

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

Thursday, October 18, 2018

Presiding: Kevin H. Smith, Chairman  
Present: Peter J. Loughlin, Vice Chairman; Robert A. Allard, Treasurer; John P. Bohenko;  
Margaret F. Lamson; and Neil Levesque  
Absent: Franklin G. Torr  
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 10:33 a.m. in the Board conference room on the Pease International Tradeport at 55 International Drive, Portsmouth, New Hampshire.

**II. Acceptance of Minutes: September 20, 2018**

Director Bohenko moved and Director Allard seconded that **The Pease Development Authority Board of Directors hereby accepts the minutes of the September 20, 2018 Board meeting.** Discussion: Vice-Chairman Loughlin made an amendment to the motion to accept the minutes by attaching a written statement of Ken Latchaw’s testimony at the September 20, 2018 meeting. Director Lamson seconded the amendment. Vice-Chairman Loughlin commented that, although the minutes comply with the law and are not to be a transcript, Mr. Latchaw felt his testimony would be clearer by including the statement. Chairman Smith stated that the PDA does not do verbatim minutes although the PDA minutes are thorough and very well done. Chairman Smith further stated that in the future any speaker providing testimony could bring a written statement for the record. Chairman Smith took a vote on the amended minutes. Disposition: Resolved by 5/1 vote for; Director Levesque opposed the amendment to the minutes. Director Allard moved and Director Bohenko seconded to accept the minutes as amended. Disposition: Resolved by 6/0 vote for; the motion to approve the minutes as amended was carried.

**III. Public Comments**

There were no public comments.

**IV. Old Business**

**1. Request for Rehearing – PDA Zoning Ordinance Part 319**

Chairman Smith provided information regarding applications by Seacoast Helicopters, LLC (“Seacoast”) and the regulations pertaining to Rehearing and Appeal.

Chairman Smith stated that on September 20, 2018, the Board approved with conditions Seacoast’s plan to construct a new facility on the North Ramp. Since then, the Board has received two Requests for Rehearing regarding that approval – one from the Town of Newington (“TON”) and one from Seacoast. The Board’s procedures for considering Requests for Rehearing are set out in Part 319 of the Land Use Controls (“LUC”) of the Pease Development Authority.

Chairman Smith further stated that both Requests for Rehearing were timely received by the Board within 20 calendar days of the Board’s decision on September 20 in accordance with Section 319.01 of the

PDA LUC. Section 319.02 states that a Request for Rehearing must set forth every ground upon which the person or entity filing the Request claims the decision of the Board is unlawful or unreasonable. Both of the Requests received by the Board have been made available to each member of the Board in advance of today's meeting. Section 319.03 states that the Board may grant a rehearing if, in the Board's opinion, good reason for the requested rehearing is set forth in the submitted Requests. If the Request for Rehearing is granted, the Board must hold the rehearing within 30 calendar days according to Section 319.04.

The Board may also deny the Request for Rehearing. As a third option, the Board may, in this case, also suspend its September 20 decision pending further consideration upon such terms and conditions as the Board may prescribe.

Section 319.03 states that the Board must take one of these three actions – grant, deny or suspend – within 10 calendar days of receipt of those Requests. The Board can meet this timeline by taking action on these Requests for Rehearing at the October 18, 2018 meeting.

**a) Town of Newington**

Chairman Smith stated that the TON requests the Board to grant a rehearing and require Seacoast Helicopters to produce an acoustic study of the potential noise impacts from Seacoast Helicopters' due to its relocation to the North Ramp. Alternatively, the TON has requested the Board to grant a rehearing and impose three additional conditions, if, upon rehearing, the Board again approves the relocation site plan. Those three conditions are as follows:

- (a) The operations of Seacoast be limited such that the Board has the power to review and re-assess noise impacts should Seacoast wish to expand its operations at a later date;
- (b) The flight operations of Seacoast be limited such that its helicopters be precluded from hovering over Welsh Cove; and,
- (c) Seacoast construct a noise wall to mitigate noise generated by its operations.

Director Lamson moved and Director Bohenko seconded **that the PDA Board of Directors grant a rehearing by the Town of Newington as presented by the TON Board of Selectmen and its legal department.** Discussion: In response to Vice-Chairman Loughlin's request for clarification by PDA staff of the three items requested in the Request for Rehearing, Chairman Smith stated that the Board action is to grant, deny or suspend the Board's previous action and not discuss the substantive issues. Vice-Chairman Loughlin stated that he did not believe there was a basis for rehearing. In response to Director Lamson's question whether to wait for the rehearing to discuss the noise impact to the Town of Newington, Chairman Smith stated it would be appropriate then. Disposition: Resolved by roll call vote: 4 opposed (Directors Levesque, Allard, Vice-Chairman Loughlin and Chairman Smith); and 2 for (Directors Bohenko and Lamson); motion denied.

Chairman Smith requested a motion in the affirmative and Ms. Hinchee stated that there are two other alternatives and would be appropriate for a Board member to make a motion for one of those two alternatives. Chairman Smith requested a recess to discuss but withdrew the request. Director Allard moved and Chairman Smith seconded **that the PDA Board of Directors deny the request for rehearing by the Town of Newington.** Discussion: Director Lamson disagreed and that by denying the rehearing, it is not being a good neighbor with the Town of Newington. Disposition: Resolved by roll call vote: 4 for (Directors Levesque, Allard, Vice-Chairman Loughlin and Chairman Smith); and 2 opposed (Directors Bohenko and Lamson); motion to deny is carried.

**b) Seacoast Helicopters, LLC**

Chairman Smith stated that on September 20 the Board approved with certain conditions Seacoast's proposed site plan for a new facility on a portion of the North Ramp. Seacoast now requests the Board to conduct a rehearing in order to amend its existing approval to accept its proposed two-phase sewer connection plan in place of the current requirement that any wastewater discharge be connected to the Tradeport's sewer system at the time the facility is constructed. In support of its request, Seacoast states that the PDA acted in bad faith and imposed an unreasonable condition by rejecting Seacoast's request for a two-phase sewer connection plan.

Director Allard moved and Director Levesque seconded **that the Seacoast Helicopters' request for Rehearing be denied.** Discussion: None. Disposition: Resolved by unanimous roll call vote 6/0 for; motion carried.

**2. Housing Task Force Study Committee**

Chairman Smith stated that in accordance with the September resolution of the Pease Development Authority Board of Directors to empower the Chairman to formulate a study committee to examine establishing housing at Pease International Tradeport, and in accordance with the provisions of Article III, Section 3.9 of the Pease Development Authority By-Laws, I hereby propose:

The Pease Development Authority hereby establishes a Residential Housing Study Committee to investigate, review and advise the Pease Development Authority with respect to the feasibility of permitting a residential use at Pease International Tradeport and to perform such other functions and duties as may be delegated to it from time to time by the Chairman.

The Committee shall consist of up to nine voting members. For purposes of Phase 1 of the investigation as described below, the Chairman will defer the appointment of two of the five Chairman's appointments to allow the opportunity to identify additional areas of expertise which may be valuable to the Committee.

The voting membership of the Committee shall be as follows:

1. One member of the Pease Development Authority Board of Directors, appointed by the PDA Chairman, which member shall be the Chairman of the Residential Housing Study Committee.
2. One member of the Portsmouth City Council, appointed by the Mayor of Portsmouth, New Hampshire.
3. One member representing the Town of Newington, New Hampshire, appointed by the Selectmen.
4. One member representing the Town of Greenland, New Hampshire, appointed by the Selectmen.
5. One member representing the business/commercial tenants of the Pease International Tradeport, appointed by the PDA Chairman.
6. One member representing the aeronautical tenants of the Pease International Tradeport, appointed by the PDA Chairman.

7. One member representing the planning department of the City of Portsmouth appointed by the City Manager.
8. [Reserved appointment by the PDA Chairman.]
9. [Reserved appointment by the PDA Chairman.]

In addition to the voting members of the Study Committee, the PDA Chairman will appoint two non-voting ex-officio members of the PDA Staff.

The initial ex-officio membership of the Committee shall be: Maria J. Stowell, Engineering Manager and Mark H. Gardner, Deputy General Counsel.

David R. Mullen, Executive Director and Lynn Hinchee, General Counsel shall be available to work with the Study Committee as requested on an as needed basis.

On or before June 1, 2019, the Study Committee shall prepare for the PDA Board of Directors a report of its Phase 1 investigation, to include all deliberations and recommendations.

At a minimum, the Phase 1 investigation shall include:

1. The identification of a parcel of property at Pease on which housing is, in the Study Committee's opinion, appropriate for rezoning. For purposes of any following phase of investigation, the parcel identification should list required approvals or modifications or waivers to existing federal, state or PDA statutes, rules and regulations.
2. The identification of the type of housing recommended for the identified parcel, to include size, affordability, density, ownership restrictions. In the event the parcel identified is leased to a third party PDA tenant, identification of the proposed relationship of the PDA tenant to its residential subtenants.
3. The identification of environmental concerns to include review and analysis of future information or studies to assess the requirements of the Federal Facilities Agreement by and between the Air Force, EPA and NHDES; Deed Restrictions and Institutional Controls; community concerns with respect to emerging contaminants; concerns with respect to the current clean up standard and open restoration sites; traffic; noise; required transportation improvements, etc., and the recommendations for any additional study.
4. Proposed budget and scope of work for a Phase 2 investigation by the Study Committee, over the six month period from July 1, 2019 through December 31, 2019.

The Study Committee shall meet at the call of either the Committee Chair, or the PDA Chairman. Additionally, meetings of the Study Committee shall be called by the PDA Chairman within thirty (30) days of the written request of any two voting members of the Study Committee if no other Study Committee meeting is scheduled within that time period.

Director Bohenko moved and Director Lamson seconded that **In accordance with the provisions of Article III, Section 3.9 of the Pease Development Authority By-Laws, the PDA Board of Directors hereby designates an Ad-Hoc Advisory Committee to be known as the Residential Housing Study Committee to investigate, review and advise the Pease Development Authority with respect to the**

feasibility of permitting a residential use at Pease International Tradeport and to perform such other functions and duties as may be delegated to it from time to time by the Chairman. The initial membership of the Residential Housing Study Committee and its purpose shall be set forth in the attached memorandum dated October 12, 2018. All meetings of the Residential Housing Study Committee shall be subject to the provisions of NH RSA 91-A and the By-Laws. Discussion: Director Lamson thanked the Chairman. Chairman Smith thanked PDA staff for their assistance. Disposition: Resolved by unanimous vote 6/0 for; motion carried.

## V. Audit Committee

Director Bohenko reported that the Audit Committee met on October 11, 2018. The results were a clean audit with no specific management recommendation. The Committee voted to accept the audit and recommend acceptance by the Board. Director Lamson commented that the audit was well done and a big help to staff. Director Bohenko stated that if people get an opportunity to review the audit, to look at the management analysis and summary and to pay attention to the footnotes throughout the audit report. Director Bohenko further pointed out the only issue being the unfunded liability relative to OPEB (Other Post Employment Benefits).

## VI. Finance Committee Report

### A. Financial Reports

#### 1. Operating Results for Two Month Period Ending August 31, 2018

Irv Canner, PDA Director of Finance, reported on the status of PDA finances for the two month period ending August 31, 2018. The operating revenues are up slightly by about 2% and the operating costs are down by about 1.5%. The key drivers for the increase in revenues are fuel sales. The fee underruns are due to timing assumed for the implementation of pay for parking. It was assumed in the operating budget that the pay for parking would kick off in July and PDA is \$87,000 behind operation. It is anticipated pay for parking will be implemented by January 2019. The increase in All Other-Net is because options are not budgeted and a couple of options have been exercised in this fiscal year so far.

Operating expenses are under budget with no significant variances. Direct payroll in terms of benefit and employees is up about 1.9%. The amount for non-benefitted employees is up about \$20,000 which is more of a timing issue with seasonal employees. Staff total 140 total employees as of September 27th and the number of employees for the next payroll is 126. This is currently one open benefitted position under Maintenance. The total number of filled benefitted positions between PDA and the Division of Ports and Harbors (“DPH”) is 59.

The overall expenses are under budget early in the fiscal year. The expenses under All Other category is over budget by \$113,000 which is associated with the cost of fuel. Fuel sales are approximately \$144,000 and the fuel expenses (cost of goods sold) are \$121,000.

Mr. Canner reviewed the Balance Sheet, and pointed out a few items that came from the audit including the pension and OPEB liability of \$13.2 million: \$8.2 million associated with OPEB and \$5 million associated with pension. The net position of unrestricted funds is a deficit number of \$7.6 million. In FY18, PDA had to recognize the OPEB liability which drove PDA to a deficit of \$8.2 million. Health care costs and stock market performance drive the net position. The Audit Committee suggested a stabilization fund to put money aside to address some of the liability. Cash balances are up by approximately 5% to \$300,000 which is driven by the operating income number from the income statement of \$1.3 million. The Accounts Payable decreased by \$1.3 million from June and the Construction in Process numbers were up \$200,000.

Mr. Canner discussed the individual business units. At the end of August, Portsmouth International Airport at Pease (“PSM”) had approximately 70,000 enplanements versus about 80,000 last year at this time.

The overall current year budget is intact and cumulative funding deficit for Skyhaven Airport (“DAW”) is approximately \$2.1 million.

The heavy emphasis of where PDA derives its operating income is from operations at the Tradeport. Overall, on a cumulative basis, the operating income is \$1.3 million of which \$1.7 million is derived from the Tradeport.

The Golf Course was ahead year to date by 4% in operating revenues primarily driven by non-member play golf fees. Rounds of golf played are up by about 2% with a heavy emphasis on member play of 12,000 versus just over 11,700 last year.

Revenues are up slightly on the unrestricted side of the DPH and operating expenses are up with fuel costs over budget by \$104,000 and fuel sales are by about \$138,000.

## **2. Nine Month Cash Flow Projections to June 30, 2019**

Mr. Canner reviewed PDA cash flow projections for the nine month period ending June 30, 2019 including sources of funds for grant funded and non-grant funded projects. On October 1, 2018, there was approximately \$6.2 million in the PDA account and by June 30, 2019, there will be approximately \$2.8 million which is a decrease by about 50%-60%. The primary driver is money rolled out for the PSM terminal expansion. The capital expenditures for non-grant related projects will total \$4.6 million and the terminal expansion represents \$3.5 million of that amount. There currently is no grant money reimbursement to offset this expenditure. If the funding mechanism stays as anticipated, the Revolving Line of Credit (“RLOC”) will be utilized. The RLOC expires at the end of December 2018. The interest rate has increased by 50% from 2016 and is now at 4.96%.

DPH cash flow is relatively stable. The rate structure may potentially increase beginning in 2019.

### **B. Approvals**

#### **1. Certified Financial Statements**

Director Lamson moved and Director Allard seconded that **In accordance with the recommendation of the Pease Development Authority Audit Committee, the PDA Board of Directors accepts receipt of the certified Annual Financial Statement for the years ended June 30, 2017 and 2018 and the Uniform Guidance Audit of Federal Awards for the year ended June 30, 2018, both attached in draft form; all as otherwise prepared and submitted by PDA’s independent auditor Berry, Dunn, McNeill and Parker, LLC; and further authorizes the Executive Director to forward the certified Financial Statements to the State of New Hampshire when final for inclusion in the Comprehensive Annual Financial Report. Discussion: None. Disposition: Resolved by unanimous vote 6/0 for; motion carried.**

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

### **A. Approvals**

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

Director Allard moved and Director Lamson seconded that **The Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to complete**

negotiations and to execute a Right of Entry (“ROE”) with Jalbert Leasing, Inc. d/b/a C & J Bus Lines (“C & J”) of Portsmouth, NH substantially for the purpose of parking C & J customer vehicles. The ROE is effective from November 1, 2018 through April 30, 2019 with one six-month option to extend to October 31, 2019, which option is subject to the approval of the Executive Director; substantially in accordance with the draft Right of Entry dated October 3, 2018, attached hereto. Discussion: None. Disposition: Resolved by unanimous vote 6/0 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. 75 New Hampshire, LLC – MMG Insurance Company

Mr. Mullen reported that 75 New Hampshire, LLC entered into a sublease with MMG Insurance Company (“MMG”) for 5,000 square feet within the leased premises at 85 New Hampshire Avenue, for a period of 10 years, with one (1) five-year option to extend. MMG will use the premises for office and related uses. Director Lamson approved the sublease.

#### 2. Two International Group, L.L.C. – Nvest Financial Group, LLC

Mr. Mullen reported that Two International Group, L.L.C. entered into a sublease with Nvest Financial Group, LLC (“Nvest”) for 2,948 square feet within the leased premises at 2 International Drive, for a period of 10 years effective after the issuance of a Certificate of Occupancy. Nvest will use the premises for office and related uses. Director Lamson approved the sublease.

#### 3. 100 International, LLC – Law Office of William A. Trafidlo, P.L.L.C.

Mr. Mullen reported that 100 International, LLC entered into a sublease with Law Office of William A. Trafidlo, P.L.L.C. (“LOWT”) for 1,132 square feet within the leased premises at 100 International Drive, for a period of five years commencing November 1, 2018. LOWT will use the premises for professional office and related uses. Director Lamson approved the sublease.

#### 4. International Association of Privacy Professionals – 75 Rochester Avenue

Mr. Mullen reported that International Association of Privacy Professionals (“IAPP”) which has been a tenant of 75 Rochester Avenue, exercised its final option for Unit 1. IAPP increased its space unit by unit over the last few years and now have a total of 55,064 s.f. Mr. Mullen stated that IAPP is the largest privacy professional association in the world and that it may double in size in the next five to seven years.

### B. Approvals

#### 1. Thermo Fisher Scientific, Inc. – Lease Amendment No. 5

Director Bohenko 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 Thermo Fisher Scientific, Inc. (“Fisher”) and to execute a lease extension for the premises located at 23 Hampton Street (Hangar 215); substantially in accordance with the memorandum from David R. Mullen, Executive Director, dated October 10, 2018 and attached hereto.** Discussion: None. Disposition: Resolved by unanimous vote 6/0 for; motion carried.

**2. Allegiant Air, LLC – Terminal Lease and Airfield Operating Agreement Amendment No. 5**

Director Levesque moved and Director Allard seconded that **The Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to execute Amendment No. 5 to the Terminal Lease and Airfield Operating Agreement with Allegiant Air, LLC (“Allegiant”) for the premises located at 42 Aviation Avenue; substantially in accordance with the memorandum from Paul E. Brean, Airport Director, dated October 10, 2018 and attached hereto. Discussion: None. Disposition: Resolved by unanimous vote 6/0 for; motion carried.**

**3. Frontier Airlines – Terminal Lease and Airfield Operating Agreement**

Vice-Chairman Loughlin moved and Director Levesque seconded that **The Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to complete negotiations with Frontier Airlines, Inc. (“Frontier”) and to execute a Terminal Lease and Operating Agreement; substantially in accordance with the memorandum from Paul E. Brean, Airport Director, dated October 10, 2018 and attached hereto to include a cooperative marketing agreement in an amount not to exceed \$135,000. Discussion: None. Disposition: Resolved by unanimous vote 6/0 for; motion carried.**

**4. TCV Albany, Inc. dba FirstLight Fiber – Lease**

Director Lamson 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 TVC Albany, Inc. d/b/a FirstLight Fiber (“TVC”) and to execute a lease for the premises located at 77 Aviation Avenue; substantially in accordance with the memorandum from David R. Mullen, Executive Director, dated October 10, 2018 and attached hereto. Discussion: None. Disposition: Resolved by unanimous vote 6/0 for; motion carried.**

**IX. Contracts/Agreements**

In accordance with the “Delegation to Executive Director: Consent, Approval and Execution of License Agreements,” David Mullen, PDA Executive Director, reported the following:

**A. Reports**

**1. ADB Safegate – Additional Funding**

PDA contracted with ADB Safegate for the overage in cost due to miscommunication of the unit price of five custom fabricated signs. The expenditure of \$4,299.53 was approved by Vice-Chairman Loughlin.

**B. Approvals**

**1. Piscataqua Landscaping and Tree Service, LLC – Landscaping and Snow Removal Contract**

Director Allard moved and Director Bohenko seconded that **The Pease Development Authority Board of Directors approves of and authorizes the Executive Director to enter into a contract with Piscataqua Landscaping and Tree Service, LLC (“Piscataqua”) for the purpose of providing landscaping and snow removal services at Pease International Tradeport for an initial period of three (3) years with two options of one (1) year each, which options are exercisable at the sole discretion of the PDA Executive Director; all in accordance with the memorandum of Paul E. Brean, Airport**



**Director, dated October 10, 2018.** Discussion: None. Disposition: Resolved by unanimous vote 6/0 for; motion carried.

## **2. Electricity Provider**

Director Bohenko moved and Director Levesque seconded that **The Pease Development Authority Board of Directors authorizes the Executive Director to complete negotiations and to enter into a contract with Capital Energy, Inc. for the supply of electrical power for the 24 month period effective on or about November 1, 2018 through October 31, 2020 at the fixed price of \$0.07794 per kWh; all in accordance with the memorandum of Irving Canner, Director of Finance, dated October 17, 2018, attached hereto.** Discussion: None. Disposition: Resolved by unanimous vote 6/0 for; motion carried.

## **X. Executive Director's Reports/Approvals**

### **A. Reports**

#### **1. Golf Course Operations**

E.J. Chea, Head Superintendent of the Pease Golf Course ("Golf Course") reported on the activities at the Golf Course. The Golf Course had another great year and is now in transition to the off-season work. There are currently 50 teams registered for the simulator league. There is a new update to the simulator software which is the Golf National course. The Golf Course hosted several events including the Mid-Amateur Senior Match Play Event sponsored by the New Hampshire Golf Association and the Golf Course was awarded a plaque by the NHGA. The Golf Course also hosted the Division II High School State Golf Championships this year and the New Hampshire PGA Pro Senior events. The Golf Course was awarded the Best of the Seacoast Golf Course award for 2018. The new bridge on No. 6 has held up and there are no issues.

#### **2. Airport Operations**

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

##### **a. PSM**

There were 1,500 scheduled enplanements and 2,500 charter enplanements for the month of September. In September, there were 900,000 gallons of fuel sold which equates to just under \$20,000 for the month. There was \$3,000 in revenue for aircraft parking fees for long-term aircraft. Delta Airlines will be picking up troop flights and will run almost daily over the next two month period.

Mr. Brean reported that PSM had its annual check in with Allegiant Airlines ("Allegiant"). The reaction by Allegiant to Frontier Airlines ("Frontier") operating out of PSM is that Allegiant will be doubling down its operations at PSM. Allegiant stated that due to the phasing of 20 MD80 aircraft this month, there could be a drop in service to some of its airports but PSM was directly told that it is performing so well that Allegiant is adding frequency at PSM but not elsewhere. Allegiant flights to Punta Gorda will be doubled providing daily services from February through May. Allegiant will go from three to six days of service to Sanford/Orlando. In response to Director Bohenko's question regarding the age of the aircraft, Mr. Brean stated that Allegiant is receiving new Airbuses from the factory but still has some Airbus aircraft that are six years old. Allegiant will return for a third season with flights to Myrtle Beach in the spring. Both Punta Gorda and Sanford flights were recognized by Allegiant as being in the top five reverse market routes. People who do not reside in New Hampshire are buying tickets on those flights and using PSM as a gateway resulting in an influx of the leasing of rental cars. Mr. Brean further reported that Allegiant has a corporate philosophy to get customers that are in cold climates to warm leisure areas.

Mr. Brean stated that PSM staff and Frontier continue to work together to get ready for the December 6 kickoff. The local TSA has been working with PSM to prepare for the screening of passengers and baggage screening for these flights.

Mr. Brean reported that since the announcement of Frontier, there has been an interest in small advertising campaigns at PSM which has been stagnant since 2008.

There are now new ads on the terminal walls. Mr. Brean complimented Port City Air, Inc. ("PCA") on the recent arrival of 30 aircraft, 25 of which were F-16s, from McIntyre Air Force Base in South Carolina that stopped at PSM during Hurricane Michael. PCA assisted the flight crews, mechanics, and all the personnel of the aircraft to find accommodations and generally assist them all in the timeframe of two hours. PCA continues to attract large scale military movements due to its increased handling capabilities.

**b. Skyhaven Airport**

Mr. Brean did not report on activities at DAW for September.

**c. Noise Line Report**

There were a total of 16 noise inquiries at PSM during the month of September. There were 14 inquiries regarding rotor wing activities originating from two residences in Portsmouth relating to Seacoast Helicopter activities. The Miller Avenue residence accounted for 13 inquiries and a Ruth Street residence accounted for one inquiry. There was one inquiry regarding fixed wing activities from a Haven Road residence in Portsmouth which pertained to a small aircraft flying a banner which was not based at PSM. There was one noise inquiry originated in Newington which was not related to aircraft.

**B. Approvals**

**1. Bills for Legal Services**

Vice-Chairman Loughlin moved and Director Lamson seconded that **The Pease Development Authority Board of Directors authorizes the Executive Director to expend funds up to \$842.05 for the following legal services rendered through August 31, 2018 to the Pease Development Authority:**

<b>1. Kutak Rock LLP</b>		
<b>General</b>	<b><u>\$842.05*</u></b>	<b><u>\$842.05</u></b>
<b>Total</b>		<b><u>\$842.05</u></b>

\*The balance will be paid by the City of Portsmouth. Discussion: None. Disposition: Resolved by unanimous vote 6/0 for; motion carried.

**XI. Division of Ports and Harbors**

Geno J. Marconi, Division Director, 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**

Mr. Marconi reported that the Port Advisory Council (“PAC”) met on October 10, 2018 and that the approved minutes of the previous meeting are included for the Board’s information. At the meeting, Mr. Reynolds gave a short presentation on the proposed Market Street gateway project showing the configurations and DPH entryway.

**2. Commercial Mooring Transfer**

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

	<u>Permit</u>	<u>Business</u>	<u>Date of Approval</u>
Seabrook Harbor	No. 1882	Commercial Fishing	09/24/18
Transferor:	Arthur Frasca		
Transferee:	Todd Smith		

**3. PC Connection, Inc. – ROE**

Mr. Marconi reported that in accordance with the “Delegation to Executive Director: Consent, Approval and Execution of Charter Boat Right of Entry,” Mr. Mullen approved the ROE for PC Connection, Inc. Mr. Marconi explained that this ROE is for the purpose of filming a promotional video at Rye Harbor.

**4. Boston Line & Service Co., Inc. – ROE**

Mr. Marconi reported that in accordance with the “Delegation to Executive Director: Consent, Approval and Execution of Charter Boat Right of Entry,” Mr. Mullen approved the ROE for Boston Line & Service Co., Inc. Mr. Marconi explained that this ROE is for the purpose of utilizing the facilities at Hampton Harbor by Seabrook Nuclear Power Plant to inspect the cooling tunnels.

**B. Approvals**

**1. Pda Rules 400 – Readoption**

Director Lamson moved and Vice-Chairman Loughlin seconded that **In accordance with the provisions of 12-G:42 X (b), the PDA Board of Directors hereby approves of the Final Proposal - Fixed Text for readoption of Administrative Rules Chapter Pda 400, as attached hereto, and authorizes the Division Director to take any necessary or recommended action in accordance with RSA 541-A:12, in furtherance of this matter. Discussion: None. Disposition: Resolved by unanimous vote 6/0 for; motion carried.**

**2. Juliet Marine Systems, Inc. – ROE**

Director Levesque moved and Vice-Chairman Loughlin seconded that **The Pease Development Authority Board of Directors hereby approves of and consents to the Right of Entry (“ROE”) with Juliet Marine Systems, Inc. (“Juliet”) for the use of the facilities at the Market Street Terminal for the purpose of hauling out of the water by crane, storing and loading onto a ship, a 60’ vessel; all in accordance with the memorandum of Geno J. Marconi, Division Director, dated October 9, 2018, attached hereto. Discussion: In response to Vice-Chairman Loughlin’s question for an explanation of**

what the ROE is for, Mr. Marconi stated that a ROE was appropriate for this type of project because of the unknown factors such as timing and that this activity required a formal ROE. Disposition: Resolved by unanimous vote 6/0 for; motion carried.

### 3. FEMA Grant Acceptance

Director Bohenko moved and Vice-Chairman Loughlin seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director:**

- (1) to accept on behalf of the PDA-Division of Ports and Harbors, a Federal Emergency Management Agency (“FEMA”) grant offer in the amount of \$209,171.00 for security fencing, lighting, training, and emergency generators;
- (2) to seek authorization from the Capital Budget Overview Committee to release and use \$68,504.00 of Harbor Dredge/Pier Maintenance funds for PDA’s required matching share of the grant; and
- (3) to execute such other documents and/or agreements as are necessary or appropriate to secure the grant offer.

**all in accordance with the memorandum of Geno Marconi, Division Director, dated October 16, 2018 attached hereto.** Discussion: Mr. Marconi reported that in the last few years, Deputy Chief Harbor Master Grant Nichols, in consultation with other PDA staff, has been doing the writing for the grants for the DPH port security and has been successful. Disposition: Resolved by unanimous vote 6/0 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	Thursday, November 1, 2018 (55 Market Street)
Golf Committee	Tuesday, November 13, 2018
Finance Committee	Tuesday, November 13, 2018 at 8:30 a.m.
Board of Directors	Thursday, November 15, 2018

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

### XIV. Directors’ Comments

Director Bohenko extended his thanks to Chairman Smith for bringing forward the housing committee. Director Lamson concurred, stating that she will send the committee criteria to the Town of Newington and asked to whom the TON designee should send the name of the designee, Chairman Smith suggested that the information be sent to Mr. Mullen and Ms. Hinchee.

Chairman Smith thanked the Board for its patience and diligence given the September meeting.

**XV. Non-Public Session**

Director Allard moved and Director Bohenko 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.**

**Note: Roll Call Vote Required.** Discussion: None. Disposition: Resolved by unanimous vote; motion carried. The Board entered into non-public session at 12:23 p.m. The Board returned to public session at 12:45 a.m.

**XVI. Vote of Confidentiality**

Vice-Chairman Loughlin moved and Director Bohenko 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 October 18, 2018 meeting related to:**

- 1. Leasing**

would, if disclosed publically, a) render the proposed actions ineffective; and b) affect adversely the reputation of any person other than a member of the public body itself; 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 Vice-Chairman Loughlin seconded to **adjourn the Board meeting.** Discussion: None. Disposition: Resolved by unanimous vote for; motion carried. Meeting adjourned at 12:48 p.m.

**XVIII. Press Questions**

There were no questions from members of the press.

Respectfully submitted,



David R. Mullen  
Executive Director