

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

Thursday, March 14, 2019

Presiding: Kevin H. Smith, Chairman
Present: Peter J. Loughlin, Vice Chairman; John P. Bohenko; Margaret F. Lamson; Neil Levesque and Franklin G. Torr
Via Telephone: Robert A. Allard, Treasurer;
Attending: David R. Mullen, Pease Development Authority (“PDA”) Executive Director; Lynn M. Hinchee, PDA Deputy Executive Director and General Counsel; PDA staff members; members of the public.

I. Call to Order

Chairman Smith called the meeting to order at 8:04 a.m. in the Board conference room on the Pease International Tradeport at 55 International Drive, Portsmouth, New Hampshire.

Note: Due to Director Allard’s participation by telephone, all votes will be taken as roll call votes.

II. Acceptance of Minutes: January 17, 2019

Director Lamson moved and Director Bohenko seconded that **The Pease Development Authority Board of Directors hereby accepts the minutes of the January 17, 2019 Board meeting.** Discussion: None. Disposition: Resolved by unanimous roll call vote for; motion carried.

III. Public Comments

There were no public comments.

Director Lamson informed the Board about a presentation concerning the mitigation of the Haven Well. Director Bohenko confirmed that the City of Portsmouth (“COP”) is working on a wastewater treatment (“WTP”) plant, on Grafton Drive. In conjunction with the WTP and in agreement with COP, the Air Force is constructing the AMIS building across the road from the WTP to deal with recharging the aquifer. The Air Force has agreed to pay for the construction of the AMIS building at a projected cost of \$14 million. Director Lamson confirmed that the AMIS building was built by the Air Force at no cost to COP ratepayers. General Counsel Lynn Hinchee indicated that the clean-up program is a two part program between COP and the Air Force and reviewed the ongoing process to recharge the aquifer.

IV. Old Business

A. Approvals

1. 100 New Hampshire Avenue – Option Extension and Concept Plan

Director Torr moved and Director Levesque seconded that **The Pease Development Authority Board of Directors (“Board”), authorizes the Executive Director to extend the Option previously approved by the Board on June 21, 2018, with Two International Group, LLC for the premises located at 100 New Hampshire Avenue from March 15, 2019 to April 30, 2019; all in accordance with the Memorandum from Lynn Hinchee, PDA General Counsel, to David R. Mullen, Executive Director, dated March 11, 2019 attached hereto. Note: Roll Call vote required.** Discussion: None. Disposition: Resolved by unanimous roll call vote for; motion carried.

2. Lonza Biologics – Waiver of Site Plan Regulations

Director Levesque moved and Director Torr seconded that **The Pease Development Authority Board of Directors hereby approves of and authorizes:**

- a. that a waiver to Part 407.01(a) of the PDA Land Use Controls be granted to Lonza Biologics, Inc. (“Lonza”) to allow a one (1) year extension from the date of the deadline to obtain a building permit; and
- b. that in accordance with PDA Land Use Controls Part 304-A.08(g), Lonza be granted an extension of its Conditional Use permit for up to one (1) additional year;

all in accordance with the terms and conditions set forth in the memorandum from Maria J. Stowell, P.E. Manager - Engineering, and Lynn Hinchee, PDA General Counsel, dated March 6, 2019 attached hereto. Discussion: None. **Disposition:** Resolved by unanimous roll call vote for; motion carried.

3. Happy Dreams, LLC/Resport, LLC – 1 International Drive

Director Loughlin moved and Director Lamson seconded that **The Pease Development Authority Board of Directors hereby:**

- a. authorizes the referral of the Variance Application by Happy Dreams, LLC/Resport, LLC to the Portsmouth Board of Adjustment for its administration and recommendation; and
- b. authorizes the Executive Director to complete negotiations and to execute an amendment to the Resport, LLC Sublease dated December 9, 1997 to incorporate a revised plan of the Subleased Premises, as required;

all in accordance with the memorandum from Maria J. Stowell, P.E., Manager – Engineering and Lynn Hinchee, PDA General Counsel, dated March 4, 2019 and attached hereto. Discussion: None. **Disposition:** Resolved by unanimous roll call vote for; motion carried.

V. Finance

A. Financial Reports

1. Operations Results for 7 Month Period Ending January 31, 2019

Irv Canner, PDA Director of Finance, reported on the status of the PDA FY 2020 finances for the seven month period ending January 31, 2019, including variances in revenues and operating. Mr. Canner reviewed: pay for parking revenues; fuel flowage fees; PDA staffing and legal expenses. A review of the business units for the period showed that: PSM enplanements through end of February were 21,000 which is above last year; Skyhaven Airport’s in line with the current budget; Golf Course operating revenues, simulator revenues, and bar and grill sales are ahead of the same period last year; and DPH revenues are ahead of projected revenues due, in part to increased fuel revenues.

2. Nine Month Cash Flow Protections to November 30, 2019

Mr. Canner reviewed PDA cash flow projections for the nine month period ending November 30, 2019 including sources of funds for grant funded and non-grant funded projects. Mr. Canner reported on the variances in the unrestricted cash balances for PDA facilities for the period. Director Levesque asked

Geno Marconi, Director of Ports and Harbor, about the Harbor Dredging Program and the process with the Army Corp of Engineers for the dredging of the Hampton and Rye Harbors.

Note: Director Bohenko left the meeting at approximately 8:28 a.m. and returned at approximately 8:31 a.m.

VI. Residential Housing Study Committee Report

Chairman Smith deferred to General Counsel Lynn Hinchee as he arrived late to the scheduled meeting on February 21, 2019. Atty. Hinchee indicated good participation at the meeting, but little consensus. Individuals spoke to the need for low income/subsidized housing; family housing; housing for hospitality industry workers; and downsizing families. The March meeting was canceled and the April meeting rescheduled for Thursday, April 18th, at 11:30 a.m., after the Board meeting. Contact has been made with a current developer at the PDA, Chad Kageleiry, to attend the April Residential Housing Study Committee meeting.

VII. Licenses/ROE/Easements/Rights of Way/Options

A. Approvals

1. Wood Environmental & Infrastructure Solutions, Inc. – ROE

Director Allard moved and Director Torr seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to execute a Right of Entry with Wood Environmental & Infrastructure Solutions, Inc. (fka AMEC Foster Wheeler Environment & Infrastructure, Inc.) for the premises located at 35 Airline Avenue from the retroactive date of January 1, 2019 through December 31, 2019; all in accordance with the Right of Entry dated February 5, 2019 attached hereto. Discussion: None. Disposition: Resolved by unanimous roll call vote for; motion carried.**

2. New England Aerobatic Club – ROE

Director Lamson moved and Director Loughlin seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to execute a Right of Entry with New England Aerobatic Club for the purpose of holding periodic airplane aerobatic practices at Skyhaven Airport through December 31, 2019; all in accordance with the Memorandum from Andrew Pomeroy, Airport Operations Manager, dated March 5, 2019 attached hereto. Discussion: None. Disposition: Resolved by unanimous roll call vote for; motion carried.**

VIII. Leases

In accordance with the “Delegation to Executive Director: Consent, Approval of Sub-sublease Agreements,” Mr. Mullen reported on the following subleases:

A. Reports

1. Two International Group, LLC

Mr. Mullen reported that Two International Group, LLC entered into subleases with: Market Street Trust Company for 2,488 square feet within the leased premises at 2 International Drive (Suite 301), for a period of 7 years; and Amadeus Hospitality Americas, Inc. for 13,417 square feet within the leased premises at 2 International Drive (Suite 260), for a period of 6 years. Both premises will be used for office and related uses. Director Lamson approved the subleases.

IX. Contracts/Agreements

A. Approvals

1. Dan Fortnam – Consulting Agreement

Director Bohenko moved and Director Torr seconded that **The Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to enter into Amendment No. 12 to extend the Consulting Agreement with Daniel Fortnam from April 1, 2019 through September 30, 2019 with one (1) option to extend through March 31, 2020, exercisable at the Executive Director’s sole discretion; all in accordance with the Memorandum of Paul E. Brean, Airport Director, dated March 5, 2019 attached hereto. Discussion: None. Disposition: Resolved by unanimous roll call vote for; motion carried.**

2. Fire Alarm & Sprinkler System Maintenance Contract

Director Torr moved and Director Lamson seconded that **The Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to enter into a Fire Alarm and Sprinkler System Maintenance Contract with Norris, Inc. of South Portland, Maine for a three year period at the cost of \$12,369.00 per year; and two (2) one (1) year options to extend on mutually agreeable terms and conditions to be exercised at the sole discretion of the PDA Board of Directors in accordance with their procurement regulations; all in accordance with the Memorandum of Paul E. Brean, Airport Director, dated March 5, 2019 attached hereto. Discussion: None. Disposition: Resolved by unanimous roll call vote for; motion carried.**

X. Executive Director’s Reports/Approvals

A. Reports

1. Golf Course Operations

Scott DeVito, General Manager, reported on the activities at the Golf Course, including the simulator; POS/Online reservations for the upcoming season of tee times; the return of 8 leagues; have 4,000 tournament rounds pre-booked; anticipate opening of the driving range on the last Friday of March; anticipated the upper 9 being open date of April 1st; return of season staff; and discussion concerning membership enrollment.

2.A. Airport Operations

Paul E. Brean, Airport Director, reported on aviation activities.

a. Portsmouth International Airport at Pease (PSM)

The number of enplanements as of February was 20,000, an increase from the same period last year. The number of passengers were between commercial passenger flights and troop passengers. Director Brean provided additional information concerning the commercial flights and Planesense and its operation at the airport.

b. Skyhaven Airport (DAW)

Mr. Brean reported that PDA has entered into a Right of Entry for Hangar 5 which will be turned into a lease. The Wings and Wheels fundraiser that is supported by the Rochester Police Department and the Rochester Rotary will be held on June 1, 2019.

c. Noise Line Report

There were a total of 3 noise inquiries at PSM during the month of February. 2 inquiries regarding rotor activities originating from downtown Portsmouth; and 1 inquiry regarding fixed wing activities from an Eliot residence.

2.B. Approvals

a. Airport Joint Use Agreement

Director Allard moved and Director Lamson seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to complete negotiations with the United States of America National Guard Bureau and the State of New Hampshire; and to execute the Airport Joint Use Agreement (“AJUA”) on substantially similar terms and conditions set forth in the draft AJUA attached hereto. The Agreement shall be effective for a 10 year term beginning retroactively on October 1, 2018 through September 30, 2028. Discussion: None. Disposition: Resolved by unanimous roll call vote for; motion carried.**

B. Approvals

1. Bills for Legal Services

Director Loughlin moved and Director Torr seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to expend funds up to \$80,415.00.00 for the following legal services rendered for the Pease Development Authority:**

1.	Kutak Rock, LLP		
	Through December 31, 2018	<u>\$ 410.00*</u>	
			\$ 410.00
2.	Sheehan Phinney Bass & Green		
	Through December 31, 2018	\$57,298.00	
	Through January 31, 2019	<u>\$22,707.00</u>	
			\$80,005.00
		Total	<u>\$80,415.00</u>

*The balance will be paid by the City of Portsmouth.

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

XI. Division of Ports and Harbors

Geno J. Marconi, Division Director of the Division of Ports and Harbors (DPH), reported on Division activities, and the approvals sought before the Board represent the current business at the Division of Ports and Harbors (“DPH”).

A. Reports

1. Port Advisory Council

Geno Marconi, Division Director, reported that the Port Advisory Council (“PAC”) met on January 9, 2019. Roger Groux was elected Chairman of the PAC.

2. DMV Commercial Registration Days

Mr. Marconi reported that in an effort to coordinate the necessary registration of commercial fishing that there was a coordinated effort to have all entities in a single location to assist with the necessary forms required for permitting. Mr. Marconi also spoke to the safety hoist forms being handed out to users which are required for the public’s use of the hoist.

3. Black Dog Divers – Berth Inspection

Mr. Marconi reported that there due to a build-up of sand in the river near the Market Street Terminal area DPH contracted with Black Dog Divers to perform an inspection of the area. Mr. Marconi indicated that due to the build-up incoming ships are required to lessen ships’ loads.

4. Appledore Marine Engineering, Inc. – Hydrographic Survey

Mr. Marconi reported that PDA contracted Appledore Marine Engineering, Inc. (PDA’s on-call marine engineering provided) to perform a survey of the riverbed area where the sand is building up for further consideration.

5. Appledore Marine Engineering, Inc. – Floating Dock Repairs

Mr. Marconi reported that PDA contracted with Appledore Marine Engineering, Inc. to provide drawings and an estimate of expenditures associated with the repair of the floating docks located in Hampton Harbor and the Portsmouth Fish Pier.

6. Commercial Mooring Transfers

Mr. Marconi reported that in accordance with the “Delegation to Executive Director: Consent, Approval and Execution of Mooring Permit Transfers“, commercial moorings were transferred for:

	<u>Permit</u>	<u>Business</u>	<u>Date of Approval</u>
Seabrook Harbor Transferor: Transferee:	No. 1881 Charles Felch Francis Moge	Commercial Fishing	2/12/19
Seabrook Harbor Transferor: Transferee:	No. 431 Charles B. Knowles, Jr. Roger Ford, Jr.	Commercial Fishing	1/24/19
Rye Harbor Transferor: Transferee:	No. 7180 William Wagner Henry Lothrop	Commercial Fishing	2/6/19

B. Approvals

1. Hampton/Seabrook Harbor Maintenance Dredging Project

Director Bohenko moved and Director Loughlin seconded that the Pease Development Authority Board of Directors hereby authorizes the Executive Director to, subject to funding of the project to execute the Memorandum of Agreement (“MOA”) with the Department of the Army for the dredging of the State Anchorage area in Hampton Harbor and to facilitate access to and the use of State lands and private property in support of the Department of the Army’s Hampton / Seabrook Harbor Maintenance Dredging Project.

Further, the Board hereby authorizes the Director of the Division of Ports and Harbors to submit a request to the Capitol Budget Overview Committee, if required, for the purpose of seeking the release of the \$137,500 from the Harbor Dredging and Pier Maintenance Fund and expend said funds for the dredging of the State Anchorage; all in accordance with the memorandum from Geno Marconi, Division Director, dated March 8, 2019. Discussion: None. Disposition: Resolved by unanimous roll call vote for; motion carried.

2. Cornell University/Shoals Marine Lab – ROE Extension

Director Lamson moved and Director Torr seconded that the Pease Development Authority Board of Directors hereby authorizes the Executive Director to execute Amendment No. 10 to Right of Entry for Non-Exclusive Use of Parcel A-2 and Burge Wharf by Cornell University - Shoals Marine Lab for the purpose of extending the Right of Entry for a period of five (5) years from April 1, 2019 through March 31, 2024; all in accordance with the terms and conditions contained in the Memorandum of Geno J. Marconi, Division Director, dated February 21, 2019. Discussion: None. Disposition: Resolved by unanimous roll call vote for; motion carried.

3. Star Island Corp. – Extension Right of Entry

Director Levesque moved and Director Loughlin seconded that the Pease Development Authority Board of Directors hereby authorizes the Executive Director to execute Amendment No. 11 to Right of Entry for Non-Exclusive Use of Parcel A-2 and Burge Wharf by the Star Island Corporation for the purpose of extending the Right of Entry for a period of five (5) years from April 1, 2019 through March 31, 2024; all in accordance with the terms and conditions contained in the Memorandum of Geno J. Marconi, Division Director, dated February 13, 2019. Discussion: None. Disposition: Resolved by unanimous roll call vote for; motion carried.

4. Isles of Shoals Steamship Co. – Lease Extension

Director Allard moved and Director Loughlin seconded that the Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to enter into a Lease Extension with the Isles of Shoals Steamship Company for the premises located at the Market Street Terminal known as the Barker Wharf for a period of five (5) years retroactively effective January 1, 2019; all in accordance with the terms and conditions set forth in the memorandum of Geno J. Marconi, Division Director, dated March 5, 2019. Discussion: None. Disposition: Resolved by unanimous roll call vote for; motion carried.

5. Mooring and Waitlist Fees

Director Torr moved and Director Bohenko seconded that the Pease Development Authority Board of Directors hereby adopts the Final Proposed Schedule of Mooring and Waitlist Fees (attached hereto) effective April 1, 2019; all in accordance with the Memorandum of Geno J. Marconi, Division Director, dated February 21, 2019. Discussion: None. Disposition: Resolved by unanimous roll call vote for; motion carried.

6. PDA 500 – Initial Proposal

Director Bohenko moved and Director Loughlin seconded that in accordance with the recommendation of the Port Advisory Council, the Pease Development Board of Directors hereby approves the Initial Proposal for the re-adoption with amendments to Administrative Rules PDA 500 Moorings and Anchorages.

Further, the Board authorizes the Division Director to take any necessary or recommended action in furtherance of this matter; all in accordance with the Memorandum of Geno Marconi, Division Director, dated March 7, 2019. Discussion: None. Disposition: Resolved by unanimous roll call vote for; motion carried.

7. PDA 300 – Conditional Approval

Director Loughlin moved and Director Torr seconded that In accordance with the provisions of RSA 541-A, Administrative Procedure Act, the PDA Board of Directors hereby amends PDA 300 Pilots and Pilotage as conditionally approved by the Joint Legislative Committee on January 18, 2019 and adopts the Conditional Approval Response attached hereto;

Further, the PDA Board of Directors hereby authorizes the Division Director to take any necessary or recommended action in accordance with RSA 541-A, in furtherance of this matter; all in accordance with the Memorandum of Geno Marconi, Division Director, dated March 5, 2019. Discussion: None. Disposition: Resolved by unanimous roll call vote for; motion carried.

XII. New Business

There was no new business.

XIII. Upcoming Meetings

Chairman Smith reported that the following meetings will be held:

Port Committee Meeting	April 4, 2019	@ 8:00 a.m. DPH Offices
Audit Committee	April 15, 2019	@ 8:00 a.m.
Golf Committee	April 15, 2019	@ 8:30 a.m.
Finance Committee	April 15, 2019	@ 9:00 a.m.
Board of Directors	April 18, 2019	@ 8:00 a.m.
Residential Housing Study Comm.	April 18, 2019	@TBD

All meetings begin at 8:00 a.m. unless otherwise posted.

XIV. Directors' Comments

Director Lamson indicated the Town of Newington (TON) had elections earlier this week and that Selectman Marconi was re-elected and that Selectman Latchaw is the TON Liaison to PDA.

XV. Non-Public Session

Director Levesque moved and Director Lamson seconded that **The Pease Development Authority Board of Directors will enter non-public session pursuant to:**

1. **NHRSA 91-A:3, Paragraph II(a) the dismissal, promotion, or compensation of any public employee or the disciplining of such employee, or the investigation of any charges against him, unless the employee affected (1) has a right to a meeting and (2) requests that the meeting be open, in which case the request shall be granted;**
2. **NHRSA 91-A:3, Paragraph II(b) for the purpose of discussing the hiring of a public employee;**
3. **NHRSA 91-A:3, Paragraph II(c) for the purpose of discussing matters which, if discussed in public, would likely affect adversely the reputation of any person, other than a member of the body or agency itself, unless such person requests an open meeting;**
4. **NHRSA 91-A:3, Paragraph II(d) for the consideration of the acquisition, sale or lease of property;**
5. **NHRSA 91-A:3, Paragraph II(e) for consideration or negotiation of pending claims or litigation which has been threatened in writing or filed against the body or agency or any subdivision thereof, or against any member thereof because of his or her membership in such body or agency, until the claim or litigation has been fully adjudicated or otherwise settled.**

Note: Roll Call Vote Required. Discussion: None. Disposition: Resolved by unanimous vote; motion carried. The Board entered into non-public session at 9:28 a.m. The Board returned to public session at 10:37 a.m.

Prior to entering into non-public Mr. Latchaw (TON) requested to address the Board.

Director Bohenko moved and Director Loughlin seconded that PDA suspend the rules to **allow public comment**. Discussion: None. Disposition: Resolved by unanimous roll call vote for; motion carried.

Mr. Latchaw addressed the letter from the City of Portsmouth regarding the site review for Lonza and the eleven (11) conditions referenced in the January 18, 2019 letter from the Planning Board; specifically item 11 concerning fertilizer.

XVI. Vote of Confidentiality

Director Lamson moved and Director Torr seconded that **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 March 14, 2019 meeting related to:**

1. Dismissal, promotion or compensation of public employee;
2. Hiring of public employee;
3. Adversely affect the reputation of any person;
4. Acquisition, sale or lease of property; and
5. Litigation;

would, if disclosed publically, a) render the proposed actions ineffective; and 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. **Note: This motion requires 5 Affirmative Votes.** Discussion: None. Disposition: Resolved by unanimous roll call vote for; motion carried.

XVII. Adjournment

Director Bohenko moved and Director Levesque seconded to **adjourn the Board meeting**. Discussion: None. Disposition: Resolved by unanimous roll call vote for; motion carried. Meeting adjourned at 10:37 a.m.

XVIII. Press Questions

No members of the press attended the meeting.

Respectfully submitted,



David R. Mullen
Executive Director