of RSA 12–G:8, VIII, the Board waives the RFP requirement given the ability to utilize a predesigned, preapproved, and permitted project with the contractors that have already constructed a quarter of the total restoration, in order to meet the compensatory mitigation requirements.

Discussion: None. Disposition: Resolved by unanimous roll call vote for; motion carried.

## XII. Upcoming Meetings:

Board of Directors

March 17, 2022 @ 8:30 a.m.

**All Meetings begin at 8:30 a.m. unless otherwise posted.**

Ferrini spoke to the non-meetings in February and July which were apparently removed from the schedule of meetings by previous Boards, but the meeting agendas are pretty long and not having a meeting in the middle of the business year seems imprudent. Ferrini is not making a motion to have the meeting but wonders if there is a good reason not to meet. Ferrini indicated this could be something that is looked into in the future. Smith indicated this would be taken under advisement and circulate back to the Board for consideration.

Anderson asked if a reason was known why there weren't meetings in February and July; Brean indicated previously the Board had been a mix between those with children going away for February school vacation and those who would go down to Florida during winter months.

## XIII. Directors' Comments:

Smith indicated he submitted his resignation from the Board to Governor Sununu and ready the letter into the record.

January 12, 2022

Dear Governor Sununu,

I write to inform you of my resignation from the position of Chairman of the Pease Development Authority (PDA), effective at the conclusion of our next Board meeting on January 20, 2022. As I've made known my intent to seek the office of United States Senator, I believe stepping down from such appointment is most prudent at this time.

It has truly been an honor to serve in this capacity since 2017, especially having succeeded the great work done by my predecessor, George Bald, not to mention that of the previous Chairs of the Tradeport. I am quite proud of the work we were able to accomplish during my time as Chair, most notably as follows: renegotiating the terms of tenant ground leases with the FAA; completing construction of a brand new airport terminal building that will better accommodate commercial flights; continuing the expansion of economic development on the Tradeport with great companies like Lonza and Northeast Rehab; and overseeing the smooth transition of senior leadership at the PDA to its current Executive Director, Paul Brean.



It goes without saying that the Pease Tradeport is largely seen as the most successful base closure redevelopment project in the country, and I am happy to have played a small role in its storied history. It is a crown jewel not only on the Seacoast, but is also an economic development success story that should be heralded throughout the state. I am confident that I leave my post in the very good and capable hands of the current Board as well as senior management under the leadership of Director Brean.

Again, thank you for affording me the opportunity to serve as Chair of the PDA for the last several years; it has been an honor and privilege.

Respectfully submitted,



Kevin H. Smith

Smith added when the Governor contacted him back in 2017 he said you got a lot of development in your community and you have an airport, so I think you'll like this. Smith was grateful for the opportunity provided to him. He indicated the staff is top notch at PDA, stating the transitions of Dave Mullen and Lynn Hinchee with Brean and Blenkinsop and all of the staff behind the scenes (can be seen in the agenda packet). Smith indicated there is so much work that goes in to making the Tradeport what it is and the stewardship of the Board plays a huge role. As Smith stated in his letter to the Governor, he is confident the Tradeport is in good hands going forward and he can't wait to see what success it has years into the future. Smith thanked all for their assistance and stated it has truly been an honor to serve in his capacity as Chairman.

Brean thanked Smith for his leadership; Brean has learned so much regarding public policy and the State of New Hampshire and thanked Smith for his ability to recognize fiscal responsibility while understanding what is best for the company and the community. Brean thanked Smith for his support and his willingness to take a call any time of the day or night. Brean presented Smith with a Pease hat and a navigational light which serves two purposes, it guides you where you are going but it also welcomes you home.

Levesque presented Smith with a PDA chair and indicated it was from the Board and PDA staff. Levesque thanked Smith for was always being fair and making individuals feel as though their opinions were heard, even during tough arguments.

#### **XIV. Adjournment:**

Director Fournier **moved** the **motion** and Director Anderson **seconded** to adjourn the Board meeting. Meeting adjourned at **11:36 a.m.**

**Discussion:** None. **Disposition:** Resolved by **unanimous** vote; motion **carried.**

**XV. Press Questions:**

None.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Paul E. Brean". The signature is fluid and cursive, with a large initial "P" and "B".

Paul E. Brean  
Executive Director