

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

**Thursday, May 17, 2018**

Presiding: Kevin H. Smith, Chairman  
Present: Peter J. Loughlin, Vice Chairman; Robert A. Allard, Treasurer; John P. Bohenko;  
Margaret F. Lamson; Neil Levesque and Franklin G. Torr  
Attending: David R. Mullen, Pease Development Authority (“PDA”) Executive Director; Lynn  
M. Hinchee, 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 8:33 a.m. in the Board conference room on the Pease International Tradeport at 55 International Drive, Portsmouth, New Hampshire.

Chairman Smith welcomed the new Board Director, Neil Levesque, who was appointed by the Senate President and replaces Robert Preston. Vice-Chairman Loughlin spoke about Robert Preston, his service to the public and the PDA.

**II. Acceptance of Meeting Minutes: April 20, 2018**

Director Loughlin moved and Director Allard seconded that **The Pease Development Authority Board of Directors hereby accepts the minutes of the April 20, 2018 Board meeting.** Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

**III. Public Comment**

Rick Becksted, City of Portsmouth City Council member and PDA liaison, spoke as a resident about the approval by the City of Portsmouth (“COP”) to upgrade the sewer plant. Mr. Becksted expressed his concerns about nitrogen being a future concern and asked that the PDA look at its agreement with the COP expiring in June which pertains to nitrates in the water.

Director Bohenko explained that the agreement Mr. Becksted referenced is a 1998 agreement. Director Bohenko stated that he will discuss with the PDA staff but he believes that there is no longer any exposure. Discussion ensued about the Great Bay Municipal Coalition (“Coalition”). Ms. Hinchee explained that PDA elected to not join the Coalition because the COP was managing the wastewater system for PDA. In response to Director Lamson’s question whether the Coalition is evaluating the stormwater runoff, Director Bohenko said he will have to check.

**IV. Old Business**

**A. Approvals**

**1. NHDOT – Release of Park and Ride**

Director Bohenko moved and Director Allard seconded that **That the Pease Development Authority Executive Director be and hereby is authorized to complete negotiations with the New Hampshire Department of Transportation (“NHDOT”) and to seek a release from the Federal Aviation Administration (“FAA”) to convey fee title interest in up to 25 acres of land located at 185 Grafton Drive and known as the Pease Park and Ride to NHDOT in consideration of its construction of the Grafton Drive access to Pease International Tradeport, as set forth in the Memorandum of**

**David R. Mullen dated May 11, 2018. The Executive Director is further authorized to execute and to deliver on behalf of PDA, such deeds, purchase and sale agreements, affidavits and other documents and do such other acts as he and General Counsel deem necessary or desirable to effectuate the forgoing resolution in the best interests of the PDA. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.**

## **V. Finance**

Irv Canner, PDA Finance Director, reported on the status of the PDA finances.

### **A. Reports**

#### **1. Operating Result for Nine Month Period Ending March 31, 2018**

Mr. Canner reported that the current trends are holding. Revenues are above budget by 4% which is due to the increase in fee revenues, fuel sales, concession revenues and in activity at the Portsmouth International Airport at Pease (“PSM”) such as car rentals. Expenses are below budget by 1.5%. There were increased expenses in payroll due to overtime from the Division of Ports and Harbors (“DPH”) wharfage and dockage activities and PSM enplanement activities. Wharfage and dockage fees have increased to approximately \$127,000 this fiscal year. Staffing shows there are 132 people on the payroll today which includes seasonal employees. There is a total of 60 benefitted positions, 50 for PDA and 10 for DPH.

Mr. Canner reviewed the Balance Sheet indicating that as of today, the cash balance has increased to \$6.1 million. The current ratio trends are all favorable. PDA has not tapped into the Revolving Line of Credit (“RLOC”). The amount spent on construction to date is \$4.5 million. The primary activity is at PSM with the NHANG representing the largest of the expenditures above \$2.5 million.

Mr. Canner reviewed the individual business units. PSM had 38,000 enplanements as of today. As of last year at this time there were above 41,000 enplanements.

Mr. Canner stated that the fuel sales were below budget at Skyhaven Airport (“DAW”) by approximately 9% which could be due to the 6% increase in fuel costs. Since inception, PDA’s contribution to DAW’s operation is \$1.6 million.

Mr. Canner reported on the Golf Course finances. The concession revenues are above budget and overall the operating revenues are above budget by 9%. Revenues from the simulators are down 4% from last year. The rounds of golf played so far this season is 2,600.

#### **2. Nine Month Cash Flow Projections to January 31, 2019**

Mr. Canner reported on the cash flow projections for the nine month period ending January 31, 2019. The closing fund balance will be over \$3 million. The more significant expenses will be in capital with close to \$7 million spent on capital expenditures in grant and non-grant related activities. The average should be \$3.8 million during this nine-month period.

The debt analysis shows the interest rate if borrowing today would be 4.55% which is an increase from the start of the year. The RLOC expires in December and PDA has already begun negotiations with Provident Bank to extend.

The DPH unrestricted funds shows today’s balance of about \$1 million, dropping down to just under \$400,000 in January. In response to Director Lamson’s question about whether PDA has received all of

the grant money requested, Ms. Stowell and Mr. Canner stated that PDA is up to date with FAA reimbursements on what was spent.

### **3. Revolving Loan Fund Semi Annual Report Ending March 31, 2018**

Mr. Canner reported on the semi-annual reporting to the EDA regarding the Revolving Loan Fund (“RLF”). The original funding was \$810 million in 1994 and the value of that today is about \$1.2 million based on interest income received from loans. The cash balance is \$132,000 and the loans outstanding is close to \$1.1 million. There are 20 individual participants in the portfolio and everyone is current. Mr. Canner discussed the changes in the reporting requirements for the EDA.

## **VI. Licenses/ROE/Easements/Rights of Way/Options**

In accordance with the “Delegation to Executive Director: Consent, Approval and Execution of License Agreements and Rights of Entry,” Mr. Mullen reported on the following Rights of Entry (“ROE”):

### **A. Reports**

#### **1. Long Term Care Partners – ROE**

Mr. Mullen reported that Long Term Care Partners was granted a ROE for the period of May 10, 2018 through October 31, 2018 for the purpose of using the Premises as a picnic area and the temporary installation of a sun shelter over the picnic area.

#### **2. Two International Group, LLC – ROE**

Mr. Mullen reported that Two International Group, LLC was granted a ROE for the period of April 25, 2018 through July 31, 2018 for inspection purposes at the Premises located at 100 New Hampshire Avenue.

### **B. Approvals**

#### **1. EAA Chapter 225 – ROE**

Director Torr moved and Director Allard seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to execute a Right of Entry with New England Seacoast Region Chapter 225 of the Experimental Aircraft Association (EAA) at Skyhaven Airport for the purpose of staging and hosting EAA 225 Young Eagle Flight Rally events through December 31, 2018; all in accordance with the Right of Entry dated May 1, 2018, attached hereto. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.**

#### **2. New England Aerobatic Club – ROE**

Director Lamson moved and Director Bohenko seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to execute a Right of Entry with the New England Aerobatic Club for the purpose of holding periodic airplane aerobatic practices at Skyhaven Airport through December 31, 2018; all in accordance with the Right of Entry dated May 4, 2018, and attached hereto. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.**

#### **3. AMEC Foster Wheeler Environment & Infrastructure, Inc. – ROE Extension**

Director Bohenko moved and Director Torr seconded that **The Pease Development Authority Board of Directors hereby approves of and consents to extending the Right of Entry (“ROE”) with**

AMEC Foster Wheeler Environment & Infrastructure, Inc. for the purpose of utilizing 3,200 square feet within the premises at 35 Airline Avenue for storing well testing equipment and associated materials. The extension is effective from June 1, 2018 through December 31, 2018; all on substantially the same terms and conditions as set forth in the Extension of Right of Entry dated May 8, 2018, attached hereto. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

#### 4. Jalbert Leasing, Inc. dba C&J Bus Lines – ROE

Director Loughlin moved and Director Torr seconded that **The Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to execute the Right of Entry (“ROE”) with Jalbert Leasing, Inc. d/b/a C & J Bus Lines (“C & J”) of Portsmouth, NH for the purpose of parking C & J customer vehicles. The ROE is effective from May 1, 2018 through April 30, 2019; all in accordance with the Right of Entry dated May 9, 2018, attached hereto.** Discussion: In response to the question by Director Bohenko, Mr. Mullen reported that the parking is for overflow. Director Lamson commented that this ROE is good for C & J. Disposition: Resolved by unanimous vote for; motion carried.

#### 5. FAA – Memorandum of Agreement for Navigation Equipment

Director Levesque moved and Director Allard seconded that **The Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to complete negotiations with the Federal Aviation Administration (“FAA”) and to enter into a Memorandum of Understanding for the access, installation, operation and maintenance of various aviation navigational equipment; substantially in accordance with the memorandum of understanding, attached hereto.** Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

### VII. Leases

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

#### A. Reports

##### 1. 222 International, LP – Currency Capital, LLC

Mr. Mullen reported that 222 International, LP entered into a sublease with Currency Capital, LLC (“Currency Capital”) for 3,007 square feet within the leased premises at f195 New Hampshire Avenue, Suite 135, for a period of three years beginning the date of completion of improvement on or about May 21, 2018. Currency Capital will use the premises for general business offices. Director Lamson approved the sublease.

#### B. Approvals

##### 1. Farley White Pease, LLC – 90 Arboretum Drive – Concept Plan

Director Lamson moved and Director Torr seconded that **The Pease Development Authority Board of Directors hereby approved of the merger of the premises at 100 Arboretum Drive and 90 Arboretum Drive, Newington, NH and the Concept Plan for construction submitted by Farley White Pease, LLC for a portion of the premises located at 90 Arboretum Drive as shown on plans attached hereto and incorporated herein.** Discussion: Sam Altreuter from Farley White and Gregg Mikolaities from August Consulting were present to discuss the concept plans and provided copies of the master plans for the project. In response to Director Lamson’s question of how many parking spaces were to be added,

Mr. Altreuter stated 320 spaces will be added. Director Lamson complimented Farley White on their landscaping designs and stated how attractive the property looks. Disposition: Resolved by unanimous vote for; motion carried.

## VIII. Signs

### A. Approvals

#### 1. Wentworth-Douglass Hospital – 73 Corporate Drive

Director Torr moved and Director Lamson seconded that **The Pease Development Authority Board of Directors hereby approves of the proposed sign for Wentworth-Douglass Hospital at its facilities located at 67, 73 and 121 Corporate Drive; all in accordance with the memorandum of Maria J. Stowell, P.E., Engineering Manager, dated May 8, 2018, attached hereto.** Discussion: Director Loughlin stated that he felt the signs are too large and not appropriate for signs on the Pease campus. He provided a handout of photos taken of signs at other Wentworth-Douglass Hospital (“WDH”) sites as well as other signs on the Tradeport. Director Loughlin requested that the signs be modified. Dan Dunn from WDH and Craig Moore from Barlo Signs explained the concept of the signs; that they contained minimal information on them, were designed for overall readability and were intended to direct a variety of patients to the appropriate building for services. Mr. Mullen mentioned that the signs are interior directional signs which are not restrictive as to size. Director Loughlin expressed his concern of setting a precedent and indicated that the City ordinance limits signs to two square feet. In response to Director Bohenko’s question as to timing/needs and the potential tabling the Motion until June to come up with new designs, Mr. Dunn was concerned about delays but would work with PDA staff to come up with a compromise. Director Bohenko asked Mr. Dunn to provide examples of signs of those being proposed now so people can drive by to get a physical sense of the size and proportion. Director Bohenko moved to table this item until the June 2018 Board meeting. Disposition: Resolved by unanimous vote to table the Motion until the June 2018 Board meeting; motion carried; item tabled.

*Note: Director Loughlin left the room at 9:27 a.m. and returned at 9:29 a.m.*

## IX. Contracts/Agreements

### A. Approvals

#### 1. Terminal Expansion Project – AIP Grant Acceptance

Director Allard moved and Director Torr seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to:**

- (1) **accept on behalf of the PDA a Federal Aviation Administration (“FAA”) Grant Offer in AIP funding for a passenger boarding bridge and other construction of an expansion to the Portsmouth International Airport at Pease (“PSM”) for FY 18, in the amount not to exceed \$1,638,706;**
- (2) **accept from NHDOT Division of Aeronautics matching funds in an amount not to exceed \$91,039.22;**
- (3) **expend PDA matching funds in an amount not to exceed \$91,039.22;**
- (4) **enter into a contract with thyssenkrupp Airport Systems, Inc. to supply and install the passenger boarding bridge for the PSM project in the total amount of \$743,843.26;**

**all in accordance with the memorandum from Maria J. Stowell, P.E., Engineering Manager, dated May 8, 2018, attached hereto.** Discussion: Director Lamson complimented Ms. Stowell for the amount of information in her memo and expressed how helpful it was. In response to Director Allard’s question

about whether this grant will work into the expansion project, Ms. Stowell explained the urgency of using this grant money now and how it ties in with the PSM expansion project. Disposition: Resolved by unanimous 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. Mr. DeVito reported that the leagues are up and running and there are heavy bookings in place. All 27 holes were open by the end of April. It is expected the Golf Course could see 52,000-54,000 for this year.

**2. Airport Operations**

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

**a) PSM**

There was heavy activity this month. The number of enplanements so far is 12,564 which equates to approximately 25,000 passengers coming and going through the building. That broke down to 5,000 scheduled Allegiant travelers and approximately 7,500 charter passengers that leaves a mixture of troop flights, small NCAA small college teams going through and a couple of Miami Air corporate travel flights.

**b) Skyhaven Airport**

Mr. Brean reported on that the general aviation season is starting at DAW. The Wings and Wheels event is coming up the beginning of June.

**c) Noise Line Report**

There were a total of four noise inquiries at PSM during the month of April. There were three inquiries regarding fixed wing activities from residents in Durham, Newmarket and Portsmouth. There was one inquiry regarding rotor activities originating from a Portsmouth resident.

In response to Director Bohenko's questions about Allegiant and the tracking for PSM, Mr. Brean reported that there will be no seasonal hiatus for Sanford/Orlando and Punta Gorda flights as seen in prior years and that car rental is the biggest indicator of business at PSM. In response to Chairman Smith's question about the effect of the 60 Minutes report on Allegiant, Mr. Brean said that Allegiant saw a decrease for a three-day period but the result is that Allegiant is the safest airline.

**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 \$23,462.96 for the following legal services rendered through March 31, 2018 to the Pease Development Authority:**

<b>1. Anderson &amp; Kreiger, LLP</b>	<b><u>\$1,675.00</u></b>	<b>\$1,675.00</b>
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2.	<b>Sheehan Phinney Bass + Green CLF Regulatory Issues Re: Port Oper.</b>	<b>\$21,236.96 <u>\$551.00</u></b>	<b><u>\$21,787.96</u></b>
<b>Total</b>			<b><u>\$23,462.96</u></b>

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

**XI. Division of Ports and Harbors**

Geno J. Marconi, Division Director, reported on the Division activities. The approvals sought before the Board represent the current business at the Port.

**A. Reports**

**1. Port Advisory Council**

Mr. Marconi reported that the Port Advisory Council (“PAC”) met on May 9, 2018. The approved minutes of the meeting on April 11, 2018 are included for the Board’s information.

**2. Commercial Use 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>
Rye Harbor	No. 965	Commercial Charter	04/17/18
Transferor:	Peter Horan		
Transferee:	Chris Ward		

**3. USS Manchester Commissioning/Navy League, McKean Defense and Husbanding Agent – ROE**

Mr. Marconi reported that three ROEs were granted in connection with the commissioning of the USS Manchester, which activities will begin May 26<sup>th</sup>. The Navy League is chairing the Commissioning Committee; McKean Defense is a contractor hired by the Navy and will organize the ceremonies and other activities associated with the commissioning ceremonies; and the husbanding agent, which only recently was named due to RFP timing, is similar to what a ship’s agent would be on a commercial vessel and will be overseeing the supplies to the ship, setting up certain perimeters around the ship. The Navy and federal security assets will be on site to provide security. In response to questions Mr. Marconi indicated that the USS Manchester will arrive in port on Monday, May 21st around 2:00 p.m.

**B. Approvals**

**1. Textiles Coated International – FTZ Agreement**

Director Allard moved and Director Loughlin seconded that **The Pease Development Authority Board of Directors authorizes the Executive Director to complete negotiations with Textiles Coated International, Inc. and to execute an Agreement for the use of a portion of Foreign Trade Zone No. 81 to operate their facility at 200 Bouchard Street, Manchester, NH and 6 George Avenue in Londonderry, NH, in Foreign-Trade status, subject to final approval by the US Department of**

**Commerce Foreign Trade Zones Board; and in accordance with the Memorandum of Geno J. Marconi, Division Director, dated May 4, 2018, attached hereto.** Discussion: Chairman Smith expressed his appreciation of Mr. Marconi's efforts regarding his work on the FTZ. Mr. Marconi reported that there has been more interest in FTZ since the changes in US tariffs. Disposition: Resolved by unanimous vote for; motion carried.

**2. Black Dog Charters, LLC – ROE**

Director Levesque moved and Director Allard seconded that **The Pease Development Board of Directors hereby authorizes the Executive Director to execute a Right of Entry with Black Dog Charters, LLC through June 30, 2020, for the sale of tickets, bait and tackle supplies at the Rye Harbor Marine Facility; all in accordance with the memorandum of Geno J. Marconi, Division Director, dated May 1, 2018, attached hereto.** Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

**3. Bait Cooler – ROE**

Director Bohenko moved and Director Lamson seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to complete negotiations and execute a Right of Entry for the use of a cold storage area for the storage of fresh and frozen lobster bait for the period of June 1, 2018 through May 31, 2019, with two one-year options to renew at the approval of the Executive Director; all in accordance with the terms and conditions set forth in the memorandum of Geno J. Marconi, Division Director, dated May 7, 2018, attached hereto.** Discussion: None. Disposition: Resolved by unanimous 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:

Golf Committee	June 18, 2018
Finance Committee	June 18, 2018 @ 8:30 a.m.
Board of Directors	June 21, 2018

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

**XIV. Directors' Comments**

Director Lamson thanked Mr. Marconi and his staff for all their hard work. Mr. Marconi gave special recognition to Deputy Chief Harbormaster Grant Nichols who took the lead on the coordination of the USS Manchester events and did an exemplary job.

Director Levesque expressed his appreciation for the welcome and his excitement to work with everyone at PDA.



**XV. Non-Public Session**

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

- 1. NHRSA 91-A:3, Paragraph II(d) for the purpose of discussion the acquisition, sale or lease of property.**

Discussion: None. Disposition: Resolved by unanimous vote for; motion carried. The Board entered into non-public session at 9:48 a.m. The Board returned to public session at 10:32 a.m.

*Note: Director Loughlin left the meeting at 10:32 a.m.*

**XVI. Vote of Confidentiality**

Director Allard moved and Director Torr seconded that **Resolved, 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 decisions reached in the non-public session of its May 17, 2018 meeting related to:**

- 1. Leasing of property;**

**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 six roll call votes for; Director Loughlin was absent and did not vote; motion carried.

**XVII. Adjournment**

Director Bohenko moved and Director Allard seconded to **adjourn the Board meeting.** Discussion: None. Disposition: Resolved by unanimous vote for; motion carried. Meeting adjourned at 10:33 a.m.

**XVIII. Press Questions**

There were no members of the press present.

**Consultation with Counsel was held in the Board Room.**

Respectfully submitted,

  
David R. Mullen  
Executive Director