

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

Thursday, October 20, 2022

Presiding: Stephen M. Duprey, 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; Michael R. Mates, Director of Engineering; Suzy Anzalone, Finance Director; Geno Marconi, Division of Ports and Harbors ("DPH") Director; Grant Nichols, Asst. Director of DPH; Scott DeVito, Pease Golf Course General Manager; Jessica Patterson, IT Administrator; Andrew Pomeroy, Manager, Aviation Planning & Regulatory Compliance; Chasen Congreves, Manager of Airport Administration and Raeline A. O'Neil, Legal Executive Assistant

I. Call to Order / Roll Call:

Chairman Duprey ("Duprey") called the roll and all Directors were in attendance; the meeting commenced at **8:38 a.m.**

II. Acceptance of Meeting Minutes: Board of Directors' Meeting of September 15, 2022

Director Anderson **moved** the **motion** and Director Ferrini **seconded** to **approve the minutes of the Pease Development Authority Board of Directors meeting dated Thursday, September 15, 2022.**

Discussion: Director Lamson ("Lamson") stated while the minutes reflect the letter Sue Reynolds of Rye Harborside provided to the Board, Lamson requested that the actual letter be appended to the September meeting minutes.

Director Ferrini **moved** the **motion** and Director Parker **seconded** to **amend the motion to reflect that the minutes append the letter from Sue Reynolds dated September 1, 2022.**

Disposition: Resolved by **unanimous** vote (7-0) for; motion **carried**.

III. Public Comment:

Representative Jackie Cali-Pitts ("Cali-Pitts) – Portsmouth – Spoke to stopping Million Air from putting the gasoline tanks in the wetlands. Cali-Pitts spoke to her concern of the water at Pease and stated not if, but when, there is a leak it going from Hodgdon Brook into North Mill Pond. Water is a finite resource and at any given time there could be a problem with water. Cali-Pitts requested the Board wait until the appeal (Wetlands) has been heard and thorough studies performed. Further asked in the meantime something could be worked around so the project does not have to cross the wetlands. Indicated she studied maps and while there is a way around, it is not convenient, but there is a way.

Dania Seiglie (“Seiglie”) – Spoke to being in opposition to the fuel farm proposed by Million Air and it is their only vested interest to protect the drinking water and to move Million Air to another site. Spoke to the likely impact this project will have on the downstream water quality, as well as impact in and around the Pease site itself. The Wetlands Council has been urged to stop the process and suggested there are safer sites available at Pease. Expressed concerns of a 90,000 gallon fuel tank being buried 100' from sensitive wetlands and that Million Air’s plans underestimate the actual wetlands’ size by more than 50% per a 2017 study. Seiglie spoke to the site not being adequate in size to allow emergency equipment to react quickly and effectively in the event a chemical spill occurs and that the wetlands are connected to the North Mill Pond by Hodgdon Brook (from there contamination could reach the Piscatqua River). She also spoke to a road through the wetlands and stated Million Air has dismissed environmental concerns. Seiglie stated they are not about stalling business, rather pro-business, as have suggested an alternative site for the project. Reminded the Board they represent PDA but also NH and urged the Board not to be bullied by a private jet conglomerate.

Roger Wiegley (“Wiegley”) – Spoke to the requirement that PDA obtain approval from FAA before commencement of the FBO operations. Indicated that every airport is required to have an FAA approved Layout Plan. Further stated PSM has an Ultimate Layout Plan dated February 2020 which shows the proposed FBO facility (fuel farm, facility and access road) which does not appear to have been [FAA] approved. Requested and received communications between PDA and FAA concerning a Layout Plan since 2010. Wiegley stated in 2021, PDA submitted changes to the 2010 Airport Layout Plan, but in its cover e-mail only described a building leftover from the Air Force that PDA was proposing to remove. FAA acknowledged receipt of the proposed changes to the Layout Plan and responded it has no authority under Part 163 to approve or disapprove the changes. Wiegley indicated prior to 2018, every change to an Airport Layout Plan had to be approved by the FAA; with the adoption of Part 163 it states FAA only has authority to approve Airport Layout Plan changes if there are safety issues or risk of a detrimental effect on federal investment in the airport. Wiegley spoke to the wording of the cover e-mail and stated under FAA internal guidance, any airport change which involves the movement or parking of aircraft raises safety issues. Further, the risk of detrimental effect on the federal investment would be the almost \$100 million the Air Force has performed in environmental reclamation. Wiegley stated in his opinion, the changes in the 2021 Airport Layout Plan submitted to the FAA, have to be approved by FAA. This would include a review under the National Environmental. Felt with Pease’s history, either an impact statement or an assessment would be performed, to include all federal / state agencies having an interest in environmental effects, not just the wetlands. Wiegley stated PDA should resubmit or alert the FAA that the 2021 Layout Plan proposed FBO facilities, fuel farm and access road.

IV. Committee:

A. Report:

1. Audit Committee

The Audit Committee previously scheduled for Monday, October 17, 2022, had been canceled.

V. Old Business:

A. Report:

**1. Aviation Avenue Group LLC – 100 New Hampshire Avenue – Presentation
(See Materials at V.B.1.)**

John Stebbins and John Kane spoke to this being the fourth time they have been before the Board with its initial investigation into air cargo and distribution. The intent pivoted in approximately June with the

removal of Hangar 277 location from the option. They investigated non-aeronautical uses on 100 New Hampshire Avenue and non-cargo uses on the North Apron; during that time the focus has been refined. Have explored the market for potential tenants, engaged expert consultants and held discussions with potential end users. As a result, not pursuing air cargo or traditional distribution at either location. Further, have been unable to locate an end user tenant for development on the North Apron and therefore have requested to terminate that Option Agreement.

Are focusing its efforts on the 100 New Hampshire Avenue location with advanced manufacturing (reshoring of manufacturing which had gone overseas) taking advantage of new technologies / robotics so the processes are less labor intensive. The logistics business of shipping from overseas has become problematic, putting pressure on companies to manufacture goods in the United States. There have been a number of projects on the construction side where there are large facilities heavily mechanized, with fewer and more highly compensated employees, these are the tenants who are interested in this project.

Kane spoke to going out to the market nine months ago with this site and that life sciences from Massachusetts have pushed a lot of distribution manufacturing in their direction; most all of the users have been from the Massachusetts area. Most users want to see the development / building underway (risk adverse). Kane spoke to the various phases; determined there is plenty of demand and are requesting to move forward.

Duprey stated the developers are going to build a spec manufacturing building and those who were worried about air cargo can breathe easy. Developers are asking to terminate the option for the North Forty and to partially terminate the other option by only doing the 100 NH and not 7 Lee Street. Duprey stated there is no wetland impact, no adverse impact, and a traffic study has been performed.

Director Anderson (“Anderson”) asked pending any approval what would the developers anticipate for timing. Stebbins indicated there is approximately six months left to the approval process, after approvals then would be design and approximately late spring / early summer before breaking ground with a completion date of twelve months out (2024). Anderson asked how long after that did the developers anticipate having a sufficient commitment from tenants; Kane indicated if the building were up now it would be leased, but the end users they have had discussions with think about four months out.

Lamson asked the number of employees at this facility; Stebbins indicated they are unsure at this time. Patrick Crimmins of Tighe & Bond, civil engineers for the project, stated the parking has been designed with 147 parking spaces (which is 1 space per 2,500 sq. ft.).

Director Fournier (“Fournier”) stated the number of jobs at this facility would be less than any of the concepts discussed before; Stebbins affirmed. Fournier indicated jobs were lost.

B. Approval:

1. Aviation Avenue Group LLC – 100 New Hampshire Avenue – Concept Approval and Amendment of Option Agreement

Director Fournier **moved** the **motion** and Director Levesque **seconded** that **the Pease Development Authority Board of Directors approves the concept plan for 100 New Hampshire Avenue as submitted by Aviation Avenue Group LLC for the development at 100 New Hampshire Avenue, and authorizes the Executive Director to execute any and all documents necessary to amend the Option Agreement**

between the PDA and Aviation Avenue Group LLC by terminating the agreement as it relates to 7 Lee Street, and to refund a pro rata share of the remaining option payment to Aviation Avenue Group LLC consistent with the amendment and partial termination; all in accordance with the memoranda of Paul E. Brean Executive Director dated October 13, 2022, and Michael R. Mates, Engineering Manager, dated October 13, 2022.

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

2. North Forty Group LLC – Termination of Option Agreement

Director Lamson moved the motion and Director Anderson seconded that the Pease Development Authority (“PDA”) Board of Directors authorizes the Executive Director to execute any and all documents necessary to terminate the PDA’s Option Agreement with North Forty Group LLC, and to return a pro rata portion of the Option Agreement payment for the remainder of the current option term; all in accordance with the memorandum from Paul E. Brean, Executive Director, dated October 13, 2022.

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

IV. Finance:

A. Executive Summary

Suzu Anzalone (“Anzalone”), Finance Director, spoke to the Executive Summary and stated there are no significant issues found during the first two months regarding the financial report that would challenge the budget. From a cash flow perspective there are no issues. Anzalone further indicated there are capital projects forecasted in the near future and does not anticipate any funding issues.

Anzalone briefly spoke to the adoption of GASB 87 and stated within the financial report it allows PDA to capture the value of all of its leases. This is seen in accounts receivable net and in non-current assets representing the present value of the cash flow expectations for all current / active leases and option periods. Further, under deferred inflows of resources is lease revenue representing the present value of all the revenue that PDA expects to get over the lifetime of the current leases and option periods.

Ferrini asked if the standard being adopted has a specific present value calculation percentage that must be adhered to, or is it market driven – how does it work? Anzalone stated the standard present value and the interest rate used was 3%.

Anzalone stated with GASB all of the leases are considered financing leases so they will be a regular revenue component and interest component.

Duprey asked if GASB helps; Anzalone stated it looks at all of the active leases and what expectations may be for the future active leases by putting a dollar value on it.

Lamson asked of utilities and where PDA stood; Anzalone indicated utilities (the electricity supply portion) are not being renewed at this time. Further she indicated she is working with the state to see if PDA can piggyback off the State’s contract. PDA will not start looking until sometime in February or March leaving it to float for a while. Anzalone indicated if PDA were to renew now, it would most likely get into a higher supplier rate for a period of time.

Director Parker (“Parker”) asked how businesses handle / plan for the skyrocketing utility rates to meet the demands. Fournier spoke to the Town of Newmarket’s budget ending in June 2024 and the need to try to predict energy costs out to then, ultimately it means there may be a need for necessary budget cuts if energy continues to go up.

Parker asked who Pease looks to as a source for credible information that will give us some hints on what the future will portray. Duprey spoke to the Administrative Services who buys fuel for the entire state as well as brokers shopping forward deals etc.

B. Reports:

- 1. FY2023 Financial Report for the Two Month Period Ending August 31, 2022**
- 2. Cash Flow Projections for the Nine Month Period Ending June 30, 2023**
- 3. Audit Summary and GASB 87 – Presentation by Berry Dunn**

Anzalone introduced Robert Smalley (“Smalley”) and Katie Balukus (“Balukus”) from Berry Dunn who provided highlights of the audit.

Smalley said coming out of the pandemic, its effects are uncertain. Smalley commended Anzalone and the Finance Department on the work performed as it was not a regular audit year. There were no audit adjustments; shows a great effort. Spoke to a monumental change this year and the incorporation of additional liabilities along with of pensions and OPEB. Further PDA benefited by GASB as it was able to put on receivables to offset liabilities which shows an accurate, strong, position. Further spoke to no corrected statements, no internal control findings and the fact that there were so many moving parts which challenged the Finance Department. Smalley spoke to new software and the lease functions it can perform and how leases are treated as debt.

Smalley spoke to the increase in assets and inflows which help to portray the financial picture for Pease, while the assets may not be the exact fair market value, it is close. He further spoke to interest income component and that the fiscal year 2021 GASB adjustment had a positive impact for Pease which is indicated in the net position (equity).

Fournier asked how much unrestricted net position / fund balance should PDA have or should it hold; Brean indicated historically it is around \$2 million, but it is anticipated with the Capital Improvement Plan, that number will decrease.

Duprey asked Smalley and Balukus for an organization’s financial wellbeing if it makes sense for this manner of accounting; Smalley indicated for many clients it does not, but for Pease it shows a better picture. Smalley indicated it allows PDA to show hundreds of millions of dollars in property value; not having it reflected on balance sheets doesn’t show things fairly.

Balukus spoke to various statement highlights and stated Berry Dunn has issued an unmodified opinion which means it is clean / highest audit opinion provided. Management is responsible for preparing, designing and implementing financial statements and internal controls. The auditors come into audit the financial statements and Pease did a great job providing accurate financial statements. The audit is designed to obtain reasonable assurance as 100% of the transactions are not tested. Balukus informed the Board there were four significant leases added in the fall of 2021 are a part of the long-term receivable as well as options which were

renewed and added. There has been a decrease in liabilities as compared to the prior year as a result of the completion of the harbor dredging project, pensions and other post-employment benefit liabilities due to market conditions. There was a decrease in non-operating income and expenses as compared to the prior year which is also related to the harbor dredging. Balukus informed the Board that the contributed capital referenced in the audit is the funding received for grant projects. She stated they did expect a decrease this year due to the completion of the runway project and the construction and maintenance at the Portsmouth harbors. The difference in the cash flow from last year to this year is reflective of the operating loss for harbor dredging.

C. Approval:

1. Certified Annual Financial Statements and the Uniform Guidance Audit of Federal Awards Update

Director Ferrini moved the motion and Director Fournier seconded that **the Pease Development Authority (PDA) Board of Directors accepts and approves 1.) receipt of the draft Certified Annual Financial Statements for the years ending June 30, 2021 and June 30, 2022, and the Uniform Guidance Audit of Federal Awards for the year ending June 30, 2022, both attached in draft form, all as otherwise prepared and submitted by PDA's independent auditor Berry, Dunn, McNeill and Parker, LLC; and 2.) authorizes the Executive Director to forward the Certified Financial Statements to the State of New Hampshire when final for inclusion in the Comprehensive Annual Financial Report.**

Discussion: None. Disposition: Resolved by unanimous (7-0) vote for; motion carried.

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

A. Approvals:

1. Lonza Biologics, Inc. – Parking License for 55 International Drive

Director Parker moved the motion and Director Lamson seconded that **the Pease Development Authority Board of Directors hereby authorizes the Executive Director to finalize and execute Amendment No. 11 to the Parking License Agreement with Lonza Biologics, Inc. for parking spaces located at 55 International Drive; extending the Agreement from November 1, 2022 through October 31, 2023; all in accordance with the draft License Agreement Amendment No. 11.**

Discussion: None. Disposition: Resolved by unanimous (7-0) vote for; motion carried.

2. WSP USA (Wood Environment & Infrastructure Solutions, Inc.) – 35 Airline Avenue

Director Levesque moved the motion and Director Parker seconded that **the Pease Development Authority Board of Directors hereby authorizes the Executive Director to execute a Right of Entry with WSP USA (fka Wood Environmental & Infrastructure Solutions, Inc.) for the premises located at 35 Airline Avenue from November 1, 2022 through May 31, 2023; all in accordance with the draft Right of Entry dated October 11, 2022.**

Discussion: None. Disposition: Resolved by unanimous (7-0) vote for; motion carried.

VI. Leases:

1. Report: Sublease between 222 International, Limited Partnership and the Housing Partnership – 222 International Drive

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

- 1. Tenant: The Housing Partnership
- Space: 222 International Drive
- Use: General Office
- Term: Three (3) years commencing October 1, 2022 with two (2) three (3) year options anticipated to be no later than August 1, 2022.

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 these instances, Director Lamson was consulted and granted her consent.

A. Approvals:

1. T-Aviation LLC – Skyhaven Airport – Exercise of last one year option

Director Fournier moved the motion and Director Lamson seconded that the Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to consent to T-Aviation, L.L.C.’s request to exercise its last one year lease extension option for the premises known as Hangar 5, including certain surrounding apron area, located at Skyhaven Airport (DAW), through October 31, 2023; substantially in accordance with the memorandum from Andrew Pomeroy, Manager, Aviation Planning and Regulatory Compliance, dated October 11, 2022.

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

2. Seacoast Newspaper, Inc. – 111 New Hampshire Avenue –Special Exception’ Application and Lease Amendment

Director Ferni moved the motion and Director Fournier seconded that the Pease Development Authority Board of Directors hereby approves of and authorizes Seacoast Newspapers, Inc. (“Seacoast) and/or Optima Dermatology Partners LLC to submit an application for a Special Exception to permit testing laboratories and facilities as a permitted use at 111 New Hampshire Avenue, and authorizes the Executive Director to negotiate and finalize a Lease Amendment with Seacoast to permit testing laboratories and facilities as a permitted use at the premises at 111 New Hampshire Avenue, conditioned upon the granting of the Special Exception; all otherwise on terms and conditions substantially similar to those set forth in the memorandum from Michael R. Mates, Engineering Manager, dated October 6, 2022, and draft lease Amendment No. 1.

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

VII. Contracts:

A. Approvals:

1. Portsmouth International Airport at Portsmouth - Digital Communications Radios

Director Lamson moved the motion and Director Fournier seconded that the Pease Development Authority Board of Directors approves of and authorizes the Executive Director to enter into a contract with Motorola, for the purchase of four (4) portable radios at a cost not to exceed \$10,610.80; all in accordance with the memorandum of Chasen Congreves, Manager of Airport Administration, dated October 11, 2022, attached hereto.

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.

Discussion: None. Disposition: Resolved by unanimous roll call (7-0) vote for; motion carried.

2. Piscataqua Landscaping and Tree Service, LLC – Landscaping / Snow Removal – Option Exercise and Rate Increase

Director Levesque moved the motion and Director Lamson seconded that the Pease Development Authority (“PDA”) Board of Directors authorizes the Executive Director to exercise the last one-year option to renew the contract with Piscataqua Landscaping and Tree Service, LLC, effective November 1, 2022, for the purpose of providing landscaping, tree, and snow removal services to the PDA, and approves the price increases for certain provided services; all in accordance with the memorandum of Ken Conley, Maintenance Manager, dated October 13, 2022.

Discussion: None. Disposition: Resolved by unanimous (7-0) vote for; motion carried.

X. Signs:

A. Reports:

- 1. Lonza Biologics, Inc. – 164 Corporate Drive**
- 2. RafterOne – 75 New Hampshire Avenue**

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

1. Entity: Lonza Biologics
Location: 164 Corporate Drive
Summary: Modification of the existing monument sign at the entrance as well as the building façade sign to reflect the change in tenancy to Lonza.
2. Entity: RafterOne (fka Pixelmedia)
Location: 75 New Hampshire Avenue
Summary: Modification of the existing sign, utilizing the same monument sign base and the installation of new panels reflecting the name change to RafterOne.

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 this instance, Director Fournier was consulted regarding the sign changes.

B. Approvals:

1. City of Portsmouth Water Treatment Plant – 97 Grafton Drive

Director Anderson moved the motion and Director Fournier seconded that **the Pease Development Authority Board of Directors hereby approves of the addition of a 5.7 square foot sign below the address of the City of Portsmouth’s ground sign at 97 Grafton Drive; all in accordance with the memorandum of Michael R. Mates, P.E., Engineering Manager dated October 11, 2022.**

Discussion: Fournier asked why this sign needed approval and the other two were reports; Anthony I. Blenkinsop (“Blenkinsop”), Deputy Director / General Counsel indicated this was an addition to existing signage and the two reports were in-kind changes.

Disposition: Resolved by unanimous (7-0) vote for; motion carried.

XI. Executive Director:

A. Reports:

1. Golf Course Operations

EJ Chea (“Chea”) Pease Golf Course (“PGC”) Head Superintendent recapped information contained on the PGC slide in the Board packet. Chea indicated the Golf Course is up across the board (food / beverage, golf rounds and simulator numbers) and as of the 19th, the course is 1,000 rounds away from its all-time record with still six weeks to go. Chea indicated it is a benchmark that the course will be “put to bed” on December 1st. Further the simulator league is full and has already commenced and Grill 28 continues to trend up. The last outing was on Saturday (10/15) and after that the tent and awnings will be removed. Chea stated that staffing on the golf course (interior and exterior) were great and that overall it has been a great year.

Duprey asked Chea where PGC with respect to water; Chea indicated first bill was received in September and thinks the course will be right where it normally ends each year. Chea indicated with it being a drought year PGC did very extremely well managing its resources.

Anderson asked if there will be considerable capital improvement at the course with irrigation; Chea affirmed and further stated the design and concept of it has been submitted to Toro, supplier of all of PGC’s irrigation products. This would not be a full 27 hole redo, so will work with Toro to make sure system communicates throughout the course. After would be the design of the implementation of where the piping and sprinkler heads would go and hopes to have an update to provide to the Golf Committee at its November meeting. Chea indicated PGC is looking to replace the irrigation [70+ yrs. old] on the upper nine, the original 1901 golf course. The replacement of the 75+ year irrigation system in this area should make PGC more efficient in water use from what it has to work with, currently.

Parker asked of the forecast for the next season with demand as far as rounds etc.; Chea responded if the weather cooperates we would be back where we are next year. Further, PGC has a wait list for membership and typically after an outing / tournament PGC receives a follow-up e-mail wanting to book for next year. Chea stated the price is right, it is a good product and course is fantastic.

Fournier complimented PGC as he had played it recently and it has been the best course he has been on this year.

Anderson indicated PGC continues to exceed expectations and asked if there were any planning projections on what its limits are; Chea indicated he and Scott DeVito PGC General Manager have met already over next year's schedule and are pretty close to maximized on outing events and it would be tough for PGC to have a large 150 player outing looking at the current calendar.

Ferrini indicated prior to COVID the golf industry was under pressure which seems to have changed since COVID and was wondering if this is true across the board industry wide. Chea affirmed; and further stated with the work done at the State level, PGC was able to return as of May 11, 2020.

2. Airport Operations

a) Portsmouth International Airport at Pease (PSM)

Brean stated September is historically the slowest month at the terminal, but there were 4,600 passengers who passed through the terminal bringing total enplanements to 66,000 (it is anticipated will surpass last year's activity). There were approximately 455 transactions for revenue parking. Brean stated that anyone who had been impacted due to the hurricane were only charged on original itinerary due to delays in / out of Florida.

There were 1.1 million gallons of fuel sold represented by 69% of CRAF and DOD; 12% Commercial and 19% General Aviation. Brean highlighted an uptick in great bulk technical stops which is large ad hoc cargo, specifically see the commercialization of the NASA program is bringing in equipment and supplies from Europe. Brean stated that Port City Air ("PCA") is marketing PSM as having the capability to handle technical stops such as these with its ramp space.

There were three Allegiant flights impacted due to the hurricane, Punta Gorda was impacted extensively by the storm, but its airport was able to get up in running after two days.

Brean spoke to Dan Fortnam, PDA's Air Service Consultant, is at the Root's Convention in Las Vegas and he has had several discussions with Allegiant and they are happy with the performance at PSM.

Customs and Board Patrol ("CBP") are struggling with staffing and budgets. Therefore, CBP have denied some afterhours access at PSM due to budgetary constraints. PDA is trying to working locally with them but there have been aircraft diverted to other airports due to lack of funding afterhours. PSM has been trying to work on solutions so flights to other airports are not diverted.

Parker asked where the flights are being diverted; Brean indicated Bangor and some other entities.

Anderson asked what factor PCA plays into marketing with respect to the technical stops; Brean indicated he is confident PCA is marketing towards corporate / general aviation / ad hoc cargo / air service development to bring entities to PSM.

b) Skyhaven Airport (DAW)

c) Noise Line Report

(i) September, 2022

Brean indicated PSM received one noise complaint in September, 2022, when Runway 34 was in use. The complaint was regarding two based aircraft flying into Portsmouth International Airport; the concern was about nighttime flying in general. PSM's Operation Specialist McDonough met with the chief pilot at PlaneSense and discussed the concern received / community noise sensitivity.

B. Approvals:

1. Bills for Legal Services

Director Parker **moved** the **motion** and Director Ferrini **seconded** that **the Pease Development Authority ("PDA") Board of Directors approves of and authorizes the Executive Director to expend funds in the amount of \$236.00 for legal services rendered to the Pease Development Authority from Anderson Kreiger as outside counsel for Federal Regulatory Advice from August 1, 2022 through August 31, 2022.**

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

2. Northeast Chapter of AAAE – 2024 Annual Conference – PSM Host Sponsorship

Director Ferrini **moved** the **motion** and Director Parker **seconded** that **the Pease Development Authority ("PDA") Board of Directors hereby authorizes the Executive Director to enter into an agreement with the Northeast Chapter of AAAE to be the host airport of its 2024 Annual Conference on a date yet to be determined in 2024 and to be the premier sponsor for a fee up to \$60,000; all in accordance with the memorandum from Paul E. Brean, Executive Director, dated October 5, 2022.**

Discussion: Anderson asked of the selection process to showcase the facility and if it is an annual event. Brean affirmed it is annual and the most attended conferences have been in coastal communities and there is a desire to bring it back to New England.

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

3. New Positions - PDA Director of Operations & Executive Administrative Assistant

Director Levesque **moved** the **motion** and Director Lamson **seconded** that **in accordance with the provisions of Section 3.11 of the Second Amendment to By-Laws of the Pease Development Authority ("PDA"), the PDA Board of Directors hereby approves of and authorizes the Executive Director to create and fund, two full-time benefited positions: 1.) a PDA Director of Operations; and 2.) an Executive Administrative Assistant; all in accordance with the memorandum of Paul E. Brean, Executive Director, dated October 12, 2022.**

Discussion: Anderson asked in the future to view the administrative flow chart so the Board can view the placement of positions. Brean stated these positions would have an update to the organization chart. PDA is strengthening job positions; the two new positions will have increased job responsibilities with internal candidates to move into those positions. Brean briefly provided the Board with information regarding the two positions and the additional responsibilities. The funding for these positions is in the FY23 Operating Budget and does not see a financial component but rather allows individuals to ascend into positions to provide them with the titles for the jobs they are performing.

Lamson asked of hiring a new part-time receptionist; Brean stated the current receptionist, has 50% of her time designated to Accounts Payable. There are additional financial roles she can be tasked with and the intent would be to move her into a funded position in Finance. Would backfill her position with an entry level administrative assistant / receptionist. Lamson asked what this would entail; Brean indicated the ultimate goal would be a fulltime position, but would onboard initially as a part-time position. Lamson asked the number of hours initially the position would be for; Brean stated approximately 20 hours.

Anderson asked if the Director of Operations would be an in-house position; Brean spoke to the Manager of Administrative Services at the Airport and that individual has taken on a role beyond the airport by supporting other units. PDA has a portfolio of 60 buildings, 250 companies and 12 of those buildings are directly lessee's of PDA, there is more of a need to collaborate with the City of Portsmouth on Special Events outside of the airport. Anderson asked if it would be an in-house promotion; Brean affirmed.

Duprey stated they are being provided a title commensurate with what they are already doing.

Lamson commended Brean for having the positions filled from in-house.

Disposition: Resolved by **unanimous** (7-0) vote for; motion **carried**.

XII. Division of Ports and Harbors:

A. Reports:

- 1. Port Advisory Council Meeting Minutes of June 14, 2022**
- 2. Port Advisory Council Meeting Minutes of September 14, 2022**

Geno Marconi ("Marconi"), Division of Ports and Harbors ("DPH") Director, stated the Board had in its packet the minutes of the Port Advisory Council ("PAC") meeting of June 14, 2022 and September 14, 2022 in order for the Board to be kept aware of the Council's activity.

Levesque brought to Marconi's attention that on page 4 (Recreational Piers) of the September 14, 2022 meeting, there seems to be some missing content. Marconi indicated he would look into this and have it corrected.

Levesque asked when the next PAC meeting was scheduled for; Marconi stated PCA meets the second Wednesday of the month.

3. Portsmouth Fish Pier Borings and Sampling - Fuel System

In 2019, when the seawall failed, the fuel system which ran along the seawall was a concern regarding further failure of the wall which would impact the fuel system. As a means to avoid a spill the system was shut down and purged. The necessary closure forms were not on file with DES; once filed were informed of the need to perform soil samples on existing soils comingled with clean embankment gravel brought in for the base for the fuel lines. Were informed the samples needed to be below into soils that had not been touched during excavation. Approval was received from Director Ferrini and Executive Director Brean and the system has been closed out to the satisfaction of the State.

Duprey asked of the samples; Marconi stated they came back fine.

Levesque asked if it normally would be PDA's responsibility to obtain the permit or contractor; Marconi stated as the property owner it would be PDA's responsibility.

Anderson asked if the submission of forms with DES were a contractual obligation of Appledore; Marconi indicated it was not as it was a **miscommunication** with the fuel system contractor.

Brean reminded the Board that this was an emergency failure when the fuel line was initially shut off because the sheet panel failed during a storm surge.

Marconi updated the Board regarding the Main Terminal Rehab displaying photos of the ongoing project.

Marconi also informed the Board that the floating docks in Rye have been removed and the Hampton floating docks will be removed November 10th as there are still four party boats operating until roughly November 1st.

Duprey asked if the Offshore Wind project that is being discussed will amount to much for DPH; Marconi stated there are many components to the project; DPH has physical limitations in the harbor. Normandeau Associates has been hired by NH Department of Energy to do a study on what is out there that [State / DPH] could possibly be involved with.

Anderson spoke of a recent symposium regarding the Offshore Wind project and asked if there were any boat tours which were conducted with the symposium; Marconi indicated DPH did assist with the tours and there were approximately 25/30 people who toured the river.

Marconi stated there was a second virtual symposium where DPH presented a PowerPoint presentation and talked about DPH's capabilities.

XIII. New Business:

A. Report:

- 1. 231 Corporate Drive LLC – 231 Corporate Drive – Presentation (See Materials at XIII. B.1.)**

Director Levesque left the meeting at 10:20 a.m.

Brean indicated **representatives** from Ethos were in the audience and available to speak to the request and answer any questions of the Board.

B. Approvals:

- 1. 231 Corporate Drive LLC – 231 Corporate Drive – Concept Approval**

Director Lamson **moved** the **motion** and Director Fournier **seconded** that **the Pease Development Authority ("PDA") Board of Directors approves the concept plan for 231 Corporate Drive as submitted by 231 Corporate Drive LLC for the redevelopment at 231 Corporate Drive; all in accordance with the memorandum of Michael R. Mates, Engineering Manager, dated October 19, 2022.**

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

Director Levesque returned to the meeting at 10:21 a.m.

2. Lonza Biologics, Inc. –Soils Relocation

Director Fournier **moved** the **motion** and Director Lamson **seconded** that the Pease Development Authority (“PDA”) Board of Directors authorizes Lonza Biologics, Inc. (“Lonza”) to relocate approximately 25 cubic yards of chlordane impacted soil from the café expansion project at 101 International Drive to the Iron Parcel soils management area at 70/80 Corporate Drive, without otherwise triggering the rent escalation provisions of Article 4.B of the lease agreement between the PDA and Lonza; all in accordance with the memorandum of Jared Sheehan, Environmental Compliance Coordinator, dated October 18, 2022.

Discussion: Duprey stated PDA is not making Lonza pay rent to store soils at a different location until it is ready to build on that parcel.

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

XIV. Special Event:

XV. Upcoming Meetings:

Golf Committee	November 14, 2022 @ 8:30 a.m.
Finance Committee	November 14, 2022 @ 9:00 a.m.
Board of Directors	November 17, 2022 @ 8:30 a.m.

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

XVI. Directors’ Comments:

Brean indicated that Commissioner Sheehan from the Department of Transportation has resigned from her position and stated she was an incredible ambassador for PSM and will be missed.

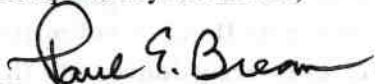
XVII. Adjournment:

Director Levesque **moved** the **motion** and Director Anderson **seconded** to adjourn the Board meeting. Meeting adjourned at **10:23** a.m.

XVIII. Press Questions:

No comments from the press.

Respectfully submitted,



Paul E. Brean

Executive Director

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