

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

Thursday, August 20, 2020

Presiding: Kevin H. Smith, Chairman
Present: Peter J. Loughlin, Vice Chairman; Robert A. Allard, Treasurer; Erik Anderson; Margaret F. Lamson; Neil Levesque and Steve Fournier
Attending: Paul E. Brean, Pease Development Authority ("PDA") Executive Director; Lynn Marie Hinchee, General Counsel; Anthony I. Blenkinsop, Deputy General Counsel; PDA staff members; members of the public.

AGENDA

I. Call to Order:

Chairman Smith called the meeting to order at 8:32 a.m. in the large classroom at PDA Offices. Seating was socially distanced and masks were required except when speaking.

II. Non-Public Session:

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

1. **Sale or Lease of Real or Personal Property; and**
2. **Consideration of Legal Advice provided by Legal Counsel.**

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

Director Fournier **moved** the motion and Director Allard **seconded** that **the Board of Directors come out of non-public**, at 9:17 a.m.

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

The Board meeting was open to the public at 9:20 a.m.

III. Vote of Confidentiality:

Director Allard **moved** the motion and Director Lamson **seconded** that **pursuant to NH RSA 91-A:3, Paragraph III, the Pease Development Authority Board of Directors hereby determines that the divulgence of information discussed and any decisions reached in the non-public session of its August 20, 2020, meeting related to the sale or lease of property and the consideration of legal advice from legal counsel, would, if disclosed publicly, 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: Director Anderson asked to voting on the confidentiality component of the motion and a roll call vote. Smith affirmed the vote is to maintain confidentiality and confirmed with Deputy General Counsel Blenkinsop (Blenkinsop) that the vote should be a roll vote.

Disposition: Resolved by roll call vote (5-2) vote for; motion carried.

Member	Yes	No
Smith	x	
Loughlin		x
Allard	x	
Anderson		x
Fournier	x	
Lamson	x	
Levesque	x	

IV. Acceptance of Meeting Minutes:

Director Anderson moved the motion and Director Loughlin seconded a motion to approve the minutes of the Pease Development Authority Board of Directors Meeting dated Thursday, June 18, 2020.

Discussion: None. Disposition: Director Fournier abstained from voting on the minutes; Resolved by unanimous (6-0) vote for; motion carried.

V. Public Comment:

Chairman Smith welcomed Steve Fournier (Fournier) the newest Board member, the Strafford County delegate from Dover; he is the Town Manager of Newmarket. Fournier replaced Franklin Torr. Fournier indicated that he is a native of Strafford County who was born and brought up in Somersworth, served on its City Council and served as its Deputy Mayor when he was at UNH. He has managed a number of communities and is now the Town Manager for Newmarket and he has lived in Dover for the past fifteen (15) years.

The public was recognized for public comments:

1. John Tabor, City Council liaison for the City of Portsmouth (COP) – Tabor was in attendance for the discussion of [PDA] sending the letter to the FAA to begin a privatization process. On behalf of Portsmouth, Tabor indicated that the Municipal Services Agreement (MSA) has a long term value and regardless of what happens as a result of today's actions, only Portsmouth has the economy to scale to provide the services to the whole Pease Tradeport. Portsmouth feels strongly that the MSA has great value and would hate to see the MSA reopened

and would take a strong stance that it does not want it reopened as long as there is a Pease Development Authority (PDA) at Pease Tradeport.

2. Karen Conard, City Manager for the City of Portsmouth – Conard thanked the Board for the opportunity to attend the meeting and echoed Councilor Tabor’s comments.
3. Dan Plummer, Two International Group – Plummer stated they are in support of the letter being sent to the FAA.
4. John Powers, Farley White – Powers indicated that they are in support of the letter to the FAA.

VI. Finance:

A. Executive Summary:

Finance Director Irv Canner (Canner) indicated that the summary outlines the three reports contained in the agenda.

Lamson indicated that the synopsis was very informative.

B. Reports:

1. Operating Results for the Twelve Month Period Ending June 30, 2020

Canner indicated that the virtual audit will be underway as of the 28th and closing exercises will be followed through until a majority of revenue/expenses have been captured related to FY20. Canner indicated that revenue is approximately 1% higher than budgeted and operating costs were down slightly. Canner mention to the Board the Building/Facilities line item being over budget for the FY due to a transfer of payroll / benefits (work orders transferred into Building/Facilities which are not budgeted for) as well as monies for the Rye dredging. The state money received for the Rye dredging is not viewed as revenue, rather it is captured as contributed capital.

Canner indicated that Portsmouth Fish Pier is not operating resulting in fuel sales being down, but otherwise holding steady.

Canner indicated that there are 64 benefited positions with two current open positions. Canner indicated to the Board that under operating expenses the budgeted electricity consumption is in line with usage; however, this operating expenses is over due to increased distribution rates being passed on by Eversource.

Canner indicated that PDA did not have to borrow money this year which is a positive variance. However, it is anticipated that PDA will need draw down from the Revolving Line of Credit (RLOC) this week. Canner indicated a decrease in cash flow from one year to the next driven by expenses of approximately \$14 million in capital expenditures to support the airport (terminal / runway) projects.

Lamson asked about the Main Pier/Barge Dock (replacement of the dysfunctional dock); Brean indicated that Director Marconi (Marconi) could speak to that in his report. Canner

indicated that currently Marconi is focusing on the Build Grant which is approximately a \$12 million dollar project (funding by PDA of apprx. \$5 million and DOT of apprx. \$7 million).

Canner indicated that there were approximately 24,000 enplanements through the end of June. Smith asked Brean if there is a requirement of a certain number of enplanements in order to receive federal monies; Brean indicated that the number is 10,000 annually.

Canner spoke to the anticipation of lost revenues due to COVID-19 and where PDA stands based on lost revenues (golf course being closed, fuel flowage and pay-for-parking) against the offset expenses and a reduction to expenses (i.e.; police coverage due to reduction in flights); the approximate impact is \$50,000. Director Levesque (Levesque) indicated it is amazing that the impact has been kept to roughly \$50,000; Canner indicated this has been accomplished through the efforts of staff to see where cuts could be made or projects could be delayed due to COVID-19.

Canner spoke to an operating loss of approximately \$70,000 and cumulatively approximate \$2 million at Skyhaven since PDA took it over several years ago.

Canner spoke to the Golf Course and that operating revenues were approximately 4% more than budgeted while keeping expenses flat. Canner indicated a difference of Grill 28 sales between fiscal years of approximately 18% (closed for several weeks due to COVID but now up and running).

Canner indicated that the next time the Board meets will have the audited numbers to discuss.

Anderson asked with respect to the Portsmouth Fish Pier grant award of \$3.25 million and the low bid of \$1.7 million where will the difference of \$1.5 million go (i.e.; back to the state or retained by PDA). Canner indicated that these numbers are still preliminary as the project is not yet complete and any excess funds would go back to the state. Hinchee indicated that Marconi is currently working on change orders for that project that will likely increase the project cost. It is anticipated that these change orders will be brought to the Board at the September meeting as they are not yet finalized.

2. Nine Month Cash Flow Projections to April 30, 2021

Canner spoke to the cash flow of \$26 million dollars needed to compete the terminal / runway projects and anticipated drawing down the RLOC in the fall to fund these projects. Canner further indicated the desire to keep approximately \$1 million in working capital. Additionally, Canner indicated that PDA has recently submitted the CARES funding award of approximately \$1.6 million (\$30,000 to Skyhaven and balance to Portsmouth Airport) and anticipate receipt of funds next month which will help to offset the cash flow.

Lamson commended both Brean and Engineering Manager Maria Stowell (Stowell) for the work being done for the terminal / runway projects and asked if PDA is still in line for the FAA funding for the project; Brean affirmed.

Canner spoke to interest rates being low making it favorable for borrowing at this time.

Canner spoke to the Division of Ports & Harbors (DPH) showing no inconsistencies.

3. Revolving Loan Fund – June 30, 2020 Submittal EDA

Canner indicated that every six months an accounting is provided to the EDA to indicate where things stand. Canner indicated that the outstanding loans total just about \$1 million, with 22 loan participants (the top five loan participants comprise over 50% of the money outstanding). Canner further informed the Board that since the inception of the RLF, it has helped to save approximately 353 jobs. Canner also indicated that each of the loan participants took advantage of the reduction in interest rate from 4% to 3% and were able to defer certain monies up to three months out and that no loans are delinquent.

Lamson took a moment to introduce Fournier to the Newington Selectmen Chair, Ted Connors, who was in the audience.

C. Approval:

1. Cambridge Bank and Trust Company – Resolution Approval

Director Lamson **moved** the motion and Director Loughlin **seconded** that **the Pease Development Authority (“PDA”) Board of Directors hereby authorizes the Executive Director to execute any and all necessary documents with respect to the PDA’s Cambridge Bank and Trust (“Cambridge”) account and approves of and incorporates the banking resolutions set forth in the form attached hereto. The following appointed official and employees are authorized to endorse all checks, drafts, depository agreements and/or other related bank documents in accordance with the powers so granted in the attached resolutions form:**

Robert Allard	Treasurer
Paul E. Brean	Executive Director
Lynn Marie Hinchee	General Counsel
Maria Stowell	Manager of Engineering

The authority hereby conferred upon the above named Agents shall be and remain in full force and effect until written notice of the revocation is presented.

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

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

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

A. Reports:

1. City of Rochester – Right-of-Entry 290 Rochester Hill Road, Skyhaven Airport

Brean indicated that this Right-of-Entry was for the City of Rochester to conduct survey work regarding a potential development in the Industrial Park behind Skyhaven Airport.

2. Van Wagner Aerial Media, LLC – Right-of-Entry, Skyhaven Airport

Brean indicated that this Right-of-Entry was for a Geico banner to be flown around the Seacoast area out of Skyhaven.

3. United States Coast Guard – Exercising its Option to its Right-of-Entry

Brean indicated that this exercise of Option allows the Cutter’s crew, when it leaves port, to park the crews’ vehicles at the airport.

4. AeroClave, LLC – Right-of-Entry, Midfield Parcel at Pease International Airport at Pease

Brean indicated that this Right-of-Entry was for the use of the midfield for demonstration purposes regarding the decontamination of a USAF C130 on a temporary basis.

5. Aerial Banners North, Inc. – Right-of-Entry, Skyhaven Airport

Brean indicated that this Right-of-Entry was for another banner company flying out of Skyhaven Airport towing a Corona banner.

B. Approvals:

1. Skyhaven Flying Club

Director Fournier moved the motion and Director Allard seconded that **the Pease Development Authority (“PDA”) Board of Directors hereby authorizes the Executive Director to enter into a one year extension of the Right-of-Entry with the Skyhaven Flying Club, Inc. for the purposes of operating a flight simulator effective from October 1, 2020 through September 30, 2021; all in accordance with and the memorandum of Andrew Pomeroy, Airport Operations Manager, dated July 30, 2020.**

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

VIII. Leases:

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

A. Reports:

1. Sublease between 200 International Limited Partnership and Laborie Medical Technologies Corp.

Brean indicated that this lease is for the former Medtronics building.

B. Approvals:

1. Port City Air - Lot Line Revision & Lease Amendment

Director Allard moved the motion and Director Lamson seconded that the Pease Development Authority (“PDA”) Board of Directors hereby authorizes the Executive Director to:

- a. ratify and approve of the execution and recording of the Lot Line Adjustment Plan for the premises located at 104 Grafton Road to increase the lot size to a total of 6.55 acres in accordance with the amendments to the PDA Land Use Controls approved by the PDA Board effective October 18, 2013;
- b. approve and authorize the Executive Director to enter into Lease Amendment No. 1 (“Amendment”) on substantially similar terms and conditions contained in the draft Amendment attached hereto; and
- c. approve and authorize such other action(s) and the execution of such other document(s) as shall be necessary or advisable to implement the transaction as more fully described in the memoranda of Maria J. Stowell, Engineering Manager, dated August 12, 2020 and Anthony I. Blenkinsop, Deputy General Counsel, dated August 13, 2020.

Prior to the Board taking action, Chairman Smith made an acknowledgment that any abutter who desired to speak to the matter should do so at this time. No abutters spoke.

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

IX. Contracts/Agreements:

In accordance with Article 3.9.1.1 of the PDA Bylaws, Brean reported the following:

A. Reports:

1. Country Club Enterprises, LLC – Rental of Twenty Golf Carts

Brean indicated the purpose of the additional twenty (20) golf carts through October 12, 2020 is to allow for continued social distancing.

B. Approvals:

1. State Block Grant (SBG) Application for Skyhaven Terminal Apron Improvements

Director Fournier **moved** the motion and Director Allard **seconded** that **the Pease Development Authority (“PDA”) Board of Directors authorizes the Executive Director to accept a State Block Grant (SBG) for Skyhaven Airport (DAW) Terminal Apron Design, as previously approved on May 21, 2020, and further accepts, approves of and authorizes PDA’s acceptance of the design grant condition to accept, within two years after the design is completed, a grant to complete the construction of the project, with a five percent (5%) PDA contribution; all in accordance with a memorandum of Maria J. Stowell, P.E., Engineering Manager dated August 17, 2020.**

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

X. Signs:

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

A. Report:

1. Pease Development Authority – 55 International Drive

Breran indicated that the sign alternation is associated with the Granite State College signage at 55 International Drive. As the College ceased operations at the location and PDA took over the space as of July 1st, there is a need to alter the exterior signs to reference the Airport Badging Office and Classrooms, at a cost of \$80.00.

XI. Executive Director:

A. Reports:

1. Golf Course Operations

Golf Course General Manager Scott DeVito (DeVito) indicated that over the last three (3) years there have been six (6) days/year that the course has averaged 400+ players, as of 8/19/2020 the course has had forty-seven (47) days with over 400+ players on the course (four of those days the course broke 500 players). DeVito also indicated that the playing surface has taken a toll due to the traffic and the weather; so in the fall the course is looking to outsource for reseeding / turf maintenance. DeVito indicated that course staff has been utilizing its equipment for this, but there is a need for extra help from the damage done by the weather. DeVito also indicated that during the shutdown of the runway the course will be obtaining some drone footage of the course in order to update to the website and obtain marketing materials. DeVito also indicated that 8/20/2020 is the last round of NH Women’s Mid-Amateur Championship that the course hosted.

Anderson asked of the water consumption at the golf course; DeVito indicated that the course has consumed just under 16 million gallons for the year. DeVito indicated that typically after Labor Day and with the occasional storms it takes the pressure off for watering and would expect to see a bill per the agreement with the COP for consumption in July, August and September. Anderson asked if the water came from the Smith well; DeVito stated from what he

understood it was from the City's water system, not just one well.

Brean commended DeVito and the staff at the golf course for bouncing back quickly and creating revenue by implementing a new way of business due to COVID-19 and maintaining fiscal responsibility.

2. Airport Operations:

a) Portsmouth International Airport at Pease (PSM)

Brean indicated he knew 2020 was going to be a challenging year, prior to COVID, with the runway reconstruction. Brean indicated that the 11,000 ft. single runway is being reconstructed in four (4) phases. The south phase is complete, the north phase is almost complete and then there will be a full closure in September of two weeks period to complete the middle section of the runway. Brean indicated that the prime traffic was reduced due to the decrease in length of runway during construction (from 11,000 ft. down to 6,800 ft.). Brean indicated that charter enplanements (heavy aircraft that support the military - civil reserve air fleet) have been reduced to 179 in July when historically it is around 5,000. Brean indicated that due to COVID there has also been a 50% reduction in commercial traffic. However, for the Northeast region, the load factors are some of the highest for commercial flights throughout the region. Overall there were 2,373 enplanements in July which will bring PSM up to 26,000 for the year which is a significant decline from past years. Brean further indicated that Allegiant (low cost carrier) only ran 44 routes during spring/summer with PSM providing three (3) of those routes.

Brean spoke to the number of gallons of Jet-A fuel pumped in July which was roughly 50% of normal consumption; originally anticipated it would have been around 10% so hats off to Port City Air (PCA).

Brean indicated that there were approximately 345 transactions for the pay-for-parking; while there has been less flight activity there has been longer duration between flights meaning more parking revenue per passenger.

Brean indicated that the runway project is on-target for the two (2) week shutdown and it is looking like PSM will have the full runway length back in November / December.

Brean indicated that 12,000 sq. ft. has been added to the terminal and if everything stays on track it is and anticipate that an occupancy permit may be received in December.

b) Skyhaven Airport (DAW)

Brean indicated that Skyhaven had several Rights-of-Entries and with the aviation activity up there it is anticipated that he will report good fuel sales at next month's meeting. Brean also indicated that the Skyhaven website has been updated to help with marketing and there may be potential entities down the road to inform the Board of regarding Skyhaven.

c) Noise Line Report

(i) June & July 2020

Brean indicated that there was one noise inquiry in June 2020, which was for a rotor-winged aircraft and after researching it is believed it was not operating from PSM; in July there were no aircraft complaints.

B. Approvals:**1. Bills for Legal Services**

Director Loughlin moved the motion and Director Allard seconded that the Pease Development Authority (“PDA”) Board of Directors approves of and authorizes the Executive Director to:

1. Expend funds in the amount of \$24,766.00 for legal services rendered to the Pease Development Authority from May 1, 2020 through July 31, 2020.

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

2. Congestion Mitigation Air Quality (CMAQ) grants – Additional Funding Required

Director Lamson moved the motion and Director Anderson seconded that the Pease Development Authority (“PDA”) Board of Directors at its August 22, 2019 meeting voted to accept, if offered, two Congestion Mitigation and Air Quality (CMAQ) Program grants through the NH Department of Transportation for two eligible air quality improvement and congestion mitigation projects; the applications were selected for funding. PDA authorizes the Executive Director to:

- A. Accept a grant in the amount of \$41,120 in CMAQ funding for the installation of electrical vehicle charging stations at the golf course and airport terminal parking lots, and expend \$10,280 in matching funds; and
- B. Accept a grant in the amount of \$338,170.88 in CMAQ funding for construction of a right turn lane on New Hampshire Ave and expend \$84,542.72 in matching funds.

all in accordance with the memorandum of Maria J. Stowell, P.E., Engineering Manager, dated August 4, 2020.

Discussion: Lamson indicated that Stowell worked with Rockingham Planning Commission regarding this and Newington didn’t pay for anything.

Disposition: Resolved by unanimous vote for; motion carried.

3. Rent Forbearance & Accrual

Director Anderson moved the motion and Director Allard seconded that **WHEREAS, RSA ch. 12-G vests the management of the Pease Development Authority (“Authority”) in its Board of Directors;**

WHEREAS, the Authority has duly enacted By-Laws in accordance with the provisions of NH RSA 12-G:8, XIX; and

WHEREAS, the By-Laws provide that the Executive Director shall have all the authority of the Chairman with respect to the signing of contracts, leases, releases, bond, note and other instruments and documents approved by the Authority; and

WHEREAS, the Authority deems it necessary to the management and regulation of its affairs to delegate to the Executive Director the authority to consent to, approve and execute required documents for to facilitate rent accrual and payment forbearance agreements of up to 12 months, with interest, to provide relief for the business interruption suffered by certain Pease International Tradeport, Portsmouth Airport at Pease and/or PDA Division of Ports and Harbors tenants, concessionaires and real estate users.

NOW, BE IT RESOLVED, that the Authority does hereby delegate to the Executive Director the authority to consent to, approve and execute certain required documentation in accordance with the terms and conditions of the Limited Delegation to Executive Director: Consent, Approval, and Execution of Documents attached hereto and incorporated herein by reference.

Discussion: Anderson indicated that he had a discussion with Legal regarding what this meant. Brean indicated that this will allow PDA to quickly address any COVID related financial issues the tenants/concessionaires are having related to rent/concession payments and sets parameters on what can be offered (i.e.; a12 month forbearance as long as the term is paid back within 12 months at prime rate plus 4%). If anything is needed beyond that it would be brought back to the full Board.

Disposition: Resolved by unanimous vote for; motion carried.

XII. Division of Ports and Harbors:

In accordance with the “Delegation to Executive Director: Consent, Approval and Execution of Documents and Expenditure of Funds for Emergency Repairs”, the “Delegation to Executive Director: Consent, Approval and Execution of Mooring Permit Transfers”, the “Delegation to Executive Director: Consent and Approval of Commercial Mooring for Hire Permits”, and the “Delegation to Executive Director: Consent, Approval and Execution of License Agreements,” PDA reports as follows:

A. Reports:

1. Eckhardt & Johnson – Installation of one Mitsubishi Ductless Split System in Guard Shack

Marconi indicated that the air conditioning system in the guard shack/kiosk stopped

working in June; it is a metal building with windows on all four sides making it unbearable to work in during the summer months. Marconi indicated that DPH obtained an estimate and permission from Director Loughlin regarding the installation of a new system.

2. **Transfer of Commercial Mooring from Boynton to Connell**
3. **Transfer of Commercial Mooring from Splaine to Riley**
4. **Transfer of Commercial Mooring from Horton to Golter**
5. **Transfer of Commercial Mooring from Heisey to Wickson**

Marconi indicated that all of the Commercial Moorings transfers have been reviewed and met all of the requirements in the Code of Administrative Rules (documents reviewed and recommended by all appropriate parties).

6. **Commercial for Hire Mooring Application – Pull and B.D. Inc.**

Marconi indicated this application was from a group on Goat Island and all requirements and documentation had been reviewed and recommended by all appropriate parties.

7. **Right of Entry – Pilgrim Productions “Wicked Tuna”**

Marconi stated that this Right-of-Entry is for Rye Harbor; there is a high liner of the TV show Wicked Tuna located there and the film production company requests to come in and film the tuna boat “Pinwheel”; the production company follows the rules.

8. **Cianbro Update – PNSY Project**

Marconi indicated that this report is to keep the Board informed on the Right-of-Entry previously provided to Cianbro regarding the work it is performing regarding the PNSY project. Marconi indicated that the super flood basin at PNSY requires about 80,000 cubic yards of concrete; the plan that Cianbro instituted is that they will assemble a concrete batching plant on a barge which will be brought over to PNSY and spud it off during the time of construction in order to manufacture the concrete right there. There will also be two supply barges going back and forth between the port terminal and PNSY (one barge will be carrying crushed stone and sand and the other barge will be transporting the dry cement and fly ash). Anderson asked how long this project will last; Marconi indicated close to a year.

Marconi indicated that DPH has a lot of activity and a lot of cargo on the facility (i.e.; 3 acres leased by Eastern Minerals for salt storage; 1.5 acres for Morton Salt is full; the beginning of the month a ship came in and brought in 30,000 metric tons of crushed stone (aggregate) and there have been trucking daily bringing in sand for the production of concrete). Marconi indicated that DPH is currently at capacity.

Anderson indicated he asked earlier in the meeting concerning the different between the \$3.25 million which was awarded regarding the Portsmouth Fish Pier to the low bid received of \$1.7 million. Marconi indicated that as the project advanced and the contractor started putting in submittals to the engineer for specifics (i.e.; old tie rods and new tie rods) and it has come to the

attention of DPH that there will be some change orders. Marconi indicated that the current review is regarding the fuel dispenser system which had been working but when the consultant came in from the engineering firm to review the design and the dispensers may be close to the end of its life; this is an opportunity to put a new one in and not have to worry about it a year or two down the road. Marconi indicated that these are things that have been brought to DPH's attention and indicated that it is nothing significant. Anderson asked if the difference between what was awarded and the low bid, less the changes orders, will those funds still be available to DPH to do other improvements. Marconi indicated that money was specifically appropriated for the seawall project so anything left outside of the seawall project would require a whole new process for use of those funds.

Lamson indicated that the photos were helpful.

B. Approvals:

1. Reappointment of Captain Chris Holt a Class I Pilot

Director Anderson moved the motion and Director Allard seconded that **the Pease Development Authority (PDA) Board of Directors hereby authorizes the Executive Director in accordance with NH Code of Administrative Rules Pda 300 Port Captains, Pilots and Pilotage, and the memorandum of Geno Marconi, Division Director, dated August 4, 2020 attached hereto, reappoint Captain Christopher D. Holt as a Class I Pilot for the Portsmouth Harbor and Piscataqua River through August 21, 2025.**

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

2. Initial appointment of Nick Dawes as Class I Pilot

Director Levesque moved the motion and Director Allard seconded that **in accordance with RSA 12-G:47, Pilots, and the Code of Administrative Rules PART Pda 305.01, Appointment, Commissioning, and Removal of Pilots, the Pease Development Authority Board of Directors (PDA) approves the appointment of Nicolas Robert Dawes as a Class I Pilot, to pilot vessels over 10,000 gross tons, for the pilotage area landward of the line of demarcation including, but not limited to, Portsmouth Harbor and the Piscataqua River up to and including Dover Point, New Hampshire through March 9, 2023; all in accordance with the Memorandum of Geno J. Marconi, Division Director, dated August 12, 2020.**

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

C. Ratification:

1. Partners Bank – Approval and Ratification of new deposit account and bank resolutions for DPH

Director Allard moved the motion and Director Loughlin seconded that **the Pease Development Authority (“PDA”) Board of Directors hereby approves and ratifies the opening of a Division of Ports and Harbors’ banking account with Partners Bank (“Partners”), as well as the Partners’ banking resolutions set forth in the form attached**

hereto. The following appointed official and employees are authorized to endorse all checks, drafts, depository agreements and/or other related bank documents in accordance with the powers so granted in the attached resolutions' form:

Robert Allard	Treasurer
Paul E. Brean	Executive Director
Lynn Marie Hinchee	General Counsel
Maria Stowell	Manager of Engineering

The authority hereby conferred upon the above named Agents shall be and remain in full force and effect until written notice of the revocation is presented.

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

D. Board Action on Mooring Permit Appeal (Pda 514.09):
1. Appeal of William Raley

Director Lamson **moved** the motion and Director Fournier **seconded** that **having** considered the record pursuant to Pda 514.09(b), the Pease Development Authority Board (“PDA”) of Directors hereby accepts the report of the PDA Board designee and **grants** the appeal of William Raley pursuant to the provisions of New Hampshire administrative rules Pda 514.10 and Pda 514.11; Further the PDA Board remands this matter to the Director of the Division of Ports and Harbors for the purpose of issuing William Raley his 2020 mooring permit contingent on the provisions of Pda 514.11(c) being satisfied.

Prior to the Board taking action, Chairman Smith asked if either party desired to speak to the matter.

Mr. Raley was present and indicated he had no new evidence to present to the Board and everything has been outlined in the report from the hearing and all is accurate and honest. Marconi also added that the hearing officer’s report is concise and sums it all up.

Loughlin indicated that there were several stages to the appeal and Marconi denied the mooring permit due to timing issue; Mr. Raley did not have representation early in the process. Loughlin indicated that additional information regarding the appeal was received and due to a confluence of circumstances, Loughlin felt that the mooring should be reinstated.

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

XIII. New Business:

A. Approvals:

1. Application for release of certain real property from aeronautical use grant assurances and any other airport obligations

Director Levesque **moved** the motion and Director Fournier **seconded** (*FOR DISCUSSION PURPOSES ONLY*) that the Pease Development Authority (“PDA”)

Board of Directors hereby authorizes its Chairman to execute the request to Gail Lattrell, Director of the Federal Aviation Administration Airport Division New England Region, to seek a release of certain non-aeronautical revenue producing property within the Business and Commercial Zone and Industrial Zone of the Pease International Tradeport from federal grant assurances and other airport obligations. This release is intended to facilitate the potential future sale to third parties of the fee interest in approximately eight hundred thirty-six and five hundredths (836.5)+/- acres of land, or portions thereof; all as substantially set forth in the attached letter request dated August 21, 2020.

Discussion:

Chairman Smith read a brief statement:

"Members of the Board, I am asking for your consideration this morning of agenda item XIII. A. Approval of an Application for release of certain real property from aeronautical use grant assurances and any other airport obligations. As most of you are aware the Governor has requested, through the Chairman, that we vote to petition the Federal Aviation Administration (FAA) to seek approval for the release of certain properties within the Business / Commercial and Industrial Zones within the Pease International Tradeport. To be clear, if the FAA were to grant such a request it merely provides the beginning of a pathway to the Governor and Legislature with approval of PDA Board to decide in the future that it would like to further pursue said path. It does not in any way obligate this Board, the Legislature, the Governor or any future Governor to having to seek this direction, if they so choose not to. Thus, so we are of the same understanding, this is not a vote to decide whether or not the PDA Board should begin to sell off interest in some or all of its Business / Commercial and Industrial parcels on the Tradeport. Such a vote would happen much later in the process; that would involve many governmental entities and a thorough due process examination. Rather, this is a vote simply to seek permission to go in that direction if the PDA Board finds it is in the best interest of the Tradeport to do so in the future. To that end I ask each Board member to consider voting in favor of this motion as it means to provide us with another tool in the tool box should it be needed at some point down the road. I fully understand that many of you have serious and well-grounded reservations about selling off any assets on the Tradeport. And, frankly I also share those concerns. I am not convinced that selling all of the Commercial and Industrial properties at Pease to private entities would be in the best interest of the PDA at this time. However, I also believe we should keep our options open for the future as perhaps market conditions change or it becomes advantageous for the PDA to sell off certain parcels here and there over time. Either way having the FAA's blessing if you will, if we so desire, will at the very least, make the process less cumbersome and time consuming. Again, my appreciation to the Board for its thoughtfulness in giving this matter thorough consideration."

Lamson indicated when this was brought to her as a representative of Newington, she felt that the Board needed to look at this [request] carefully. Lamson indicated that she doesn't feel comfortable with this as it is not advantageous to the communities; it will be an advantage for some [tenants] who want this. Lamson indicated that for these reasons she will not vote in favor of this letter being sent. Lamson further indicated that the Board are professional / smart people, there are staff who direct and explain things to the Board; this needs to be reviewed carefully. Lamson indicated that all avenues need to be reviewed:

1. If this is fee simple it doesn't do anything for zoning, Newington or Portsmouth would have nothing to do with it; due to legislation it is 2050 [when zoning reverts back to Newington or Portsmouth].
2. Taxes – there is a lot that certainly needs to be reviewed.

Lamson further stated that she was taken aback by the calls she received.

Anderson indicated he reviewed the letter in draft form to see how it weighed out and he is not convinced, from any compelling evidence, that this is the time and place to move forward with this letter. It might have the ability to do so in the future, but here and now there are a variety of unresolved questions and answers. Anderson further stated that in light of this coming as fast as it has, further discussion should unfold to see it in a different light. Anderson indicated that today, in the manner it is being presented, he cannot support it.

Fournier stated first and foremost he is always in favor of land being privatized (land should be in private hands). However, he was concerned that the Board does not have enough information or a plan. Fournier indicated he understands that the Board would just be asking for permission, but would feel more comfortable, as an organization, if there was a plan on what was going to be done. Fournier further indicated that if the land were to be sold, PDA would be losing a lot of revenue. And, he understands that the process would be lengthy for each parcel but indicated it seemed as though the cart was being put in front of the horse. PDA still has commitments to the airport and PDA uses the lease revenue to pay for it. Fournier indicated he does not see how the Board can justify it if the revenue resources are chopped away at and would need to see how it can be supported before saying yes. Fournier indicated that he could table this until the Board had all of the information, but if this is the only Motion before him he would vote no.

Loughlin indicated he received a call from Dan Plummer on Wednesday (8/19). Loughlin indicated that his focus on Pease has been landscaping/aesthetics/environment (seeing those as one). Loughlin spoke to the belief and gratitude of the tone that Dan and Renee have put into their developments which is has been critical, it set the tone for development at Pease. Plummer asked Loughlin his thoughts on the letter; Loughlin reflected on a previous conversation the two had several years ago. Loughlin indicated at that time he supported privatization, he was against the public benefit transfer and favored the acquisition of the economic development transfer (which meant the land would have been taxable and private). A few years later, at the request of Plummer and others, PDA had a study performed in December of 2017 on the financial impacts of selling versus leasing. Loughlin indicated that prior to the study he thought the land could be sold, placing the proceeds from the sales in a pot and maintain the airport that way. Loughlin indicated his naivety after review of the Donohoe report which was prepared indicating the impact by reviewing five (5) parcels (Redhook; 249 Corporate; 325 Corporate; One New Hampshire Avenue and Arboretum). The report determined the income generated by the sale of the five (5) properties and the funds realized by sale of those properties would be approximately \$20 million; that by retaining the leases, the funds would be \$154 million. Loughlin stated when the property was taken over there was a deal with the FAA on how the property would be taken and used. Loughlin indicated PDA cannot support the airside without the landside revenues. Loughlin indicated that there is a

roughly 85% difference from funds taken away from the airport by the sale versus lease of property. Loughlin further stated that by defunding you would be reallocating funds for a different purpose, but here PDA would not be reallocating funds for a different purpose it would change funds that wouldn't become public and stay private. Loughlin indicated that the ultimate impact of the proposal would be to defund the airport. Loughlin indicated it is good business if tenants can reduce what they pay and would like the Plummers, Kanes, Kageleiry (all of the landside tenants) to continue to thrive, but also wants those who have invested on the airside (Port City Air, Plansense, Air Guard) to thrive but does not see that happening with the Board pursuing this through. Loughlin indicated that this [request] did not come from the staff, and he believes he would violate his fiduciary duty to both the PDA and the State if he were to support the Motion.

Lamson stated that Loughlin is the shared representative for the City of Portsmouth (COP) and Town of Newington (TON) and reiterated his comments. Further Lamson indicated that in the early stages of development at the Tradeport it was decided to focus on economic development / public benefit - a lot of money spent towards this end. It was thought that twenty (20) years down the road both COP and TON would regulate its portion of Pease and support the airport. Lamson again indicated that this [request] needs to be reviewed more carefully and at this time she cannot support the request.

Allard agreed with everything that Loughlin stated; further Allard indicated he has been on the Board for twenty (20) years. Allard indicated PDA has received calls asking how it redeveloped Pease into what it has become today and it is explained how efforts were expended on the development and layout of the Tradeport. Allard stated that to start selling off piece goes against everything he believes. Allard indicated he is a private sector individual, but Pease is something very unique. Allard indicated the respect he has for the developers at Pease, but does not feel that it is the right time to do this now; maybe in the future things will change and an idea may be provided showing something better than what PDA has now. Allard indicated that the request came to quick and it is complicated. Allard indicated that he is not comfortable with it and at this time he cannot possibly vote for it.

Lamson stated she agreed with Loughlin's comment regarding the curb appeal by the International Group and the Board has been pushing for all buildings developed to have good greenery/vegetation.

Smith asked Fournier if he would like to make a tabling motion; Fournier declined.

Chairman Smith **moved** the motion and Director Anderson **seconded** that **the Motion be tabled**. Director Anderson requested a roll call vote to table the motion.

Disposition: Resolved by roll call vote (3-4) vote for; motion **FAILED**.

Member	Yes	No
Smith	x	
Loughlin		x
Allard		x
Anderson		x
Fournier	x	
Lamson		x
Levesque	x	

Smith stated where the motion to table FAILED, the Board would now vote on the original motion presented to the Board.

Disposition: Resolved by roll call vote (2-5) vote for; motion FAILED.

Member	Yes	No
Smith	x	
Loughlin		x
Allard		x
Anderson		x
Fournier		x
Lamson		x
Levesque	x	

XIV. Upcoming Meetings:

Golf Committee	September 14, 2020 @ 8:30 a.m.
Finance Committee	September 14, 2020 @ 9:00 a.m.
Board of Directors	September 17, 2020 @ 8:30 a.m.

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

Smith indicated that after the next Board of Directors’ meeting there may be a field trip to the Schiller Station as representatives from Schiller have reached out and would like to take the Board on a tour of the facility.

XV. Directors’ Comments:

Fournier thanked everyone for welcoming him and stated he looked forward to future meetings with the Chair and staff and his three years working on the Board.

Lamson spoke to the passing of Paul McEachern and what he has done for the City of Portsmouth and the area.

XVI. Adjournment:

Director Allard **moved** the **motion** and Director Lamson **seconded** to adjourn the Board meeting. Meeting adjourned at 10:54 a.m.

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

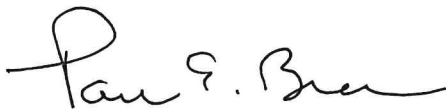
XVII. Press Questions:

Paul Briand from the Portsmouth Herald asked Smith that if it were correct that the Governor's request for privatization came from the Governor through Smith; Smith affirmed.

Briand asked why now, what precipitates a desire by this administration, or by you personally, to go the privatization route right now; Smith indicated that the Governor has felt this way for many years. Lamson asked if the many years was prior to his being Governor he didn't like the Authority; Smith indicated it wasn't not liking the Authority, but his philosophy is privatization. Smith further stated that where most of the Tradeport has been developed, the next step would be to privatize and put it out on the market (for the tenants to purchase the properties). Smith indicated that this has been on the Governor's radar for a number of years and felt at this time it was something he wanted to move forward with.

Briand asked if a piece of property were to be sold for \$5 million where do the proceeds go to; who is the ultimate beneficiary of the sale of a piece of property; where does the money/revenue go to; Smith indicated he would defer to legal for a response. Hinchee indicated that Brean could answer the question. Brean indicated that any sale of property under the current FAA policy is to return funds to an Enterprise Fund to support the airport operations. Briand asked if under the privatization plan that was put forward today; Brean indicated under the existing policy. Briand indicated that was not what was under discussion; Brean indicated that in the proposed letter the funds would come back to the airport in an Enterprise Fund. Briand asked if a developer of a property were to buy that property the money still comes back for support of the airport; Brean indicated the way the letter is written, that is the request. Briand indicated that it would be able to continue to fund the airport, it doesn't go to the State in some sort of revenue; Brean affirmed and again stated it stays in an Enterprise Fund to support the airport. Loughlin indicated that the report, which he previously cited in the meeting, shows that even if the funds come back and go into a fund, it is not enough to support the airport versus leases.

Respectfully submitted,



Paul E. Brean
Executive Director

- * Related Materials Attached
- ** Related Materials Previously Sent
- *** Related Materials will be provided under separate cover
- + Materials to be distributed at Board Meeting
- Confidential Materials

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