

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

Thursday, May 19, 2022

Presiding: Thomas G. Ferrini, Treasurer – Acting Chair
 Present: Erik Anderson; Steve Fournier; Margaret F. Lamson; and Susan B. Parker
 Absent: Stephen M. Duprey, Chairman and Neil Levesque, Vice Chair
 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; Scott DeVito, Pease Golf Course General
 Manager; Greg Siegenthaler, IT Director; Andrew Pomeroy, Manager, Aviation
 Planning & Regulatory Compliance and Raeline A. O’Neil, Legal Executive
 Assistant

AGENDA

I. Call to Order:

Acting Chairman, Treasurer, Ferrini (“Ferrini”) called the roll and the meeting to order at **8:00 a.m.**

II. Non-public Session:

Director Lamson **moved** the **motion** and Director Fournier **seconded** that the Pease Development Authority Board of Directors will enter non-public session pursuant to NH RSA 91-A:3 for the purpose of discussing:

1. Consideration of Legal Advice provided by Legal Counsel [NH RSA 91-A:3, II (l)];
and
2. Consideration of whether to disclose minutes of Non-Public Session [NH RSA 91-A:3, II (m)].

Discussion: None. Disposition: Resolved by **unanimous** roll call vote (4-0) for; motion **carried**.

The non-public discussions commenced at **8:01 a.m.**

Director Anderson arrived to the meeting at 8:07 a.m.

Director Fournier **moved** the **motion** and Director Lamson **seconded** that the Board come out of Non-Public at **8:21 a.m.**

Director Parker **moved** the **motion** and Director Fournier **seconded** that the Board recess until **8:30 a.m., at which time the public session commenced.**

III. Vote of Confidentiality:

Director Fournier **moved** the **motion** and Director Lamson **seconded** that be it **resolved**, pursuant to NH RSA 91-A:3, the Pease Development Authority Board of Directors hereby determines that the divulgence of information discussed and decisions reached in the non-public session of its May 19, 2022, meeting related to the consideration of legal advice from legal counsel and discussion of sealed meeting minutes are confidential matters which, if disclosed publically, would render the proposed actions ineffective and further agrees that the minutes of said meeting be held confidential until, in the opinion of a majority of the Board of Directors, the aforesaid circumstances no longer apply.

Discussion: None. Disposition: Resolved by **unanimous** roll call vote (5-0) for; motion **carried**.

Recommendation to Unseal Non-Public Minutes of November 18, 2021 with exception:

Director Fournier **moved** the **motion** and Director Lamson **seconded** to unseal the Non-Public minutes of the November 18, 2021, of the Pease Development Authority meeting, with exception of the material in item number 1, as the circumstances for sealing those portions of the meeting minutes no longer apply.

Discussion: None. Disposition: Resolved by **unanimous** roll call vote (5-0) for; motion **carried**.

Ferrini indicated the unsealed minutes would be placed on the website by Friday, May 20th.

Ferrini entertained a motion to take the agenda out of order to have the report from the Potential Air Cargo Development group prior to public comment. After which Ferrini indicated public comment would follow.

Director Fournier **moved** the **motion** and Director Lamson **seconded** to suspend the rules to bring forward agenda item *VI. A. 1. Potential Air Cargo Development – Status Update by Developers* for its report.

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

Old Business:

A. Report:

1. Potential Air Cargo Development – Status Update by Developers

John Stebbins of PROCON and John Kane of Kane Company provided an update to the Board and community regarding their progress to date regarding the two option agreements (North Forty and Hangar 227 / NH Avenue / Lee Street). Spent the last four months performing due diligence on the two sites, but after speaking with various brokers discovered Air Cargo is not the right fit for both PROCON / Kane and the community regarding the two locations. Therefore, focus has pivoted and will be requesting an extension to the two Option Agreements. Anticipates being back before the

Board in June, or later, to review proposals for the two sites.

Stebbins spoke to a presentation displayed on the screen in the Board room outlining what has been done to date and next steps.

Kane indicated all of the work which has been performed over the past several months, including engaging a brokerage group, have been critical to the next step which would be working with an end user. Kane stated they are at the stage of working with a handful of potential end users that the community, Portsmouth and the developers would love to attract to the area. The developers are working on a building to accommodate one or more potential tenant(s) they are dealing with. Kane stated they have been reaching outside of the geographic area; have been dealing with brokers and directly with potential end users which has provided a lot of interest.

Stebbins spoke to additional items referenced in the presentation, the next steps of continuing with the end user / tenant discussions; stated this will be a long and public process before anything is finalized. Prior to commitments being made, will be back before PDA and ask for permission to do the work. Stebbins indicated there is still a lot of work to be completed. Stebbins again reiterated that Air Cargo does not work for PROCON / Kane for these sites as it would demand so much apron space that is not available; don't believe it is the best fit for the community.

Kane indicated that the aviation use is a very niche submarket and are focusing on aeronautical uses, besides air cargo.

Stebbins stated interest shown in aeronautical research and development, as well as manufacturing; there is a need for advanced manufacturing in the area. Stebbins indicated they will be asking the Board for a release from Hangar 227 portion of the Option Agreement maintaining the NH Avenue location and it would fit within the zoning for this location.

Kane indicated the developers have established to end users that they have great real estate, the capabilities to see it through and have put this on the map.

Stebbins indicated a request for an extension to both options for an additional six months and an amendment to each option, replace the current language which only allows for Air Cargo and distribution in order to open up other possibilities which would be allowed under zoning at the two sites. Also requesting a modification to the Option Agreement at 14 Aviation Avenue to remove Hangar 227 and the aviation component.

Ferrini thanked the developers for the update and indicated the Board would not be voting on any of option requests as this is a presentation to update the Board and the community.

Director Fournier ("Fournier") stated this was the process that was agreed to months ago. The developer has done its due diligence and returned to the Board with information. Thanked them for providing the information publically, not working within a bubble, working with the community and listening to the Board. Contrary to what has been said many times in the public and aimed toward the Executive Director that the Board was doing things behind closed doors. This information is the information we all have. The developers performed its due diligence, determined it wasn't the way to

go and then pivoted. The extension will be reviewed whenever the developers are ready to come back before the Board in the next month or so.

Director Lamson (“Lamson”) thanked the developers for the update and explained to all why this was allowed; the Tradeport was a “public benefit transfer”. It is owned by the State of NH and when a business approaches PDA we meet with them. Indicated she felt from what she has heard and the information being provided by the developers, there is still room for cargo; Kane indicated not really. Lamson reminded the developers that the North Apron abuts the oldest town forest in the United States which is located in Newington.

Kane stated they are not saying someone couldn’t do air cargo there, rather PROCON / Kane is not focused on that at all. Stebbins assured Lamson the developers are not focused on air cargo. Kane spoke to conversations had with potential end users and the impact air cargo could have on the site and community. The developers have determined it is not the highest and best use of the property for them and they are going to focus on what has just been described.

Director Anderson (“Anderson”) spoke of the elimination of the terminology of air cargo, which prior to the presentation, has caused a lot of angst and controversy among the communities. Where an end user has been kept confidential, is the current potential end user(s) planning any aeronautical activity (asked if changing air cargo language). Kane indicated activity would be de minimis; they are competing with other sites. Stebbins indicated there are two types of potential end users being discussed. The potential end users for the North Forty have to have an airside component in order to develop on that property, per FAA regulations. For the NH Avenue parcel they do not have to have aviation requirements. Anderson indicated until the end user is released then the public can have more of an understanding of what the potential activity will be; it would behoove the developers to make that known as soon as possible. Kane indicated now, everyone they are talking too, are exceedingly low impact. Anderson asked with elimination of Hangar 227, the previous proposal spoke to building a new maintenance facility for PDA. Stebbins indicated that as part of that area the developers would still maintain the option on the Lee Street garage and they would facilitate the new building for Maintenance; haven’t gotten any further with the development at this time.

Executive Director Brean (“Brean”) clarified that the correspondence received regarding the pivoting of the project and the original option agreement focused on the 11 acre NH Avenue parcel to support an aeronautical component. Brean made it clear that as part of the pivot they are taking that out of any aeronautical use to what it is zoned for now which is Commercial / Business (sic **Industrial Zone**).

Fournier indicated the presentation is an overview and the developers are asking for additional time to do its due diligence and this is not the time for us to question what will be developed. Before the Board starts to question the project, he wants to see documentation why things are being done.

Director Parker (“Parker”) asked of the timing, as she understood the first option was signed on or about February 1st and lasts for six months; Deputy Director / General Counsel Blenkinsop affirms. Parker thanked the developers for advising of the midcourse correction after finding out that the first course of direction was not 100% in the right way.

Ferrini passed the gavel to Lamson.

Being recognized, Ferrini asked if the developers are engaging in outward facing advertisement and to the extent it is available (website or trade) would it be possible to receive that information, so the Board can see where inquires have been directed. Stebbins and Kane affirmed.

Lamson passed the gavel to Ferrini to continue the meeting.

IV. Acceptance of Meeting Minutes: Board of Directors' Meeting of April 21, 2022

Director Anderson **moved** the **motion** and Director Lamson **seconded** to approve the minutes of the Pease Development Authority Board of Directors meeting dated Thursday, April 21, 2022.

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

Ferrini reiterated that the minutes which were unsealed were the minutes from the meeting the Board had with PROCON / Kane (on November 18, 2021) at that time and those will be available within 24 hours.

V. Public Comment:

Ferrini indicated the speakers are requested to keep public comments to three minutes per speaker.

Mike Lehrman (Durham) – Today's update from the developers has clarified their intentions. Still concerned regarding air cargo (referenced East / West Aviation). Developers letter seeks to modify the lease options by removing exclusionary use and replacing with broad general language (i.e.; comply with underlying zoning, which includes air cargo). Developers indicated their focus is not air cargo, inquired of the removal from the option of the language regarding air cargo from the development option.

Rick Miller (Rye Harbor) – Concern regarding the language of the North Forty as it is ambiguous and the potential threat to the environment / quality of life in the Seacoast with air cargo specifically. Welcomed the intent of the developers not to pursue air cargo and applauded the contacts made in an effort to draw high quality research and development in aeronautical engineering and manufacturing. Spoke to concerns regarding Eric Robinson ("Robinson"), representing East West Aeronautical ("EWA"), who is intent on proposing air cargo development on the same properties provided in the options to PROCON / Kane. Indicated through local media and publications (aeronautical / air cargo trade journals), Robinson has indicated they are moving ahead with an air cargo facility (being depicted as though a done deal). Wondered if a proposal from Robinson complicates matters.

Eric Robinson / Scott Webster (East / West Aviation) – Robinson stated a proposal has not yet been submitted to PDA regarding its intent to move forward with cargo. When they do, it will address many issues. Have been working on this for over two years, know the issues and believe can provide satisfactory answers. Robinson indicated they are not developers, they are aeronautical people, who

will have a construction company answer questions (i.e.; environment, site plans, structure of the building, etc.). Moving forward on the North Forty would be their preference with Air Cargo, but are looking at an alternative site (Alpha Delta Taxiway). However, should PROCON / Kane abandon the North Forty, EWA would like to continue with North Forty. Scott Webster indicated the proposal would also contain mitigation information concerning noise, pollution, sensitivity to the surrounding forest etc. Robinson indicated all concerns can be addressed technologically, but when it comes to politics it is unclear.

Todd Selig (Town of Durham Administrator) – Spoke to correspondence sent from Town of Durham outlining concerns. Understood PDA has a process to follow and while the past few months have been hard on the Board, it has been difficult for the community as well. Spoke to PDA’s mission and further indicated PROCON / Kane are well-known and respected developers. Appreciated the developers indication that air cargo was not a good fit for them, or the communities; Town of Durham agrees. Stated concern continues as Robinson indicated a continued interest in air cargo. Air cargo is not a good fit for the facility or the Seacoast. Encouraged the Board to go through extraordinary lengths in the process, so any air cargo proposal is fully vetted by impartial consultants to provide confidence that such proposals would not be an issue.

Keri Roman (Rye) – Commented on Option Agreements and how they seem to allow developers to do their due diligence before the Directors know what is before them. Have the ability to exercise the option for a lease with little ability for the Directors / PDA to decline or get out of it. Given EWA will likely be requesting an Option Agreement, asked for a closer look at the Option Agreements and the process. Roman was generalizing all Option Agreements and not any one specific. Further, she could be reading it wrong as she is not an expert, but wanted to make sure the Board has the ability to back out of the agreement the way they think they do. Thanked the developers for listening to the community.

VI. Old Business:

A. Report:

1. Potential Air Cargo Development – Status Update by Developers

This item was taken out of order and heard earlier in the meeting.

B. Approval:

1. Rye Harbor – Right of Entry Waiver for 2022 Season – Tables

Director Parker **moved** the **motion** and Director Lamson **seconded** that the **Pease Development Authority (“PDA”) Board of Directors authorizes the Rye Harbor Lobster Pound (“RHLP”), as an element of the Rye Harbor Marine Facility Right-of-Entry (“RoE”) waiver granted by the PDA Board at its April 21, 2022, meeting, to utilize a standing bar directly in front of the RHLP building, as well as one (1) picnic table located directly in front of the lobster tank building, for a total seating capacity not to exceed ten (10) individuals, and further, RHLP, shall limit its table / outside food and beverage service by its employees and agents to these specific locations; all in accordance with the memorandum of Paul Brean, Executive Director, dated May 11, 2022.**

Discussion: Anderson spoke of a potential motion to amend; Ferrini asked Anderson to speak to what he is referring to and it can be decided if it should be amended. Anderson indicated the seating capacity at the facility should be zero and would offer that type of language to be reflected in the motion. At the last meeting, granting the waiver, discussions concerning congestion created a variety of concerns. Even the owners of RHLP indicated they wanted maintain the fact that they have expanded from their original RoE for the type of food served, not for seating. A one year waiver was granted without consideration to seating and it is inappropriate to allow seating for restaurant style operation, which would be well beyond RHL P's RoE conditions.

Ferrini indicated that before making a motion, if Anderson were to vote against the motion he would get the result previously discussed.

Anderson indicated he would like it to be clearly specific.

Ferrini indicated he thought [an amendment] would make it less clear. The motion grants the picnic table and a seating capacity not to exceed 10 individuals. If Anderson votes against the motion, they will have the waiver, but the additional amount of use would be voted down. Blenkinsop affirmed.

Blenkinsop stated for clarity, the motion was drafted this way in an attempt to recognize the number of seats which were recognized last year (picnic table in front of one building and standing bar in front of the other). There is an additional element to make abundantly clear that table service (waiter / waitress) outside of the physical premises of the RHL P shack itself could not occur anywhere else, last year there was service at other locations within Rye Harbor Marine Facility. The drafted motion is to clarify the table seating limits and that RHL P could not provide outside table service anywhere but at their specific tables.

Ferrini indicated a "no" vote on the motion would take away those uses.

Blenkinsop indicated no table authorization provided if the motion was voted down. Further, the language in the April motion was that the Board would take up the issue of seating at this meeting. If the motion failed, there would be nothing that explicitly permits outside seating.

Ferrini asked Anderson if that answers his question; Anderson indicated it does to a point. Anderson indicated it would allow their employees to service other portions of the facility.

Lamson indicated she did not take it that way; Anderson indicated it stated in the motion that it would not be allowed but if the motion is rejected then it would be allowed.

Blenkinsop indicated outside table service has never been explicitly permitted, it has occurred; Anderson indicated the need of clarity.

Lamson indicated a year ago, when the Governor provided the waiver, the Board should have said it isn't allowed; instead the Board sat back and went along with the decision.

Fournier indicated it was not necessary to amend the motion; if the Board votes no, it is denying the tables, including picnic table. This is supposed to be a grab and go to benefit those working in the

harbor; doesn't have a problem with the standing table as they wouldn't stay around as long. Has an issue with the picnic table; thought of the stories heard over the last couple of years; this is a way to control to grab and go.

Ferrini indicated if Anderson felt a need to offer a motion in addition to the current one, it would make sense to call to question this motion, vote and if there was still a need for motion it could be offered. He would entertain an amendment but cannot double deny it.

Anderson asked if the motion is not passed what does that mean because zero is the number we want for seating.

Ferrini asked if the Board should proceed to a vote; both Fournier and Lamson affirmed.

Disposition: Resolved by vote for; motion **failed**.

Blenkinsop indicated he would send a letter to RHL P informing them the Board did not pass the motion and in turn there is no outdoor table or outdoor seating permitted this season.

Anderson questioned the last part of the motion restricting RHL P's employees from servicing other portions outside of its RoE; Blenkinsop indicated it is not an allowed use, but will make clear in the letter that is not allowed either.

Anderson indicated the specific conditions in the last motion passed at the last meeting it creates clarity that these are the terms for this year's waiver and it is not to be considered as something that will occur next year. Another detail would be RHL P's considerable expenditure required for water supply. Doesn't want this expenditure to give them some precedent to indicate they spent a lot of money to operate in 2022; there should be clarity that what is done this year, does not guarantee them rights for further operations.

Blenkinsop indicated a letter will be sent clarifying the conditions which they can operate for the 2022 season, including today's vote; the Board will be "cced". Regarding the water service, both Brean and Division of Ports and Harbors ("DPH") Director Marconi ("Marconi") have been in communications to the RoE holders and made it clear that while they may need to expend funds to connect to the Rye water service, this is at their own risk; expense for connection is not an indication that any RoE holder will be extended beyond their current expiration date (2023).

Anderson indicated it needs to be made clear, he has every expectation the Board will be dealing with this next year. This is a one year waiver and it must be fully understood.

VII. Committee:

A. Report:

1. Capital Improvement and Land Planning Committee

Ferrini indicated that the agenda of the meeting was before the Board and spoke to what it would be addressing and that there would be further discussions later in the Board meeting.

Lamson inquired into stormwater management; Ferrini indicated it would be before the Board later in the meeting.

VIII. Finance:

A. Executive Summary

Finance Director Suzy Anzalone (“Anzalone”) reported to the Board that PDA is three-quarters of the way through its fiscal year and on a Year-to-Date (“YTD”) seeing revenues favorable to budget by approximately 19%. Anzalone spoke to various budget units running favorably, with some underruns in parking fees (although March and April were very strong months), registration fees and fuel sales at the harbor. Looking at expenses, they are trending favorably by approximately 10.5% with operating income being favorable to budget by 5.7%; leading to a strong year so far.

PDA’s current assets of \$13.7 million, made up of \$9.9 million in unrestricted cash between PDA and DPH, just under \$3 million in grant government unreceivable and just under \$1 million in inventory and other expenses. The assets allow for a strong cash balance which reflects receipt of the ARPA grant fund of \$1.9 million received in March. As the FY23 capital expense plan is rolled out and finishing up, FY22 with the strong cash balance which includes the grant funds, it will enable PDA to move forward with some of the self-funded capital improvement projects and significantly decrease the likelihood PDA will have to draw on its Revolving Line of Credit (“RLOC”). YTD capital expenses are just under \$3 million so far.

Regarding cash flow projections PDA is anticipating \$13.4 million in cash inflow over the next nine (9) months mainly provided by operating revenues, it does include an estimated \$2.8 million in grant funds for some of the capital projects. Outflows are estimated at \$17.9 million mainly provided by operating expenses, it does include \$6.3 million in grant and non-grant funded capital expenditures.

Spoke to cash balances over the next nine (9) months with \$1.3 million going to the City of Portsmouth in June for the Municipal Services Fee and again in December; still do not anticipate a need to draw from the RLOC.

Currently working on FY23 Operating Budget, there will be some significant increases in some of PDA’s expenses (i.e.; fuel and utilities expenses which make up about 4.5% of the total operating budget, supplies etc.). Also undertaking a market study for wages and the results may be reported to the Board.

Lamson indicated she was pleased that PDA is doing a market study on wages.

B. Reports:

- 1. FY2022 Financial Report for the Nine Month Period Ending March 31, 2022**
- 2. Cash Flow Projections for the Nine Month Period Ending January 31, 2023**

IX. Licenses/ROEs/Easements/Rights of Way:

A. Reports:

**1. Falcon Systems Transportation LLC (dba) East West Aeronautical –
Portsmouth International Airport at Pease – Right of Entry**

Brean indicated 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: Falcon Systems Transportation LLC (dba) East West Aeronautical
License: Right-of-Entry for 6 months
Location: Portsmouth International Airport at Pease
Purpose: Survey / Site Inspection Purposes
Term: May 9, 2022 through October 31, 2022

X. Leases:

A. Approvals:

- 1. Lonza Biologics, Inc. –Expansion to Building 101B along Lonza’s premises located at 101 International Drive**

Director Fournier **moved** the **motion** and Director Lamson **seconded** that **the Pease Development Authority (“PDA”) Board of Directors hereby approves of the Lonza Biologics, Inc. (“Lonza”) Concept Plan pertaining to an approximate eighty-two hundred (8,200) square foot expansion to building 101B along Lonza’s premises located at 101 International Drive, and authorizes reimbursement by Lonza for costs associated with PDA’s third-party review of the stormwater treatment associated with the proposed concept plans; all in accordance with the terms and conditions set forth in the memorandum of Michael R. Mates, P.E., Engineering Project Manager, dated May 6, 2022.**

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

Item XI. B. 4. **Portsmouth International Airport at Pease (“PSM”) Terminal – McFarland Johnson – Terminal Expansion Project** had been inadvertently taken out of order.

Director Fournier **moved** the **motion** and Director Parker **seconded** to proceed with the vote on this item.

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

Portsmouth International Airport at Pease (“PSM”) Terminal – McFarland Johnson – Terminal Expansion Project

Director Lamson **moved** the **motion** and Director Fournier **seconded** that **the Pease Development Authority Board of Directors hereby authorizes the Executive Director to amend PDA’s on-call contract with McFarland Johnson, Inc. of Concord, NH to provide consulting and engineering services necessary for design, bidding, and grant administration services for expansion of the Portsmouth International Airport at Pease Terminal in amount not to exceed**

\$696,300.00; all in accordance with the memorandum of Michael R. Mates, P.E., Engineering Project Manager, dated May 11, 2022.

Discussion: None. Disposition: Resolved by **unanimous** roll call vote (5-0) for; motion **carried**.

2. 166 Corporate Drive, LLC – Lease Amendment 3

Director Lamson **moved** the **motion** and Director Parker **seconded** that **the Pease Development Authority Board of Directors hereby authorizes the Executive Director to enter into Lease Amendment No. 3 with 166 Corporate Drive, LLC for the Premises located at 164 Corporate Drive; all in accordance with the Memorandum of Paul E. Brean, Executive Director dated May 11, 2022, and upon substantially similar terms and conditions contained in draft Lease Amendment No. 3.**

Discussion: Anderson asked where this was going to change from the vacancy by John Hancock to Lonza, if it were zoned for the research and development application; Blenkinsop affirmed. Further clarification that uses are permitted in certain zones and leases may only allow certain uses within the broader scope allowed by the zoning ordinance. So when Lease Amendment 2 occurred for 166 Corporate Drive, it was to permit research and development as it was allowed in the zone but not allowed specifically under the lease at the time. Where Lonza is also looking to move into 164 Corporate Drive they are looking for that same allowed use in 164 Corporate that they have in 166; simply expanding the use into the second building.

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

3. 325 Corporate Drive II, LLC - Bottomline Technology – 325 Corporate Drive – Concept Approval for Parking Lot Expansion

Director Anderson **moved** the **motion** and Director Fournier **seconded** that **the Pease Development Authority Board of Directors hereby approves, the concept plan for 325 Corporate Drive as submitted by 325 Corporate Drive II, LLC, regarding its request for parking expansion from 414 spaces to 524 spaces; all in accordance with the memorandum of Maria Stowell, P.E., Engineering Manager, dated May 10, 2022.**

Discussion: Fournier asked if the approval would be for a large parking lot that isn't needed. Maria J. Stowell ("Stowell"), Engineering Manager, indicated representatives from 325 Corporate were available to answer questions.

Patrick Crimmins ("Crimmins") from Tighe and Bond stated this is a request from the Sublessee (Bottomline) which is why it is being sought. Previously occupied about 90% of the building and occupying 100% of the parking area, pre-pandemic, with cars parking along the side, isles and landscaping resulting in a traffic safety issue. Anticipates they must be getting ready to move back into the building and assume that is why they are seeking the additional spots.

Lamson expressed concerns with a lot of pavement and when the building was built, eliminated some of the wetlands with the building position. Crimmins indicated along the roadway in the 90s there

were small wetland areas and along Grafton; since then have had a wetlands scientist walk the site and confirmed they are no wetlands at this time. Have agreed to a peer review so the Board would be comfortable with that and the applicants have agreed to pay for the peer review. If there were wetlands, would have to pay for permitting and impacts; the prime concern would be the prime wetland which is what they are staying away from that by expanding towards the back.

Anderson asked if what was there now was stormwater drainage along Corporate by the area proposing for expansion. Crimmins stated there is a stormwater detention area in the far back which would not be impacted as the intent is to keep on the left side of the building with all parking improvements being within the footprint and looking to expand closer to Grafton Drive. Anderson asked if this would be encroaching on the Natural Resource Protection Zone (“NRPZ”).

Blenkinsop indicated the expansion of the parking lot would not move into the NRPZ. The parking expansion would be if you were heading down Grafton towards Corporate on the right as you approach the intersection.

Crimmins spoke to the layouts provided in the Board packet and pointed out the various areas discussed.

Stowell indicated they are also seeking a waiver from PDA’s landscaping regulations. The location on the side of the detention area that had been discussed is basically being restriped but when they do, should put in a 12’ wide landscape island according to our rules and have asked for a waiver from that.

Ferrini asked if the waiver were included in the motion if it passed; Stowell affirmed.

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

XI. Contracts:

A. Approvals:

1. Pease Golf Course – Toro Pro Core 648s Core Harvester

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 Turf Products LLC to purchase a Toro Pro Core 648s Core Harvester for use at the PDA Golf Course for an estimated purchase price of \$34,086.18, but not to exceed a 15% increase thereof, all in accordance with the memorandum from Scott DeVito, PGA General Manager dated May 5, 2022.**

Discussion: Anderson asked in reference to this motion and subsequent ones, 3 requests for purchases for equipment and wondered how much is rolling stock. DeVito indicated the utility cart and walking mower would be replacing old equipment and the Core Harvester would be an addition. Anderson asked if DeVito expected the 15% would be necessary; DeVito indicated he anticipated the rate would increase but not sure of a specific percentage - Turf Products has been very good in trying to hold to the price.

Brean commended DeVito and Blenkinsop so PDA can continue to purchase equipment during the supply chain issue and meet our statute. There are multiple vendors from multiple industries not identifying delivery dates of products. Feel as though protections have been put in place and appreciates Blenkinsop's efforts in safeguarding PDA's fiscal responsibility to identify the necessary language.

DeVito indicated it is a process on trying to figure out how to order / obtain a piece of equipment as some of the delivery times indicate 13 months before receipt.

Anderson asked if this were the only vendor, being in Connecticut, and if PDA had the ability to deal with NH companies. DeVito indicated they are a regional supplier and we deal with the sales rep that covers NH and Maine; they are the only distributor in the northeast.

Parker asked of the purchases being made this year in comparison to the last couple of years and asked if were greater or less; DeVito indicated where have had difficulties getting equipment in place and the purchases are definitely greater than last year. Have been working to try to even things out with the anticipated dates of delivery it is pushing things out.

Brean indicated that PGC has shown fiscal responsibility during COVID; PGC has delayed several capital improvement purchases.

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

2. Pease Golf Course – Toro Walking Greens Mower

Director Anderson **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 Turf Products LLC to purchase a Walk-Behind Greens Mower for use at the PDA Golf Course for an estimated purchase price of \$17,803.31, but not to exceed a 15% increase thereof, all in accordance with the memorandum from Scott DeVito, PGA General Manager dated May 4, 2022.**

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

3. Pease Golf Course – Toro Diesel Utility Golf Cart

Director Fournier **moved** the **motion** and Director Lamson **seconded** that **the Pease Development Authority (“PDA”) Board of Directors hereby approves of and authorizes the Executive Director to enter into an agreement with Turf Products LLC of Enfield, CT for the purchase of a Toro Workman HDX Diesel Utility Golf Cart for use by the PDA Golf Maintenance Department for an estimated purchase price of \$36,936.15, with the final cost not to exceed a 15% increase of the estimated price; all in accordance with the memorandum from Scott D. DeVito, PGA General Manager, dated May 5, 2022.**

In accordance with the provisions of RSA 12-G:8 VIII, the Board justifies the waiver of the RFP requirement as the equipment will be purchased under the Government Services Administration Contract.

Discussion: Anderson asked if there had been any investigation done regarding an electric cart instead of diesel; DeVito indicated the industry is starting to switch to lithium charged items but it is not available to do this type of work at this time.

Disposition: Resolved by **unanimous** roll call vote (5-0) for; motion **carried**.

4. Portsmouth International Airport at Pease (“PSM”) Terminal - McFarland Johnson – Terminal Expansion Project

Item XI. B. 4. Was inadvertently taken out of order and was addressed after X. A. 1.

While this item had been voted on earlier and there was no discussion, Anderson asked Brean if he would explain the process for this going forward as this could potentially be an expenditure out of PDA funds even though it is associated with a FAA application. Brean indicated there is FAA grant eligibility for terminal expansion work. The PDA in its internally funded CIP has additional work in the future to continue with its design study for terminal expansion with one component being four phases. PDA has completed one phase, the second phase would be to address the baggage claim and arrivals hall area which struggles to meet some code and does not support the activity at PSM. The project is considered “shovel ready” and PDA feels the location distribution of FAA airport improvement funds will pair well for this calendar year. This could change as other airports put designs together with the grants that are out there. PDA is in good standing to receive some of the grant funding and while PDA will have to spend the design costs at some point when we choose to take on that project internally, if FAA grant funding is not received. However, this is the first step to allow PDA to “pull the ticket” for potential grant funding. By engaging McFarland Johnson with the design work, it shows the FAA we are ready to go with this potential funding project. Anderson asked if this could be reimbursed through the grant project, if awarded; Brean affirmed and indicated it is eligible funding (a percentage of approximately 90% being eligible).

Parker asked if the timing of the submittal is tied to FAA funding availability; Brean affirmed.

XII. Signs:

A. Approvals:

1. 30 International, LLC – Revise Signage at 20 International Drive

Director Parker **moved** the **motion** and Director Lamson **seconded** that **the Pease Development Authority Board of Directors hereby approves of the proposed sign requested by 30 International Drive, LLC to revise its ground sign at 20 International Drive; all in accordance with the memorandum of Maria J. Stowell, P.E., Engineering Manager dated May 9, 2022.**

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

Director Fournier departed the meeting at 9:54 a.m. and returned at 9:54 a.m.

2. International Association of Privacy Professionals – 75 Rochester Avenue

Director Anderson moved the motion and Director Lamson seconded that the Pease Development Authority Board of Directors hereby approves of the two (2) proposed signs requested by International Association of Privacy Professionals (IAPP) for 75 Rochester Avenue; all in accordance with the memorandum of Maria J. Stowell, P.E., Engineering Manager dated May 9, 2022.

Discussion: None. Disposition: Resolved by unanimous vote (4-0) for; motion carried

XIII. Executive Director:

A. Reports:

1. Golf Course Operations

Scott DeVito (“DeVito”), Pease Golf Course (“PGC”) General Manager spoke to a successful April despite the weather. PGC continues to book events for the season and two of the large pre-booked events will be held this weekend; approximately 4,500 / 5,500 tournament rounds for the season. Won’t see much in simulator revenue over the next couple of months with the golf course being open. The subscription for next season did go in and will be initiating a rate increase as of October 1 to cover the costs. Grill 28 continues steady growth through walk-ins and bookings. Working with Engineering to put together a bid packet for a couple course improvements; anticipating bid will go out in June and will bring it back before the Board in August.

Anderson asked the percentage of gross sales paid by Grill 28; DeVito indicated it is 17%.

2. Airport Operations

a) Portsmouth International Airport at Pease (PSM)

Brean spoke to a strong April with total enplanements of 13,365; one flight short for the total record for one month. Due to resignations and staffing issues during COVID, PSM scaled back on resources and therefore commended the airport staff for their hard work.

Brean stated regarding parking revenues that 266 vehicles utilized the parking facility and have surpassed traffic done for the full year during COVID. Also, there were 1.7 million gallons of fuel dispensed. Spoke to Allegiant’s expansion to five routes over the summer to include Myrtle Beach, Nashville, and the three Florida airports. Finally, with the continued rise in jet fuel prices anticipate an impact to air travel.

b) Skyhaven Airport (DAW)

Brean stated that the Wings and Wheels community outreach program will be held on June 4th.

c) April 2022 Noise Line Report

Brean stated PSM received two noise complaints in April, 2022; one being from a Portsmouth resident and a Rye resident.

Anderson indicated that he, Directors Lamson and Parker toured PlaneSense on Wednesday, May 18th, that Director Fournier went on a different date and that it was a very impressive organization and Pease is fortunate to have that type of operation. Ferrini indicated he intended to tour as well.

Blenkinsop indicated Stowell has some information to provide to the Board regarding a Pease Wastewater Treatment Plant (“WWTP”) Update.

Stowell provided background information to the Board on the permit for the WWTP and stated the City of Portsmouth (“COP”) operates the plants under the Water / Wastewater Agreement; effluent is treated and goes through a pipe outfall to the Piscataqua River. The outfall is permitted on the same permit as the Pease Stormwater outfalls; one permit which has been a holdover from when it was established for the Air Force (wastewater / stormwater). The permit PDA has been operating under was issued in 2000, a five year permit, which prior to its expiration in 2005 both the COP and PDA submitted an application for renewal. EPA never got around to renewing the permit so during that time there have been discussions regarding whether the permit should be split; the WWTP would have a separate permit from stormwater. Also during that time there have been discussions on the type of permit the stormwater outfall should have. In 2018, PDA updated its application for an individual municipal type of stormwater permit. During this same time the COP updated its application because they did more research on the demands at Pease, in particular what Lonza would need. Part of COP’s update asked for an increase in its flow capacity from 1.2 million to 1.77 million. Recently the EPA issued a draft permit for the WWTP. The permit has been split so it only addresses the WWTP and expect the stormwater outfall permit to be coming in the next year or so. A new permit number to the WWTP has been issued but will operate the outfalls under the old permit. The flow was increased from 1.2 to 1.77 which allows for Lonza’s expansion as well as other businesses at Pease. However, before the Lonza expansion would occur there would have to be an expansion of the plant. PDA staff has met with the COP and PDA’s outside counsel regarding the draft WWTP permit. COP spoke to the requirements of the permit in many ways are similar to other WWTP. COP has submitted comments it was determined PDA did not need to submit comments; comment period ended last Monday. Stowell indicated she was not sure when the permit would be issued.

Acting Chair Ferrini suggested a 5 minute recess where the meeting has extended past two hours. The recess commenced at 10:04 a.m. and the public session resumed at 10:10 a.m.

B. Approvals:
1. Bills for Legal Services

Director Parker **moved** the **motion** and Director Fournier **seconded** that **the Pease Development Authority (“PDA”) Board of Directors approves of and authorizes the Executive Director to expend funds in the amount of \$13,311.00 for legal services rendered to the Pease Development Authority from Sheehan Phinney Bass & Green for March 1, 2022 – March 31, 2022 in the amount of \$725.00 (for Division of Ports and Harbors); March 1, 2022 – March 31, 2022 in the amount of**

\$812.00 (for Permit Implementation); and March 1, 2022 – March 31, 2022 in the amount of \$11,774.00 (for Tradeport General Representation) and to expend funds in the amount of \$1,298.00 for legal services rendered to the Pease Development Authority from Anderson Kreiger as outside counsel for Federal Regulatory Advice from March 1, 2022 through March 31, 2022. For a total amount of \$14,609.00 in legal services.

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

2. Land Use Control Amendments

Stowell proposed changes to all three Chapters of the Zoning Ordinance with the most impactful being in Chapter 300 where asking approval to convert approximately 130 acres of land to industrial zone. Currently the land, for the most part, is in the airport industrial zone, some is in airport zone and a small sliver being in the NRPZ. Stowell indicated the NRPZ location is about eight tenths of an acre which was as a result from the movement of the road when NHDOT did the roundabout on Arboretum Drive. In the industrial zone there isn't a requirement to have the airport component of use there; the industrial zone allows office, industrial and manufacturing. Pointed out to the Board that if they focused on the numbers, the acreage may not seem to add up. Stowell indicated that over the years the NRPZ has had transfers but the adjustments were not made to the acreage (i.e.; the Newington Forest and NHDOT work performed for roundabout). There has not been a survey showing metes and bounds performed on the Pease property so these are best estimates. Stowell reached out to both the Newington Town Planner and Portsmouth Planning Director and neither had any comments and thought the changes were innocuous.

Stowell spoke to changes in Chapter 400. The first group of proposals deal mostly with sidewalks and bike facilities / racks as a way to codify their requirements.

Lamson indicated she advised the Town Selectmen of the proposed changes.

Stowell indicated there are also changes in the Stormwater Management portion. As part of the CLF negotiations a few years ago, Pease is trying to treat as much stormwater as possible even on pavement that doesn't have the advanced treatment, which is required for all new pavement. The Board previously approved that anyone adding pavement for parking or traffic, the developer would need to treat new pavement and would also have to treat an equal amount of current pavement (i.e.; if adding 1,000 sq. ft. of new parking lot they would need to also treat 1,000 sq. ft. of existing parking lot). Third area of changes on Chapter 400 are modifications to Site Review approval which outlines a process for developers asking for extensions as well as procedures to be followed when Site Bonds are requested to be returned.

Stowell spoke to a technical error in Chapter 500 the Subdivision Regulations. This stated the need for a metes and bounds performed on the lot being subdivided which would be the entire PDA parcel (3,000± acre parcel) as well as the developer's parcel, so this makes a correction to clarify what is being requested.

If the Board approves of the language the next step would be to hold a public hearing and after public hearing the language would come back to the Board for a vote.

Parker asked how often the housekeeping takes place; Stowell indicated every four or five years.

Director Fournier **moved** the **motion** and Director Parker **seconded** that **the Pease Development Authority (“PDA”) Board of Directors hereby approves the draft language of the proposed amendments to the PDA Land Use Controls related to the Zoning Ordinance, Site Review Regulations, and Subdivision Regulations, and authorizes the Executive Director to schedule a public hearing before the Board on the amendments directly before the Board’s June 2022 meeting; all in accordance with the memorandum of Maria J Stowell, P.E., Manager, Engineer dated May 6, 2022.**

Discussion: Blenkinsop indicated for clarification that when reading the motion, Fournier inadvertently stated June 22 instead of 2022 and that the June meeting is scheduled for June 16th.

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

3. Digital Content Specialist – New Position

Director Lamson **moved** the **motion** and Director Parker **seconded** that **in accordance with the provisions of Section 3.11 of the Second Amendment to By-Laws of the Pease Development Authority, the Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to create the position of Digital Content Specialist, and eliminate the Security Specialist position, and to immediately fill said new position with an appropriately qualified candidate; all in accordance with the memorandum of Chasen Congreves, Manager of Airport Administration, dated May 11, 2022.**

Discussion: Lamson affirmed that the one position would be eliminated and replace it with a digital specialist; Brean affirmed. Brean further stated the Board approved the new badging system which will reduce labor hours and will be utilizing those funds to take on the new position.

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

XIV. Division of Ports and Harbors:

A. Reports:

1. Port Advisory Council Minutes of April 13, 2022

Geno Marconi (“Marconi”), Division of Ports and Harbors Director, indicated the Board had in its packet the minutes of the Port Advisory Council meeting of April 13, 2022. The minutes have been provided so the Board is aware of the Council’s activity and welcomed any comments or questions from the Board.

2. Commercial Mooring for Hire – Great Bay Yacht Club

Marconi indicated that under the Code of Administration of Rules there is an ability to have a Commercial Mooring for Hire allowed and through a review process by the Harbor Master and Chief

Harbormaster to Marconi who makes a recommendation to the Executive Director who is allowed to sign off on this through the Delegation of Authority. Marconi did state that this entity is not the same as the Great Bay Marina.

3. Rye Harbor Informational Summary

Marconi indicated he was asked to pull together stats on what goes on at Rye Harbor and stated the second page of the Pier Use Permit had been inadvertently omitted but has since been provided to the Board.

Ferrini stated the information would be helpful going forward as the Board looks to work on a Master Plan at Rye Harbor.

4. Lakes Region Environmental Contractors – Additional Work Required at Rye Harbor Regarding Fuel Line

Marconi indicated when Lakes Region submitted its final design for the replacement fuel line, DES' reviewed the plans and requested a replacement of the sumps next to the tank and through a Delegation of Authority DPH moved ahead with the request and anticipate the project will be done by the first of the week.

5. Commercial Mooring Transfer – Kimball to Kimball

Marconi stated above are a number of Commercial Mooring Transfers seen this time of the year where 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 informed the Board that DPH had asked that the GHOST boat be removed from the property as it needed the space for its construction project. The vessel came in by water but at time of removal it would not fit through the fence so it was hoisted over the fence onto a trailer which relocated it the area of the Albacore.

Marconi indicated the paving at Rye Harbor has commenced. Ferrini asked if this area would be lined; Marconi affirmed and stated the stripping would be done internally by PDA Maintenance once the paving has been completed.

B. Approvals:

1. Appledore Marine Engineers – 6 Month Contract Extension

Director Fournier **moved** the **motion** and Director Lamson **seconded** the **Pease Development Board of Directors hereby authorizes the Executive Director to extend the Division of Ports and Harbors' On-Call Marine Engineering consultant contract with Appledore Marine Engineering,**

LLC of Portsmouth, New Hampshire, for an additional six (6) month period; all in accordance with the memorandum of Geno J. Marconi, Division Director, dated May 6, 2022.

Discussion: Parker asked if this had anything to do with the Master Plan that needs to be developed. Marconi indicated it did not.

Anderson indicated the original contract was done back in 2017 and asked why an extension was being requested after five years. Marconi explained that DPH has not had the time with everything going on to put together and RFQ, sit down to read the proposals, meet with individuals and score proposals. DPH is overwhelmed with work which is why he requested the six month extension.

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

2. 381 Constructors – Right of Entry for use of Market St. facility (Trans Loading Equipment to/from Barges and Receiving Fuel Deliveries to Tugs)

Director Anderson **moved** the **motion** and Director Fournier **seconded** that **the Pease Development Authority Board of Directors hereby approves of and consents to the Right of Entry (“ROE”) with 381 Constructors (“381”) for the use of the facilities at the Market Street Terminal for trans-loading equipment in association with the Portsmouth Naval Shipyard Superflood Basin Project; all in accordance with the memorandum of Geno J. Marconi, Division Director, dated May 6, 2022.**

Discussion: Marconi indicated this is just a housekeeping item because 381 has no way of paying DPH invoices unless there is an agreement in place.

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

3. US Army Corps of Engineers - Right of Entry – Hampton Harbor Marina to Facilitate the 2022 Hampton Beach Jetty Repair

Director Lamson **moved** the **motion** and Director Anderson **seconded** that **the Pease Development Authority Board of Directors hereby approves of the issuance of a Right of Entry (“ROE”) to the US Army Corps of Engineers (“ACOE”) for the purpose of vehicle parking and for the staging of an office trailer as may be required at the Hampton Harbor Marina in connection with the 2022 Hampton Beach Jetty Repair; substantially in accordance with the draft ROE.**

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

4. Aquatic Resource Mitigation (ARM) Fund at NH DES - Change to Wetlands Mitigation Requirements

Director Parker **moved** the **motion** and Director Lamson **seconded** that **the Pease Development Authority (“PDA”) Board of Directors hereby authorizes the Executive Director to satisfy project mitigation permit requirements of the New Hampshire Department of Environmental Services (“NHDES”) and the U.S. Army Corps of Engineers (“ACOE”), for both the BUILD Main Pier Rehabilitation project and the Functional Replacement of the Barge Dock project (“Projects”), with the**

Division of Ports and Harbors (“DPH”) making a \$238,570.34 contribution into the Aquatic Resource Mitigation (ARM) fund at NHDES regarding the Projects, while also seeking reimbursement from the State for said contribution; all in accordance with the Memorandum of Geno Marconi, Division Director, dated May 18, 2022.

Discussion: Marconi indicated that DES’ recommended and DPH went ahead with planning a mitigation project adjacent to the John P Bohenko Park. On Monday, May 16th, were notified by the ACOE that it would not accept the mitigation project and DPH needed to have the permit three weeks prior to July 1. The only way around it is by making the contribution into the ARM fund. The money received from the State was federal money for construction and did not speak to making this payment. Therefore, he is doing some bridge funding at this time until he goes back to get original approval.

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

XV. Upcoming Meetings:

Finance Committee	June 13, 2022 @ 8:30 a.m.
Board of Directors	June 16, 2022 @ 8:30 a.m.

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

XVI. Directors’ Comments:

Anderson spoke to information on land appraisal and with the potential arrangement with NH ANG; Brean stated this is progressing slowing. Anderson indicated there had been some discrepancy between the appraisals and wondered where things stood.

Fournier asked if this were non-public; Brean stated the Board had approved the appraisals. Blenkinsop indicated the NHANG is interested in additional acreage on the North Forty and they had obtained appraisals and in January the Board authorized PDA to expend money on its own appraisal. At this point the ball is with the NHANG to see what it is interested in but there is no update.

Anderson asked of the discrepancy on the values of the two appraisals; Blenkinsop affirmed there are differences and that would be something that would need to be worked out and brought before the Board for approval.

Brean clarified the comments made earlier in the meeting regarding the EWA’s proposal and indicated he sent the Board a memo for clarification on meetings between staff and EWA.

Blenkinsop indicated the materials would be placed on the website.

Lamson thanked staff for their hard work and reports provided.

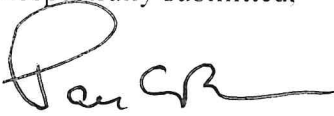
XVII. Adjournment:

Director Lamson **moved** the **motion** and Director Anderson **seconded to adjourn the Board meeting**. Meeting adjourned at **10:39 a.m.**

XVIII. Press Questions:

No comments from the press.

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 a long horizontal stroke at the end.

Paul E. Brean
Executive Director