

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

Thursday, September 19, 2019

Presiding: Kevin H. Smith, Chairman
Present: Peter J. Loughlin, Vice Chairman; Robert A. Allard, Treasurer; Margaret F. Lamson; Neil Levesque and Franklin G. Torr
Late Arrival: John P. Bohenko arrived to the meeting at approximately 8:25 a.m.
Attending: David R. Mullen, Pease Development Authority ("PDA") Executive Director; Paul E. Brean, PDA Deputy Director and Airport Director; Lynn M. Hinchee, General Counsel; PDA staff members; members of the public.

I. Call to Order:

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

II. Acceptance of Meeting Minutes: August 22, 2019

Director Loughlin moved and Director Allard seconded that **the Pease Development Authority Board of Directors hereby accept the minutes of the August 22, 2019 Board meeting.**

Discussion: Director Lamson ("Lamson") abstained from voting on the minutes as she was not in attendance at the meeting, but rather attended telephonically.

Director Torr ("Torr") complimented Raeline on the intuitiveness of the minutes; Lamson indicated they are outstanding and PDA is lucky to have her; Smith reiterated Lamson sentiments.

Disposition: Resolved by unanimous vote for; motion carried.

III. Public Comment:

There was no public comment.

IV. Old Business:

A. Approvals:

1. Lonza – (Parking Garage and Iron Parcel)

Director Allard moved and Director Loughlin seconded that **the Pease Development Authority Board of Directors hereby approves of Lonza Biologics, Inc.'s ("Lonza") revised conceptual plan to convert one of the parking garages at 70/80 Corporate Drive to a central utility building and to add four floors (total of seven) to the second parking garage to replace the lost spaces; all in accordance with the terms and conditions set forth in the memorandum of Maria J. Stowell, P.E., Manager - Engineering, dated September 10, 2019.**

Smith asked if there were any additional questions or comments from the Board, none heard. Smith indicated that the Board has been kept abreast on the permitting process by Mullen and Hinchee and that it is the goal of the PDA Board to see this project move forward. Smith, as the Governor's appointee on the Board, noted the Governor very much wants to see this project to continue to move forward and that the State is very intent on helping this come to fruition.

Disposition: Resolved by unanimous vote (6 – 0; Director Bohenko had not yet arrived to the meeting) for; motion carried.

V. Finance:

A. Reports:

1. FY 2020 Financial Report for the Period Ending July 31, 2019

Finance Director Irv Canner ("Canner") indicated that the numbers are very light and premature where this is only the first month in the new fiscal year; no obvious trends (negative or positive) at this time. PDA's auditors, Berry Dunn, completed its work last week after being at PDA for approximately three and a half days. Now they have the review process (additional partner review and independent partner review practices) at its offices in Manchester. No audit review findings at this point. There is an Audit Committee meeting on October 15th and the goal is to have the certified financials approved and to the State by November 1st.

As seen every July, August and September, PDA shows an impact of the accrual process (PDA keeps its books open in an effort to capture FY19 invoices). PDA has slow paying/billing vendors; PDA has an aggressive accrual process that keeps the books open until the early part of August before the auditors come in. Historically PDA shows underruns in operating expenses during the first couple of months of the FY.

Given the condition of the Portsmouth Fish Pier there were no fuel sales (now and the foreseeable future). Not only is it a loss of sales but an avoidance of the cost of fuel.

With respect to fee revenues, golf fees represented just over 63% and then golf membership fees. The success of the Golf Course is through golf fees (non-member play) being a significant portion as PDA moves forward throughout the year.

PDA staffing is at 154 employees as of the end of July of which there are 61 benefited positions (16 salaried and 45 hourly benefited positions); the number of employees as of today being 157. Lamson asked where PDA is at with its seasonal employees; Irv indicated 68 seasonal employees as of the end of July. As of September 19th, seasonal employees is 71, but in the process of ramping that down.

The organizational chart incorporates the IT Director (authorized position) and Assistant Director of Finance (transitional position) that have been discussed over the last several months. Both positions are posted and interviews for the Assistant Director of Finance have been scheduled. Regarding the Airport, Paul Brean's title has been updated and the Trusted Agent

to fund those projects. Consistent with discussions, come late April / May we will need to utilize the RLOC.

Division of Ports and Harbors DPH shows consistency (mooring season DPH receives a significant amount of its revenues); chart further showing a decrease over this period which is consistent with the cash flow of the Port.

VI. Licenses/ROE/Easements/Rights of Way:

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

A. Reports:

1. **Right-of-Entry – NH DES to enter upon the premises located at 360 Corporate Drive for overflow parking**

Mr. Mullen indicated that NH DES has been granted a Right of Entry to use the premises located at 360 Corporate Drive for overflow parking on September 18, 2019 for use as overflow vehicle parking as part of a joint training exercise with the U.S. Coast Guard.

2. **Right-of-Entry – U.S. Department of State – Active Shooter Training**

Mr. Mullen indicated that the U.S. Department of State has been granted a Right of Entry for the purpose of vehicle parking and command/response post staging, as well as to employ traffic control measures (which may include road closure) on a portion of International Drive in the vicinity of 207 International Drive (the National Passport Center), relating to an active shooter training exercise involving first responder entities, to be conducted within the National Passport Center at 207 International Drive, Portsmouth, New Hampshire, and the National Visa Center, 32 Rochester Avenue, Portsmouth, New Hampshire, on September 19, 2019, and for no other use.

VII. Leases:

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

A. Reports:

1. **Sublease between 231 Corporate Drive, LLC and University of New Hampshire**

Mr. Mullen indicated that 231 Corporate Drive, LLC (f/k/a Kingsbarns, LLC) entered into a sublease with the University of New Hampshire (“UNH”) for 2,643 square feet within the leased premises at 231 Corporate Drive, for a period of sixty (60) months, with an effective date of September 1, 2019. UNH will use the premises for classroom and any customary accessory uses. Director Lamson approved the sublease.

- **Going out to bid for software options would require PDA Golf Course to have to purchase a new company's hardware to operate its system.**

Note: This motion requires 5 affirmative votes.

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

2. 14 Person Passenger Bus – ADA Compliant

Director Lamson moved and Director Torr seconded that **the Pease Development Authority Board of Directors hereby authorizes the Executive Director to enter into an agreement to purchase a fourteen (14) passenger bus that complies with the Americans with Disabilities Act (“ADA”) from Alliance Bus Group Inc., College Park, GA (Branch in Hudson, NH) for a price not to exceed \$71,997.00; all in accordance with the memorandum of Ken Conley - Fleet Manager, dated September 10, 2019.**

Discussion: Lamson indicated it is needed; Mullen indicated that the current bus is 18 years old and it was used when PDA received it. Smith indicated that he doesn't have a problem with approving the request. However, he asked if any dealership had been approached about donating a vehicle that would be in compliance. PDA Deputy Director/PSM Airport Director Paul Brean (“Brean”) indicated that PDA did work with local vendors but didn't ask for a contribution; however, if he would like to hold off PDA could make some calls. Smith doesn't want to hold it as it sounds like bus is needed. Wondered if prior to the money being expended local dealers could be approached to see if they may have surplus vehicles on the lot -- it would be a tax write-off for a dealership.

Director Bohenko (“Bohenko”) asked if the State bid list had been reviewed for vans, the City uses the State bid list for cars. Brean indicated that a 14 passenger was not recognized on the State bid list.

Lamson indicated that Brean covers every angle; Brean further stated that Ken does a great job on fleet and values a dollar.

Disposition: Resolved by unanimous vote for; motion carried.

IX. Signs:

In accordance with the “Delegation to Building Inspector: Consent and Approval of Minor Revisions to Existing Signs” Mr. Mullen reported as follows:

A. Reports:

1. Purchase of Optima Bank by Cambridge Trust Bank

Mr. Mullen reported that PDA has approved a minor signage change to replace the Optima Bank signage on the building, the directional sign and the monument sign at property located at 20 International Drive. This change is a result of the recent purchase of Optima Bank by

b) Skyhaven Airport (DAW)

Brean indicated that there isn't much to report at Skyhaven. He has been in discussions with some flight schools about utilizing Skyhaven as an inflight cross country training classroom. This would be for students that come out of other airports and have to go to a cross country destination and they could be welcomed at Skyhaven to do the inflight briefing.

c) Noise Line Reports *

There were a total of four (4) noise inquiries in August, 2019. The four (4) inquiries were for rotor-wing aircraft (from two residences - one from Portsmouth, NH and the other from Kittery Point, ME). The inquiry from Portsmouth was concerning a helicopter doing aerial photography and the Kittery Point inquiry was that it was flying too low over the harbor.

Bohenko asked if one morning there were F16s at PSM; Brean affirmed. Brean further indicated that was a squadron seeking shelter from the hurricane down south. They were serving a mission and came up to Portsmouth and then crossing over to Atlantic. However, there had been an issue with the aircraft carrier they were destined for so they had to divert back. Brean stated that usually the Guard is good about providing information to the communities but this was an emergency so had little notice. Bohenko mentioned it was early morning; Lamson indicated it was approximately 3 a.m.; Brean stated that the F16s were fueled up for the mission so they were full of fuel and had to use its afterburners.

Bohenko further questioned about several touch and goes; Brean stated that was for a US Air Force 747 with blue and white colors. Bohenko asked if it was for training; Brean affirmed.

Lamson asked if Brean would relay to the Colonel at the Guard that it would be nice if there was communication when training takes place so people would understand; Brean indicated that the Guard is typically good about getting communications out to the public of scheduled activity, but he will relay the request.

Smith indicated to Lamson that there were no noise complaints in July (Lamson had not been in attendance at the July August meeting).

B. Approvals:

1. Bill for Legal Services

Director Levesque moved and Director Torr seconded that **the Pease Development Authority Board of Directors authorizes the Executive Director to expend funds in the total amount of \$26,635.18 for legal services to the Pease Development Authority.**

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

XI. Division of Ports and Harbors:

Geno J. Marconi ("Marconi), Division Director of the Division of Ports and Harbors

Director Torr moved and Director Allard seconded that the Pease Development Authority Board of Directors hereby approves of the Initial Proposed Schedule of Fees: Commercial Piers and Associated Facilities, and authorizes the Division Director to take any necessary or recommended action in furtherance of this matter; all in accordance with the memorandum of Geno J. Marconi, Division Director, dated September 10, 2019.

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

3. Right-of-Entry Extension - Juliet Marine

Director Bohenko moved and Director Allard seconded that the Pease Development Authority Board of Directors at its meeting of May 16, 2019, approved a Right-of-Entry (ROE) to Juliet Marine Systems, Inc. ("Juliet") for the use of the facilities at the Market Street Terminal for the purpose of storage and loading of a vessel; Juliet is now requesting an extension of the original ROE through April 30, 2020.

The Pease Development Authority Board of Directors hereby approves of and consents to the extension of Juliet Marine Systems, Inc.'s Right-of-Entry; all in accordance with the memorandum of Geno J. Marconi, Division Director, dated September 10, 2019.

Discussion: Director Levesque indicated that the cadets, on the Eagle Tall Ship, were very impressed by this Ghost boat located at the Market Street Terminal. Marconi indicated that you can watch how the Ghost boat moves over the water if you Google it, a YouTube video comes up.

Disposition: Resolved by unanimous vote for; motion carried.

4. Right-of-Entry Extension - Riverside and Pickering Marine Contractors at Market Street Terminal for Buoy Project

Director Loughlin moved and Director Lamson seconded that the Pease Development Authority Board of Directors at its meeting on May 16, 2019 was a Right-of-Entry requested by Riverside & Pickering Marine Contractors for use of ½ (one-half) acre of laydown area and non-exclusive use of the Barge Dock at the Market Street Terminal for the "Buoy Project", Riverside & Pickering Marine Contractors is now requesting an extension of the original Right-of-Entry through December 31, 2019;

The Pease Development Authority Board of Directors hereby approves of and consents to the extension of the Riverside & Pickering Marine Contractors Right-of-Entry to allow more time for completion of their project; all in accordance with the memorandum of Geno J. Marconi, Division Director, dated September 10, 2019.

Discussion: Marconi informed the Board that it is the Healy Wave Energy project. This is an offshore buoy that will be floated to the permitted aquaculture site UNH has south of the Isles of Shoals; the concept is as the floating buoy goes up and down with the waves there is a piston inside that generates electricity. It is an experimental buoy that was developed privately by Healy. If you drive over the Sarah Long Bridge you see the buoy sitting up about 40' in the air. It is an

the Piscataqua River up to and including Dover Point, New Hampshire; all in accordance with the Memorandum of Geno J. Marconi, Division Director, dated September 17, 2019.

Discussion: Marconi apologized for the late item; stated that Portsmouth Pilots has only two Class A pilots and an apprentice pilot - working his way up. Earlier this week Marconi was informed that one of the Class I pilots will be having surgery. Captain Dawes has enough hours for a Class II pilot and so he has submitted his application it has been reviewed to make sure it meets DPH requirements and the regulations call for this to come before the Board. Captain Dawes has done a great job and before he started with Portsmouth Pilots as an apprentice, DPH saw how he handled things on the river and he is talented.

Disposition: Resolved by unanimous vote for; motion carried.

XII. New Business:

XIII. Upcoming Meetings:

Port Committee	October 03, 2019 @ 8:00 a.m.
Audit Committee	October 15, 2019 @ 8:00 a.m.
Board of Directors	October 17, 2019 @ 8:00 a.m.
Residential Housing Committee	October 17, 2019 @ TBD

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

XIV. Directors' Comments:

XV. Adjournment:

Director Lamson moved and Director Allard seconded to **adjourn the Board meeting**.

Discussion: None. Disposition: Resolved by unanimous roll call vote for; motion carried. Meeting adjourned at **8:55 a.m.**

XVI. Press Questions:

There were no questions from the press who attended the meeting.

Respectfully submitted,



David R. Mullen
Executive Director